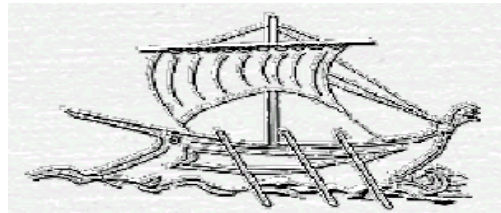




**European Union
European Social Funds
Article 6 – Innovative Measures**

**COMPARATIVE ANALYSIS OF THE LEATHER AND
FOOTWEAR INDUSTRIES CONCERNING AGED
WORKERS IN GREECE, ITALY, SPAIN & PORTUGAL**



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1. INTRODUCTION

The present study is carried out in the framework of the ACTION LINC project (Action for Leather Integrated Co-operation) which is co-financed by the European Social Fund (in the framework of Article 6) .

The project's goal is to design and implement a employment management strategy for aged workers in the production field of the leather and footwear industry in four countries in the South of Europe (Greece, Italy, Spain and Portugal) where there are significant employability problems. The project focuses on the implementation of innovative human resources management methods in order to deal with the problems generated during the past years due to the rapidly changing environment.

The comparative study of the labor market in terms of aged workers in Greece, Italy, Spain and Portugal is a deliverable of the first stage of ACTION LINC and is the continuation of the field studies and researches that were carried out in all aforementioned countries. The Comparative Analysis is based on the data of the results of the National studies that were carried out in the framework of the project and its goal is to highlight the common features, problems and needs of the Labor Market in the Leather – Footwear Industry focusing on aged workers.

With regard to the implementation of the study we must take into account the following points, which highlight the multifarious and complex character of Employment and in particular of aged workers.

Employment in modern economies is identical to economic growth. In the developing economies (and not only) the sectors that have positive development indexes are naturally those that generate new jobs and contribute in terms of Employment.

The globalized economy has create a new situation both in terms of economy and in terms of labor market and Enterprises are obliged to adapt themselves according to this new environment so as to ensure their feasibility and further development.. As a result needs in terms of human resources focuses on well trained personnel in a modern business and economic environment.

Globalization has as well another influence, namely the fact that enterprises relocate their production in low cost countries (mainly due to the low labor cost). As a result there has been a strong de-industrialization and loss of jobs in the production field in the developed and the developing EU countries.

The modern digital technology constitutes on the one hand a pole for the development of new quality products and for a more effective organization of the production and on the other hand it has changed the requirements of the labor market. The requirements in terms of Human Resources focus on technologically specialized jobs whereas low specialization jobs gradually disappear or are covered by financial refugees or by flexible form of employment.

The financial refugees have greatly changed the labor market and in particular immigrants from Eastern European countries have influenced a lot the environment in all European countries. The flow of immigrants has dramatically changed the labor market map in all hosting countries.

The numerous products, which due to the globalization come from countries, such as China, India, Korea of low labor cost and as a result of low production cost made competition for European products in the International and domestic markets even harder.

The present study investigates the Leather and Footwear Industry in four countries (Greece, Italy, Spain, Portugal) in relation to:

- A) The existing situation
- B) The Human Resources Employment
- C) the perspectives for further development concerning both the financial volumes and the Employment itself.
- D) The identification of practices that could lead to further growth and development.

The comparative analysis was based on field research and studies that have been carried out in the framework of the ACTION LINC project in four countries in the

South of the European Union (Greece, Italy, Spain and Portugal). The data and conclusions that are included in the Study and are relevant to the labor markets and the situation of the industry are taken from similar research and studies.

The present study is divided in an introduction and seven individual sections:

The second (introductory) section presents the basic concepts with regard to employment and unemployment together with a brief presentation of the prevailing trends relevant to the problem. The third section presents a draft of the existing situation in the labor market of the industry under investigation, its structure and employment features as well as the policies applied in the EU for the unemployment focusing mainly on aged workers. The fourth section presents the demographic problem in the economically active EU population, the practices that have been applied until today in most EU countries as well as a forecast for the years to come.

The fifth section presents the characteristics of the leather – footwear industry in Greece, Italy, Spain and Portugal as reflected on the national field studies that were carried out in the framework of the project. Moreover the SWOT technique was applied for the centralized presentation of opportunities, weaknesses, perspectives and menaces of the industry in the four countries under investigation in the present project.

The sixth and the seventh section presents the common characteristics, the problems and the needs in the four countries as well as their differences. Moreover constraints are determined so that they are dealt in a way to create more favorable conditions for aged workers in the leather – footwear industry. Last but not least the eighth section is a concise study of the problem together with the conclusions of the comparative mapping of the aged workers problem in the leather and footwear industry.

2. EMPLOYMENT AND MODERN LABOR MARKET

The labor market **is determined** by the conclusion or intention to conclude a remunerated employment contract. The labor market involves a transaction relation between an employer who offers a job and an employee who offers his/her work. The labor market creation process is a long process. **The labor market is as well a ‘space’ that absorbs all echoes of any social and economic transformation.**

It is equally critical to describe certain basic features of the labor market as we determined it above. Thus the labor market is characterized by:

- The technical needs of the production, which in turn determine the factors that are related to the demand on behalf of employers.
- The availability and the suitability of the population that undertakes the work.
- The regulatory provisions that govern the working relations.
- The geographical borders of the labor market namely the limit within which an employer is looking to find the necessary work and the limits within which the employees are trying to find a job.

According to the above before mentioning the requirements in terms of human resources skills and knowledge we must investigate the factors that formulated such requirements or rather the factors that transformed the structure elements of the labor market and influenced the its basic characteristics.

The **technical needs of the production have changed.** Modern tools and system are applied in the production process and certainly employers when they look for people to cover work positions and there is as well as continuous and strong need for reduction of the production cost they often consider it as a for reduction of the labor cost.

The **availability and suitability of the labor force** with regard to a specific job is influenced by numerous elements. It is primarily influenced by the knowledge of a

person, the way this knowledge was acquired and the efficiency of the bodies which undertake essentially the preparation of the labor force.

The **regulatory provisions** have suffered as well various transformations and today we are speaking about part-time jobs, tele-working, contracts per project, which essentially means that remunerated work appears in different forms and it is possibly heading towards total deregulation, at least as opposed to what traditionally existed until today.

The geographical borders of the labor market have changed and we are currently referring to a unique European labor market even though there is still a lot to be done in this field.

Meanwhile, **the European Integration and the European Enlargement** which increased competition dramatically constitute a significant factor relevant to the transformation of the labor market which mainly increases competition which in turn involves more labor cost reductions and relocations of both capitals and businesses as well as structure changes in the production process. All the above have necessarily a major impact on the requirements for skills and knowledge in terms of the production process.

On the other hand in liberalized economies the unemployment phenomenon is rather inherent and it is possibly the strongest expression of instability of the economy of the market. Many relevant studies have been carried out both in terms of theories and in terms of policies as well. All governments in all countries aim at achieving a high employment rate for their labor force, which is automatically translated in low unemployment rates.

The fight against unemployment is always one of the critical goals of all policies since it involves a high economic and occasionally political cost. It is the cost of human resources being inert, people that could contribute to the growth of the overall production. In other words we are speaking of an escape product or rather an escape income. Moreover unemployment involves the immediate cost of social insurances for

unemployed people and the loss of taxes that those people would pay if they worked. Yet the cost of unemployment has a deeper human dimension. A person that is able to work and is looking for a job, feels somehow that he/she is deprived from one basic right, namely the right to work.

The EU enlargement with nineteen new countries constitutes an new challenge for the Greek economy and employment and a long term choice fro Europe which considers the achievement of national and regional cohesion as a significant development objective both at an economic and social level.

