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# Endogenous Development in Austria's Mountain Regions

From a Source of Irritation to a Mainstream Movement

Thomas Dax

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*Regional development in mountain areas and the impact of development on landscapes have been focuses of economic and regional policies in Austria for many decades due to the country's very mountainous topography. A special Support Program for Mountain Farmers was established in the early 1970s. Since the late 1970s, support for regional economies has been defined from a bottom-up perspective. Meanwhile, measures designed in accordance with agricultural and regional policies have become an important component of Austria's mountain policy, with significant implications for sustainable regional development. Assessment of mountain agriculture in Austria has been carried out with particular attention to ways and means of supporting the agricultural sector and to measures aiming to preserve and manage land*

*resources sustainably under the difficult production conditions in mountains. At the core of mountain policy is the valuation of nonmarketable goods, which are increasingly referred to as "rural amenities" in international discourse (Figure 1). Such valuation must be included in comprehensive policy assessments of sustainable development. Emphasis on the character of mountain areas with respect to potential local and regional amenities has made it possible to enhance small-scale development initiatives at the local level. Sustainable resource use in peripheral mountain regions largely depends on the possible development potential of amenities in regional concepts, on nurturing the endogenous potential of the local population, and on inducing appropriate initiatives for balanced development of cultural landscapes and rural society.*



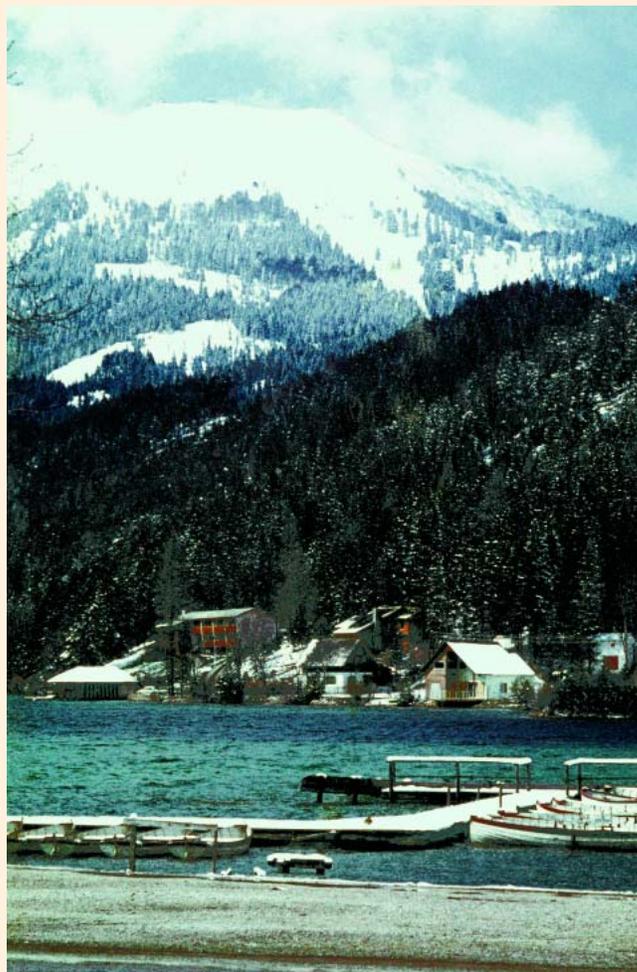
## The shift to bottom-up approaches in peripheral European mountain areas

Recent policy trends have clearly shown the need for more integral approaches with a stronger focus on regional concerns in mountains. In several Central European countries such as Austria and Switzerland, mountain policies since the 1970s have largely been inspired and enhanced by bottom-up activities and regional/rural policies on a small geographical scale. Pilot schemes have been developed by alternative groups in remote mountain areas of France and Spain. In Austria, particular attention was given to the role of mountain farming from the outset.

### Redefining the role of mountain farming in Austria

Agriculture plays a pivotal role in mountainous areas of Austria: with 49% of all agricultural and forestry holdings situated in mountain areas, it is a major national concern (Figure 2). Farmers manage 49% of the country's agricultural area and 75% of the woodlands. The relevance of animal husbandry is reflected in the high proportion of grassland used (area ratio 78%).

Land use has been characterized by farming and forestry in the Alps of Austria for centuries. While the importance of agriculture as a source of food has



**FIGURE 1** Development of winter tourism in the Alps depends on well-preserved scenic and rural amenities. (Photo courtesy of the Ministry of Agriculture, Forestry, Environment, and Water Resources)



**FIGURE 2** Mountain farming has created valuable settlement areas and contributes substantially to a diversified rural economy. (Photo courtesy of the Ministry of Agriculture, Forestry, Environment, and Water Resources)

decreased dramatically in mountain areas, it has become a prime target of initiatives to maintain living and working opportunities in these areas. Programs initiated in the 1970s in the Alps began to address the interrelationships between sectors and the need for integrated strategies.

