

**EU Sixth Framework Research Programme
Contract No. 501749**

**TOP-MARD
Towards a Policy Model of Multifunctional Agriculture
and Rural Development**

**Study area report Austria
(Pinzgau – Pongau)**

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The case study area has been selected to represent the most widespread farm management types and regional contexts of Austria characteristic for the situation in mountain areas. With about 70 per cent of the total area of Austria within the mountain areas (BMLFUW 2003) national priorities have to pay particular attention to the relevant farm types and focus on the linkages of land use in mountain areas to other local and regional activities. In this regard multifunctionality has been discussed since long in the mountain area context of Austria as a useful concept for explaining functions of agriculture going well beyond agricultural production (Dax and Hovorka 2004; OECD 1998; Hovorka 1998).

1. General description of the area

The administrative district Pinzgau – Pongau (NUTS III; AT 322) is part of the Austrian province (Land) Salzburg which is to a large part characterised by the location in the Central Alps of Austria. The two political districts of Pinzgau and Pongau are combined in one NUTS III area which is the basis for the case study area. The total area is 4,396 km² comprising 53 municipalities with a population of 161,996 inhabitants in 2001 (see table 1). The population density is as low as 37 inhabitants per km² which is significantly below the provincial and national averages (Salzburg: 72; Austria: 96).

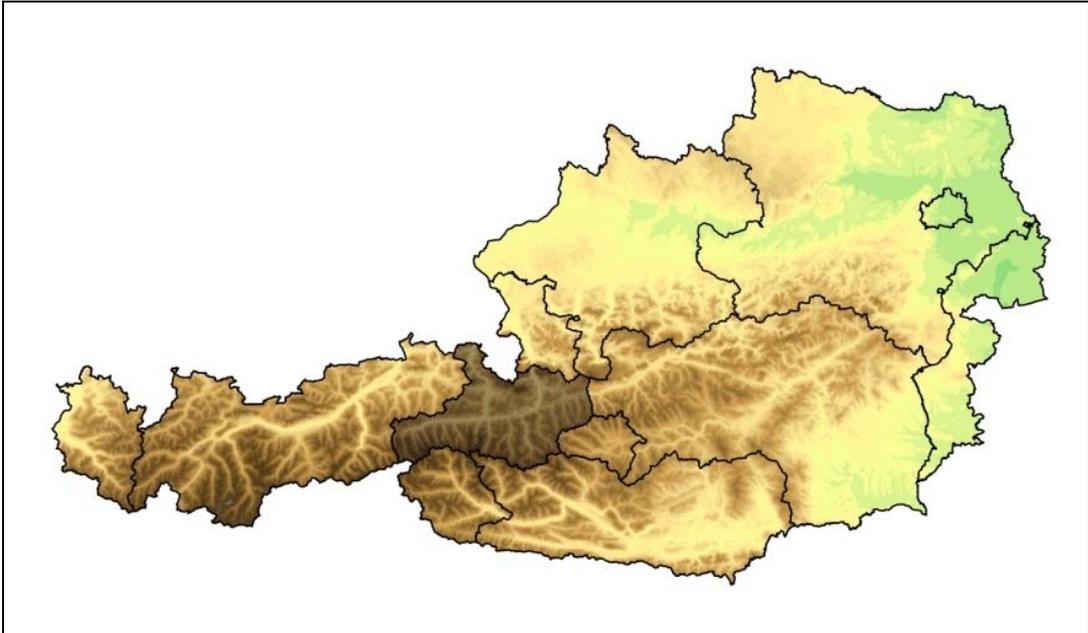
All the municipalities of the study area are classified as mountain area, according to article 18 of Council regulation (EC) No. 1257/1999. It is marked by a diversified mountain landscape with the characteristic mixture of high shares of forests, grassland, alpine pastures and rocks. The area of permanent settlement is very limited (only 14.2 per cent of the total area), which results in a rather high density of 259 inhabitants per km² permanent settlement area (slightly above the Austrian average). The study area is characterised by the main valley of the river Salzach and a number of parallel side valleys leading into the Salzach valley. In Pinzgau, which is the western part of the region, for most parts of that region the mountains reach up to a height of about 3,200 metres (Rauris, Kaprun etc.). There is also the highest mountain of

the province Salzburg, the mountain Grossvenediger at a height of 3,673 metres above sea level. The other part of the study area, the district Pongau is surrounded by diverse chains of mountains of different structures. The two administrative centres are Zell am See in Pinzgau (9,638 inhabitants) and St. Johann in Pongau (10,260 inhabitants).