Employment is currently one of the most critical problems in all EU countries together with the exclusion of specific vulnerable groups from the labor market. The strategy developed by the EU institutional bodies in the framework of the Social Protection modernization determines employment as one of the most significant factors of the European Social Model as formulated in the Summits of Lisbon and Nice.

In particular the EU is currently facing the following challenges:

The demographic aging – increase of aged and parallel decrease of young people – has been changing gradually the production and consumption structure and the models of the society by and large and in particular of families, which as a result has stimulated a major financial crisis of the Welfare State.

The generation gap, to the extend that aged people and a big share of young people remain excluded from the labor market and consequently from the society itself.

Unemployment affects mainly women, young and aged employees in low specialization jobs.

Gender inequality. Women’s employment rate even though they have increased during the past years they are still lower compared to those of men by 18% which together with the salary discrepancies that exist of 15% proves that the problem in question is an inherent one of our society.

The lack of skills and competences to the extent the education levels differ from one country to another. This fact made necessary the adoption of a new unique educational and training policy, which is one of the top goals of the European Social Agenda.

The low cohesion rate between the EU Regions even though the reduction of the distance between rich and poor regions is a positive indication for the future of Europe.

Social solidarity and poverty since almost 65 million of European people live below the poverty threshold which is determined to 60% of the average income.

3. EMPLOYMENT AND UNEMPLOYMENT IN THE EUROPEAN ENVIRONMENT

The rate of employment remained unchanged since the beginning of 2003 with a slight increase during 2004-2005. Unemployment increased gradually from 8,1% in 2003. The recent transformation in the European labor market made it stronger and more easily adaptable to vibrations yet if economy does not recover and unless more transformations are carried out in the labor market employment might remain stagnant with possibly higher rates of unemployment and redundancy.

In the European Council's Summit in Lisbon on the 23rd and 24th of March 2000, a new strategic goal was set for the Union in order to enhance employment, economic growth and social cohesion in the framework of a knowledge based economy.

In particular, to deal with all challenges that menace the cohesion and viability of the European Social Structure, the European Union in the European Council of Lisbon set the strategic goals that must be achieved in the next ten years so that:

«The European Union become the most competitive and dynamic economy of knowledge in the world, able for a sustainable economic growth, with more and better jobs and stronger social cohesion»

For this reason the European Council in Lisbon decided to adopt a strategy that would give to the EU the opportunity to create the conditions for full employment and to enhance the regional social cohesion through an integrated strategy which would be based on three pillars:

Preparation for the transition to **an economy and society of knowledge** through the development of policies for the Information Society, the research and development and through the enhancement of structural transformation procedures for competitiveness, innovation and the achievement of full employment in the domestic market.

Modernization of the European Social Model, investments on human resources and the fight against social exclusion.

Support of a **healthy economic perspective** and of favorable forecasts concerning the economic growth with the application suitable combined macroeconomic policies..

Integration of the **sustainable development** goals (After Goetenborg).

Moreover, the Council of Lisbon decided to improve the existing procedures (Luxemburg, Cardiff and Kolne).

In particular it has decided the following:

A new Open Method of Co-Ordination at all levels (guidelines and time schedules, indexes, special targets of national policies, follow-up of the improvement by peer experts in intra-educational processes)

A stronger leading and coordinating role for the European Council

The European Council of Nice approved the European Social Agenda and assigned its application and follow-up to the Commission of European Communities.

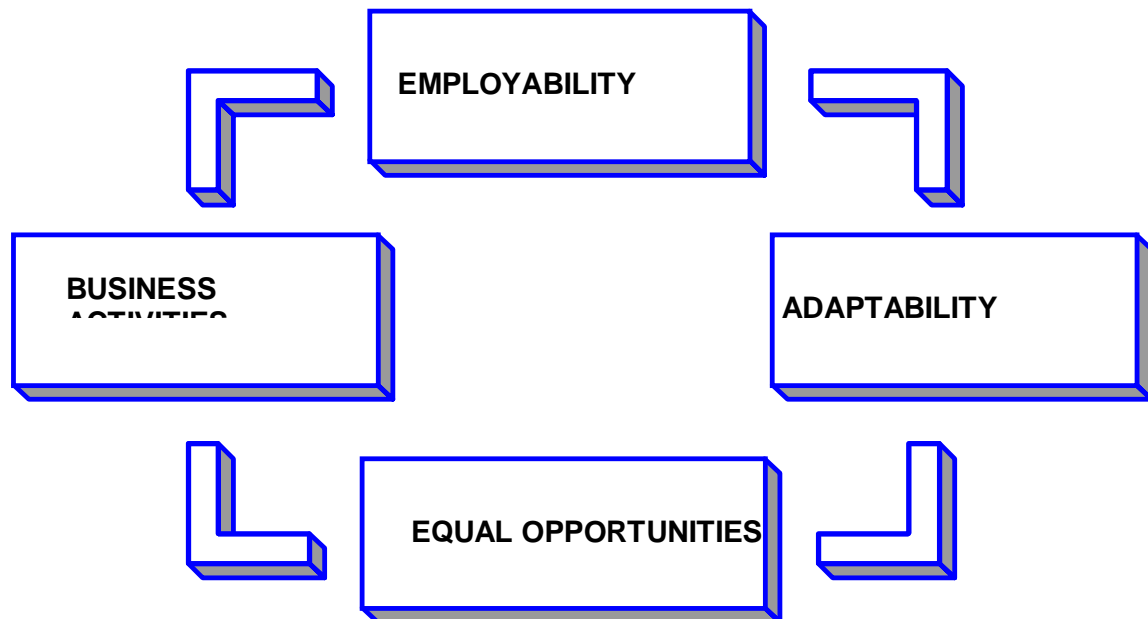
Moreover the European Council of Laeken developed further more the working methods and the strategy of Lisbon:

Establishment of a series of financial and social structural indexes among which the one for the **quality of employment** and for the **fight against poverty** and social exclusion as well as certain more for the sustainable development, which will give a clearer image of the achievements of every Member- State.

An Agreement for the organization of a Summit on social issues with the participation of all social partners (similar to the one organized on 13.12.2001) before every Spring European Council so that a better structuring of the trilateral consultations relevant to the strategy be achieved.

In particular, with regard to the Employment field, the target set in the Lisbon Summit was the creation of more and better jobs in Europe through the development of an active employment policy. To achieve the above goal the European Council and the European Commission will put the emphasis on the four sectors that are presented on **Error! Reference source not found.**

The Employment Pillar of Lisbon Summit



According to **Error! Reference source not found.** of the Summit of Lisbon the following sectors that fall in the goals against unemployment and increase of employment have been formed. .

-Employability: The particular term refers to the improvement of the capacity of a person to assert successfully a position in the labor market. Every person must be given an opportunity in terms of work offer, work experience, vocational training or other proactive measures. The measures that will be adopted for the first pillar must clearly encourage labor force towards work (proactive policies). Which means that the changes in the tax system and the improvement of vocational training structures must be connected with incentives promoting work and not indirect supporting rejection of work. The measures that are relevant to employability must necessarily promote the diffusion and availability of life long learning opportunities. Codified, the aim of the 'Employability' pillar is the following:

1. To deal with the unemployment of young people Την αντιμετώπιση της ανεργίας and to prevent long term unemployment.

2. The transition from passive to active policies.
3. Encouragement of social dialogue and partnership.
4. Enhancement of the transition from school to work.

-Business activity: The term «Entrepreneurship» refers to the encouragement of the entrepreneurial spirit and the enhancement of the establishment and operation of an enterprise and the employment of people by it.

