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Antonescu, Daniela

Institute of National Economy, INCE

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The mountain regions in context of 2020 Strategy

PhD. Daniela ANTONESCU

Institute of National Economy, Romanian Academy, Bucharest, Romania

Email: daniela.antonescu25@gmail.com

Abstract

The mountain regions in European Union represent a special territory of interest, with a huge economic, social, environmental and cultural potential. More, mountain area is considerate a natural-economic region and constitutes an important objective for regional development policy.

The main sectors of mountain area are presented in agriculture and tourism fields that lead the key role in safeguarding the sensitive eco-system and thereby maintaining the general living and working space.

Mountain areas should have a specific policy defined by the sustainable development principle, which meets the needs of the present without compromising the opportunities of future generations.

The specific mountain policy aims to reduce the imbalance between favored and disadvantaged mountain regions, permanently marked by natural, economic, social, cultural and environmental constraints. In previous programming period, mountain regions among have profited from the intensive regional support, in specially, for constructing of and connecting them to fresh water and waste water networks, in particular for increasing of life quality.

In context of 2020 Strategy, the Member States will concentrate investments on a small number of thematic objectives. In advanced regions, 60 % of funds will used for only two of these objectives (competitiveness of SME and research/innovation). The all less developed regions will received about 50% of Structural Funds

In Romania, mountain representing 29.93% out of the total national surface and 20.14% from UAA (Utilised Agricultural Area) of total national. The mountain territory has around 20% of the national population and is overlapping almost 100% with the Carpathian Mountains.

Due to these conditions, Romania's regional development policy must take into account the specificities of mountain area, the problems they faced, and the requirements of 2020 Strategy.

This paper presents the main aspects to be taken into account for sustainable development of mountain areas in Romania, in context of 2020 Strategy.

Keywords: regional development, territorial policy, mountain regions, 2020 Strategy, economic and social cohesion

JEL Classification: Q01, Q23, R10, R11, R14

1. Generally Introduction

In European Union, regional policy has the objective to reduce economic and social disparities between the regions and increase territorial cohesion.

Regional policy strongly covers the mountain regions and another type of region with similar problems.

The main issues for regional policy are correlated with the disparities presented in development of mountain regions and lowland areas. Also, there exist disparities between mountain regions in the "old" and the "new" EU (for example, Alpine area and the Carpathians).

From regional policy perspectives, exist a distinction between advanced regions, less developed regions and transition regions, a category between less developed and advanced regions. Depending on its economic and social development level, a mountain region belongs to one of these three categories.

The financial instrument of regional UE policy is: Regional European Development Funds, Cohesion Fund and Social Fund. These funds are allocated for the less developed regions, and smaller parts for the advanced and the transition regions.

2. Mountain regions and 2020 Strategy

At European level, mountain regions are the one of the territories with geographic specificities. The main characteristic of this regions are sparsely, deficient accessibility and connectivity as well as a weaker economic base (Table 1).

Table 1: Definition of mountain regions in different documents

| Definition | Source |
|--|---------------------------------------|
| Areas characterized by limited possibilities of using the land and high costs of works due to: (a) the existence of different climate conditions, i.e, at elevations over 600-800 m; (b) presence of steep slopes, i.e, with a gradient of 1-5 per km ² ; or (c) any combination of (a) and (b). | European Council, 1999 |
| Physical, environmental, socioeconomic and cultural region where disadvantages derived from elevation and other natural factors must be accounted for in conjunction with socioeconomic constraints, and spatial and environmental imbalance. Climate analysis should consider the latitude and geographical position in addition to elevation. Physical aspects must include the landform, soil type, and other factors in addition to the slope. Socio-economic disadvantages include the low density of population, isolation due to large distances from cities and other economic and political centers, and the dependence on agriculture. | Euromontana, 2004 |
| Elevation, slope and the environmental gradients generated are key components of mountain regions, but their combination is problematic; elevation alone excludes old and low mountains, and includes high elevation areas with little landform and environmental variation. | Blyth et al., 2002 |
| In the European Union, mountain areas represent over one third of the territory, an area that will expand considerably as alpine and mountainous regions become part of the EU with enlargement. The mountains are a source of strength in Europe providing great biodiversity, strategic goods such as water, and services such as leisure and tourism. At the same time, land use is limited, climatic conditions are generally harder, while access to markets and services is more difficult. | Community policies for mountain areas |
| The mountains are “underestimated ecological treasure”, highlighting the many environmental functions they fulfill: water towers, which service lowland areas; recreational uses and aesthetics of the landscape; and areas of high biodiversity and many important habitats. Mountains are very rich in biodiversity and a crucial reservoir of species for Europe. The EEA (2010) identifies 42 mountain habitats and 256 species endemic to mountain ranges. The forests, the landscapes, the purity of air and water, the rich biodiversity of these areas benefit not only mountain people, but Europe as a whole. | European Environment Agency (EEA) |

