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3CE335P4 – EURUFU



O 3.1.5 Local economy and job opportunities in project regions

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1 Introduction

1.1 The report

This is a comprehensive report about the current regional situation regarding the EURUFU-key topic of Local economy and job opportunities in the eight project regions (output 3.1.5).

The analysis about this EURUFU-key topic was organized and carried out by PP3 – Usti Region. In order to gather the relevant information regarding the regional economic activity, education, infrastructure and transport offers from a strength-weakness-threats-opportunities-point of view with special attention to the impact of unemployment, a questionnaire (see annex) was developed to be completed by the partners for their designated project regions.

The structure of the questionnaire was organized according to the main aspects listed in the following that were identified as relevant to explore in the context of rural areas, economic activity and job opportunities offers:

- General situation
- Agricultural sector situation
- Industrial sector situation
- Services sector situation
- Job opportunities
- Other topics

Together these aspects could have a high significance for an inclusive coverage of the current situation, which furthermore helps laying the basis for the successive working steps of the ERUFU-project in the context of this key topic. Nevertheless, there are many problems that complicate the assessment of the situation (especially the project regions are much differentiated, distinguish rural areas and get accurate data is difficult, inaccurate figures at questionnaire entries, using different indicators and methodology). It is therefore necessary to emphasize that the applicability of the findings is largely limited.

The situation of the eight project regions regarding the relevant aspects asked for in the questionnaire are described in chapters 2 to 9. Summary of the information gathered at the end in chapter 10 there is a compilation of issues and problems that the eight project regions all have in common (due to the local/regional conditions and prerequisites obviously to a different extent).

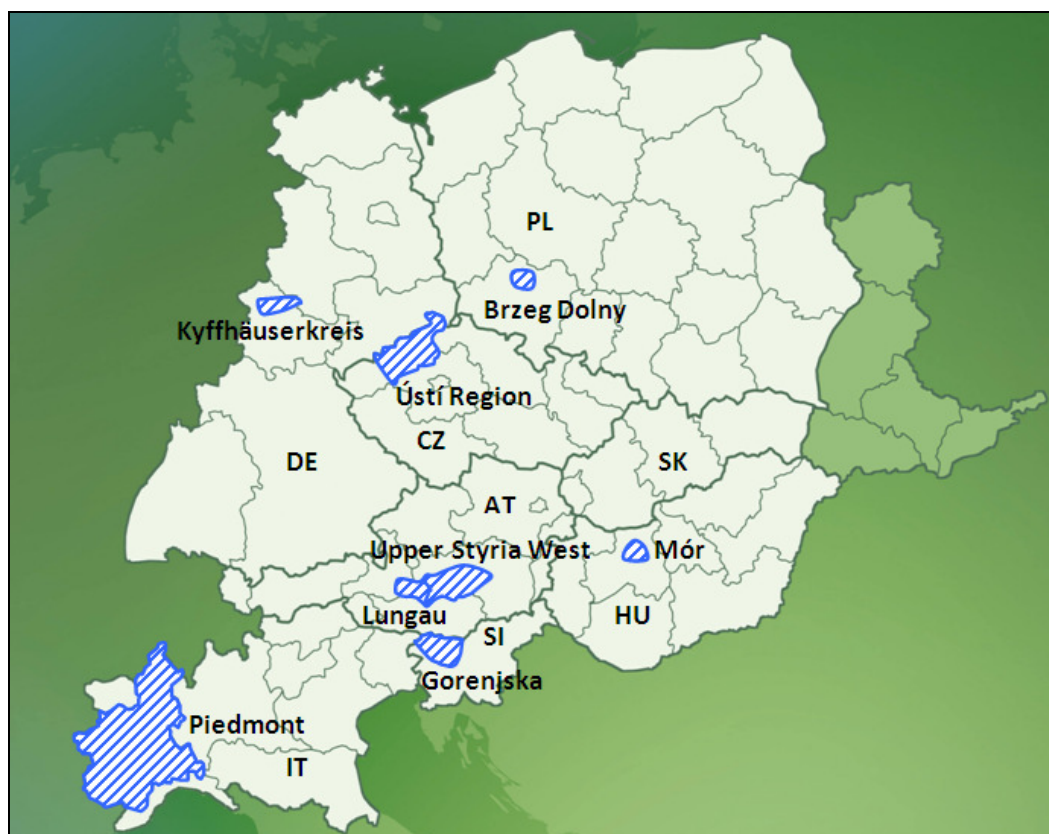


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1.2 The project regions

The eight project regions are as listed below, their location within the Central European project area is displayed in the map:

- Upper Styria West, Austria
- Piedmont Region, Italy
- Kyffhäuserkreis, Germany
- Lungau, Austria
- Microregion of Mór, Hungary
- Gorenjska, Slovenia
- Ústí Region, Czech Republic
- Brzeg Dolny and surroundings (Wołów country), Poland



Map 1: The project regions in central Europe (based on www.central2013.eu)



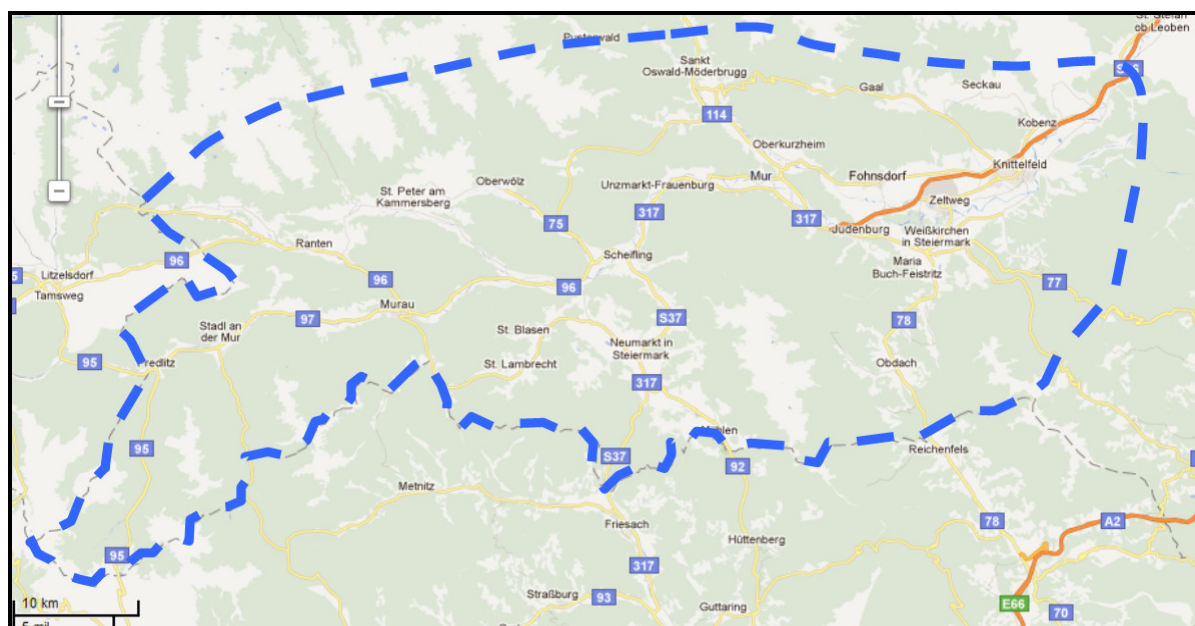
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2 Upper Styria West, Austria

Population: 103,500, Area: 3,060 km², Density: 34 inh./km²

Main settlements:

- Knittelfeld (11, 600 inh.)
- Judenburg (9,300 inh.)
- Zeltweg (7,300 inh.)
- Spielberbein Knittelfeld (5,100 inh.)



Map 2: Upper Styria West (based on Google Maps)

2.1 General situation

According to available data (July 2011) in Upper Styria West there were 2,058 unemployed people and the unemployment rate reached 4.7 %. While 22.4 % of unemployed people were older than 50 years, the unemployed young (15-24 years) constituted 19.2 % of all unemployed. Similar values of indicators shows the region Styria (region superior to Upper Styria West Region), there was the unemployment rate of 5.1 %, of which 16.1 % were young people (15-24 years) and 20.8 % were people older than 50 years.

The following structure of the population in rural areas is evaluated only for Syria region (data for Upper Styria West are not available). Economic activity of the rural areas inhabitants in this region is characterized by high share of people working in the tertiary



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sector (312,623 people or 67.8 %) and also in the secondary sector (144,887 inhabitants or 31.4 %). Primary sector constitute only less than 1 % of economic activity of rural inhabitants (data for year 2008).

Educational structure of population in rural areas of Styria is as follows: 35.6 % of the population have as the highest level of education only primary education, 57.9 % people reached secondary education (62 % of them are only apprenticed) and university graduates make up 6.5 % of all rural residents areas (micro-census 2001).

In terms of infrastructure in rural areas of Upper Styria West can be highlighted particularly high quality drinking water and complete covered waterline, electricity and sewerage system. The density of road system is also comprehensive, but more than 50 % of rural road network is in poor condition. Region is cut through by the road of international significance (freeway S36), which leads from Judenburg across Knittelfeld to Leoben, Graz, Salzburg, Linz and Vienna. In the district of Murau interstate road absents. Gas system is available only in urban areas of the districts Judenburg and Knittelfeld. Rural areas and district of Murau are not equipped with the gas system as well. However, the region disposes with a very good railway link (the major railway line passes through all three districts). There are also two local railway lines (one of them is intended only for freight traffic).

Availability of broadband internet is not optimal. It is available only in Aichfeld and partially in the denser populated rural areas.

Main aspects of SWOT

- Lack of professionals because of demographic change all over Upper Styria West.
- Worse road infrastructure situation in the district of Murau.
- The dilemma: strong resistance of inhabitants against the expansion plans regarding to B317 (road) to S36&S37 (freeway), while there is also a strong demand for this expansion.

2.2 Economic sectors situation

The agricultural sector in rural economy is relatively important with regard to high quality food, traditions and landscape maintenance. For notion, the share of agriculture in rural economy is 2.8 % (data only for Styria 2008).

The typical products of local agriculture include: cheese (e.g. "Murtaler Steirerkäs", "Erzherzog Johann Käse), eggs (e.g. Toni's Freiland Eier), beef (e.g. Zirbenlandrind), potatoes (e.g. "Kartoffeln vom Murbodenbauern"), milk (e.g. "Zurück zum Ursprung") and generally broad offer of bio products and specialities.

Various subjects in the region seek to develop local marketing of agricultural products. From the most successful we can mention the project "Genial!Regiona.Murtal" (regional producer present their products to pupils and answer some questions). Project aim is to build up a



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well understanding about regional agriculture economy and an expansion of knowledge about quality of regional products. Very well done is the marketing of cheese products and the other dairy products of the “Obersteirische Molkerei” – Company.

Rural economy of the Upper Styria West is characterized by very high importance of the industry. It is evident from the share of industrial sector in rural economy (36.3 %) and other numerical indicators (43 % value, 47 % jobs, 60 % municipal tax).

Types of industry activities practised in rural areas are: high tech industries – like mining machines production, high end paper machine parts, parts for automobiles, trucks, aeroplanes, electro motors, high speed rails and railway turnouts; high-end products like lawn mowers and garden machineries; high tech wood industries with one competence centre, wooden components for timber construction, lumber yards, special woods for instrument construction; paper industries, food industries or electrical engineering.

Share of service sector in rural economy is 60.9 % (data only for Styria 2008). However, the significance of service sector is rather selective. In the district of Murau the service sector is playing the central role for the local economy and most of the people are employed in tourism. The strongest tourism industry divisions are winter and motor sports tourism. For the region as a whole, the service sector is not as important as the industrial sector.

Actually, there are more jobs available in the branches of health care, elderly care and social care based on the demographic change. A strong growing branch in Upper Styria West is elderly care. The job offer in the educational and local authority sector is shrinking because of the structural reforms aimed at cutting costs.

Contrary to situation in public services the job opportunities in private services are stable. Jobs in restaurants or shops are easily available but the salaries are low. A high demand of well educated people is in the tourism, but the branch seems to be not very attractive for many people because of long working hours and weekend work.