This need results from the assumption that we need an entrepreneurial culture together with the corresponding incentives. People starting new businesses as well as when they hire new employees must be adequately supported and assisted inside a suitable environment.

Which involves changes and reforms of the tax system, reduction of bureaucracy and training for young businessmen mainly of small and medium enterprises.

These policies must support the promotion of the potential new jobs in every member state and particularly in the services and social economy sectors.

Codified, the aim of the 'Entrepreneurship' pillar is the following::

1. Enhancement during the start up and initial operation stage.
2. Utilization of opportunities for the generation of new jobs.
3. Adaptation of the tax system so that it is more employment friendly.

-Adaptability: means the development of new flexible forms of work that may combine secure jobs with the flexibility of enterprises. This must be translated in higher competitiveness of the market. (basic parameter of the Cardiff Process). The collective rights of workers as well as their working status and career perspectives should not be jeopardized in any case.

It is considered the most tough pillar since the combined application of new work organization forms must be realized in a secure working environment. The

competitive enterprises need a certain flexibility together with a high level of modern operations so that they meet the challenges of both the economy and of the international markets as well. On the other hand they must ensure security and stability for all workers.

Dialogue between the social partners and the adoption of consensus procedures is a critical point for the successful outcome of such an attempt. It is a way to ensure effectively reforms and innovations in favor of both the enterprises and the workers.

The Member States on the other hand must support with all means they dispose these efforts and adopt measures to alleviate enterprise from the costs they are charged so that they invest on human resources.

Codified, the aim of the ‘Adaptability’ pillar is the following:

1. Modernization of the organization of work.
2. Support of the adaptability of enterprises.

-Equal opportunities: means equal access to work and equal treatment for both men and women. In other words men and women must be given equal opportunities in terms of training and support so that they may participate in the labor market under the same conditions.

Another very significant parameter of this pillar refers to the reconciliation of family and professional life as well as to opportunity of a new come back after a long period of absence.

The promotion of gender equality in certain sectors of the economy where traditionally one sex prevails over the other is among the goals of the fourth pillar.

Beyond the above specific action lines the principle of equal treatment must be strictly observed together with the relevant measures in all other three pillars (mainstreaming).

Codified, the aim of the ‘Equal Opportunities’ pillar is the following:

1. Dealing with inequalities between genders.

2. Reconciliation of family and professional life.
3. Support in terms of come back after a long absence.
4. Integration of special groups of people in the labor market.

Taking as point of reference the aforementioned pillars the member states determine their national goals in order to achieve higher employment rates which together with the increase of labor force will contribute to the viability and efficiency of the social protection systems.

Europe needs more and more effective investments in human resources. The reforms that aim at encouraging individuals in investing focus on the use of financial incentives. The member states, the social partners, enterprises and workers must increase their capacity in terms of foreseeing, applying and absorbing changes. Apart from the actions required in the framework of other special guidelines it is clear that there is a continuous need for greater flexibility and security in the labor market. Moreover there is a need for more attractive contractual regulations that may deal with the needs of both workers and employees and to ward off the creation of a two-level labor market. The existing data are rather positive and they reveal an increasing trend in terms of working hours and environment.

4. DEMOGRAPHIC PROBLEM & EMPLOYMENT IN THE EU

One of the most serious problems for the societies in the EU is the aging of the population and its impact on the labor market. The economically active population in the EU has been increasing whereas there is a change concerning the age pyramid of the active population: young people (15-19) will reduce by 1 million (-5 %) and those between 20-29 years of age by 9 million (-17 %). On the contrary the 50-59 age group will increase by 5,5 millions (+ 12 %) and the 60-64 age group will increase by 1 million.

However and despite the reduction of the new labor force the age group over 40 is considered to be close to the end of its economically active life. Concerning this problem the various governments, including those of Austria, Finland, France, Germany and Italy are trying to reverse the early retirement policy and they are looking for new financing methods of the pension policy. It is attempted a re-evaluation of the capacity of the aged labor force. This new business plan is based on 5 points:

- Enhancement of investments and development of the human resources
- Reduction of non specialized workers
- Maximization of labor force employment techniques
- Adaptability to the demographic changes
- Promotion of diversity and of the different skills of the labor force.

Moreover and in cooperation with the labor unions it is attempted a re-investigation of the early retirement policies and a more rational management of the human resources in favor of the development and of entrepreneurship.

Management of aged workers is a social and economic need throughout Europe because of four main reasons, which are the following:

1. Management of aged labor force

It is widely accepted that there is an aging of the labor force in the EU which has a significant impact on the social policies and the economic strategies of the member

states. The labor force over 50 accounts for 1/5 of the total labor force and it is expected to change and become 1 to 4. Despite the fact that employers until today both in the private and the public sector favored an early retirement due to the lack of new labor force, it is currently investigated the option prolonging employment and of encouraging those already working to remain active. However the skills and competences of aged workers must improve in Europe mainly due to the high competition of the younger labor force in the USA and Asia.

2. Dealing with problems and discriminations in relation to the age.

Given the aging of the labor force there is a strong need to deal with the age problem as well as with the age discriminations. This is why it is necessary the creation of a new institutional framework on the basis of employability, self-employability and vocational training criteria together with the relevant guidelines for the operation of professional associations.

3. The benefits of age diversity .

The value of age diversity has been already recognized in the development of human resources. A well balanced labor force in terms of different ages is competent to meet adequately the ever changing conditions of globalization. Many companies that rejected aged workers have reduced their potential for development of their human resources.

4. State Policy

The inability of the pension scheme to support a great number of pensioners encourages gradually the expansion of the economically active life. The EU has played a very important role in the elaboration of policies for the employment of the 55-65 age groups. Thus in 2001 26% of the labor force in the 55-65 age group was active and the target for 2010 is to reach 50% expanding the retirement age per 5 years. It is considered that the expansion of the active professional life will enhance competitiveness and will give equal opportunities to the workers regardless the age group they belong to.

5. THE LEATHER AND FOOTWEAR INDUSTRY IN THE SOUTH EU COUNTRIES

Leather and footwear industry in Greece

5.1.1. Leather sector

A. The existing situation in the leather Industry

The tannery – leather industry is a traditional sector of the Greek manufacturing industry. Yet it has been facing very serious problem during the past years.

These problems are relevant mainly to the following:

A) The majority of Greek production units are of small size (family businesses) and they are not capable of dealing with the strong competition during these last years.

B) The leather production process requires energy, water supply and is harmful for the environment. All the above require installations and infrastructures that exist only in few Industrial Areas.

C) The EU institutional framework for the operation of units (tanneries) is very strict (due to the environmental impact) and the Greek Units are unable to meet the relevant specifications with the existing installations and infrastructures.

D) Moreover the competition between the Greek products and those from other EU countries and of Chinese origin, which despite their poor quality are far more attractive in terms of price, is possibly the most serious problem.

E) the leather industry depends directly on the footwear and leather products industries, which are similarly in crisis with clear consequences for all.

There has been lately some efforts to set up modern units in Industrial Areas that dispose of the necessary infrastructure (Energy, Water Supply, Waste Treatment). These units are few (represent only 10% of the domestic production) in relation to the overall number of Greek tannery units.

B. The Human Resources in the Leather Industry

The human resources which is currently employed in the tannery sector is not aged which is further confirmed by the fact that there are early retirements or exits so that they get involved in another professional activity. The heavy tasks are mainly executed by immigrants. It is clear that the industry in order to develop needs a specialized and well trained personnel.

C. Education – Training

Education in the tannery sector practically does not exist in Greece neither in the secondary nor in the tertiary education level. Moreover, concerning training and life long learning of the human resources apart from a few sporadic seminars mainly of private initiative that have been carried out during the past years, there are neither structures nor procedures that may ensure the development of the human resources in the industry.