Source: Author compilations

According to a recent European Commission study, mountains contribution to European economy, thus:

1. Produce up to 11.4% of European agricultural output;
2. Mountains occupy 15% of Europe’s utilised agricultural area;
3. Represent a significant production potential which will be needed as demand for – quality - food increases.
4. New forms of food industries are being redeveloped. A new chestnut processing factory opened in Isola in France. Ancient cereals are being planted again in the Austrian mountains to produce local bread.
5. Mountains are an ideal place to experiment with the ‘relocalisation’ of the economy. Large mountain forests provide resources for excellent wood supply chains.

6. Mountains are also renowned for tourism, an economic sector which is considered by European Commission on its webpage to account for 10% of EU GDP and employ 12% of the labour force¹.

Mountain regions are placed mainly in the Alps and Central-Eastern Europe, face smaller barriers to social and economic development if they are located within commuting distance from urban centers providing services and employment opportunities².

Most mountain regions have a large ageing population compared to the national average (as an exception, young population predominates in large parts of the northern and north-western Alps) (Figure 1). These regions are considerate from regional policy point of view less favored/developed regions.

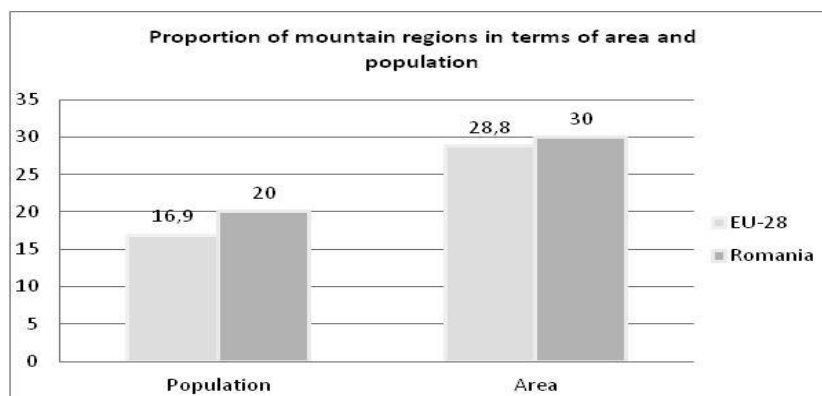


Figure 1: Proportion of geographically specific areas in terms of area and population
Source: author' compilation

From 2020 Strategy, regional policy establish that less developed region should have a GDP per capita which is below 75% of the EU average. An advanced region is characterised by a GDP per capita above 90% and transition regions that are the regions which have grown out of the class of "less developed regions" thanks also to EU support measures, these transition regions show a GDP per capita between 75% and 90 % of the EU average.

The Carpathians Mountain is included into the category of less developed regions and thus can allocate much larger funds than advanced regions.

In Europe, the mountain regions belong to the next categories:

1. The category of advanced regions: the Alps, the Pyrenees, the Vosges, the Black Forest, the Cantabrian Mountains and the Apennines;
2. The category of less developed regions: the mountain areas between Spain and Portugal, the Sierra Nevada in southern Spain, the Abruzzi in southern Italy, the western parts of Wales, the uttermost north of Scotland and all mountain areas in the new EU member states like the Carpathians, the Tatra, the Beskids, the Rhodopes.

Regional policy is projected in close interaction between the European Commission and each Member State/regions. Also, the principle of partnership establishes a Partnership Contract for fixed the thematic funding objectives.

Partnership Contract transposes the goals of 2020 Strategy (smart, inclusive and sustainable growth) into Regional Policy objectives. "Operational Programmes" will be elaborated for each region of European Union on basis of the "Partnership Contracts".

¹ Toward Mountains 2020, Step 1 – Capitalising on Euromontana work to inspire programming, Version 1.0 - February 2013.

²http://www.espon.eu/export/sites/default/Documents/Publications/EvidenceBriefs/EEB3-GeographicSpecificities/196728_ESPON_EVIDENCE_BRIEF_NO_3.pdf

Another principle of regional policy is additionality, means that financial support must not substitute national cofinancing of projects. More, the 2020 Strategy for regional policy is characterised by a shift from "output" to "impact" and "effect".

In 2007-2013 programming period, mountain regions among have profited from the intensive regional support, in specially, for constructing of and connecting them to fresh water and waste water networks, in particular for increasing of life quality. Almost 20 million people have been connected to modern water supply systems, 23 million more people have gotten waste water treatment – both important contributions to regions to comply with EU environmental standards³.