2.3 Job opportunities

Since, the industrial sector is the most important sector in local economy, it is not surprising that industrial companies are the largest employers in the region (e.g. ATB nearly 600 employees; SANDVIK more than 500 employees, VAE more than 400 employees). They are very powerful and well organized. Furthermore, industrial companies are engaged in regional development and involved in different regional projects. Industry is the biggest employer in the region. Austrian army is the largest employer in public sector. There is a military airbase in Zeltweg with more than 800 employees.

The SME’s maintain a very important role in local economy of the region. They have central importance for the industry as suppliers. SME’s are the biggest trainers of apprentices, are innovative and have well educated employees. In disparity to the industry the SME’s are more resistant against crises and more rooted in the regional society.



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Family enterprises are very successful in the region. For example the “PAPST” company in Obdach is one of the biggest employers in the region (more than 300 employees). The worldwide acting company IBS (more than 500 employees worldwide) is also a family enterprise. In Upper Styria West starting enterprises get very good support and find a very well developed infrastructure in the area Aichfeld. In generally, Styria reaches one of the highest R&D subsidy rate in Austria.

In terms of job opportunities and tourism, the situation is to a large extent influenced by the seasons. Job demand rises during winter especially at ski areas. With the arrival of important investors, substantial tourism has been developed. The remediation of the race course in Spielberg and the construction of some new hotels contributed to improvement in the quality of gastronomy in Aichfeld. Furthermore, Dieter Mateschitz (Red Bull) has invested in the area and improved the quality of hotels and increased the number of available hotel beds. The region offers hotels of good quality at rural areas especially at the ski areas. Ongoing investments at the ski areas guarantee a growing number of overnight stays.

However, Upper Styria West is not a typical region of seasonal mass tourism, with extraordinary events like “airpower” air show, “Snowboard WM” and the motorsport event “DTM” the region attracts tourists from all over the Europe.

Furthermore, there are several haute cuisine restaurants with highest certifications and excellent meals (e.g. Schloss Farrach, Hotel Lercher, Schloss Gabelhofen, Ristorante Da Franco, Steirerschlossl).

Besides the above, there are also many special organisations and programmes for people who have problems to get a job. Most of the organisations especially the governmental are funded by AMS (Arbeitsmarktservice), BMASK (Bundesministerium für Arbeit Soziales und Konsumentenschutz) and by the European Union (ESF Fond). Additionally, in Upper Styria West there are some NGOs, but most of them are also co-financed by AMS, BMASK and EU. There are programs to reintegrate people of every age in the job market, special projects for people with special needs and a broad offer of education and courses for unemployed people. Moreover, unemployed people receive money from the state, but only if they meet certain requirements for it. Charity organisations donate some money for the diverse projects and organizations to promote employment in the region.

Finally, in terms of job opportunities, it should be mentioned, that the brain drain is a problem in the region. Very well educated people immigrate to Vienna or Graz and most of them do not come back.

Main aspects of SWOT

- Very strong and innovative industrial companies in “Aichfeld”.
- Well developed infrastructure in “Aichfeld”.
- Regional binding of family companies is very high.



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- Best practice: Project “Kraft. Das Murtal” - to increase regional sustainability, to rise competitiveness of industry and SME, to create an industry tourism offer, to increase apprentice training and to promote the industry. Partnership between more than 55 companies, state, municipals and governmental organisations.
- Well educated people leave the rural areas because of missing job opportunities.

2.4 Other topics

Most of the commuting occurs from the remote municipalities to Judenburg, Knittelfeld and surroundings. Especially from the eastern part of the Murau district many people commute to the mentioned places. A small share of people from the districts of Knittelfeld and Judenburg commute to larger towns to east like Leoben, Bruck an der Mur, Kapfenberg or to the Styrian capital of Graz. The public transport system in Aichfeld (around Judenburg and Knittelfeld) is very effective and has high network density with 15 minutes frequency and affordable prices. On the other hand in rural areas the public transport is ineffective due to long ways and low and decreasing population densities. In remote areas the network has a low density and there are long waiting times or low frequencies.

There is a broad offer of education for adults and companies use the education infrastructure to increase qualification of their employees. Education institutions and companies are very good coordinated and there is even a special organisation for basic adult education in Upper Styria West (Bildungsnetzwerk Steiermark).

Tourism is also supported by adult education in the region. There are some special trainings for employed persons in tourism. They have opportunity to attend special courses on regional products, tourist attractions and regional traditions and history (e.g. Zirbenlandakademie, Holzweltbotschafter).



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3 Piedmont region, Italy

Population: 4,456,532, Area: 25,402 km², Density: 175.4 inh./km²

Main settlements:

- Torino (910,188 inh.)
- Novara (105,024 inh.)
- Alessandria (93,922 inh.)
- Asti (75,793 inh.)
- Cuneo (55,308 inh.)



Map 3: Piedmont Region (based on Google Maps)

3.1 General situation

In Piedmont Region the unemployment rate reached 7.5 % (year 2011). It can be observed, the rate is relatively invariable. It was maintained about 7.6 % in previous period (2009-2010).



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Approximately 400,000 businesses which are settled in Piedmont Region are concentrated mostly at agricultural sector (primarily the small family businesses). Agriculture sector has region's share 16 % of employment. The others economic subjects pursue for example building and manufacturing. For illustration, in rural areas the average employment rate in manufacturing reached 33 % and in food industry 4 %.

The 16 % of inhabitants in rural areas have secondary education (with diploma) or university degree. In detail, the educational structure of population in rural areas is as follows: 4.7 % of young people have tertiary education, 22 % of the population have high school qualification and 30 % were attending junior high school and 33 % only elementary school.

Infrastructure in rural areas of Piedmont Region has many problems. The road system is comprised of approximately 25,000 km roads, but railway network is insufficient, especially connection from rural areas to the main cities. The region contends with results of two floods (in 1994 and in 2008). Some railways were destroyed and had not been recovered until now. Owing to that, lot of small villages (e.g. Farigliano in Cuneo Province) don't have a train station. Consequently, the most important transport system is bus service. Every municipality disposes with the electricity and gas system, but more than 900 municipalities (74.6 %) don't have the internet access. The 311 brownfields are localized in areas of hills and plains.

Main aspects of SWOT

- Piedmont Region is willing to decrease internet connection gap of rural areas and has signed an agreement with Telecom Italia for the implementation of new network for peripheral areas.
- High variety of eco-systems and landscapes.
- Good instruments for the monitoring system of waters.
- Good planning of forests and landscape.
- Lots of different territorial backgrounds offer the possibility to differentiate the development solutions.
- Small ICT, infrastructures and services offer.
- High possibility of residential complex that could be revitalized.
- Demographic change condition is unfavourable to a dynamic revitalization of rural areas.

3.2 Economic sectors situation

The majority of economic activity in peripheral areas is concentrated at agriculture or manufacture industry.



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More than half of agricultural production (57 %) is localized in disadvantaged areas. The high share evidences high importance of agriculture sector for local economy, if compared to other sectors. Nevertheless, the profitability of local soil and work efficiency is lower than of the overall Piedmont Region. The typical products come from sheep farming (70.3 %) especially cheeses and others dairy products. The share of products of cattle farming is 17.9 % and of swine farming 5.2 %. In terms of employment in primary sector, the share reaches 9 %.

Rural areas have a rate of industrial activities only about 1.7 % and secondary sector structure is composed mainly by manufacturing (13 %) and food industry (2 %). The number of industrial businesses is low. The majority of them are micro-enterprises. It is very common to find enterprises where its owner is the only one employee, as well. Around 40 % of population in rural areas work in industry.

Service sector is indispensable for rural economy. Approximately one half of population in rural areas of Piedmont Region work in service sector. The sector comprises above all tourism (5 %) and commercial sector (30 % businesses and 15 % services enterprises).

Main aspects of SWOT

- Synergy among all the relevant activities in rural areas (wine and food sector, tourism, handcraft).
- Lack of young entrepreneurs with a considerable level of expertise.
- Low productivity of workforce.
- Rural areas don't produce innovation. It is necessary to introduce innovation and to find new markets.
- Lack of renewable energy use.
- Lack of inter sector integrated models.

3.3 Job opportunities

The role of large employers in local economy is less important than in the rest of Piedmont Region and local economy is mainly characterised by micro-enterprises, as already mentioned above. Size structure of businesses is as follows: 58 % of enterprises in rural and peripheral areas have just one employee (the owner of the firm), 40 % have from 2 to 9 employees and those are concentrated above all at service sector (especially on tourism).

There are regional grants and funds for entrepreneurs who would like to start economic activities in rural and marginal areas, especially for the young ones (people younger than 40 years). Piedmont's Region budget aids this specific measure by € 6.5 million. In addition, Piedmont Region has draft a special plan, "Rural Development Plan 2007-2013", which provides a series of instructions and specific plans for rural areas.



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The majority of UNESCO sites of Piedmont Region are localized in rural areas: e.g. Savoy abodes or Holy Mounts. Furthermore, Piedmont Region is waiting for the approval to inclusion Langhe Monferrato Roero hills to the UNESCO sites. In terms of tourist offer (hotels and services) mountain areas (surroundings of Turin and Cuneo Alps) are the most attractive, both in winter and in summer. It should be also emphasized increasing importance of ecotourism in rural areas particularly areas offering wide offer of restaurants, specific itineraries and tourist proposals. In Piedmont Region the share of hotels in rural areas is 4.2 % in agriculture-intensive areas, 7.5 % in intermediate areas and even 36.9 % in areas with development problems. According to abovementioned information, tourism probably gathers a large number of job opportunities.

In terms of public services and concerning job opportunities, some potential is for example in education. In all the mountain areas of Piedmont Region, the number of schools is 50 (7.4 % on the total). Micro-schools (schools that have less than 50 enrolled students) constitute 44 % of total number of schools.

Main aspects of SWOT

- There are serious plans for rural development in Piedmont Region.
- The lack of available job opportunities is often the main problem in rural areas.

3.4 Other topics

Generally, in Piedmont Region 49.5 % of population commute to employment. Although the majority of people are employed in cities and are commuting, the transport services are not satisfactory. Trains are almost always overcrowded and very often late (at least 5 minutes late). Some data coming from the last census (2004): 4.9 % of inhabitants of Piedmont Region use train, tram or metro for way to work or school, 8.6 % use bus; 2.7 % use school buses or company buses, 49.7 % use its own car, 13.6 % carry on car-sharing, 1.7 % commute by motor scooter. The 38.7 % of people in Piedmont Region work in another municipality, 3.8 % in another province (related to residence).



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4 Kyffhäuserkreis, Germany

Population: 81,450, Area: 1,035 km², Density: 79.4 inh./km²

Main settlements:

- Sondershausen (23,000 inh.)
- Bad Frankenhausen (9,000 inh.)
- Artern (5,700 inh.)
- Roßleben (5,500 inh.)
- Greußen (3700 inh.)



Map 4: Kyffhäuserkreis (based on Google Maps)

4.1 General situation

According to statistics for year 2009, the share of unemployed people in Kyffhäuserkreis was 15.4 % (in 2005 even 24.5 %). In relation to larger territorial units: in Thuringia the share was 8.6 % and in Germany 7.1 %.

There are 29,900 economically active persons (both urban and rural, year 2010). More detailed figures of economy structure by labour force in the region: 4.7 % of people worked in agriculture, forestry and fishery; 26.4 % in industry (within that: 17.4 % production, 9.0 % construction); 68.9 % in services (19.4 % of them in branch of trade, hotel, gastronomy and transport; 8.7 % in finance, renting, company services and 40.8 % in public and private services). Compare with statistics of whole Thuringia: 2.6 % of population worked in agriculture, forestry and fishery 29.1 % in industry (within that: 20.9 % production, 8.2 % construction); 68.2 % in services (within that: 22.1 % trade, hotel, gastronomy, transport; 14 % finance, renting, company services; 32.1 % in public and private services). Based on data



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above, the local economy can be characterized by relatively high share of people working in agriculture, public and private services, construction and low share of employment in finance and industrial production.