D. Employment of aged human resources in the industry

As it has already been mentioned the aged workers in the leather industry have either retired or they orient themselves towards other activities. Looking for another job in another sector or industry is an indication of the crisis, of the unhealthy working environment and of the absence of a specific policy for the development of the industry in Greece.

E. Perspectives

Concerning the perspectives of the industry according to the elaboration of the data until today we may conclude the following:

A) There are perspectives for development to the extend the manufacturing units – industries are supported and organized so that they are able to deal with the various problems. The critical points for the success are as follows:

- Installation – relocation in organized IZ of the country equipped with the necessary infrastructures

**COMPARATIVE ANALYSIS OF THE LEATHER AND FOOTWEAR INDUSTRIES CONCERNING AGED WORKERS
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- The set up of Joint Ventures, which may facilitate the enterprises to deal with the increasing competition and may create economies of scale.
- Use of new technologies which will create new opportunities in terms of production and will further improve the quality of its products
- Establishment of education / training structures which will provide knowledge on new technologies, modern production methods as well as on Management and Marketing.

SWOT ANALYSIS – TANNERY AND LEATHER PROCESSING INDUSTRY

<p align="center">STRONG POINTS</p> <ul style="list-style-type: none"> ❑ Traditional activity ❑ Good quality of products compared to the competitor 	<p align="center">WEAK POINTS</p> <ul style="list-style-type: none"> ❑ Small units (Family Small and Medium Enterprises) ❑ Low technology level ❑ Inability of exploiting economies of scale, marketing ❑ Unsuitable spaces (installations – areas) ❑ State policy concerning imports ❑ Environmental Impact ❑ Increased energy requirements ❑ Increased water supply requirements ❑ Wastes harmful for the environment .
<p align="center">OPPORTUNITIES</p> <ul style="list-style-type: none"> ❑ Opportunities for development under the condition that the problems are sufficiently dealt ❑ Creation of Joint Ventures which will enhance the industry’s enterprises ❑ Relocation of Industrial units in the IZs (Attika – IZ Schisto) 	<p align="center">MENACES</p> <ul style="list-style-type: none"> ❑ Chinese Competition ❑ Shrinkage of the footwear sector in Greece ❑ Negative psychology in terms of new investments ❑ High production cost compared to that of the competitors ❑ Inability of compliance with the conditions (e.g. environmental) relevant to licensing ❑ Reactions of the inhabitants leaving in areas close to the tannery units

5.1.2. Footwear Sector

A. Existing Situation

The footwear sector used to be a significant one for the Greek Manufacturing Industry. It is not a coincidence that 50% of the Greek footwear production is exported and that the Greek Footwear is considered of best quality

However there has been recently a strong recession which mainly can be attributed to the following:

- The strong competition with low cost imported products, even of poor quality, from China and other Eastern countries
- The strong competition with branded products from EU countries and with Italian design products.
- The high production cost which obliges entrepreneurs to orient themselves more towards exports, trading and less towards the production itself.
- The lack of an integrated development strategy for the industry in terms of production, organization and marketing, which would enhance investments and would support by and large the expansion of the markets and the development of the industry in Greece

B. Perspectives

The sector presents significant indications for development under the condition that it is supported and better organized. Which is further enhanced by the fact that certain Greek Footwear Industries that have already organized systematically their production and have conducted marketing campaigns have finally achieved very good results.

The existing risks due to cheap products mainly of Chinese origin can be faced thanks to the quality of the Greek products, the expansion of the markets abroad and these of modern methods and tools such as Franchising and the creation and development of promotion companies for the diffusion of Greek products..

Branded products and design products may play as well as equally important role in the development of the sector, which apart from the expressed will of entrepreneurs involves as well training and education infrastructures for the human resources of the sector. .

C. Employment

Most employees in the sector (approximately 30%) are over 45 years of age. According to relevant measurements (in the current research and in previous ones) employment in the sector declines during the past 17 years and mainly affects aged workers, which becomes worse due to the fact that most working positions are occupied currently by immigrants (30% of the work positions in the sector).

D. Education – Training

It is worth mentioning the fact that despite the importance of the footwear industry in the framework of the Greek Industry there no relevant 3rd grade educational institutes in our country. The research, moreover, showed that only 5% of the people working in the Greek Footwear Industries has a 3rd grade education Degree and 70 % of workers are Secondary Education Graduates.

SWOT ANALYSIS – FOOTWEAR INDUSTRY

<p align="center">STRONG POINTS</p> <ul style="list-style-type: none"> ❑ Traditional sector of the Greek Manufacturing Industry ❑ 10TH on the EU list (annual production of 5.000.000 pairs) and 10.000 workers in the production and 5.000 retail – wholesale shops. ❑ 50% of the production exported ❑ Good quality compared to the competitors ❑ Design of products . ❑ Branded products ❑ Long term cooperations with foreign companies 	<p align="center">WEAK POINTS</p> <ul style="list-style-type: none"> ❑ High production cost. ❑ EU Policy for Exports . ❑ Education and training of personnel ❑ Lack of academic education in modern issues (design). ❑ Pessimism of entrepreneurs, absence of investments . ❑ Lack of development strategy for the industry . ❑ Lack of cash flow in the Greek Market
<p align="center">OPPORTUNITIES</p> <ul style="list-style-type: none"> ❑ Opportunities for development on the condition that the problems are dealt efficiently and a restructuring scheme is applied . ❑ Targeting to quality and branded products . ❑ Development of a distribution network at a domestic and international level. ❑ Use of modern tools such as Franchising and quick response. ❑ Development of mixed activities (production, distribution, trading). ❑ Strict observance of EU directives concerning production. 	<p align="center">MENACES</p> <ul style="list-style-type: none"> ❑ Chinese competition ❑ High production cost compared to the competitors ❑ Shut down of production units and shift to other activities (mainly imports and trading). ❑ Reduction of production both in Greece and the EU. ❑ New forms of retail sales favoring high concentration (super market etc)

The leather and Footwear Industry in Italy

A. Existing Situation

The leather and footwear industry in Italy is one of the most dynamic sectors . With regard to the sector in question it is worth mentioning the following:

- The leather Industry represents 2.400 enterprises, which employ 27.500 workers and have a turnover ranging to 4,86 billion Euros.
- During the past years there has been an increase of the enterprises in the industry (despite the decline in 2003).

There is some concern though because employment has been reducing (30.294 employees in 2001 as opposed to 27.617 in 2005). Despite the fact that the leather industry is a very dynamic sector in Italy, there are some problems relevant to:

- The reduction existing in the leather market (Domestic and International).
- Reduced leather demand at an EU level.
- Strong competition with Chinese products .
- Exchange rate between dollar and Euro, which makes Italian Products very expensive in the International Markets.
- Reduced competitiveness of the leather industry.

It is very characteristic the fact that 46 % of the Italian leather products is footwear, 24,9% furniture, 13,7% handicrafts, 6% clothes and gloves which indicates the diversity of the leather goods production and consequently the existence of better development perspectives.

The leather production and leather products in Italy is concentrated in four areas (Lombardy, Toscana, Venice and Campagna). Every area specializes its production (tannery, footwear, leather handicrafts etc).

B. Needs in Human Resources

The Italian Labor Market needs of the leather industry in terms of human resources refer to high specialization personnel mainly at an Executive level. In particular these needs are distributed as follows:

- Production Technicians
- Chiefs in individual production activities
- Exports and Marketing
- Environmental experts
- Chiefs of Labs

C. Education – Training

With regard to tannery and leather processing Italy disposes of an organized educational system. There are Technical Institutes in the four areas where the industry is more active and one University School at the University of Pisa.