In context of 2020 Strategy, the Member States will concentrate investments on a small number of thematic objectives - 11 objectives. In advanced regions, 60 % of funds will used for only two of these objectives (Objective 1. Competitiveness of SME, and Objective 2. Research and innovation). About 20% of support will go to a third objective (Objective 3. Sustainable energy). The all less developed regions will received about 50% of Structural Funds.

The 2020 Strategy is considerate an important opportunity for mountain regions because it offer an important potential for hydroelectric power production, for wind and solar energy as well. Investments in sustainable development are economically strengthening mountain regions as important sources of energy an economic growth. More, the mountain regions represent an attractive base for tourism activities.

Regional Policy offers the big opportunities for mountain regions through Territorial Cooperation Programme (funding projects jointly developed and submitted by several regions together).

For 2014-2020 programming period, territorial cooperation programme for mountain regions is organised thus:

- a. "Cross border cooperation" Programme – 6.4 billion Euro (covers 38% of the total EU population);
- b. "Interregional cooperation" Programme;
- c. "Transnational cooperation" Programme improving integration within a specific larger space (13 transnational cooperation areas)

Mountain regions play many roles in reaching the overall objectives set out in 2020 Strategy.

- **For smart growth:** the mountain regions are characterized by a low ICT system comparatively with the rest of European regions, so is the great need to provide access to services, markets and economic opportunities in general;
- **For innovation:** in the mountain regions exist a great potential for innovation in the green-economy and bio-technology, but is not well exploited because the conditions are not properly;
- **Efficient resource:** the mountain regions represent an important source of renewable energies (water, wind, sun, biomass etc.), for themselves and for another regions. At the same time, communities have a lack access to clean energy mix, while having important energy needs due to harsh climate and remote location;
- **Industrial investment:** investment in mountain regions contributes to EU 2020 objectives due the support to entrepreneurship, SME and businesses field. They also need a lot of support to improve competitiveness of supply chains (especially for wood and food industry);
- **An agenda for new skills and jobs** –human capital development is a strategic issue for sustainable development, a pre-condition for mountains regions to involve in green innovation and green growth.
- **Regional cohesion** – mountain regions represent a priority for investment localization (Article 174 of the EU Treaty on Territorial Cohesion). In this area live many rural poor people and marginalised communities especially in the Eastern and Southern part of

³ EU Regional Policy – a Policy also for the Youth in Europe's Mountain Areas, Directorate General "Regional Policy", European Commission, Brussels.

Europe), with improper access to vital services (health, education etc.) and economic opportunities. In the same time, mountain regions can help people to face crisis (returning from urban declined areas or just looking for a better, healthy life).

3. Example of good practices

The following measures are already implemented in mountain regions and deliver example of good practices for other regions:

a. Good practices in local support diversification of SME activities:

First example of good practices is Ardelaïne cooperative (« *coopérative de territoire* ») in Ardèche, Massif Central, France. Traditional sector of wool processing was in decline, but a group of workers reorganize the factory. In parallel, it decided to promote the heritage value of the buildings with new techniques of product creation and selling. In region was created three local museums ("Ardelaïne", in St Pierreville, "The Wind School", in St Clément and - Renewable energies House, in Masméjan) and developed tourist activities (Figure 2).



Figure 2: Ardèche, Massif Central, France

Source: <http://www.ardelaïne.fr/>

b. Good practice in education

In Hedmark⁴ (Norvegy) the initiative SANN (School, employment, local environment, innovation) developed by the county and the Koppang High School, focuses on giving students in the first year of high school the opportunity to reflect and to create products in work related situation. Students can do short internships with a specific innovation related objective. The programme is running since 2002 and has had a big success both in terms of involvement of young pupils (+200% growth) and teachers, but also by increasing pupils' self-confidence and capacities⁵ (Figure 3).



Figure 3: Hedmark

Source: www.hedmark.com

⁴ Hedmark (help·info) is a county in Norway, bordering Sør-Trøndelag to the north, Oppland to the west and Akershus to the south. The county administration is in Hamar.

⁵ <http://www.padima.org/>

c. Good practice in environment

The project AlpFFIRS – “Alpine Forests Fire Warning System”, created a network aiming at reducing the impacts caused by fires in the Alps. Another project is The Flood Early Warning System for the Rhine (FEWS-Rhine) has been developed by a Swiss-Dutch-German Consortium, enabling flood forecasts and warnings. Project Clim-ATIC project is an warning system for extreme weather events (e.g., avalanches, floods), was developed in Sogn og Fjordane, Norway, as part of the. The project CLIMAlpTOUR has an impact on tourism in the Alpine Space (provides sound knowledge of the different aspects of the climate change on alpine tourism).