Educational structure of population in rural areas is as follows: 9.5 % of population are without certificate, 60.4 % have secondary education and 30.0 % have university degree. In comparison to Thuringia: 8.4 % of population are without certificate, 65 % have secondary education and 36.6 % have university degree. No university is located in Kyffhäuserkreis and the nearest are located in Nordhausen or Erfurt (22 or 56 km from Sondershausen).

Infrastructure facilities in municipalities of the region are as follows: 89.2 % of inhabitants live in flat/house with a public sewage system, a wastewater treatment is available for 61.0 % of inhabitants (compare to Thuringia: 92.1 % have public sewage, 68.7 % wastewater treatment); the appraisal of access to internet is not available (no regional data). Good transport infrastructure situation in the region, except railway. Low railway network density, travel speed around 30km/h and less than 750 passengers per day before 2006. Railway line Sondershausen-Bretleben-Roßleben needs sustainable renovation actions for its reactivation. There are only two separate lines crossing the district in north-south-direction: Sondershausen-Greußen (train connection every hour) and Artern-Heldrungen (nearly hourly train service). Furthermore, Bad Frankenhausen (9,000 inh.) is the 3rd largest city of Thuringia without railway.

Generally, alarming ecological situation of river Wipper and bad situation of groundwater and water quality are related to brownfields (especially brownfields of old potash factories). Fortunately, re-cultivation program is on-going.

Main aspects of SWOT

- High unemployment.
- Low purchasing power of inhabitants.
- Partly negative image, also created by the media.
- Decreasing population due to emigration and low birth rate.
- Low railway network density.

4.2 Economic sectors situation

The high importance of primary sector in rural economy of the region (4.7 % of total employees) has been mentioned above.

The marketing of local agricultural production is oriented primarily on meat and sausage products, eggs, vegetables, honey and related products, herbs and aromatic plants. The Regional Management supports the farmers - regional agricultural markets take place and presentation trade fairs beyond the region borders are organised (e.g. "Green Week" in



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Berlin). Local agricultural subjects are supported via Concept for marketing by RAG Kyffhäuser (regional action group) or Leader and Equal EU-projects. Nevertheless, the most marketing is carried out by the producers themselves. Large group of producers from Heldrungen constitutes broad representation during the yearly Zwiebelmarkt in Weimar (onion marketfair).

Kyffhäuserkreis is main Thuringia's producer of cereal (a lot of wheat is exported to Italy for pasta production due to large quantity of wheat with equal quality) and canola, sugar-beet and oak wood. Export of cereals and straw via overseas ports at the Baltic Sea have high importance for local economy. The situation in figures: extent of cultivable land of the region 67,551 ha (it reaches 65.3 % of total area), of which: 41.6 % wheat, 19.3 % canola, 15. % barley, 6.3 % grazing land, 2.7 % maize, 1.9 % hayfield, 1.7 % sugar-beet, 1.6 % triticale, 1.4 % legume).

The importance of industrial sector for rural economy is average – employment in industry reached 26.4 % (compared to average of 24.4 % in Germany, in 2009). The largest employer in the region is WAGO, the company producing electric cables (around 1200 employees in Sondershausen). The others large employers with around 100-300 employees are quite equally distributed between the western and the eastern part of the district: e.g. Tower Automotive (metal pressing, Artern), Tranter Pressko (heating engineering, Artern), Isoplus (heating, Sonderhausen), Sumitomo (plastics, Wiehe near Roßleben), Sonlux (lamps, Sondershausen), Elso (switches, Sondershausen), Thermik (thermo-electronics, Sondershausen), Halfen (construction, Artern).

Types of industry characteristic for rural areas in Kyffhäuserkreis are e.g. recycling industry, electronics, engine construction, plastics manufacturing and construction industry.

Structure of tertiary sector by labour force: 19.4 % of total employees are employed in trade, hotel, gastronomy, transport; 8.7 % in finance, renting, company services; 40.8 % in public and private services and total employment in service sector reached 68.9 % of population (year 2009).

In terms of concerning job opportunities in public service: according to last available data 1,577 people worked in health care sector, 1,101 people in social sector, 1,064 people in education sector, 1,688 people in public administration sector. Some figures for private services: e.g. 1,705 people employed in retail (without car retail) and 494 people in restaurants.

In general, sector of services related to job opportunities is less important (compared to average of 73.5 % in Germany).

Main aspects of SWOT

- Touristic potential (landscape, monuments, spa in Bad Frankenhausen with over-regional importance, etc.).



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- Relatively strong agriculture, Strong wheat producer.
- Low purchasing power of inhabitants.
- Decreasing population due to emigration and low birth rate.

4.3 Job opportunities

The role of large employers in local economy is relatively low. The structure of companies by size (number of employees) can be described as follows: companies with less than 9 employees are the most numerous (89.7 %); businesses which have 10 to 49 employees (8.4 %); share of larger companies of total is low, specifically the ones with 50 to 248 workers (1.8 %) and share of the ones with more than 250 workers reaches 0.1 % (only 3 companies).

SMEs are the main employers in the region (see share of small and medium companies above). Due to history in the GDR, there is not a broad mix of branches in the region's economy. Business development is supported, e.g. there is the "BIC-program" (consulting program initiated by the EU and carried out by the federal state of Thuringia, the region Kyffhäuserkreis, cities Sondershausen and Nordhausen and the bank Sparkasse). Furthermore, business incubator spaces including laboratory and repair studio will be available for rent in future.

Tourism is an important aspect for local economy. The region offers various cultural sites to visit, e.g. Kyffhäuser-monument (170,000 visitors per year, continuous infrastructural investments and the number of overnight stays is relatively constant and on a rather high level, number of one-day visitors slightly is increasing). The improvement of the cycling infrastructure plays an important role for the region, as well. The existing cycling routes (e.g. Unstrut-route and Unstrut-Werra-route) are quite popular. In general, region is attractive mainly to one-day visitors (3 million in 2010). Net income of Kyffhäuserkreis related to tourism was €103 million (in 2010).

The region disposes of various social NGOs, foundations and charities for helping people, but it is difficult to describe specific role in local economy. The special industry (recycling old tanks and reuse of old materials) offers other job opportunities.

Main aspects of SWOT

- Job opportunities in social sector.
- High unemployment.
- Low rate of new businesses.
- 3.4 Other topics.
- Many inhabitants of the region commute to work or school, exactly 3,826 people are inward-commuting and 12,226 people are outward-commuting (year 2010).



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- In Sondershausen potash used to be extracted in the past and there are currently new efforts to restore its extraction.



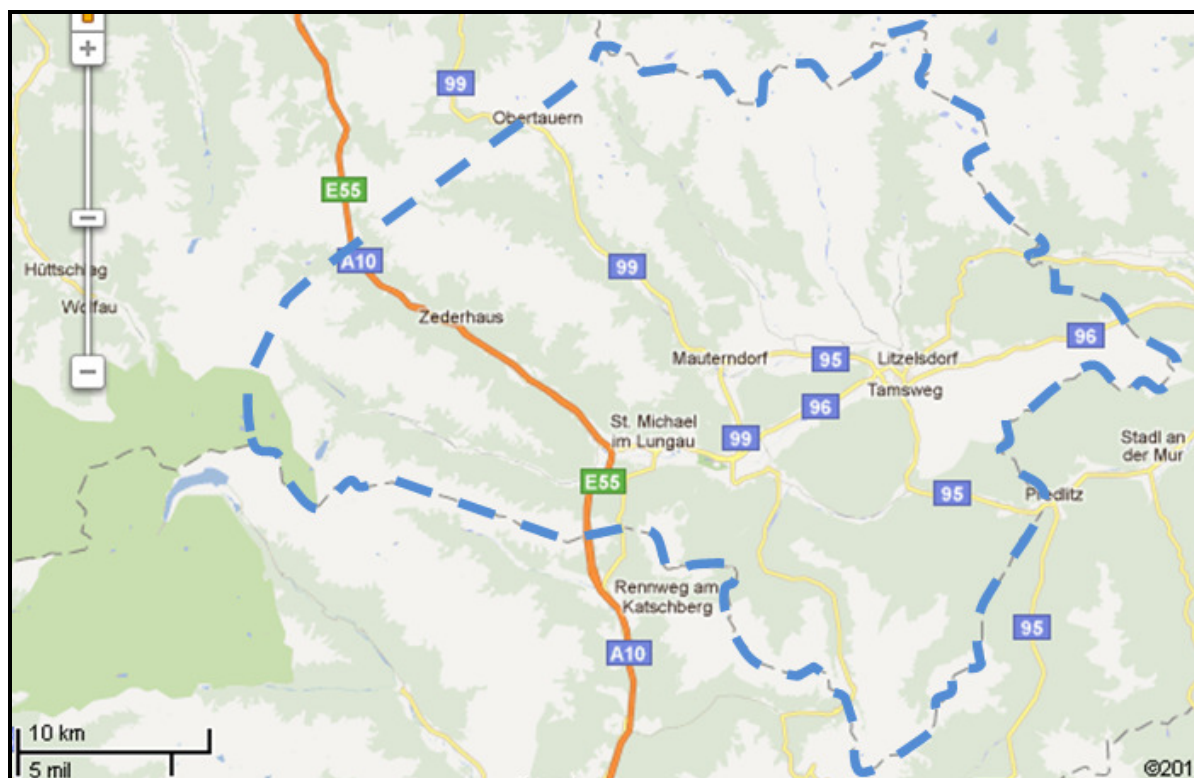
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5 Lungau, Austria

Population: 20,900, Area: 1,004 km², Density: 21 inh./km²

Main settlements:

- Tamsweg (5,700 inh.)
- Sankt Michael im Lungau (3,500 inh.)
- Mariapfarr (2,400 inh.)
- Mauterndorf (1,700 inh.)



Map 5: Microregion of Lungau (based on Google Maps)

5.1 General situation

Since 2010 in Lungau region, unemployment decreased by 7.7 % (many new job opportunities especially for women were created during last 5 years). According available data, the unemployment rate of region reached 4.9 % (it is above the average of Salzburg).

The most numerous economic activities of inhabitants in rural areas include mainly goods production, construction, trade and car repair.



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Following information and statistics describe educational structure of population in rural areas. The share of people with university degree increased by almost 50 % and the share of university degree holders reached 4.7 % in 2001. Similarly in the case of secondary education – the growth of population with secondary school education was 48 % during 1991-2001 and their share on population reached 19.1 % in 2001. In the same period, the share of people with vocational training increased by 21 %. Trained persons formed 37.1 % of population in 2001. As a result of increasing education level of population, the number of persons with only primary education (38 % in 2001) declined in period 1991-2001. Evidently, there is growth of qualification level.

Some facts about infrastructure of rural areas follow. The electricity and gas system are available in every municipality. More than 95 % of households in Salzburg have a broadband internet connection. There is highway connection of Lungau region with central European markets in Munich, Udine and Ljubljana. The region has poor railway infrastructure - insufficient railway connection, no railway connection to Salzburg City and only one railway connection from Tamsweg to Styria, but in this case it is rather a tourist attraction than form of public transport (so-called “Murtalbahn”).

Main aspects of SWOT

- Having been facing a crisis situation, some areas tend to realise the importance of local economy development.
- Centrally located to national and international markets.
- High social cohesion.
- Extension of local economy to Italian and Slovenian markets could strengthen the economy.
- Education does not correspond to the needs of the economy high qualification leads to migration because there are no appropriate jobs.
- Lack of rail connection.

5.2 Economic sectors situation

The agriculture sector contributed to gross value added with € 19 million (4.1 %). In terms of employment, only 1.2 % of EA people (75 of 6,261 persons) work in this sector of economy. The typical products of local agriculture include mainly products of cattle farming. Professional markets with region's products are taking place in the region. Furthermore, Lungau region is one of Austrian so-called “Gourmet Regions”. The importance of agriculture sector in rural economy was constantly decreasing during the last years, but it is important for landscape maintenance, because it fosters tourism.