SWOT ANALYSIS- LEATHER & FOOTWEAR INDUSTRY IN ITALY

<p align="center">STRONG POINTS</p> <ul style="list-style-type: none"> ❑ Traditional Sector of the Italian Industry with a leading role in the EU. ❑ Good quality of products compared to the competitors'. ❑ Branded Products. ❑ Design of fashion products. ❑ Diversity of leather products (footwear, furniture, handicrafts, clothes). ❑ Centralized production in four areas. Each one specializes in a field. ❑ (Sufficiently) Organized Educational System . 	<p align="center">WEAK POINTS</p> <ul style="list-style-type: none"> ❑ Lack of highly trained personnel ❑ Exchange rate between Dollar and Euro ❑ Emerging new competitors from eastern countries
<p align="center">OPPORTUNITIES</p> <ul style="list-style-type: none"> ❑ The quality of products ❑ New markets ❑ Reduction of the production cost for the improvement of competitiveness 	<p align="center">MENACES</p> <ul style="list-style-type: none"> ❑ Chinese competition ❑ Reduced demand in the EU.

The leather and footwear industry in Portugal

In Portugal there is a traditional chain in relation to the leather and footwear industries which includes animal breeding and slaughtering, tannery and leather finishing (raw material), footwear and leather items manufacturing units and industries.

In the leather – footwear industry there are 2000 enterprises out of which:

Leather (tannery, leather processing)	120
Footwear Manufacturing units and Industries	1450
Leather items construction	135
Footwear auxiliary material production	295

Work position amount to 53.000 And they are distributed as follows: 2.000 employees in the leather processing sector and 51.000 in footwear production .

75% of employees in the leather processing sector are men whereas in the footwear production women account for 85% of the total labor force of the sector. του. The tasks in the lather processing sector are considered hard and for this reason employees are mainly men..

Most enterprises in the leather – footwear industry are of small or medium size (traditional – family type ones).

75% of the production is exported in other European countries, Australia and the Middle East as well as in Asia.

It must be stressed that raw materials (hides) are of domestic production.

LEATHER PRODUCTION – EMPLOYMENT

In 1990 until 2000 employees over 35 years of age accounted for 60% and 70% correspondingly of the labor force of the industry. The forecast for the year 2010 is

that this rate will increase up to 75% of the labor force since the profession is no longer attractive to young workers.

FOOTWEAR – EMPLOYMENT

In 1990 until 2000 employees below 35 years of age accounted for 70% and 55% correspondingly of the labor force of the industry. The forecast for the year 2010 is that this rate will drop to 35% of the labor force since the profession is no longer attractive to young workers.

The forecast for 2010 indicate that 40% of the labor force will be over 45 years of age in both sectors.

The educational level of workers in both sectors is rather low (primary education) by 70% of the total population. Specialized workers are a minority and they are mainly over 50.

The research which was conducted with the use special questionnaires came up with the following very useful conclusions.

The priorities for the development relate to the following activities of the enterprises involved:

- Marketing and sales
- Product design
- Use of a trade mark (™)
- Use of new information technologies (ICT – E-commerce)
- Exports (only few companies in the domestic market)
- Products research and development, Human Resources, Environment (only the biggest and best companies of the industry)

For the time being these two sector have no aging problem in Portugal since only 17% is over 50 whereas the average age of women is approximately 35 years of age.

The workers have expressed their discontent with regard to the following issues (in priority order): remunerations, volume of work, lack of internal communication, lack of professional training.

In terms of work offer only 25% of advertisements refers to production (for the 25 – 35 age group), whereas all other refer to the design of product, management and sales.

70% of the companies invest on modern technical equipment and only 30% utilizes the traditional methods.

PROBLEMS OF THE ENTERPRISES

The research detected and registered certain main problems, common in most companies of the industry in Portugal. These are as follows:

- Low competitiveness
- Great diversity of products
- High cost
- Global Competition
- Non compliance with the delivery deadlines
- Low quality
- High quality demand on behalf of the consumers
- Design of products (production)
- Compliance with raw material specifications on behalf of the suppliers
- Design of organization
- Knowledge management
- Non flexible working hours
- Fluctuation of the demand
- Increased number of aged workers (over 50)

WORKERS PROBLEMS

The research detected and registered certain main problems which involve the majority of workers in most companies of the industry in Portugal. These are as follows

- Frequent absences
- Low level qualifications
- Unsatisfactory remuneration
- Lack of sense of responsibility
- Low productivity
- Low efficiency
- Lack of skills in relation with the new technologies
- Sickneses

**COMPARATIVE ANALYSIS OF THE LEATHER AND FOOTWEAR INDUSTRIES CONCERNING AGED WORKERS
IN GREECE, ITALY, SPAIN & PORTUGAL**

<p align="center">STRONG POINTS</p> <p align="center"><u>INDUSTRY</u></p> <ul style="list-style-type: none"> ❑ Traditional Sector of the Manufacturing and Industrial field. ❑ Personnel's Training inside the companies ❑ Employers / Personnel relations ❑ Steady customers and Suppliers <p align="center"><u>HUMAN RESOURCES</u></p> <ul style="list-style-type: none"> ❑ Experienced personnel ❑ The older personnel has long experience ❑ Sense of responsibility of behalf of Older worker 	<p align="center">WEAK POINTS</p> <p align="center"><u>INDUSTRY</u></p> <ul style="list-style-type: none"> ❑ Reduction of competitiveness ❑ Difficulties in observing the time schedule deadlines ❑ Poor quality of products compared to other EU countries. <p align="center"><u>HUMAN RESOURCES</u></p> <ul style="list-style-type: none"> ❑ Without qualifications ❑ High rates of absences ❑ Low responsibility level ❑ Insufficient performance an efficiency
<p align="center">OPPORTUNITIES</p> <p align="center"><u>INDUSTRY</u></p> <ul style="list-style-type: none"> ❑ Development of knowledge ❑ Reduction of production cost ❑ Flexible Employment <p align="center"><u>HUMAN RESOURCES</u></p> <ul style="list-style-type: none"> ❑ Training of young workers from the older ones ❑ Promotion of know-how with the assistance of older workers ❑ Development of Productivity 	<p align="center">MENACES</p> <p align="center"><u>INDUSTRY</u></p> <ul style="list-style-type: none"> ❑ Chinese Competitiveness ❑ Reduction of demand in the EU ❑ Increase of the aged workers rate <p align="center"><u>HUMAN RESOURCES</u></p> <ul style="list-style-type: none"> ❑ Low know-how with regard to new technologies Χαμηλή τεχνογνωσία στις νέες τεχνολογίες ❑ Low educational level between aged workers ❑ Downsizing ❑ Many sickness leaves

The leather and Footwear Industry in Spain

In Spain the leather and tannery sectors consists mainly of small and medium enterprises, most of which are by tradition family businesses..

The Spanish tannery products have suffered a serious recession in the period 2000 – 2005. Out of 223 enterprises in 2000 only 156 were left by 2005 marking a significant reduction by 30%. The number of workers has dropped as well by 36% (out of 7,400 workers in 2000 only 4,700 were left by 2005) as well as the tannery industry production which was reduced by 34%.

The tannery industry represents 1% of the Spanish GDP.

It is worth mentioning that in the international market the Spanish leather products distinguish for their quality of materials and their excellent finishing. After a long transitory process the enterprises of the industry succeeded in adapting their needs to the increasingly competitive market recognizing that the only solution to deal with recession due to globalization was to focus on innovative designs and on the quality of products.

The leather industry has marked a considerable increase of exports lately, mainly in 2001, when sales abroad increased by 15,6%.

The rate of exports against the total production indicates that there is a trend of expanding abroad by 18%, a rate which increases continuously thanks to the international recognition of most enterprises.

