

AGREEMENT PROTOCOL

PLAN AND PROGRAMME FOR THE ECONOMIC RELAUNCH OF THE SERIANA VALLEY AND THE CRISIS AREAS OF THE PROVINCE Bergamo, 6 April 2009

CONFINDUSTRIA BERGAMO, *IMPRESE & TERRITORIO* [a joint committee of business associations] and the Province's union bodies the *CGIL*, *CISL* and *UIL*, in the face of the worsening social-economic conditions in the mid Seriana Valley¹ caused by the cumulative effects of the global crisis and the difficulties particular to this industrial district, have agreed to create an action plan for the Valley's relaunch (13 January 2009). The shared intention was to identify effective and achievable actions in the short to medium term.

The initiative was formulated specifically for this particular area of our province, but it represents a model that can be reproduced and applied in other places with similar demographic, social and production difficulties.

The research necessary to identify and plan the initiative to assist the Seriana Valley was delegated to *Tolomeo Studi e Ricerche Srl* in the charge of Professor Paolo Feltrin who took scientific responsibility, and under the supervision of a committee comprising the signatories to this Protocol together with representatives from the Provincial Council of Bergamo, the Chamber of Commerce and the *Comunità Montana* [a consortium of municipalities in mountain areas] of the mid Seriana Valley (representing the local Councils). The project was partially financed by the *Fondazione Banca Popolare di Bergamo*.

The investigations carried out are reported in the attached CD².

The results of the "PLAN AND PROGRAMME FOR THE ECONOMIC RELAUNCH OF THE SERIANA VALLEY AND THE CRISIS AREAS OF THE PROVINCE" were presented on 16 March 2009 and were approved on 6 April 2009 by *CONFINDUSTRIA BERGAMO*, *IMPRESE & TERRITORIO* AND THE PROVINCE'S UNION BODIES THE *CGIL*, *CISL* and *UIL*.

The medium-term estimates of the trends and effects of the crisis on Seriana Valley's economy indicate that the most pessimistic of the scenarios predicts a further loss of about 5,000 jobs in industry in the next five years.

¹ The area considered covers the *Comunità Montana* of the mid Seriana Valley as well as the area covered by the Town Councils of *Parre* and *Ponte Nassa* which have a vocation for essentially industrial production similar to the towns in the mid Valley. The research also includes the Upper Seriana Valley above all in relation to the potential for the development of tourism, infrastructure and shared activities along the length of the River Serio to the north of Bergamo.

² The documentation is divided into five parts:

1. Scenario analysis; 2. In-depth socio-economic analysis; 3. Companies and institutions affected by the crisis; 4. The impact of the crisis on the general population; 5. Summary of results and ideas for action.

A feasible strategy based on SWOT analysis³ could focus on the objective to absorb half of this potential increase in unemployment in the service industry, and the other half in new industry; this would allow the preservation of industrial specialization, which is unanimously considered to be valuable but, at the same time, would favor the diversification of the area's production systems.

From a social point of view, the most serious repercussions of the crisis are the risks of depopulation, the inability to cultivate the area's human resources and finally the risk that recent infrastructure investments will be wasted.

50 action points have been identified (see the attached list), divided between the following six objectives:

- To sustain the manufacturing industry frame work;
- To limit the effects of the current economic crisis;
- To sustain start-up businesses and assist business aggregation and managerial growth in both micro and small businesses;
- To assist in the speeding-up of the development of the service industry;
- To create the right conditions so that the area appeals to potential residents;
- To conduct cross-party politics that also focus on infrastructure.

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STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Workforce and entrepreneurship	Low levels of education	New infrastructure (<i>TEB</i> [tram] and its extension)	Depopulation
Professional and technical skills	Transport and technological infrastructure	<i>Orio al Serio</i>	Signs of de-industrialization
Manufacturing tradition	Limited culture of business aggregation and management	Changes in production through competence in technology and with the assistance of universities	Global competition
Credit institutions attentive to the needs of business	Little use of venture capital	New markets for technical textiles and smart textiles	Unfair competition
Social cohesion	High concentration of production on behalf of others	European programmes and finance (Era-Net, Structural Funds, Foresight, Lead market, <i>Cluster</i>)	Fragmentation in the supply chain
High density of micro-businesses linked to the geographical area	Small businesses dominated by unbranded homogenous products and little understanding of the final market	National and regional programmes and finance (production district or part of district)	Economic activity moving towards the Po plain
		Labelling for environmentally-friendly products and for place of origin against counterfeits (<i>Servitec</i>)	

CONFINDUSTRIA BERGAMO, IMPRESE & TERRITORIO AND THE PROVINCE'S UNION BODIES THE CGIL, CISL and UIL are committed:

- As regards the European Union, to exploring EU finance opportunities and opportunities to create an industrial *cluster* in the Seriana Valley, and so potential recognition of the state of crisis (action 7);
- In relation to the national government, to strengthening and increasing, through national representation, the steps required to obtain adequate resources for the Wages Guarantee Fund, for enhancing and safeguarding the Made in Italy brand, for the reform of support systems for national production, for the recognizability and irreplaceability of our products also through the development of "communication, standardization, labelling and certification", for reinforcing industrial politics, for export credit insurance, for dealing with the liquidity crisis, and for the development of infrastructure and transport services (actions 1, 2, 3, 9, 22, 34, 35, 37, 47 e 48);
- As regards the Lombardy Region, to seeking the funds required for the Wages Guarantee Fund and for the regeneration of work opportunities in a general sense (for employees, the self-employed and small businesses), for capitalization and business finance (financing of *Consorzi Fidi*), and to ensure that regional funds for innovation are used with the maximum efficiency (*DAISSIL* and others) (actions 20, 21, 22, 33, 36);
- As regards the Provincial Council of Bergamo and the local town councils, to promoting the territory's marketing, the town councils' unification, an improvement in public employment services, inter-municipal planning, a growth in health and social services, the formulation of a tourism project, an education and training project to be agreed with the University and responding to ongoing training needs required both by employees and the self-employed, the development of the economy in the mountain areas, the renovation of historical centres, the growth in social services, and the development of technological infrastructure (actions 4, 5, 6, 18, 19, 28, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50);
- In relation to the credit institutions, to extending the existing agreements in order to help individuals and businesses to limit the effects of the liquidity crisis and to identify the opportunities to provide guarantees to short-term debtors (actions 27, 35, 36).

CONFINDUSTRIA BERGAMO, IMPRESE & TERRITORIO AND THE PROVINCE'S UNION BODIES THE CGIL, CISL and UIL agree to:

- Promote the production district/supply chains in relation to the "anticrisis package" (action 8);
- Assist in the creation of new businesses, business aggregation, business growth, managerial growth and internationalization (actions 10, 11, 12, 13);
- Assist in making new contracts and in the development of innovation services (actions 14, 15);
- Help initiatives linked to innovations in the textile sector (actions 16, 17);
- Formulate an agreement for the geographical area between the signatories to this Protocol that prioritizes and enhances the various methods that safeguard jobs (Wages Guarantee Fund (ordinary and extraordinary, as well as that which departs from usual practice defined by law) and the job security agreement); in particular it regards as fundamental the commitment to develop concrete active politics on aspects such as career advice, training, and assistance in finding new work opportunities (actions 22, 23, 24, 25, 29, 30).

CONFINDUSTRIA BERGAMO, IMPRESE & TERRITORIO AND THE PROVINCE'S UNION BODIES THE CGIL, CISL and UIL agree to form a Support and Guidance Committee to promote activities to help and drive business development, as well as to promote economic and territorial initiatives. Committee members will include the signatories to this Protocol, the area's Town Councils and financial institutions.

The Committee will investigate and identify in detail three possible avenues of intervention:

- Assistance to business projects through the formation of a task force able to supply help to businesses and entrepreneurs in enhancing and fulfilling their investments. Such assistance might be undertaken by the Associations or by other economic-professional resources available in the area.
- Economic-financial activity through the setting-up of a fund (largely privately-funded) (action 31) managed by an independent specialist company, to finance new businesses, to participate on a temporary basis in healthy businesses and in significant projects. The fund will be used to sustain, as required, activities which support business development and growth in companies which favour business aggregation. Management will be linked to solid economic objectives of investment returns, capital preservation and maximum capital turnover. The fund could also assist in enhancing company real estate and in utilizing disused or abandoned production sites (action 32), with important bearing on the area's management both through re-utilization and planning equilibrium. Other forms of investment are also possible, from social housing to service industry sites, from services centres to the "green economy", all within the scope of well-balanced inter-municipal programming.
- Assistance with work opportunities through the use of the flex-security initiative in one of the lead markets defined by the European Union (eHealth, renewable energy, sustainable construction, recycling, bio-based products, technical textiles) to transfer skills from manufacturing to innovative sectors where production capacity or the potential for conversion already exist (action 26). This idea is based on the assumption of receiving regional, national and european finance⁴. A lead market will need to be chosen which is compatible with the resources and talents of the area in question, a project will need to be formulated together with cost-benefit analysis, industry already in the territory will be commissioned to provide the products and the means of production, and at the same time training will be provided for the technical and professional resources required for new business projects. Attendance at such courses will be obligatory, although the workers will receive the shortfall in income whilst they are (temporarily) laid off, and the training is aimed at workers in receipt of monies from the Wages Guarantee Fund or redundant personnel "in mobility" [who take precedence should their previous employees re-employ staff within a fixed period].

The Support and Guidance Committee is not restricted to operating only in the Seriana Valley where this research was undertaken, but could be extended to assist development projects in other crisis areas in the province.

CONFINDUSTRIA BERGAMO, IMPRESE & TERRITORIO AND THE PROVINCE'S UNION BODIES THE *CGIL*, *CISL* and *UIL* request the Provincial Council of Bergamo and the local town councils to sign this Protocol due to the fundamental rôle they play in creating projects and programmes for the economic relaunch of the Seriana Valley, and of other areas of the province that find themselves in the same situation as a result of the economic crisis.