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The industry is much more important for local rural economy than agriculture. The share of industry in gross value added reached 23.6 % (€ 108 million). According to available data, 1,848 persons were employed in the industry (29.5 % from EA). Since 2005, very high amount of new job opportunities (31 %) have been created in this sector. The most common types of industry in rural areas are goods production (16.5 % employees) and construction (11.9 % employees).

In general, the most important economy sector of Lungau is services sector. This sector creates approximately 72.3 % of gross value added (€ 331 million) and employs almost 70 % of population (4,339 persons). Especially, tourism is the most significant branch of local economy. It is also sideline of farmers (the most of accommodation capacity is created by guest houses). However, number of days overnight has decreased by 8.4 % since 1996.

Job opportunities in public services play a strong role in employment (2,231 employees or 35.6 %). This is especially accurate for high qualified persons (e.g. 565 people work in the education or 639 in the health care sector). The private sector mainly offers jobs in branches like gastronomy and accommodation services (generally rather less qualified jobs).

Main aspects of SWOT

- Beautiful landscape as a requirement for tourism.
- High standard of quality in agricultural production.
- Local companies create more than 75% sale within the region.
- High migration induces decrease of purchasing power.

5.3 Job opportunities

In the region there are only some large employers and the largest one is “Pagitsch”, company with about 100 employees. The local economy is characterized rather by SMEs with less than 20 employees (the ones create more than 90 % of total and 2/3 of companies have even less than 5 employees).

The importance of tourism for employment is already mentioned above. Especially, in the winter season every 5th job in the region is found in this sector. Furthermore, more than 100 guest overnights per inhabitant annually take place at some municipalities. The high significance of tourism is quite obvious.

Main aspects of SWOT

- Employees are motivated reliable and well trained.
- Education does not meet the needs of the economy; high qualification leads to migration because there are no appropriate jobs.



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5.4 Other topics

Finally, some data about commuting and mobility in relation to employment: every 3rd employee commutes to work (2,370 persons are outward-commuting and only 1,010 inward-commuting), 4,990 employees commute to other municipality within Lungau region and 4,130 persons work in their home municipality. Because of the lack of sufficient public transport, the most commuters use car.



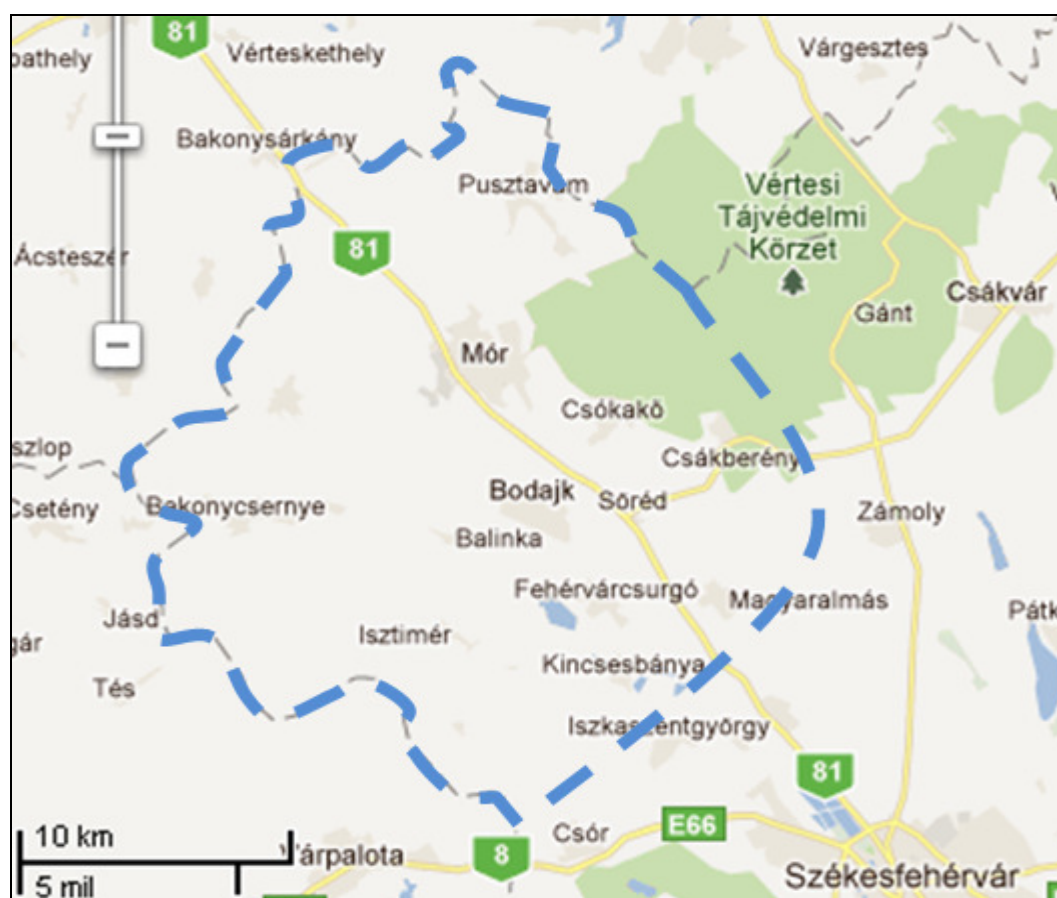
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6 Microregion of Mór, Hungary

Population: 34,900, Area: 418 km², Density: 83 inh./km²

Main settlements:

- Mór (14,700 inh.)
- Bodajk (4,100 inh.)
- Bakonycsérnye (3,100 inh.)
- Pusztavám (2,500 inh.)



Map 6: Microregion of Mór (based on Google Maps)

6.1 General situation

The situation of unemployment of Mór microregion is not optimal, as indicated by information and statistics below. In age group 15-64 year (in 2010): unemployment rate



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reached almost 10 % (compare to 3.75 % in 2007), employment rate was 56.5 % (in 2007 it reached 61.4 %) and figures for activity rate was 62.5 % (in 2007 63.8 %). Similarly in the case of age group 15-74 year: unemployment rate reached 9.49 %, employment rate 50.2 % and activity rate 55.4 %. Generally, it can be summarized that local economy tends to getting worse, especially in terms of unemployment.

There is a significant number of abandoned mining areas (brownfields) in the region as a potential location for new investments.

Main aspects of SWOT

- With regard to arterial roads the bus network is well established within the public transport, the supply of the bus lines is acceptable in settlements.
- The interior roads and connecting roads of settlements are overloaded in the aspects of capacity the state of roads and the connectivity are not acceptable.
- Educational system is unable to respond quickly to the market needs.
- Proportional presence of educational institutions in the settlements.
- Most of educational institutions are maintained and managed by the microregional association.
- Lack of up-to-date vocational training, weak link between higher educational institutions and industrial employers of the region.

6.2 Economic sectors situation

In terms of particular economic sectors, the role of agriculture is not too important in Mór microregion. However, the share of this sector has slightly increased recently due to the development of the wine production industry.

Increasingly, family farms are pursued by the next generation and are becoming more and more typical in rural areas. Typical products and activities of local agriculture are e.g. grape, wine, forestry and fruit production. Local products are promoted for example by the TDM organisation. Among other region's events nationwide popular "Winedays of Mór" is quite significant.

Industry is the main economic sector in Mór (ca. 57%) and machinery industry (particularly vehicle production) is the most typical local industry. Multinational companies are dominant economic subjects in the microregion. The favourable location (accessible via 2 motorways, Nr. 81 main road as an important transit route) and the significant German minority with its language skills and family ties represent the most important location factors of these companies. Consequently, a lot of businesses (mainly the German ones) settled down in the industrial zone of Mór. It is positive that these companies were able to absorb the workforce which became redundant as a result of collapse of the mining industry. On the other hand



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these companies operate rather isolated from the local economic environment (the share of Hungarian suppliers is very low). This way of the one-side industry which has been developed can be unhealthy on the long run. It was sharply showed during period of 2008-2009 when the microregion was strongly affected by the financial and economic crisis (e.g. collective redundancies, reduced work weeks, plant closures). This only highlighted the need for diversifying the economic structure and strengthening the local economy (especially local SMEs). Nevertheless, export-oriented multinational companies are the engines of the local economy. It can be assumed, that the development of the M81 highway would contribute to a growth of role of the microregion as a logistic centre and to the involvement of local businesses into the supplier program along the Győr-Mór-Kecskemét axis (Audi factory-automotive parts production facilities-Mercedes factory).

The share of services sector in rural economy is rather low (in relation to average figures of EU/state/regional). The importance of this sector is not too high unlike the industry mentioned above. The sector contends with lack of available state and EU subsidies for the services. On the other hand, the significance of tourism sector is growing.

Concerning job opportunities in services sector, the public services play still an important role but the private services sector is below-average (compare with national and regional employment rate of this sector).

Main aspects of SWOT

- The microregion belongs to the most dynamically developing economic centres.
- Agricultural processing industry is on the low standard and has low capacity.
- Employment is on a high level in the national comparison.
- Services sector is underdeveloped.
- Underdeveloped tourist infrastructure.
- One-side structure of industry (oriented on vehicle industry).
- Domination of transit tourism.

6.3 Job opportunities

The role of large multinational employers is dominant, as mentioned above. In contrast, the role of the SMEs is weak. Unfortunately, there are fewer and fewer small producers in the rural areas. Furthermore, most of the people living there tend to buy everything in foreign-owned commercial chains, even if they could produce it themselves. However, the family enterprises play a significant role in the winery industry (and partly in tourism and agriculture). Therefore, there is the need to promote local products. Some actions have already started (e.g. local product markets). But, the region does not have the incubators or the other facilities promoting local businesses.



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The job opportunities in tourism are growing. The most popular types of tourism products are e.g. enotourism, equestrian tourism, ecotourism and cultural tourism. Unfortunately, the region offer satisfactory complex tourist packages. The positive changes are predicted, since the local TDM organisation has started to operate last year. The most important tourist attractions development in the recent years: renovation and tourist utilisation of the Károlyi-Castle in Fehérvárurgó supported by the EU Structural Funds. The castle is serving as the European Cultural Meeting Centre.

The sector of social economy concerning job opportunities has no significant role, but the sector is predicted to grow in the oncoming years.

Finally, it may be concluded that the most job opportunities are concentrated in town Mór (centre of the microregion) or the neighbouring industrial centres (Székesfehérvár, Tatabánya).

Main aspects of SWOT

- The presence of the multinational companies is dominant in the microregion.
- Family businesses pursued by the next generation are common.

6.4 Other topics

A significant number of rural inhabitants commute daily either to Mór or to the nearby industrial centres (see above). However, public transport services are underdeveloped (e.g. schedules are not convenient for passengers).

Concerning education in relation to employment and labour market requirements, especially a vocational training is trying to follow the market needs (e.g. car upholsterer training in the Perczel Mór Vocational School in Mór to satisfy the needs of local multinational company).

Vértes and Bakony mountains offer potential of excellent areas for hunting, hiking, biking and forestry.orenjska, Slovenia.