The Spanish enterprises in order to deal with the current economic recession due to the crisis in terms of consumption in all countries that were by tradition considered as having big purchasing power and to the currency exchange rate between dollar and Euro, became more competitive by applying the suitable development strategies.

EMPLOYMENT

In the 60s the intense employment of non specialized workers, the low productivity and the low labor cost was the basis of the Spanish development model. Despite the fact that after the accession of Spain in the EU in 1985, a modernization process has started in terms of organization and technology, which would re-determine a competitive economic strategy characterized by research and development, quality, specialization and training, the seasonal contracts have slacken the pace of modernization of small and medium leather and footwear enterprises. This fact might undermine in the long term the entire endeavor, in particular if the intense work and the low labor cost continue to be considered as the only means for fighting competition.

THE LABOR FORCE IN THE SPANISH LEATHER INDUSTRY

In the leather industry 95% of the workers are operators of machines (workers that execute their duties according to predetermined instructions). Moreover 42% of the labor force are between 45 and 62 years of age (retirement age). This rate proves that employment in the industry remains steady and that the workers are not willing to change job. However, during the past 5 years the industry has suffered from a strong recession and as a result downsizing has been an option for many enterprises. Thus aged workers are facing serious working problems as they do not have the necessary training and skills to maintain their job or to develop.

THE RESULTS OF THE RESEARCH IN SPAIN

THE PROFILE OF AGED WORKERS IN THE SPANISH LEATHER INDUSTRY

160 workers participated in the research in Spain and 80% of them were men. It was verified that women work mainly in the administration and only a small rate is involved in the production.

Concerning their education 70% of aged workers has a primary education level, 30% has a secondary education level and none has a high or highest academic education degree..

Most workers despite their low educational level maintain a positive attitude vis a vis the vocational education and training. 10% of the participants in the research has attended different courses in Vocational Training Institutes mainly in the field of administration support. Moreover it is worth mentioning that 80% has attended training seminars which are mainly organized by the company where they work and are relevant to technical skills such as familiarization with new machines and new techniques.

Half of the participants has a sufficient knowledge in the use of computers whereas only 10% of aged workers has some knowledge of a foreign language, mainly of English.

All participants were full time employees. Part time employment is rare since it is not an option neither for the employers nor for the employees.

Moreover, the aged workers are involved in all the functional categories of the leather production such as: Management, development, administration and commerce, production, services and maintenance. The majority is employed for more than 17 years in the same company and has a long experience and know-how of the leather industry. Yet they have never tried to enrich their knowledge in order to adapt to the rapidly changing environment.

In addition, aged workers are not satisfied with regard to the following: salary, working conditions, future professional perspectives and 90% of them believes that the leather industry will soon disappear. However they are satisfied with regard to the duties they are assigned, the working hours and the working environment.

Only 10% of the aged workers that have participated in the research is interested in moving into another profession. 20% is thinking of setting up his/her own business. 20% would accept to work in another city in Spain whereas 30% would accept to

work in another country. At this point it must be stressed that the majority of this percentage are immigrants, non specialized workers with a very low income who came to Spain some years ago and they would easily accept to work in any place. However Spanish aged workers are not as eager as they are in moving in another place as 90% is not prepared to work in another country. The reason for the latter are numerous. 80% considers that age is the most important one and they believe that they cannot get a new and better job any longer. Moreover, due to their age they are more cautious and they lack in self-esteem, which can be mainly attributed to the lack of education and certified qualifications. The fact that most of them would prefer a job in the public sector confirms their desire to feel secure in the working space..

Workers believe that they may achieve personal development through life long learning programs, improvement of the working conditions and better evaluation of their work by their employers.

Concerning the perspectives of the leather industry in Spain aged workers propose certain solutions that according to their opinion might help the industry to recover and develop. Thus they propose the purchase of modern equipment, the improvement of the quality of the products, the support of the raw material domestic market and the reduction of imports from Asia. Moreover, they consider that the leather enterprises must become more competitive and flexible and improve their administration services and last but not least they propose the establishment of a Leather Observatory which will detect the industry's problems, will propose solutions and will promote innovation.

REDUNDANCY PROFILE OF THE SPANISH LEATHER INDUSTRY

65 unemployed people participated in the Spanish research, 67% of which were over 45 years of age.

Concerning their education 67% of aged workers had a primary education level, 33% had a secondary education level and none had a high or highest academic education degree.

Moreover, 16% of the participants had attended courses at Vocational Training Institutes. 42% had attended training seminars on technical skills such as the use of new machines, new techniques etc.

25% of the participants answered that has a sufficient knowledge of computer use, mainly surfing on the Internet and use of basic programs of the Microsoft Office whereas only 8% speaks foreign languages, mainly English.

75% believes that a further training will support the re-integration in the labor market

Moreover 75% are willing to work in another sector. Their willingness for personal progress is influenced by a number of factors which keep them from getting a job such as age, insufficient studies and incapacity to draft a thorough and correct CV.

ENTERPRISES – EMPLOYERS

40 enterprises participated in the Spanish research. These enterprises export their products and employ 43 to 230 workers. 39% of the labor force is over 50 years of age, 88% of which is Spanish born and 12% immigrants. All aged workers are experienced and specialized even though 60% is of a low educational level.

In all cases employers confirm that their workers' know-how and specialization was acquired either in their enterprise or in another enterprise of the industry, which is further confirmed by the answers of the workers themselves. Moreover, the enterprises recognize how difficult it is to find specialized and well trained personnel and for this reason they prefer to hire non specialized workers and train them in house.

However the participation of workers over 50 years of age has significantly drop. Despite the fact that 50% of aged workers is employed in enterprises that offer training, less than 15% participates in these programs.

Moreover, enterprises Are not interested in hiring new specialized personnel. Most of them, approximately 80% says hat they have no vacancies and they simply hire seasonal non specialized personnel. In most cases seasonal workers belong to the 19 – 28 age group and only 1% is over 50.

60% of the employers asked believes that he workers prefer to leave the sector due to the low satisfaction they enjoy form their work whereas 40% believes that workers are relevantly satisfied and they have no reason to look for another job. Moreover, all employers believe that aged workers even when they are not satisfied with their current job they are not prepared to change work mainly because they have low self-esteem and they lack in self-confidence.

With regard to the technical equipment all enterprises utilize modern equipment and only 40% uses both modern and traditional means.

Concerning the future perspectives of the enterprises in Spain employers are not very optimistic. Most of them believe that many enterprises will shut down and only those that produce high quality products will be able to survive the strong competition.. The Spanish Leather Industry will shrink and only specific production sections will develop such as the processing of raw materials and the finishing operations.

In conclusion, the basic problems of the Spanish industry according to the enterprises is the international competition mainly from the Asian countries, the lack of specialized and well trained personnel as well as the technological developments which involve huge investments on behalf of the enterprises in terms of personnel training. Moreover, customer ask for small batch of orders and immediate delivery and last but not least workers are disappointed from the working conditions and the salaries which directly impacts on their productivity and their willingness to work. . . .

THE FOOTWEAR INDUSTRY

The Spanish footwear industry suffered from a significant recession during the period 2000 – 2005. It is worth mentioning that in 2000 the active enterprises were 2760 and by 2005 only 2340 were left, which means a 15 % decrease and was translated by a similar dramatic drop in terms of human resources employment. In particular in 2000 there were 48,100 worker in the industry and by 2005 only 36,000 were left. The production itself market an equal drop during the same period and it was reduced by 38%.