CONFINDUSTRIA BERGAMO

IMPRESE & TERRITORIO

CGIL

CISL

UIL

⁴ On this assumption Tolomeo Studi e Ricerche Srl's research and the agreement of the unions form the basis for receiving community funding through the *foresight* initiative.

ANNEX TO THE PROTOCOL "PLAN AND PROGRAMME FOR THE ECONOMIC RELAUNCH
OF THE SERIANA VALLEY AND THE CRISIS AREAS OF THE PROVINCE"

	INTERLOCUTORS					FINANCIAL INSTITUTION
	EU	COUNTRY	REGION	PROVINCE/TOWN		
OBJECTIVE - ACTION						
ASSISTANCE FOR PROBLEMS BOTH STRUCTURAL AND RELATING TO THE CURRENT ECONOMIC SITUATION IN MANUFACTURING AND NEW BUSINESSES						
1 ENHANCING AND PROTECTING THE MADE IN ITALY BRAND						
2 REFORM OF THE ASSISTANCE NETWORKS FOR THE MADE IN ITALY BRAND						
3 COMMUNICATION, STANDARDIZATION, LABELLING, CERTIFICATION						
4 TERRITORIAL MARKETING						
5 TERRITORIAL MARKETING OF SPECIALIST PRODUCTS - DISTRICT WEBSITE						
6 TERRITORIAL MARKETING OF SPECIALIST PRODUCTS - TEMPORARY STORE						
7 EU CLUSTER (CRISIS STATE)						
8 PRODUCTION DISTRICT OR SUPPLY CHAIN (ANTI-CRISIS PACKAGE)						
9 RECOGNIZABILITY AND IRREPLACEABILITY OF THE PRODUCT						
10 BUSINESS GROWTH (in addition to national and regional incentives)						
11 BUSINESS GROWTH (NEW AGREEMENTS)						
12 BUSINESS GROWTH (VIA TEMPORARY MANAGER)						
13 INTERNATIONALIZATION						
14 R&D (AGREEMENTS WITH RESEARCH CENTRES FOR TECHNOLOGICAL CROSS-FERTILIZATION)						
15 R&D (REINFORCEMENT OF INNOVATION HELPDESK)						
16 R&D (TECHNICAL TEXTILES)						
17 R&D (SMART TEXTILES)						
18 TERRITORY - UNIFICATION OF COUNCILS						
19 TERRITORY - DISUSED AREAS						
20 PROTECTION OF LEVELS OF OCCUPATION - EUROPEAN SOCIAL FUND AND VOUCHER						
21 PROTECTION OF LEVELS OF OCCUPATION - FLEXSECURITY						
22 PROTECTION OF LEVELS OF OCCUPATION - SAFEGUARDING STEPS						
23 EMPLOYEES WHO BECOME ENTREPRENEURS (FILO DI FATE)						
24 PROTECTION OF LEVELS OF OCCUPATION - OLD PROFESSIONS						
25 WAGES GUARANTEE FUND IN SOCIALLY-USEFUL JOBS						
26 PROTECTION OF LEVELS OF OCCUPATION - LEAD MARKETS						
27 SUPPORT FOR INDIVIDUALS - AGREEMENTS WITH BANKS						
28 PUBLIC EMPLOYMENT SERVICES AND SOCIAL SERVICE AGENCIES						
29 FIRST JOB AGREEMENT [FOR YOUTHS]						
30 REHABILITATING WORK CONTRACTS						
31 DEVELOPMENT FUNDING						
32 REAL ESTATE FUND						
33 DIRECT ASSISTANCE (DAISSIL)						
34 INDUSTRIAL POLITCS						
35 CONSOLIDATION OF SHORT-TERM DEBTS						
36 FINANCING OF CONSORZI FIDI						
37 CREDIT INSURANCE						

	INTERLOCUTORS				
	EU	COUNTRY	REGION	PROVINCE/TOWN	FINANCIAL INSTITUTION
OBJECTIVE - ACTION					
ASSISTING THE DEVELOPMENT OF THE SERVICE INDUSTRY					
38 INTER-MUNICIPAL COMMERCIAL PLAN					
39 ENHANCING HEALTH AND SOCIAL SERVICES					
40 TOURISM PROJECT (in collaboration with the Upper Seriana Valley					
41 TOURISM PROJECT - NEW EQUIPMENT (GOLF)					
42 TRAINING IN THE INNOVATIVE SERVICE INDUSTRY					
43 GREEN ECONOMY					
44 MOUNTAIN ECONOMY (in collaboration with the Upper Seriana Valley)					
FACILITATING RESIDENTIAL ADVANTAGES					
45 RENOVATION OF HISTORICAL CENTRES					
46 SOCIAL SERVICES					
CROSS-PARTY POLITICS					
47 DEVELOPMENT OF TRANSPORT INFRASTRUCTURE					
48 DEVELOPMENT OF MEANS OF TRANSPORT					
49 DEVELOPMENT OF TECHNOLOGICAL INFRASTRUCTURE					
50 INTER-MUNICIPAL TOWN PLANNING					