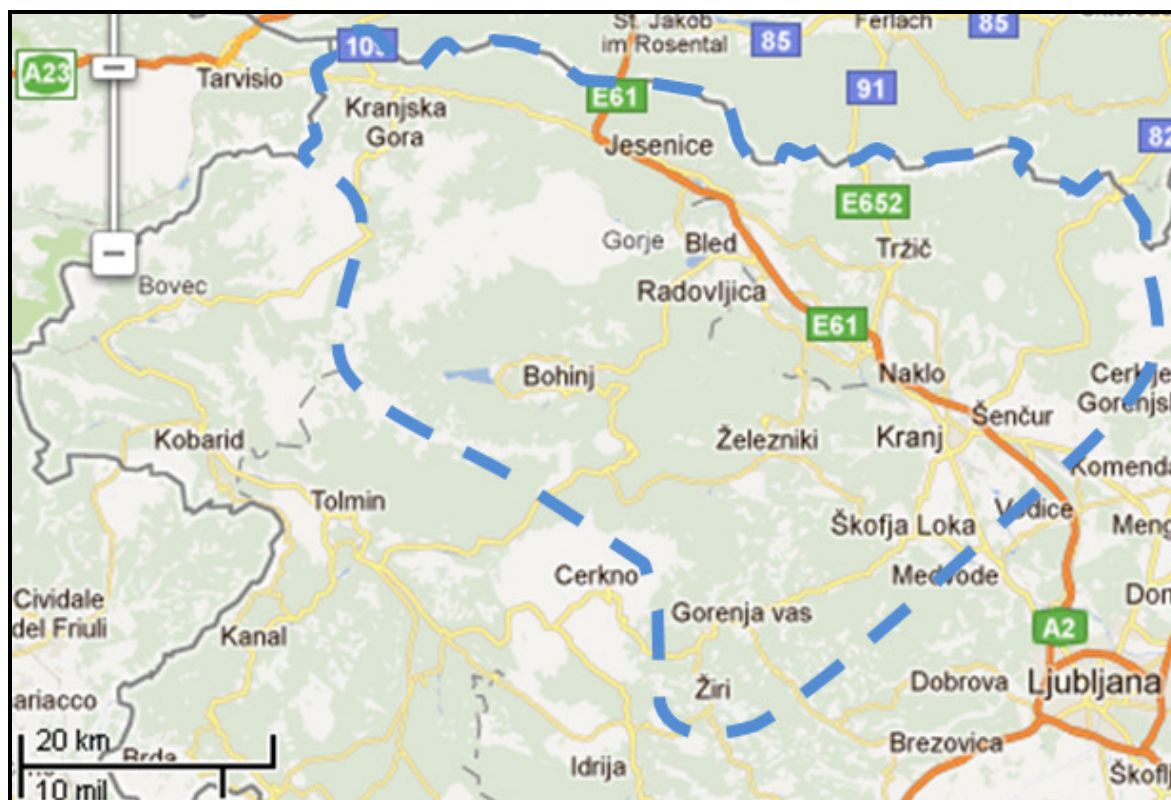
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7 Gorenjska, Slovenia

Population: 199,903, Area: 2,137 km², Density: 93.4 inh./km²

Main settlements:

- Kranj (52,000 inh.)
- Škofja Loka (23,000 inh.)
- Radovljica (19,000 inh.)
- Jesenice (18,000 inh.)



Map 7: Gorenjska (based on Google Maps)

7.1 General situation

Unemployment rate was not very stable between 1997 and 2010. There were several fluctuations during this period, e.g. the rate reached its peak (more than 11 %) in 2003 and two significant declines occurred (the rate was under 7 %) in 2004 and 2008. In the end of the period (in 2010), the unemployment rate of Gorenjska reached 10.7 %. According to last available data (July 2011), the unemployment rate of population of age lower than 30 years was around 19 % in Gorenjska.



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However, gender differences in youth unemployment and their possible consequences represent important issues, but they are not much discussed. In general it can be said that the problem of unemployment is more severe for young women than for men, especially in the case of first-job seekers. The reason for this can be found in hesitation of employers to employ young women because of the relatively high possibility of maternity (although this is not a direct cost to employers) as well as potential sickness leaves due to children. The representation of unemployment by gender is following: 52.5 % unemployed men and 47.5 % women in the Gorenjska in July 2011 (similar to national proportion).

The gross domestic product per capita in Slovenia reached € 18,450 (in 2008). Gorenjska region was on 4th place with 8.3 % of (country total) gross domestic product and the average monthly net earnings per person was € 899.98 (2009).

In 2010, there were 4,988 companies (8.9 % of total companies in the country), it means Gorenjska was on the 4th place of total number of Slovenia. Companies employed 41.4 % of population in the region (41,391 persons). More detailed structure of local companies: the micro-companies (93.7 % of total number of companies in the region) produced 36.3 % of all revenue from sales and employed 43 % of workers. The share of small companies reached 4 % of all and 1.2 % of businesses belong to medium-sized category. The share of the large ones was 1.1 %.

The Gorenjska region has reached an important development milestone. The new financial perspective for the period 2007–2013 should show whether the region can transform itself from an industrial region into a region participating in the creation of developmental trends.

Vision of Gorenjska's development is defined as follows: Establish Gorenjska as a community which, with its healthy Alpine environment, enables us to work, live, entertain ourselves and unleash our creativity as well as ambitious ideas. Analyses have shown that the potential to achieve this vision really exists. Some factors should be emphasized, e.g. the great accessibility to Gorenjska (trans-european corridor, airport), natural wealth, unexploited regional synergies (schools – researches – entrepreneurship), some globally successful companies and trademarks, human capital (young and well-educated people oriented to new technologies), important cultural heritage and closeness to Ljubljana and the borders. Furthermore, the absence of strong regional centre determines a networking development, which stimulates partnership and cooperation.

Generally, level of education of population in Slovenia is continuous improving. The share of population with only primary education (or incomplete primary education) is decreasing (4.8 % in 2005) and number of people (especially aged 25-64) with university degree is growing (24 % of male and 18 % of females in 2006). Educational structure of population in region Gorenjska is as follows: 26.0 % of population has only primary or less level of education, 52.7 % people reached secondary education and 5.9 % of population have higher and 11.8 % the others have more than higher level of education (data for year 2007). Men with higher



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education level usually dominate in older age groups, while in younger age groups, this holds true for women.

Now, information about infrastructure of the region is following. Gorenjska is localized in the northwest of Slovenia. It borders Austria to the north, Italy and the Gorica region to the west, Savinja region to the east and it opens up towards the Central Slovenian region to the south. This favourable geo-traffic position contributes to relatively good accessibility. The region is crossed by the more than 3,232 roads. The number of cars reached 104,865 and proportion of number of car/1,000 inh. (520 cars/1,000 inh.) was recorded in 2009. The access to the internet and telephone is accessible in most part of households in Gorenjska region. However, the high-speed internet is available mostly in centres, schools and so on.

There are some brownfields, e.g. unused steel factories in Jesenice, former mine area Žirovski vrh or some waste deposits.

Main aspects of SWOT

- Attractive landscape (Triglav National Park), landscape, cultural heritage for residing and tourism, forests.
- Favourable geo-strategic position (airport, the European Corridor X, neighbouring countries, closeness to the main EU markets).
- Highway infrastructure has developed a lot in the last decades which attracted large investments, airport and railways.
- High percentage of students.
- Population growth.
- Natural resources (forests, waters etc.) and local culture.
- Experience and readiness for cross-border and transnational cooperation
- Extensive of basic supporting environment (RDA, LTO, schools, chambers etc.) and broadband network.
- Having been facing a crisis situation, some areas tend to realise the importance of local economy development.
- There is a strong need for different regulations and for raising awareness in order to strengthen local economy in the globalised environment.

7.2 Economic sectors situation

Agriculture does not belong to the most important economic activities in this region. The number of employees in agriculture sector reached 2,168 persons (5.3 % of Slovenia agriculture; December 2009). Some other figures about this topic: e.g. the share of



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agriculture of GDP was 3 % and the share of employment in the sector in Gorenjska was 4.6 %. The Slovenian agriculture is characterized mainly by family farms and small agriculture businesses. The family farms also represent ca 90 % of all farms in the region.

Marketing facilities of local agricultural production which are performed can be summarized into: direct sell technique (e.g. typical products: fruit, potatoes, vegetables, cabbage, lettuce, onion, honey, home products salami, home production of bread, sweets etc.); some indirect sell technologies through industry (e.g. wood and food industry) or different technologies which are partly supported by local municipalities (e.g. direct selling, winding machines for milk, eco markets, local markets in the city centres, agrotourism and so on).

The forestry is the main source of income in the rural areas, but it is becoming less and less profitable. The important alpine pastures (in the high mountains) have been left to stagnate for several decades. Fortunately, the situation is improving since 1997. Furthermore, sheep farming is very popular there. The Jezersko–Solcava sheep is an autochthonous Slovene breed. The breeders who produce sheep in the autochthonous region wish to revitalise the autochthonous sheep production. Finally from agricultural topic, some detailed data about types farming and production in the region: 0.8% field crops farming, 2 % horticulture 2.6 % permanent crops, 77.4 % grazing livestock, 0,2% pigs and poultry, 2.6% mixed cropping, 6.2% mixed livestock production and 10 % mixed both crops and livestock production.

The share of industry on GDP reached 44.4 % and the sector employs 43.7 % of EA population in Gorenjska (everything in 2008). The manufacturing activities are the driving force of the region (more than 1/3 gross value added was created in industry in 2008). There are approximately 4,988 companies. Consequently to severe economic crisis number of employees in iron and steel industry was reduced (by almost 20 %).

It is necessary to stress that the most common types of industrial sectors in Gorenjska are: metal processing sector, ICT and electronics sector, wood processing sector and polymers processing sector.

The importance of industry is becoming weaker and Gorenjska is slowly turning from an industrial region into a service sector/informational society. Service sector is growing sector and its importance for local economy is also growing. It is illustrated by next figures. Services created 52.5 % of local GDP and 58.4 % of local employment (in 2008). There were ca 5,273 service businesses in Gorenjska and 51,997 in Slovenia (in 2009). Some significant service companies localized in the region: e.g. Gozdno gospodarstvo Bled d.o.o. (logging), Sava hoteli Bled d.d. (hotels and similar accommodation), Sportina d.o.o. (retail sale of clothing in specialized stores) and Gorenjska banka.

In terms of public services, health care services, social care services, local authorities, education, public transport and culture are typical services under governmental authority. With regard near future, these issues will be discussed:

- Long term stable financing system.



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- ality of services per usual citizens.
- Services availability.
- What specific services you wish.
- Local rural enterprises are usually very weak and vulnerable.

The sector of private services is developed very well. There are many companies operating in construction, restaurants, some tourist agencies, consultancy, and trade companies and so on. There are some private services which usually belong to public sector: health care, culture, transport and education (e.g. private hospital in Bled, veterinary hospital in Škofja Loka).

Main aspects of SWOT

- Attractive landscape (Triglav National Park), landscape, cultural heritage for residing and tourism, forests.
- Natural resources (forests, waters etc.).
- Technical expertise and tradition (ICT, innovative medicine, electro-techniques, metallurgy etc.).
- Regional organization: established and active structures.

7.3 Job opportunities

Despite the fact that micro-companies create ca 93.7 % on total number of companies in the region, their role is not too significant. The large ones are more relevant concerning job opportunities and share on total profit. Cooperatives employ 263 workers, in small businesses are employed 4,369 persons and the medium-size companies (only 2 in the region) employ 130 workers (in 2010). The most people are employed in the largest companies, as was mentioned above.

Regarding the role of tourism, Gorenjska belongs to successful regions in the country. It is showed by following data (year 2010): e.g. the share of tourists in Gorenjska reached 18.5 % (relate to entire Slovenia), 29.1 % of them were from Slovenia and 70.9 % from abroad; number of foreign tourist's arrivals per 1,000 inhabitants reached 1,935 and overnight stays of foreign tourists per 1,000 inhabitants reached 5,272. Italian, German and British tourists are mainly among those staying overnight. It is evident that tourism is successfully developing and new job opportunities can be expected in tourism.

The assistance to improve the conditions of socially excluded people is a classic area for the social economy. In Slovenia, there are 39 organisations operating advocacy in social economy, nonetheless the status of NGOs often appears secondary and more marginal



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compared to other subjects. Evaluation of local social economy in Gorenjska region is not available because no data are available.

Main aspects of SWOT

- Local rural enterprises are usually very weak and vulnerable.
- Global companies and brand marks (i.e. Elan, Bled, Kranjska Gora, TNP etc.).
- Rich cultural heritage of town centres and the countryside.
- The lack of available job opportunities is often the main problem in rural areas.

7.4 Other topics

In terms of commuting and mobility in relation to employment, 25.8 % of inhabitants have a workplace outside of the region. The majority of jobs are concentrated in municipalities Kranj, Naklo and Bled. The other settlements could be seen rather as "sleeping municipalities" (with the highest outward-commuting rates). These aspects are reasons for the relatively strong outside commuting.