4. Some characteristics of Carpathians Countries

Carpathians Mountains spread wider eight countries in Central and Eastern Europe (Austria, Czech Republic, Slovakia, Poland, Hungary, Ukraine, Romania and Serbia) and cover an area about 209.000 square kilometers.

Agricultural land proportions differ from 59% of land area in Hungary to only 21% in Ukraine. The mean country value is almost 40%. A relatively high proportion of this land is permanent grassland, mostly in the range 35-65% - up to 77% in Romania, and with lower figures in the Czech Republic and Hungary.

The remaining area is arable, though in Czech Republic, Hungary and Republic of Serbia orchards and vineyards form around 7%. Forests cover around 35-50% of the region in most countries, but 66% in Ukraine and only 14% in Poland⁶ (Figure 4).

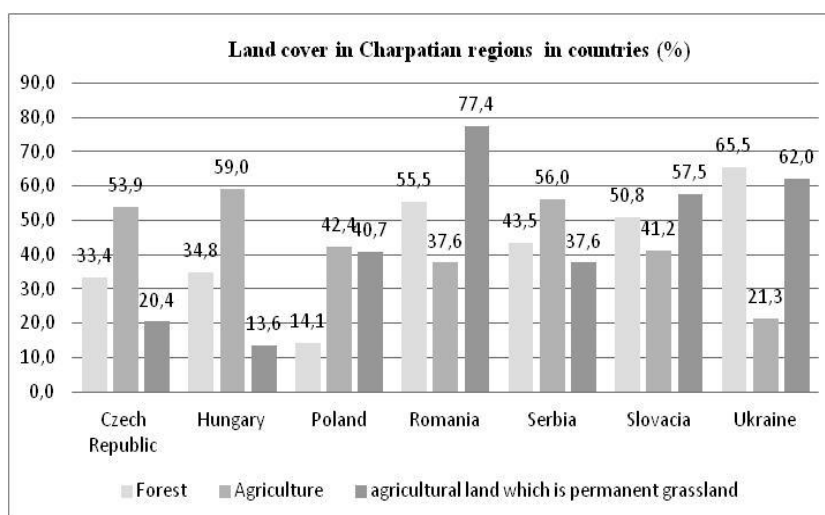


Figure 4: Land cover in Carpathian regions in countries (%)
Source: author' compilation

Agricultural employment (% in total employment) varies widely: from 25% in Ukraine and Romania 50%, whereas in the other countries it is always below about 5%. The total number of employees in the Ukraine and Romanian Carpathians greatly exceeds the combined total for the other countries, so total agricultural employment is also much greater there.

European Union has developed in all Carpathian countries (except Ukraine) policies and programmes for agriculture and environment.

Sustainable development in Carpathian is directly correlated with institutional and legislative aspects, but and the coordination between them.

The main problem of implementation of this programme is lack of funds that result in a failure to mountain areas supporting.

⁶ Ruffini, F. V., C. Hoffmann, et al. (2008). SARD-M Report for the Carpathian Convention Member States. Assessment of Policies, Institutions and Processes, Regional Synthesis for Czech Republic, Hungary, Poland, Romania, Republic of Serbia, Slovak Republic and Ukraine, European Academy of Bolzano/Bozen.

Romania is the only country with a specific legal instrument to promote the sustainable development of mountain regions. Also, only Ukraine is following a different national policy from European Union and Serbia is at an early stage of convergence with EU countries and has not yet followed the EU model.

The main objectives of the EU regulation are to finance the investment in the agriculture competitiveness, agri-environment, non-farm diversification, and community participation (LEADER).

The rural development programmes (Policy for Common Agriculture – PAC) provide great opportunities to support sustainable development in mountain regions. Another type of policy is Forestry policies that exist in all the states. Also, in this case, there are very limited resources.

Carpathian Convention protects the mountain regions and represents a new mode of governance taking to account the next principles: participation, policy integration and partnership (formal start of Convention was in Bucharest, Romania, April, 2001)⁷. Romania signed the Convention in May, 2003, and March, 2007, entry to force.

5. The main characteristics of mountain regions in Romania

In Romania, mountain regions⁸ have around 71,340 km², representing 29.93% out of the total national surface and 20.14% from UAA (Utilised Agricultural Area) of total national. The mountain territory has around 3.2 million Inhabitants (20% of the national population).

Mountain Areas is overlapping almost 100% with the Carpathian Mountains. The average elevation value of the Carpathian Mountains is 1,136 m, and the highest values of altitude are over 2,500 meters⁹.