Today, farming includes a wide range of functions in mountain areas; these go far beyond its traditional functions and include the following:

- Providing high-quality fresh foodstuffs at affordable prices.
- Maintaining vital natural resources such as soil, water, air, and biodiversity.
- Shaping and preserving cultural and recreational landscapes, which are not only a living and working space but also the main resource for mountain tourism.
- Preventing outmigration from peripheral areas and maintaining a basis for social and economic activities.
- Providing raw materials and energy.
- Implementing ecologically appropriate farming methods.
- Providing an impetus for and renewal of the regional economy.
- Protecting human settlements and infrastructure against natural hazards (eg, in the form of protective forests).

In recognition of the importance of what was now called the multifunctionality of mountain farming, a Special Program for Mountain Farmers was launched in 1972 to reduce the risks of land abandon-

ment and outmigration in mountain areas. The program focused not only on solving site-specific problems but also on improving social conditions for farm households and incorporating the regional dimension.

#### **Promoting regional development**

The debate on peripheral areas in Austria was strongly influenced by the new focus on (small-scale) regional issues and led to a shift in the regional policy paradigm. This new orientation was discussed in detail and referred to as “endogenous regional development.” The Special Initiative for Mountain Areas, later referred to as the Initiative for Endogenous Regional Development (*Förderungsaktion für eigenständige Regionalentwicklung*, FER), was set up in 1979. The objective of the initiative was to support cooperative business projects in all sectors at a decentralized regional level. Concrete plans were implemented in some of Austria’s most peripheral mountain areas.

Although the grants provided for support remained modest, FER was assessed as a fairly stimulating factor in developing regional policy in Austria’s mountains. Besides efforts to raise the awareness and motivation of the local population, the core measure for enhancing this bottom-up approach was the provision of training through regional consultants, especially in the first phases of individual initiatives. In the process, the emphasis shifted further to regional innovation and transfer of know-how.

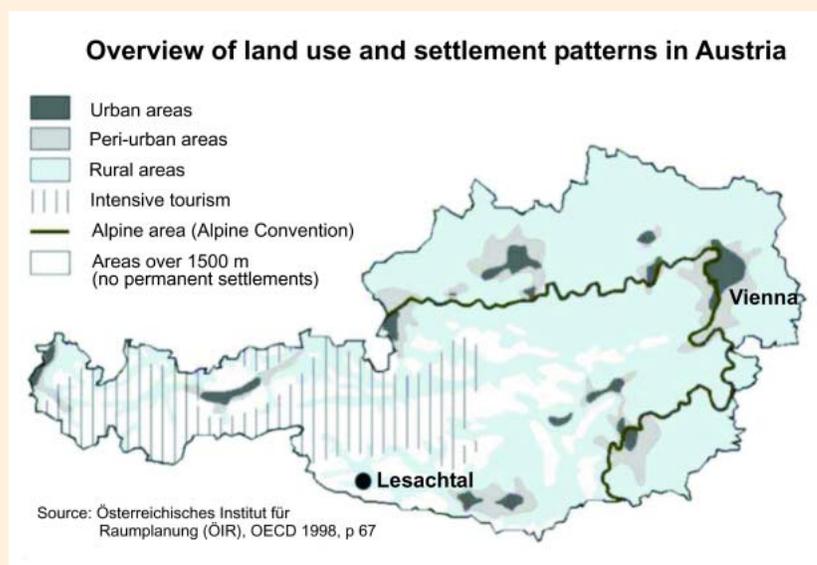
The evaluation of program experience and actors’ reactions reveals the extent to which discussions stimulated actors’ understanding of local identity, development perspectives, and the relevance of participation and cooperation. Much of the discourse and process were new to people in peripheral mountain regions, as they had learned to cling to rather traditional values and strategies. Values and local perceptions had to be questioned at the outset of the development process—much to the initial irritation of the actors—in order to incite pilot actors to actively address the discrepancies between local views and growing outside influences.

### Decentralization: A prerequisite for endogenous development methods

Some areas in rural and peripheral regions and in structurally weak industrial regions, situated primarily in Austria's mountains, served as model areas for the federal government's new regional policy initiatives. This was a result of a political consensus in Austria that peripheral areas should not be left to manage entirely on their own. Mountain areas were perceived as the most peripheral and therefore received special attention. But it was not possible for the federal government to implement a comprehensive mountain program immediately, as the interests of the various sectors and the structures of corresponding policies remained in place, while responsibility for regional policies was (and still is) split between different administrative and political levels.