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<p align="center">STRONG POINTS</p> <p align="center"><u>INDUSTRY</u></p> <ul style="list-style-type: none"> ❑ Traditional Sector of the Spanish Industry ❑ Good quality of products compared to the competitors ❑ The workers do not move to other enterprises or sectors ❑ Modern Equipment <p align="center"><u>HUMAN RESOURCES</u></p> <ul style="list-style-type: none"> ❑ Experienced Personnel ❑ Steady Employment 	<p align="center">WEAK POINTS</p> <p align="center"><u>INDUSTRY</u></p> <ul style="list-style-type: none"> ❑ Reduction of competitiveness ❑ Currency exchange rate between dollar and euro ❑ Ineffective implementation of the national strategy for development (Research and Development, Quality, Human Resources Skills and Qualifications' development) <p align="center"><u>HUMAN RESOURCES</u></p> <ul style="list-style-type: none"> ❑ Lack of qualifications ❑ Working conditions ❑ Cut down of salaries and lack of perspectives ❑ Need for high qualified personnel
<p align="center">OPPORTUNITIES</p> <p align="center"><u>INDUSTRY</u></p> <ul style="list-style-type: none"> ❑ Further development of quality products ❑ Development of Exports ❑ Reduction of production cost ❑ Support on behalf of the local raw material industry <p align="center"><u>HUMAN RESOURCES</u></p> <ul style="list-style-type: none"> ❑ Human Resources training ❑ Effective organization of the Production 	<p align="center">MENACES</p> <p align="center"><u>INDUSTRY</u></p> <ul style="list-style-type: none"> ❑ Competition with China ❑ Reduced demand in the EU. ❑ Increased number of aged workers <p align="center"><u>HUMAN RESOURCES</u></p> <ul style="list-style-type: none"> ❑ The industry prefers young workers ❑ Aged workers with low educational level ❑ Flexible Employment

6. COMPARATIVE ANALYSIS

Common characteristics in the four south EU countries

The leather and Footwear Industry in the four countries (Greece, Italy, Spain and Portugal) has many common features in many fields of activity, which on the one hand confirms the need for joint action of the different bodies so that they may deal efficiently with their problems and in the other hand sustains further more the similarities of the EU South in the sectors in question. These common features are the following:

A) The competition with Asian countries (China, India, Korea etc). This competition has become stronger during the past years as the leather products Imports from China exceed the domestic productions with a parallel shrinkage of the domestic production market share and of the European Enterprises exports to other EU or third countries. This can be attributed mainly to the low price of eastern products which is related to the low labor cost in these countries. The price of Eastern products reflects as well the quality of their production.

B) the products (leather and footwear) in all four countries are of high quality which makes them competitive compared to the eastern products and justifies as well their price, which in certain cases is rather high. Relevant analysis support that European products are not expensive compared to the eastern corresponding ones since their quality and resistance in time is far greater from that of their competitors, which somehow balances the price disadvantage. If we take into account the design of the products as well (mainly concerning footwear) it is clear that the European products gain over the cheap products of their competitors. Eastern products are more attractive because of their price and less because of what the customer finally gets as an item. Experts of the industry believe that soon the reduced demand that affects European products will stop. Consumers will become aware of the true dimension of the issue and for this reason they must be better informed.

C) People involved in the leather and footwear industry in all four countries (Employers and Employees) claim that the sectors will recover and will develop, which will be further reflected on the employment's rates. Moreover, the field studies execute in the framework of the Action LinC program confirmed that the enterprises that have improved their organization and their technical structure and that have focused on the development of the skills of their human resources have neither financial nor production problems. On the contrary they present high development indexes even during this hard period for the market.

E) the leather and footwear industries are labor intensive sectors and the work positions do not require highly qualified personnel, which creates further problems for the people involved in the production process since employers cut down their salaries or can easily replace them with immigrants or makes possible for the enterprises to establish flexible work forms such as part time jobs, teleworking, seasonal jobs and limited time contracts.

F) the demand in terms of work positions is relevant mainly to very specialized personnel for industrialized productions. (production Technicians, Technologists – Automation technologists and IT Engineers), in Management and Exports (Sales, Marketing and Exports Experts).the strong demand fro these positions indicates the desire of the companies to improve the production conditions and the quality of their products, to minimize the production cost and to develop in the foreign markets.

G) the intension of the companies is to hire young people, mainly for the labor intense position in the production in order to increase their production and take advantage of young people being more familiar with modern technologies. This situation creates additional problems for aged workers since:

- In the event they loose their job they cannot find easily another one
- There are close to retirement and they cannot meet the requirements of the Pension Funds so as to ensure a good pension..

H) the EU active population is aging. According to Statistical Researches the rate of younger people in relation to the overall active population drops with a relevant increase of the rate of aged workers. It is equally significant the fact that the rate of the over 65 age group increases with a relevant drop of the rate of the economically active population. These changes in the structure of the population stimulates financial problems in the pension systems of the EU countries and for this reason governments are prepared to take strong measures in order to ensure their viability (increase of the retirement age, increase of contributions, reduction of social benefits) to the detriment of the Social Welfare Policies.

A) The aging of human resources in the EU is recognized as a major problem both at a National and at an EU level. According to the Lisbon principles, the countries have implemented strategic actions for the employment of aged workers and in most countries early retirement practice was abandoned in favor of more active practices such as:

- Part time employment
- Flexible working hours
- Seasonal employment
- Training – re-training of human resources
- Education – Transfer of human resources to other specialization of high demand in the market.
- Financing of employment by the Social Assistance Funds

These measures have proved effective at a certain degree and they have kept the problem from getting even harder. According to studies these results are far behind the expected ones and for this reason in order to strengthen the position of human resources in the market the competent bodies must take immediate action and urgent measures.

Critical differences in the South EU countries

According to the aforementioned the four South EU countries presents important similarities both in terms of the way the industry is structured and in terms of the problems they are facing, the opportunities and menaces because of the existing competition. Beyond these common features the leather – footwear industry in the four countries presents as well critical differences that must be taken into account in any Strategic Planning.

A) There is a difference in the size of the sectors in the four countries. Italy prevails in the international market mainly in the footwear industry and is followed by Spain. The difference in size as well as the fact that they are all active in the same markets create a competition environment between the Enterprises of these four countries, which makes difficult the implementation of common development strategies.

B) The EU common policy on Employment is implemented in different ways in the four EU countries with different results. The problem of aged workers who suffer most as a result of the negative impact of globalization pertains in this framework. The policies and practices exercise a different influence in the four countries since there are differences relevant to the production structures, the structuring of the economies, the pension systems, the education and the vocational training as well as the social structuring of these countries.

C) Unemployment and the way it is structured is another critical point of differentiation between the four countries, which is a result of the differences existing in their financial and production tissues. In Greece aged workers in labor intense work positions are most affected compared to other countries. Moreover in Greece most of the above workers are immigrants from the Balkan countries and fresh graduates cannot have easily access to the labor market whereas aged workers once outside the market cannot get back easily.

7. CONSTRAINTS – ANALYSIS OF CONSTRAINTS

The aged workers Unemployment issue in the leather and footwear industries in the four South EU countries is a complex and multifaceted problem since there are many conflicting and inter-depending factors such as:

- A) Development of the sectors
- B) Production cost
- C) Competition with Asian countries
- D) Quality of products
- E) Share of the Market
- F) Structure of the Economically active population in the industry
- G) strategies for the development of the Sectors
- H) Strategies and Practices for the promotion of employment

The following diagram presents the basic points that influence the leather and footwear industry as well as the employment distributed in four axes according to the balanced Scorecard technique .