Wide range of programmes of formal education was offered in 2007/2008. This programmes included a courses to give individuals the opportunity to gain a higher level of qualification and also programmes of general non-formal education (diversed in terms of content). Adults had access to all kinds and levels of formal education, for example programme leading to the first qualification. Furthermore, adults could acquire a further qualification at any level of general studies: in grammar school, technical secondary school and university education programmes, as well.

Besides the already mentioned, there is an offer of non-degree courses, which do not lead to a higher qualification. These courses serve to raise the general educational and cultural level of the population, increase literacy, or improve the knowledge required for work and occupations. In recent years, the non-formal learning opportunities in other sectors (e.g. culture, health, agriculture, social activities) have expanded.

The region comprises of 18 municipalities. It is an Alpine region with a characteristic diverse mountainous landscape. The mountainous cover 70 % of the region, while lowlands only 9.8 %. Approximately 40.2 % of Gorenjska lie higher than 1,000 m above sea level, 59.4 % is covered by forests, 30.6 % is agricultural land and 10 % infertile land. Furthermore, 44.4 % of the surface area is incorporated into NATURA 2000 sites.



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8 Ústí Region, Czech Republic

Population: 823,200, Area: 5.335 km², Density: 154 inh./km²

Main settlements:

- Ústí nad Labem (94,300 inh.)
- Most (67,800 inh.)
- Děčín (51,900 inh.)
- Teplice (51,000 inh.)
- Chomutov (50,000 inh.)
- Litvínov (27,100 inh.)



Map 8: Ústí Region (based on Google Maps)

8.1 General situation

The structural changes of economy had effect to local economy, especially by a huge drop of employment in mining industry and some local big-scale factories. Consequently,



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unemployment remains high rate since late 1990s. After recovery during economic boom-years of 2000s, a noticeable growth of unemployment occurred as a result of global economic crisis. The unemployment situation is regionally differentiated with the highest unemployment at periphery locations such as Šluknov region, central parts of Ore Mountains and Žatec region. In June 2011, unemployment rate of Ústí region reached 12.43 %.

Following text offers some general information about rural areas in Ústí region and about rural population.

The economic activity of rural areas inhabitants is characterized by higher share of persons in primary sector and lower share in tertiary sector unlike of urban areas inhabitants, but the figures of secondary sector are about the same. The figures of rural areas in Ústí region are following: 10 % of inhabitants in primary sector, 41.9 % in secondary sector and 48 % in tertiary sector.

In general, education level is lower, than in urban areas. The share of people with only primary or not finished primary education reached 31 %, while only about 2.7 % of population got university degree and 66.3 % of population had secondary education (relating to the population older than 15 years; data from census 2001).

In terms of infrastructure in rural areas, electricity and water lines are available throughout the region (some high-scale power plants burning coal are located at rural areas, most of wind power plants and solar plants are located throughout rural parts of the region); sewerage systems connected to wastewater treatment plants are available at 49.2 % municipalities (but it does not mean that all buildings in such a municipality are connected to sewerage system); gas system is offered throughout the region, however gas usage for heating is declining because of high prices of gas (compared to locally mined coal).

The transport infrastructure is depending on the location within the region and on relation to national and Trans-European transportation networks. Central parts of region benefit from location on Trans-European transport corridor consequently there is good connection to Prague and Germany (Dresden) and priority in allocation of funds for further transport infrastructure development. Quality of transport infrastructure is also influenced by geomorphologic conditions.

Generally, high speed internet is accessible throughout the region. Limited availability is only at peripheral sparsely populated rural mountain areas. It is provided by the telephone or cable TV operators or by numerous Wi-Fi connections.

Numerous brownfield sites are located throughout rural areas, created as a result of structural changes in economy with downturn of agricultural, food and mining industry production. Brownfields are mostly abandoned sites or establishments of socialist large-scale farms and closed food industry plants, abandoned houses and in some parts of region also old mining industry sites. There are also some abandoned military sites. Unfortunately, there is no or very slow redevelopment of brownfields, because of abundance of



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developable greenfields (low requirements of regulations) and lack of incentives encouraging brownfield redevelopment.

Main aspects of SWOT

- Location on Trans-European Transport Corridor.
- Good quality of arterial railways (electrification, capacity).
- Good road connection to Germany and Prague from some parts of the region.
- Cheap labour force.
- Basic public transit service allowing some level of accessibility of employment.
- Bad reputation of the region concerning environmental and social problems.

8.2 Economic sectors situation

As a result of reduced or suspended state subventions (during communism there were subsidies for agricultural production across whole region) and high competition pressure from imported products, agricultural production has been reduced during last decade (especially in less fertile mountain areas). In general, agriculture has higher importance at areas with high soil fertility (e.g. Ohře and Labe river lowlands). By contrast, there is low importance of agricultural production at other areas, especially at the higher situated areas, where there is almost no or very limited agricultural production (e.g. Ore Mountains and České Středohoří mountains). In local rural economy, agriculture has 14.5 % share on total rural businesses. Some famous regional products should be mentioned: e.g. Žatec hops (Saaz Hops), beer (Zlatopramen, Březňák, Žatec) or vine (Porta Bohemica). Further, cereals (vast majority of regional agricultural production), fodder plants, technical plants (e.g. oilseed rape) and vegetables are among the most common products.

Employment figures show very high importance of industry in rural areas (about 42 % employed in industry). Especially, heavy industry (coal mining, power plants, chemical industry) is very significant at central parts of the region. There are large scale employers giving jobs to thousands of people from rural areas. Some heavy industry facilities (e.g. coal mining, power plants) are located in the middle of rural areas. Generally, the 12 % of rural businesses are operating in industrial sector. Typical types of industry in rural areas are: food industry (grain mills, dairies, butcheries, etc.), mining industry (coal mining, gravel mining, Bohemian Garnet mining) and electricity industry (power plants, solar plants, wind power plants).

The share of businesses operating in service sector is ca. 72.8 % on total number of rural businesses in the region. Concerning employment this economy sector has the highest importance (about 48 % employed in services). At some parts of the region (especially around National Park České Švýcarsko), there is high importance of tourism industry. Ústí



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region offers high potential for tourism throughout the region (especially at peripheral parts). Nevertheless, the potential could only be used in case of significant improvements in tourism infrastructure, quality of services and further promotion of tourism in the future.

There are numerous public institutions offering jobs located at rural parts of the region, however wages in such institutions are generally low. Furthermore, public institutions are affected by demographic changes and fiscal conditions. While job opportunities at schools are reduced (due to lower amount of pupils and budget shortages), on the other hand more opportunities are created at elderly care. Some public institutions located at rural parts of the region: social care facilities (e.g. retirement homes, social care homes, children`s homes), primary and somewhere secondary schools or special schools.

Concerning job opportunities in private services, the most significant is tourism at mountain parts of the region (e.g. České Švýcarsko National Park, Krušné hory – skiing areas). Retail facilities and restaurants along German borders are also noticeable.

Main aspects of SWOT

- Cheap labour force.
- Enduring problems associated with concentration of heavy industry (coal mining, power plants, chemical industry) - high unemployment, environmental stress, vast brownfield sites.
- The lack of available job opportunities, long-lasting high unemployment in the region and lack of potential for sufficient job opportunities.

8.3 Job opportunities

The role of large employers declined as a result of structural changes in economy. Nevertheless, high share of large employers on employment remains, because of high concentration of heavy industry in Ústí region. Some of the biggest employers: Krajská zdravotní (public company operating all public hospitals in the region; 6200 employees), Czech Coal (coal mining; 5000 employees), Severočeské doly (coal mining; 5000 employees) and Unipetrol Litvínov (oil refinery; over 2000 employees).

In 2006, there were 23 SMEs (with 1-9 employees) per 1,000 inhabitants (age 18-64). The role of SMEs is prominent especially in border areas. There is high concentration of retail and restaurant facilities focused on German clients. But in general, starting entrepreneurs have low support in business beginnings (noticeable is just some reduction of bureaucracy), as well as the political support to small farms is low (large operators remain as a relic of communism era or unfinished land reform, which would allow better access for small operators).

In terms of job opportunities in tourism, there were about 180 accommodation facilities with over 8,000 beds in rural parts of the region (in 2006). Places with the highest potential



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for job opportunities in tourism: mountain parts of the region (Ore Mountains), large-scale naturally protected areas (České Švýcarsko National park, PLA (Protected Landscape Area) Labské Pískovce, PLA České Středohoří, PLA Lužické hory, PLA Kokořínsko), cultural heritage locations (historical sites, castles, chateaus, monasteries).

People with special needs on labour market are supported by incentive grant funding (employers of such people get financial support for every special workplace), however funding is low on budget and therefore it is not sufficient. Social institutions and NGOs also create work opportunities for people with special needs, for example by producing various goods sold on charity basis (revenues used for special work opportunities funding).

As a consequence of long-lasting high unemployment lots of inhabitants are forced to commute to Prague and vicinity. Commuting to Prague is more convenient from southern parts of the region however even at most peripheral regions (e.g. Šluknov region) there is strong commuter flow to Prague. Job opportunities in border parts of Germany are due to high unemployment very limited.

Main aspects of SWOT

- Basic public transit service allowing some level of accessibility of employment.
- The lack of available job opportunities, long-lasting high unemployment in the region and lack of potential for sufficient job opportunities.
- High concentration of socially disadvantaged people (low educated, low-income, households with low potential for upward social movement (especially Romani people).

8.4 Other topics

In general, there is very low willingness of unemployed people to move to regions with better job opportunities (except of young people), therefore commuting is very important for securing employment. Public transport services provide basic accessibility of all regional centres. Central parts of region and places along national highways connecting the region to Prague have good accessibility to Prague (secured by numerous bus services, some of them stopping along the route). Places along Trans-European Railway Corridor have also good accessibility by trains.

Retraining courses for unemployed (targeted at professions demanded at labour market e.g. welders) and language courses are widely provided throughout the region. University-related courses provided some tertiary education facilities for older people at major cities. Furthermore there are lifelong learning centres of the University of J. E. Purkyně in Usti nad Labem and in some other cities (Litoměřice, Kadaň). Current educational institutions are still not able to provide enough of German speaking people for tourism industry and other services targeted on German clients.



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Coal mining still remains very important for local economy, not only by directly providing about 10,000 jobs, but also by supplying local large-scale power plants and providing jobs at related branches and services. A big future challenge is replacing of coal mining role, when the mines will be shut down (expected in 30 or more years).