The first step was to design pilot projects to prove that bottom-up initiatives are feasible and enhance the development of mountain regions. The new paradigm of endogenous development required an organizational basis to promote a long-term approach. The main initial concern of the pioneering actors was to find experts willing to provide advice on how to motivate and support project initiatives. At a later stage, the initiators realized that the establishment of regional consulting structures was a far more important achievement of the pilot projects than short-term, quantitative improvement of a region's economic performance. The example provided by key actors triggered widespread approval of the concept of endogenous development and aroused an interest in setting up similar programs in other regions.

Many innovative elements of these development initiatives have since been taken up in sectoral policies or programs at various administrative levels. Now that the overall concept has been adopted in mainstream policies, programs at the province level and support from structural programs—in particular European Union regional programs—have incorporated bottom-up approaches and are based on key aspects of experience with the development initiatives. The following example



of an initiative in a mountain area illustrates the success and influence of endogenous development in Austria.

#### The local development program in Lesachtal

At the western end of the Province of Carinthia in southern Austria (Figure 3), a few secluded valleys have remained highly inaccessible and are therefore particularly threatened by economic decline. It is in this particular part of Austria that the approach taken in an individually tailored project in the Lesachtal was expanded for the first time in order to exploit the potential for development throughout the valley.

The municipality of Lesachtal consists of 4 parishes located in a high mountain valley at an altitude of 900 to 1500 m. The main obstacles to development are its marginal position and difficult topographic conditions. In the 1980s, integration of the local economy into the greater national economy and the decline of farming as the main activity led regional project groups to discuss future perspectives for the valley. In 1988, the following development model was adopted: Preservation of traditional mountain farming methods that characterize the Lesachtal area, in close cooperation with environmentally sound tourism.

Support from both federal and provincial policies as well as on-site consulting activities carried out by the Austrian Consultancy for Endogenous Regional Development (ÖAR) were decisive in motivating and streamlining the efforts of the local population. The most important part of the process was to strike a balance between the different administrative lev-

**FIGURE 3** Overview of land use and settlement patterns in Austria and location of Lesachtal in the Province of Carinthia (Kärnten).

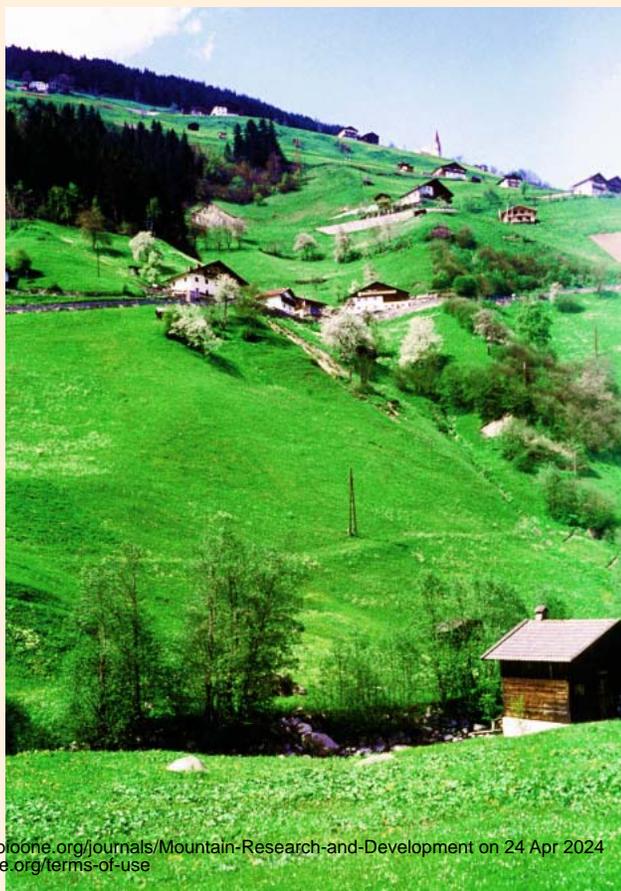
### Key principles of the Lesachtal development program

- Restrict the absolute number of hotel beds so that the ratio of inhabitants to guests does not exceed 1:1.
- Restrict the maximum number of beds per hotel to 70.
- Preserve architectural characteristics through building regulations that promote the traditional 2-story building.
- Provide no technical infrastructure to support skiing (ski lifts, cable cars, etc).
- Adapt the main road through the valley only to local, intraregional traffic.
- Preserve valuable cultural landscapes.

els, sectors, and societal groups. After 15 years of development work, it became clear that such a quest for balance must remain a continuous process, while agreement on models and periodic renewal of development strategies must also be sought. Hence, the spirit of innovation has to be continuously kindled, and local actors should not return to the static view of fulfilling a once-agreed-on development program. Reaffirmation of the strategy and the search for new objectives characterize the dynamism shown by the local actors, who are the driving force.