In detail:

Financial issues:

- Reduction of Financial indexes
- Insufficient investments on behalf of the entrepreneurs involved in the sector

Procedures and Technology

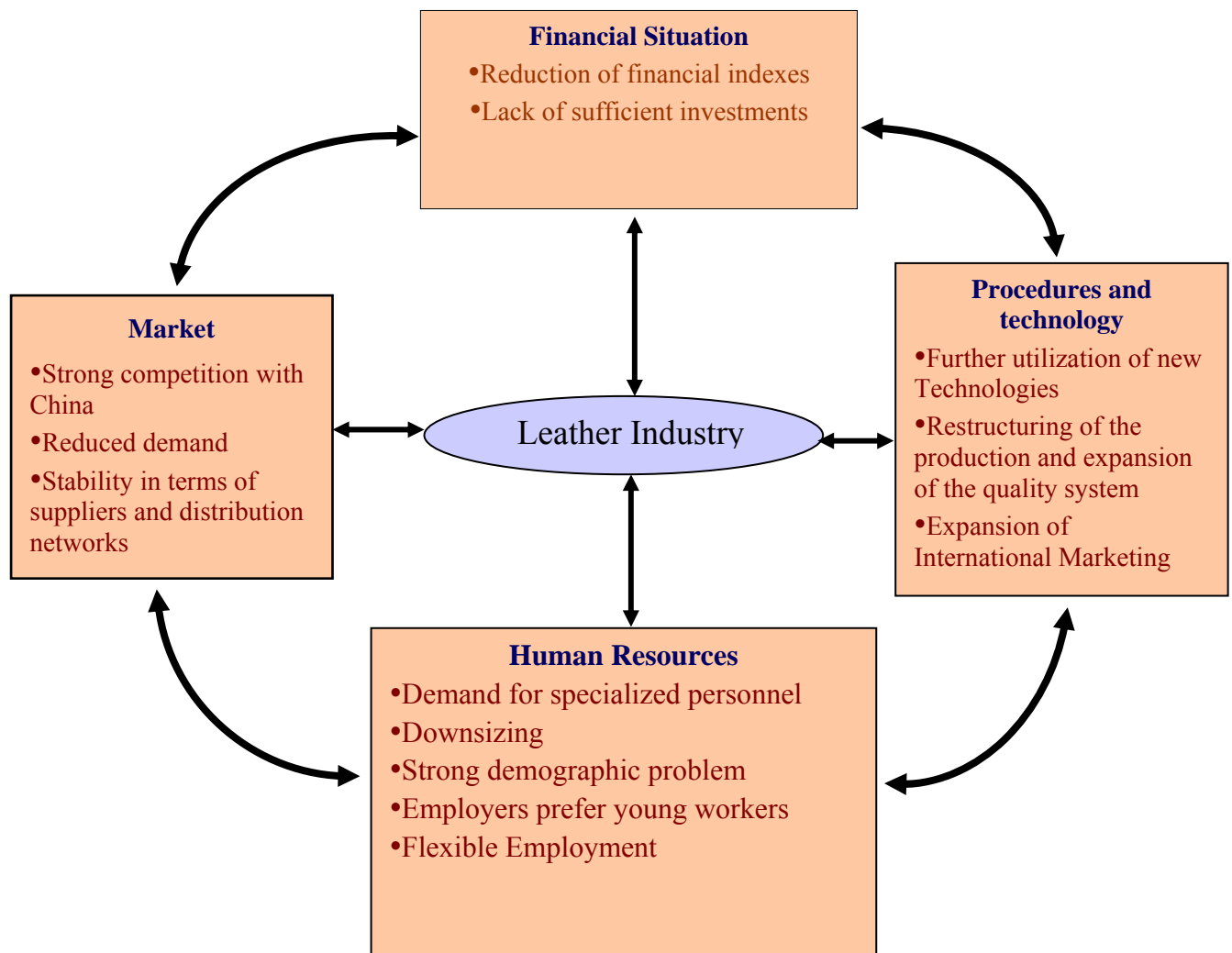
- Large scale operational restructuring and application of quality systems
- Utilization of Modern Technologies both in the Production and the Administration
- Development of Marketing and External Trade procedures

Human Resources

- Needs in specialized Human Resources (production Management, Technology, marketing, Business Administration)
- Risk for further reduction of the human resources
- Strong demographic problem in the workers of the industry
- Employers prefer young workers
- Application of flexible Employment forms resolves the problem only temporarily without offering long term solutions.

Market

- Strong competition with the Eastern Countries Industries
- Reduce demand of products in the EU internal market.
- Stability in terms of suppliers and in terms of distribution networks.



The development of an employment strategy for aged workers must take into account all these factors and mainly how they interact according to the theory of Systems. To determine and analyze a problem together with the difficulties involved as well as to develop an efficient strategy we must necessarily estimate the constraints that do not allow an organized system to develop are. These constraints are in most cases the reason of the problems themselves, which have a negative impact on all individual factors. After determining the constraints and the way they interact with all factors involved, the strategies for their solution are designed on the basis of two axes.

All individual factors are adapted in a way to serve the constraint conditions. (pessimistic or passive approach), so as to avoid the bottleneck phenomenon.

Constraints are dealt and reduced or even annihilated (positive approach)

In most cases the best solution is a combination of both through a series of steps that may lead to resolving the nature of the problem itself.

In the case of Employment of aged workers in the leather and footwear industries the constraints as they have been determine constitute the reasons for the existence of the problems and they are as follows:

A) The Competition with the Industrial or Manufacturing Units in Asia and mainly in China

B) The enterprises of the industry prefer to hire younger workers with higher productivity who in fact may contribute better in terms of modern technologies.

8. CONCLUSIONS

The solution of the problem of employment of aged workers in the leather and footwear industry in the South EU countries requires a set of strategies, which would take advantage of all existing opportunities and perspectives . Moreover, it requires as well the solution of all weak points and menaces.

The leather and footwear industry in the countries of the South gives strong indications that it may recover from the current situation and develop on the condition that strategies will be put in place to assist and promote the European products against the cheap and of pore quality products of the competitors. The development of the industry will create favorable conditions for the employment of aged workers, which is an ultimate priority.

The actions applied for the support of employment of aged workers such as training, orientation towards other sectors of higher demand, self employment must continue, get better organized so that they are more efficient and mainly to ensure empowerment.

All actions to be efficient must be supported by all parties involved (the Government, the Employers, Labor Unions, the Employees themselves, Training Bodies, Innovation and research Centers). The Social Dialogue will enhance cohesion and will create the required environment so that these strategies and practices may operate positively and give the expected results.

The comparative analysis of the labor markets in the leather and footwear industry in the four South EU countries sustains that:

There are opportunities for the development and promotion of employment in particular with regard to the most vulnerable groups, namely the aged workers, on the condition that well targeted practices be applied, such as:

A) Promotion of European products, development of local industries and promotion of the quality characteristics of the European products as opposed to the products of the competitors.

B) Development of structures of life long training of the human resources that will be operating continuously so as the task force is empowered and adapted to new circumstances arising from the development of production and administration technology.

C) Organized confrontation of problems both at national and interstate level and development of production, promotion and distribution chains of the European products.

D) Utilization of the know-how and experience of aged workers in order to organize in the best possible manner the production and transfer of knowledge and experience to younger workers.

The problem of production cost's reduction which is significant for the competitiveness of European products cannot be overcome by compressing the labor cost (downsizing of salaries, flexible forms of employment, etc.) since it is certain that it will lead to the minimization of the European products' advantage which is raw materials' quality and production quality. On the other side, the purpose is not only employment but assurance of a salaries' level corresponding to the modern living needs of employees. The problem of unemployment is confronted by means of employment providing satisfactory salaries and social security benefits to employees and not by means of incomplete measures, i.e. part-time employment, labor contracts, flexibility in the working timetable which are all temporary solutions.

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