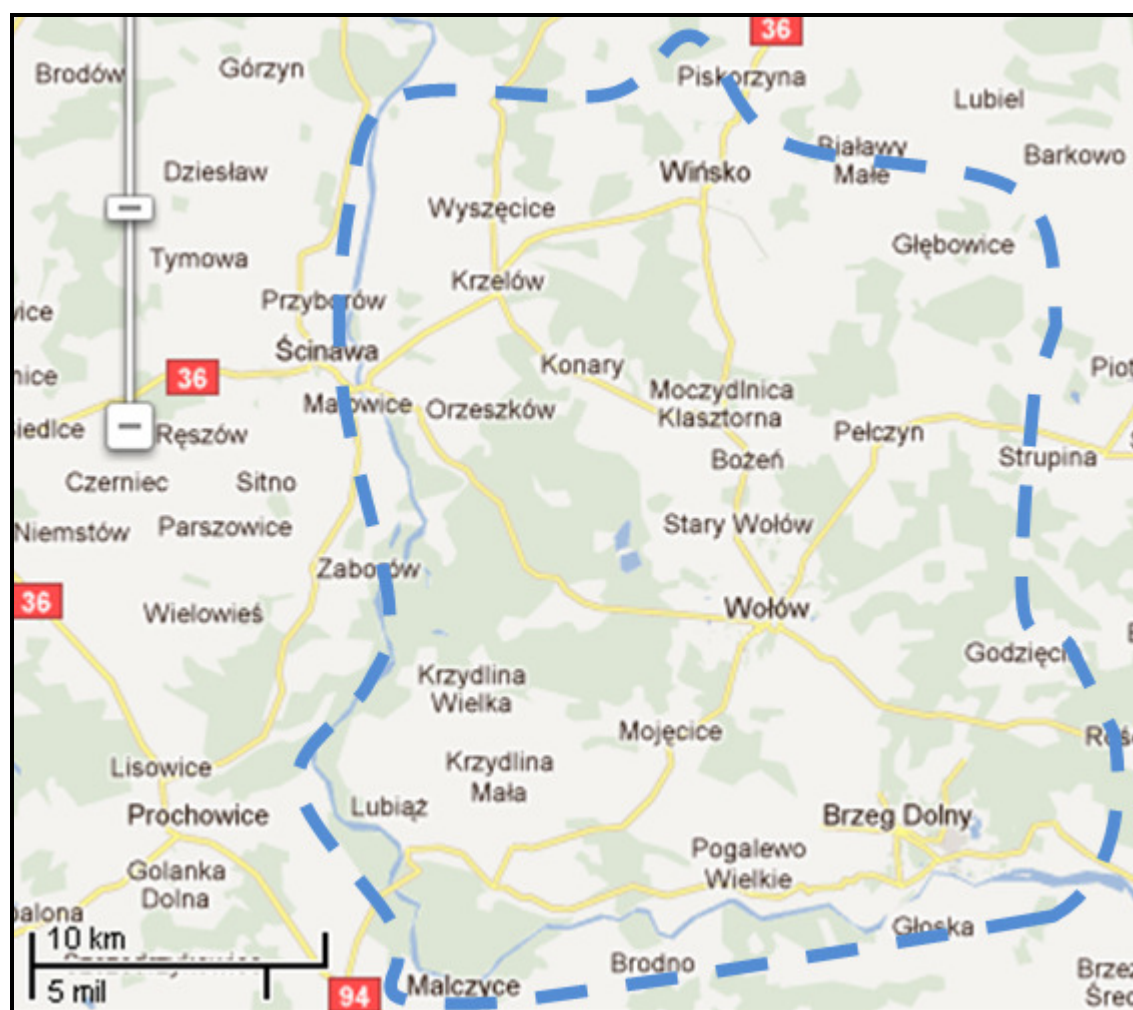
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9 Brzeg Dolny and surroundings (Wołów country), Poland

Population: 16,215, Area: 675 km², Density: 171 inh./km²

Main settlements:

- Brzeg Dolny 12,800 inh.)
- Wołów (12,300 inh.)
- Wińsko (1,800 inh.)



Map 9: Brzeg Dolny and surroundings (based on Google Maps)

9.1 General situation

The situation of economic activity of population is different in individual parts of region Brzeg Dolny and surroundings (Powiatwołowski in Polish). There are 3 main parts or rather



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municipalities (Brzeg Dolny, WOO, Winsko) which form the region. Winsko has strictly rural character (most people work in agriculture sector). The situation in Wołów is mixed (about 60 % of population is employed in agriculture). Brzeg Dolny, although it has 13 villages under its jurisdiction, has the most urban character (almost nobody works in agriculture). There are about 40 real agricultural homesteads but rest of countryside is mostly so-called “sleeping area” (data from 2002).

Registered unemployment rate in the region reached ca 9 % (2010). Unemployment rate by education level was following: 66.8 % of unemployed had secondary education, 26.8 % lower than secondary education and 6.5 % tertiary education. Inhabitants of rural areas formed over 53 % of total number of unemployed in the region (2010). According last available data (August 2011), the unemployment rate in the region reached 19.6 %.

The structure of population by education level in Brzeg Dolny and surroundings is as follows (data include non-rural areas): 36 % of population have no education or uncompleted and completed primary education, 57 % of people reached secondary education and 7 % of people have tertiary level education (data from 2002).

The region has relatively dense transport infrastructure (road, rail), but the quality of this infrastructure is not optimal. Although it was modernized, it is still greatly different from “European” standards. The situation is the worst in rural areas of the region, like e.g. Winsko municipality.

The region suffers from a lack of a well organised public transportation, also. There is low number of lines, many transfers, but no attractive for potential tourism and so on. Insufficient number of ways of transport over river Odra in the closest vicinity of Brzeg Dolny (there is only a ferry). Fortunately, this situation will change by construction of a bridge in next few years (till November 2013). Figures about infrastructure facilities of municipalities are following. In Poland, waterline system is available to 93.7 % of population, sewerage system to 58.7 % of population (98 % municipalities of the region disposal of sewage system access, however inhabitants of rural areas prefer not to connect to the system) and to gas system 48.6 % of population. These same figures for rural areas of the region are: waterline system is used by 88.4 % of inhabitants, the share of using of sewerage system is only 22.5 % (indicated above) and gas system is not available in rural areas. Furthermore, inhabitants of the region have also access to high speed internet.

Main aspects of SWOT

- Good location of the region within the lower Silesia region, especially nearby the city of Wrocław.
- Poland in general has prevailed in the times of crisis, with its GDP remaining to grow, that could also be seen in the Brzeg Dolny region (no drastic unemployment rate increase).



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- Road infrastructure has developed a lot in the last decades which attracted investments and helped with commuting.
- Low land prices can attract even more investors.
- Poland has still problems from the structural changes of the early 1990s.
- Lack of bridge crossing the river Odra is holding big investors away from the region (it should be finally completed in November 2013).

9.2 Economic sectors situation

The situation of economy in the region follows. The structure of EA population by employment in individual economic sectors (in 2005): 16.3 % of population in agriculture (from that 5 % in public sector and 95 % in private sector), 41.3 % of population in industry (from that 20 % in public and 80 % in private sector) and 42.4 % of population in services (from that 38 % in market services and 62 % in non-market services).

The most important role of agriculture is in the municipality Winsko (it is traditional wine region), unlike the most of inhabitants work in industry, especially in chemistry, in municipality Brzeg Dolny. In Wołów municipality, the services sector has the most significance. In terms of tourism, although there are relatively good conditions for it, it is not rather yet developed in the region (more details below).

Main aspects of SWOT

- Local rural enterprises are usually very weak and vulnerable.
- Although tourism possibilities are very good, still not explored efficiently enough.
- National regulations (e.g. Winsko has a great winery tradition, but national regulations disallow to sell local, homemade wines).

9.3 Job opportunities

The biggest employer is PCC Rokita (with many joint companies). This chemical factory employed about 3,000 people in the 1980's and it was really rare to find anyone who did not worked there. After political and economic changes in the 1990's, which led to transition from the state governed economy to private sector, employment was greatly reduced there. However this industrial company still remains the biggest employer in Brzeg Dolny. Chemical industry attracted many other investors from that sector. All this makes a reason Brzeg Dolny still perceived as industrial-like town. There will be an incubator set up in Brzeg Dolny, mainly for the chemical industry.

The role of SMEs is a dominant at the Wołów municipality, because lack of bigger-scale industries. People are forced to look for job opportunities in self-employment e.g. shops and



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mainly in the service sector. Wołów's inhabitants also have the opportunity to look for jobs in Wrocław.

Odra river (2nd largest river in Poland), which flows through the region adds to regional tourism potential. It is also opportunity to participate in an EU co-financed project Waterways forward. Cultural heritage has also an important role for potential development of tourism (many objects in European scale heritage e.g. the von Hoym Mausoleum). Furthermore there are many bike routes, walking trails, kayak trail and horse trails which can help with flourishing tourism in the region. Unfortunately the tourism infrastructure such as offer and quality of accommodation is limping.

Everyone feels that the tourism and what comes with itself, especially job opportunities, could be improved. But region Brzeg Dolny and surroundings can never match to the competition from nearby city Wrocław. They should rather co-work and to emphasize the tourist possibilities in the wider region (e.g. some activities like horse riding are not able to take place in such big city as Wrocław).

The role of social economy in the region is different from municipality to municipality. It depends mainly on the level of unemployment which is very different e.g. it is much higher in Winsko municipality (typical rural area) than in Brzeg Dolny. Local social care facilities have instruments to help people excluded from social life. Numbers of courses such as re-qualifying, self-employment etc. are offered. Activities of NGO's have increased in the past two years (many new NGO's have been formed, they are better prepared now, they see the potential of many financing forms). For example, in region Brzeg Dolny every village has its own association, registered and able to apply for external grants, also from European funds. It has helped with improvement of local neighbourhood and communal identification.

Main aspects of SWOT

- Inhabitants are active, demanding greater efforts of local authorities.
- The lack of available job opportunities is often the main problem in rural areas.

9.4 Other topics

Finally, some information about commuting and mobility are present. In relation to employment, the outward commuting is much higher than inward, mainly due to the vicinity to the city of Wrocław located only about 30 km in south-eastern direction (no data for commuting available).

There is also offer of adult education. According to statistics about post-secondary schools for adults in the region, 496 persons attended some of the courses and 123 persons graduated, in 2010.



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10 Summary: Characteristics of local economy and job opportunities in project regions

It is necessary to remind that the applicability of the findings and comparison of project regions is problematic.

Unemployment situation in the projects regions is very different from region to region. It is also illustrated in the figure 1 below. The highest unemployment rate reached region Brzeg Dolny and surroundings (19.6 %). The reason of that is decline of jobs by the largest employer in the region (PCC Rokita) during the post-communist transformation. Further regions with high unemployment are Kyffhäuserkreis (15.4 %) and Ústí Region (12.4 %). In terms of Ústí Region, the first impulse to higher unemployment were structural changes of economy and a huge drop of employment in mining industry and some local big-scale factories in 1990's, now it is supported by social problems, high share population with primary education etc. The lowest share of unemployed was recorded in Austrian regions (Upper Styria West, Lungau). This is probably due to historically established market economy and well developed service sector. In general, the unemployment at rural areas is the biggest problem.

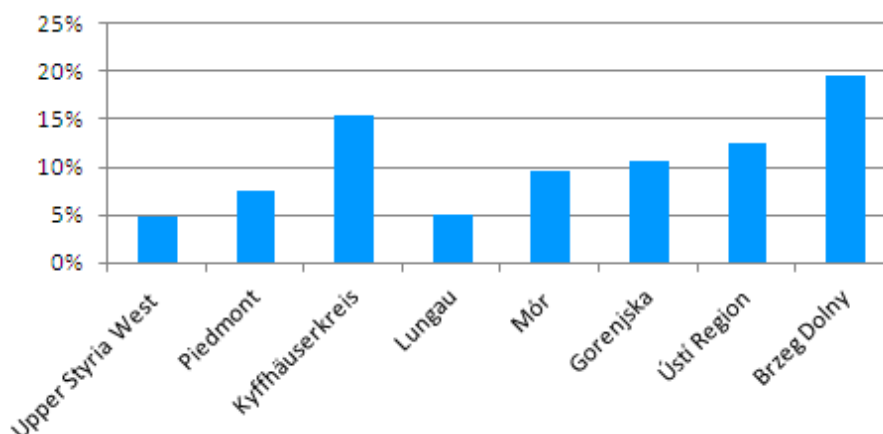


Figure 1: Unemployment rate in project regions¹

Source: questionnaires of project regions

The structure of rural inhabitants by education was indistinguishable because data were representing different regional level (data about only rural inhabitants were not available) and collected in different years. Generally, it can be said that the most frequent educational level of inhabitants of the project regions (or rural areas of them) is secondary level (see figure 2). According to other educational levels, the regions can be divided into 2 main

¹ The values and timing data for each project region: Upper Styria West 4.7 % (2011), Piedmont 7,5 % (2011), Kyffhäuserkreis 15,4 % (2009), Lungau (2010), Mór 9.5 (2007), Gorenjska 10.7 % (2011), Ústí Region 12.4 % (2011), Brzeg Dolny 19.6 % (2011).



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groups. The first, the regions with higher share of population with tertiary education and the second group, the regions with higher share of population with primary or no education. It must be mentioned, that inhabitants of the regions are active and attend courses and schools for adult education. Due to that, they acquire the new or improve their education, even according to market needs (e.g. training in the Perczel Mór Vocatioal Schools).