The Lesachtal project has revealed that it does not suffice to focus only on economic development. It is particularly important to foster informal activities such as networking between project groups and initiatives, as this contributes to building consensus among the local population, increases the potential for regional development, and partly removes bottlenecks in local decision making.

**FIGURE 4** Farming still shapes Alpine landscapes but depends on on-going support to fulfill its wide-ranging tasks. (Photo courtesy of the Ministry of Agriculture, Forestry, Environment, and Water Resources)



Local actors also now agree that efforts have to be renewed and that networking with other regions is a basis for exchange of experience and for keeping or regaining momentum.

The adoption of a strategy that made “soft tourism” the trademark of the area (see box above) was a decisive step. The project has achieved national and international reputations, as testified by the awards received: At the 1991 Holiday Fair in Stuttgart, Lesachtal was praised as the “most environmentally sensitive community and unspoiled vacation setting in the Alps.” Some years later, Friends of Nature International selected Lesachtal as a model region for its action entitled “The Alps—Landscape of the Year 1995.”

### Lessons learned for local/regional development in other mountain areas

Although the approach to mountain development adopted about 3 decades ago in Austria aimed at a holistic solution of problems, pioneer activities met with considerable difficulties related mainly to the prevailing institutional framework and the individual activities of (economic) actors. In many cases, the hardest task was to adapt individual strategies and establish a common basis for cooperative action in small mountain communities. As is particularly visible in mountain areas, a focused and coordinated policy integrating regional aspects, spatial planning, and economic, environmental, technological, transport, structural, and agricultural aspects is necessary at the different territorial levels.

The encouraging results of pilot programs significantly influenced the assessment of mountain development and the scope of economic activities perceived as opportunities in these areas. The Austrian experience shows that successful policies to safeguard environmental amenities and cultural landscapes while promoting regional development calls for the incorporation of spatially oriented sectoral policies in integrated regional development



strategies. The long-term provision of public environmental amenities in mountain areas can only be ensured by maintaining settlements as well as social and economic activities and by conserving and shaping cultural landscapes (Figure 4).

In general, this is not possible without maintaining mountain agriculture. Support for mountain farming has an impact not only on the income and living conditions of mountain farmers. It also raises awareness in society at large of the value of the wide range of tasks of mountain farming. Measures to support diversification and off-farm activities enhance the farmers' economic security and provide them with an impetus to participate in regional initiatives.

Today, many elements of the pioneer projects have been taken up in mainstream programs, both in mountain regions and rural areas in general. To some extent, this has limited the innovative spirit of new projects, and fresh inspiration must be sought by key actors. But the following characteristics of mountain-specific regional programs deserve general attention when designing new initiatives:

1. Endogenous development plays a decisive role in developing acceptance and ownership by local people, which are essential for their long-term commitment.
2. This local dimension must be supplemented by strategies dealing with the relation of the region to other areas. Thus, for a long-term perspective, territorial and societal interrelations deserve particular attention.
3. Innovative action and strategies for regional development in one mountain

area cannot be simply taken over somewhere else. Only relevant experiences can be transferred.

4. In many cases, innovative action has to be induced by questioning existing institutional systems; this requires exchange and moderation by "outsiders."
5. Moving from individual projects to cooperative action is a central learning process for all initiatives. On-going discussion of local opportunities has led to the insight that integrated regional strategies involving a certain critical mass must not be neglected.
6. Endogenous development is not a conflict-free process. Integrating different stakeholders and ensuring wide participation of local groups and individuals are the keys to lasting success.
7. Rural amenities in mountain areas are basic assets of the potential for regional development. Integration of environmental concerns into mountain economies is not yet at hand, but numerous Austrian initiatives have begun to develop concepts.

These conclusions reveal that mountain development has great potential, particularly when learning from pilot actions. The growing number of actors involved and the new nature of policies in recent years require a subtle, but comprehensive, integration. In this regard, the rising awareness of the ecological fragility of mountain areas and the valuation of landscape perceptions have brought about a shift toward integration of environmental concerns in regional development strategies (Figure 5).

**FIGURE 5** Agricultural land use at high altitudes in the Alps is characterized by summer pasturing, which has led over the centuries to valuable ecosystems. (Photo courtesy of the Ministry of Agriculture, Forestry, Environment, and Water Resources)

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Thomas Dax is a regional development planner with an MSC in town and country planning. He has worked as a rural development researcher at the Federal Institute for Less-Favored and Mountainous Areas (BABF) in Vienna since 1985. His activities include research on Austrian and European mountain development and on rural development programs (with respect to European Union [EU] Structural Funds programs and the OECD's work on Rural Indicators). He has participated in a number of EU research projects dealing with pluriactivity, rural development, and mountain policies.

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