Agricultural area present in Mountain region is around 2,802,000 ha. Out of this area, in 2007, only 1,290,000 ha (46%) was under commitment, but is estimated that in 2013 will be under commitment around 2,520,000 ha (90%) and this threshold is unlikely to be higher because of eligibility criteria that are referring to plots and farm sizes.

Due to natural restrictive condition (slope and altitude), Carpathian Mountains encounter obstacles in farming, with a negative consequence (a shorter period of vegetation period and supplementary costs). Also, the mountain regions are characterized by a low productivity and depopulation.

Mountain regions in Romania differ from other regions due to natural disadvantages (i.e., elevation, climate, slope, low soil fertility, reduced access to the communication routes and markets), and structural disadvantages (i.e., ageing active population, migration trends, restricted jobs, distances from decisional centers, and insufficiently developed infrastructure).

- (a) The quality and development of roads infrastructure are insufficient. The mountain regions do not have direct road access and/or cannot utilize them during the rainy seasons. This situation affects negatively the economic system and exchanges of people and products.
- (b) Most households utilize well for water supplies, wood, oil, or coal stoves for heating and have limited Internet access.
- (c) Low quality of education due to the infrastructure and lack of qualified personnel. This situation also affects the quality of the work force. Most young people from these areas abandon education due to poverty, lack of transportation and poor motivation originating from the income that education could bring.
- (d) Access to medical services represents a serious issue, with particular focus on the ageing population, requiring special care.

Other economic and social issues of mountain areas in Romania are:

⁷ http://www.efi.int/files/attachments/publications/efi_tr_28_2009.pdf

⁸ Regulation (EC) 1257/1999

⁹ National Rural Development Programme 2007-2013, consolidated version, June 2010, Number CCI:

1. There are natural, economic and social disadvantages. Natural disadvantages including altitude, sloping terrain, cold and moisture, and poor soils are behind low agricultural yields and high costs of agricultural products. This puts mountain areas at a disadvantage in agriculture. The economic and social disadvantages are historical. Infrastructure is either underdeveloped or lacking altogether. As a result, mountain rural areas are isolated and have to cope with a lack of communications, low access to information, shortage of transportation of people and goods, all of which takes its toll on economic and social development.

2. The economic crisis slashed jobs in the nonagricultural sector, which resulted in growing unemployment, lower incomes, and the pauperization of the rural population.

3. Mountain agriculture is no substitute for the loss of nonagricultural income, which explains the ever higher pace of out-migration under way; however, with urban jobs in short supply, migration may only lead to higher unemployment as mountain areas become deserted.

4. Poverty increases aggression on natural resources, particularly forests and pastures which are overused, as other resources (such as landscape) are underused, unused or misused. With financial resources severely constrained, the scope of afforestation and land improvement has also been curtailed to prevent and control damage by different factors. Occasionally, farmers may heavily use pesticides and other chemicals, leading to soil and water pollution.

6. Conclusions

In Europe, mountain regions are developing dynamically in some parts, while another parts it remained partially developed.

There is a living space for millions of people, but it is an object of pressure result from migration, fragmentation, exclusion, climate change impact, environmental degradation.

There is an important source of services and product for economic field: tourism, recreation, agriculture.

European mountain area actions are needed to support by regional policy. Also, European mountain policy must be much more than just a policy for subsidising agriculture.

One of the main conditions is increased regional implications of the stakeholders and exchanges of European experiences (good practices). This can be realized by regional agreements, arrangements and centers of excellence for sustainable mountain development.

In context of 2020 Strategy, is expected a more integrated approach to territorial issues. This new approach is translated in transversal regulations and a Common Strategic Framework explaining how the five main territorial EU funds (ERDF, ESF, CF, EAFRD and EMFF) should contribute to the Strategy. On this basis, Member States will elaborate partnership agreements, indicating how territorial policies will be implemented on the ground. Programme will be setup at national or regional level (depending on the country), with the possibility to conceive them as multi-fund programmes and to integrate territorial policy tools: *multi-fund tools*.

For mountain regions will be possible to set up thematic sub-programmes financed from Structural Funds. Macro-regional strategies for specific territories such as mountain ranges will play a greater role than ever have before.

For Romanian, the principal aims of regional policy in context of 2020 Strategy is to develop territorial development projects that contribute to cohesion, increased competitiveness, and the conservation of natural and cultural diversity. In order to implement these objectives, specific instruments aim to sustainable development of mountain regions based on in-depth knowledge of the ecosystems and environmental carrying capacity and identify areas with a complex and high-valued natural potential.

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