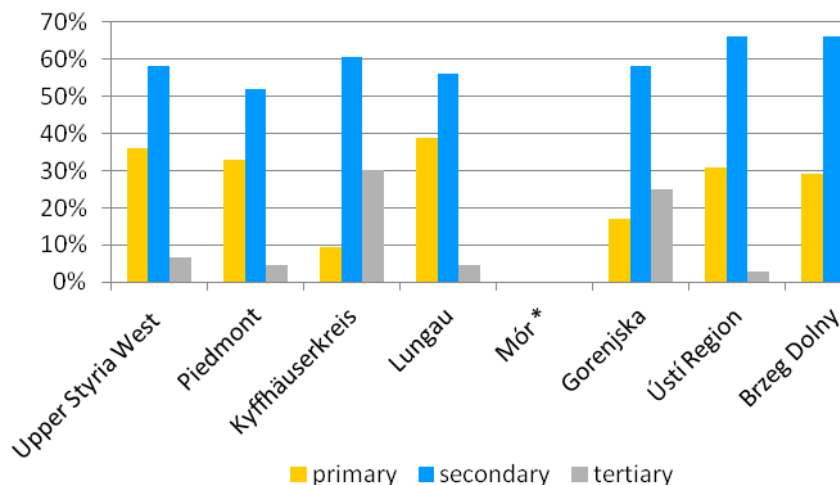


Figure 2: Structure of population by education²

Source: questionnaires of project regions, *no available data

The economies in the regions are characterized by employment in economic sectors (see figure 3). The agriculture, by labour force, is the least significant sector in all the regions. The region Piedmont (or rural areas of it) has the highest share of population employed in agriculture (41 %). The second one is Brzeg Dolny (16.3 %). Ústí Region and Gorenjska have also relatively high share of people working in agriculture. Although, Ústí Region is definitely industrial region, agriculture is quite important for local rural economy, there are also some famous regional products, e.g. beer (Zlatopramen) or wine (Porta Bohemica). Agricultural production in Gorenjska is typical by lots of family farms. Some typical agriculture products of the regions following: Kyffhäuserkreis (cereal, canola, oak), Upper Styria West (dairy products, beef), Piedmont (sheep farming) and Mór (grape, wine).

In terms of industry (see figure 3), it is insignificant only for rural economy of Piedmont (around 1.7 % of businesses). The high importance of industry for local economy is in Upper Styria West (43 % of value, 47 % of jobs, mainly machines production), Gorenjska (44.4 % of GDP, 43.7 % of employees, mainly metal or wood processing), Mór (57 % of GDP, mainly vehicle production), Brzeg Dolny (43 % employees, mainly chemistry) and Ústí Region (13 % of businesses in rural area, mainly coal mining, power plants and chemistry).

² The timing of data for each project region: Upper Styria West (data for Styria region, 2001), Piedmont (unknown), Kyffhäuserkreis (2010), Lungau (2001), Mór (no data), Gorenjska (2007), Ústí Region (2001), Brzeg Dolny (data include urban population, 2002).



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The most of population of the project regions work in tertiary sector, especially in regions Lungau, Kyffhäuserkreis and Upper Styria West, where there is almost 70 % of EA population employed in services, especially in tourism (figure 3). Piedmont's rural areas depend on agriculture, but services sector is also very important (around 50 % of businesses). Microregion of Mór is focused on agriculture and its share of services is low (compare to the EU). Gorenjska is slowly turning from an industrial region into a service economy (it also evident from the figure 3). Employment in services in Ústí Region and Brzeg Dolny is created mostly by jobs in public services, but tourism plays important role in some parts of the regions

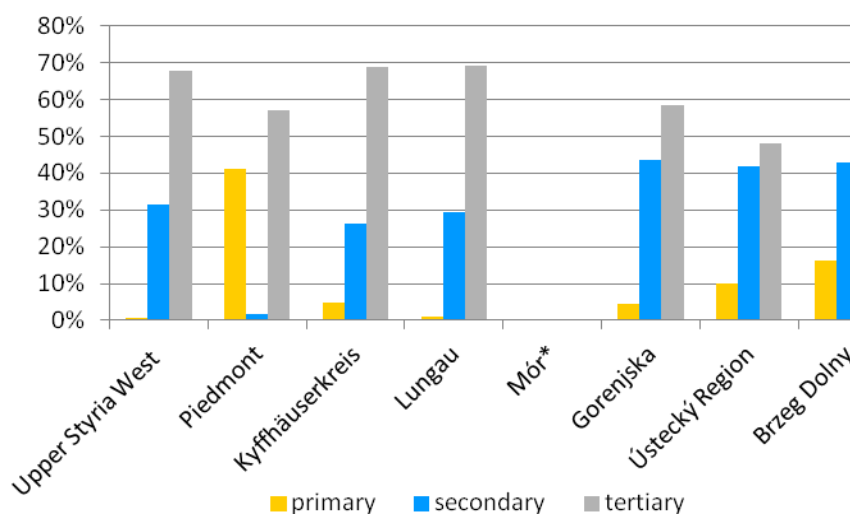


Figure 3: Sectors of economy by labour force³

Source: questionnaires of project regions, *no available data

The importance of tourism is growing at all project regions. Main potential for tourism of the regions comes mostly from mountains, heritage or some new types of tourism which are becoming more and more popular (e.g. enotourism, agrotourism). Tourism should include sufficient supply of quality accommodation, but that is the problem of some regions.

Public services still remain in the position of major employer (beside tourist regions). These types of services offer job opportunities at branches such as education, military, local government, social care and health. The last two mentioned branches are growing, while the job opportunities in education are decreasing as a result of demographic changes. Public services create over 30 % of all jobs (e.g. Lungau). For many regions, the share of employees in private services is lower than the share of employees in public sector. Private services are

³ The timing data for each project region: Upper Styria West (data for Styria region, 2008), Piedmont (unknown), Kyffhäuserkreis (data include urban population, 2010), Lungau (unknown), Mór (no data), Gorenjska (2010), Ústí Region (2001), Brzeg Dolny (data include also non-rural population, 2005).



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important mainly for tourist areas unlike lower demand at rural areas, where services are limited.

In terms of job opportunities and type of the major employers in regions, it can be said that virtually all of the projects regions are depended on same large employer (e.g. chemical company PCC Rokita in Brzeg Dolny, Czech coal in Ústí Region or company ATB in Upper Styria West). The role of SMEs for local rural economy is significant e.g. in Kyffhäuserkreis, Lungau and also Piedmont (the high share of SMEs on economy is common in Italy). Generally, the regions are trying to encourage entrepreneurship. Among other tools, consulting programs (Kyffhäuserkreis), grants (Piedmont), incubators (Brzeg Dolny), other assistance to new entrepreneurs (e.g. reduction of bureaucracy) are employed. Nevertheless, some regions struggle with bad conditions for SMEs, especially the post-socialist regions. For example, in Ústí Region big-scale agricultural subjects are dominant, there is low support of SMEs and sale of local products is limited (Mór).

The social economy concerning job opportunities has crucial significance especially in the regions where the structural transformation has occurred. Among the actors of social economy are some state institutions, NGO's and charities. These institutions have various tools (e.g. grant funding and subsidies of jobs for disadvantaged people, subsidized self-employment, requalification courses, and programs to reintegrate people to job market, volunteering or socializing programs).

There is mostly outward commuting (from rural areas to the centres). The dominant mode of commuting is car. The public transport (especially railways) is often insufficient or underdeveloped. It should be mentioned that long-distance commuting is growing (e.g. daily long commuting trips in Ústí Region are more and more common).

What changes are regions planning for the future? For example Ústí Region will have to prepare for the big challenge – replacing the role of coal mining by some another economic activity. Further, Upper Styria West region will be still developing tourism. Some special trainings for tourism employees are offered (providing information about regional activities, products and heritage). There are plans to revive potash mining in region Kyffhäuserkreis.

Finally, the summary of the main issues, that appeared in SWOT analysis of the regions.

Strengths

- Advantageous location.
- Potential for tourism (landscape, monuments, mountains).
- Social economy and assistance for starting entrepreneurs.
- Plans for development of rural areas or tourism.
- Wide offer of education courses.



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Weaknesses

- Demographic changes - decreasing population.
- Lack of the infrastructure (technical – gas system, access to internet; transport – density and quality of road system and railways, delays; tourist – offer of quality accommodation, cycle and tourist paths, better transport connection, larger promotion).
- Lack of available job opportunities is mostly the main problem in rural areas.
- Necessity of commuting to work place (especially from peripheral areas).
- Education does not meet the needs of the economy, brain drain.



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Annex

1. Questionnaire for **Output 3.1.5 Local economy and job opportunities in project regions**

Dear Partner!

Please fill in the following scheme according to the best of your knowledge and knowledge of regional stakeholders. We suggest involving the regional stakeholders is more than good to get the most comprehensive and realistic view on the situation of your region! For the involvement of local stakeholders should serve the regional workshop (output 3.1.8).

First please describe thoroughly the situation in rural areas in your region. As a help please use the listed topics below. If you have some statistic data which explain the situation, please use them. It is important to get proper description of situation of rural areas in your region and to know what the background for further development is. Of course you can focus on other not listed topics which you know are important for your region and which will help to understand the situation in your region better.

After this analysis of situation in your region please consider the Strengths (positives) and Weaknesses (negatives) of your region which reflect the topic "Local economy and Job opportunities" in rural areas. These strengths and weaknesses list in the table below. Please try to keep it short and concentrate just on the facts. You may use bullet points to separate each idea.

!!Always bear in mind that we are talking about LOCAL ECONOMY and JOB OPPORTUNITIES in RURAL AREAS in your region!!

1 **Situation in rural areas concerning the Local economy and Job opportunities topics**

Topics/Questions	Description/Answers
EURUFU-Project partner (Nr./Institution):	
EURUFU-Project region:	



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Topics/Questions	Description/Answers
General situation regarding mainly:	
unemployment situation	
economic activity of rural areas inhabitants	
education of inhabitants (kind of education or kind of qualification of rural inhabitants)	
Infrastructure of rural areas (waterlines, sewerage systems, road systems, railways, electricity, gas etc.)	
high speed internet	
situation of brownfields	
Agricultural sector situation regarding mainly:	
share of agriculture in rural economy	
importance of agricultural sector in rural economy	
marketing of local agricultural production	
typical production	
Industrial sector situation regarding mainly:	



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Topics/Questions	Description/Answers
share of industrial sector in rural economy	
importance of industrial sector for rural economy	
types of industry in rural areas	
Services sector situation regarding mainly:	
share of services sector in rural economy	
importance of services sector in rural economy	
public services concerning job opportunities (health care services, social care services, local authorities, education etc.)	
privates ervices concerning job opportunities (shops, restaurants etc.)	
Job opportunities regarding mainly:	
The role of large employers in local economy (both private and public employers)	



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Topics/Questions	Description/Answers
<p>The role of SMEs in local economy</p> <p>(consider share of SMEs in rural economy e.g. SMEs, self-employment, small producers, family enterprises; support or assistance for enterprises and starting enterprises e.g. incubators, services, subsidies, trainings; infrastructure for businesses)</p>	
<p>The role of tourism concerning job opportunities</p> <p>(consider cultural heritage, infrastructure in tourism, tourism services e.g. accommodation, restaurants etc. and destination management)</p>	
<p>The role of social economy concerning job opportunities</p> <p>Consider needs of people which have been ignored or inadequately fulfilled by the private or public sector and which are fulfilled by e.g. social enterprises, NGOs, cooperatives or charities.</p>	



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Topics/Questions	Description/Answers
Other job opportunities e.g. job opportunities used by rural inhabitants in other regions, large cities or abroad or job opportunities in other sectors not yet mentioned	
Other topics regarding mainly:	
Commuting and mobility in relation to employment (consider public transport services and how important is commuting for employment)	
Adult education in relation to employment and comparison of labour market requirements and supply of education.	
Other specific topics for the region (e.g. mountainous areas, coal mining etc.)	

2. Strengths and Weaknesses

Strengths	Weaknesses

