

Central European Borderlands:

Rural chances and risks in the course of enlargement

Franz Greif

The Problem: The topic of borderland development in Central Europe has been of top interest since the Iron Curtain went down between liberal and socialist states. Many of the regions concerned for decades faced nearly unsolvable problems in economy, society and culture. With the beginning of European discussions about EU-enlargement” in the new contact zone between the Baltic and Adriatic sea completely new aspects and questions arose, which are connected with social and economical imbalances, but also favourable conditions for future development and related expectations of investments and capital flows. But the actual situation in most of the Central European border areas is also characterised by the consequences of "long-time emigration", selected employment due to centralisation on EU-side and “systematisation” of settlements on CEEC-side, with implications in the allocation of resources. Rural decline esp. in regions with less favoured conditions is a severe fact. And furthermore there is a great lack of non-agricultural functions and labour, e.g. of small and medium-sized enterprises, in hundreds (or even thousands) of villages in the named borderlands.

Material and method: For several years the Federal Institute in Vienna collected data and information on borderland development in areas bordering to “Eastern” neighbours. So it was possible to describe and to compare the given regional structures on EU and CEEC side. Sets of regional data were transformed into cartographic material which was edited in the institute’s publication series in 2001. A follow-up evaluation of potential development in rural borderlands should pursue three criteria, i.e. how to improve chances of agricultural projects, how to strengthen cross-border co-operation in practice, and how to overcome hindrances to their transnational implementation. There should be investigated in an open manner which chances projects in border areas really do have when related to agriculture, which concrete possibilities for co-operation do exist on operational levels (production, processing and marketing of goods, and services), on regional level and in the field of co-operation of local and regional authorities, and finally which are the very problems and facts bringing about obstruction in trans-border co-operation. It is the crucial point to find out in which way and by which actors they could be mastered.

Results & comments: The main pre-accession facts & impacts in Central European borderlands are:

1. Regional disparities are not only hindrances but also advantages for further development
2. Pushing & pulling factors are heavily influencing entrepreneurial decisions
3. Cross-border co-operation: Local authorities are not sufficiently active until now

Ad 1: The successive introduction of the „four freedoms“ in CEEC will promote free merchandise traffic, freedom of movement, free choice of residence and foreign exchange operations. During a period of transition, before accession and possibly several years after, the differential of prices, costs and wages to candidate states will be considerably high. The CEEC can count on an increase of their price level, but they request transitory conditions for certain concerns endangered by foreign purchase power or other interests. To these belong most concerns of the land market which characteristically are now entering in the state of liberalisation in more or less all accession countries. Also levelling of wages has become a main question for socio-economic development. Decisive is that the low purchase power of consumers in CEEC is a result of high mass unemployment.

On both sides of the borders it will be crucial that orderly development and growing together takes place. Important sectors and political issues as there are agriculture, tourism, labour markets and environment management (besides others) must be prepared in the best way in order to enable them to deal with the new situation.

Ad 2: There is a wealth of clear and unclear expectations influencing institutions, enterprises and also private people in their decisions: favorable conditions for the development of new activities, high purchasing power, profits, investment possibilities, higher “quality of life” in general, possibilities for individual development, reputation in personal skills and culture, social prestige and new relations. Behind

these expectations, however, there are usually well recognizable forces, impacts, motivations, attractions which often influence decisions who should be the basis for the fulfilment of many expectations. A true systematic concept for real constellations of that kind of forces was elaborated by the Federal Institute in order to support the regional economic theory. Besides the different nature of these forces – let us say: their “quality” – particularly the quantitative strength of their effects is of interest. Here we can present the concept of a systematic with which different “regional forces and effects”, and also their “spatial direction”, can be identified. Such a tool is aiming at a scientific method of measuring of forces and effects active in regional economy. From the agricultural point of view they concern both “internalities” and “externalities” of the sector.

Ad 3: Especially for local authorities („communes“, “municipalities”, “wards”) in the economical periphery self-responsibility and autonomy are of crucial importance to perform all administrative, social and economic duties in line with the necessities of their population. The establishment of a viable communal autonomy and the enabling of local authorities to play their role as innovators in public services and economy for decades has been a multilayered task which also should gain priority in all CEEC. There are nevertheless criteria for a sound structure of such administrative units which appear in different accepted principles.

Consequences: Different types of border areas are in want for specific development programmes, as there are:

- Restructuring of the regional economy; modernisation of regional enterprises
- modernisation and improvement of infrastructures (accessibility, supply networks, communication)
- *on EU-side:* special attention to small and medium enterprises, especially in relation with individual downstream activities of farms and agricultural co-operatives
- *on CEEC-side:* special attention to the situation of large scale enterprises and their role as potential innovators in the regions concerned
- qualification of labour force (“human resources”) for better chances on the labour market

Author: Franz Greif, Federal Institute of Agricultural Economics, A 1030 Vienna, Marxergasse 2, phone (00431) 8773651-7427, E-mail: franz.greif@awi.bmlfuw.gv.at

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