The study area is well known for the long lasting and intensive integration into mountain tourism development. Some of the world-wide renowned tourist resorts are located here. The area as a holiday location with intensive winter and summer tourism is therefore under a significant tourist pressure (see Figure 3, overnight stays per resident population) which attains the highest level within all the Alps. The economic performance of the study area is largely due to the development of tourism which has a multiplier effect in trade, commerce, transportation and banking. In the mountain valleys especially, the alternatives to tourism development are limited. The most important resource for tourism is the region's unspoilt countryside with its natural resources. A significant part of the study area (on the southern border to Carinthia and Eastern Tyrol) is located within the Alpine National Park "Hohe Tauern" which is the prime national park in Austria (Graner 2005, BMLFUW 2006).

Almost all farms in the area are classified as mountain farms and the proportion of organic farms (44 per cent) is the highest for all regions of Austria. The study area is characterized by small scale farming and a very high portion of pluriactivity of farm households. The predominant farming systems are milk production and livestock grazing. A high proportion of forests in the study area belong to the federal state owned legal entity Österreichische Bundesforste AG. The intensive involvement in pluriactive activities and forestry is not a new phenomenon but has been historically relevant in the area: Most farms had some secondary activities off the farm and were using forest land (Neumayr 2003). Some of the livestock activities use typical regional species (in particular sheep and goats) and are therefore of interest with regard to conservation and cultural aspects of the region (Wallner 2004).

Figure 1.1: Location of study area Pinzgau-Pongau in Austria

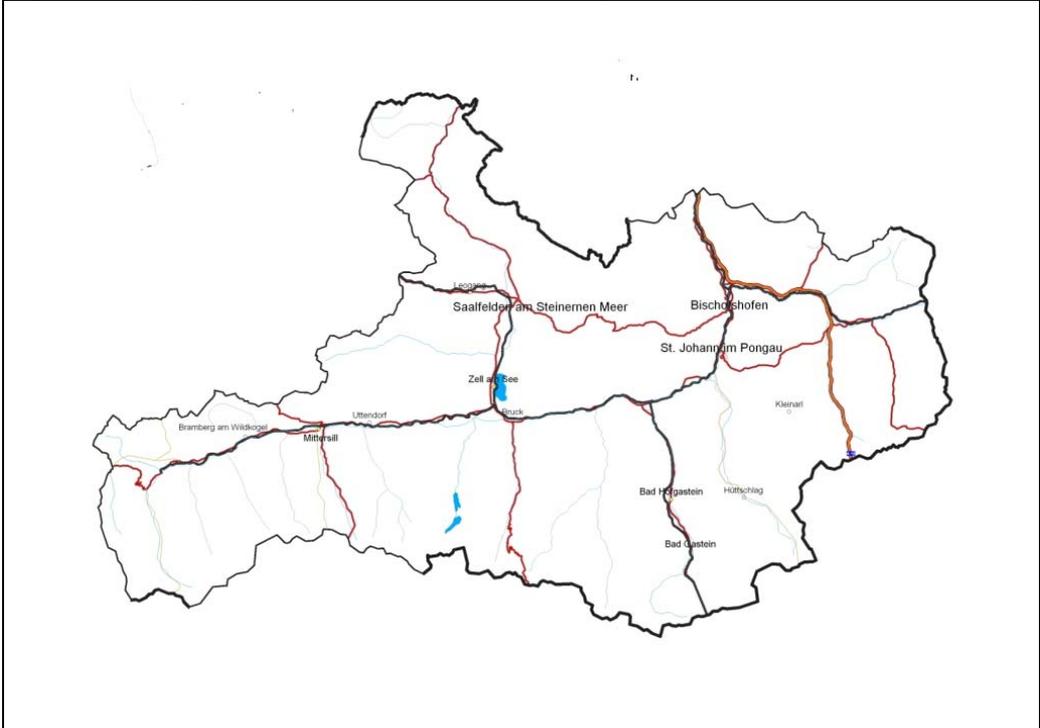


Source: Regiograph 2004 (www.macon.de)

According to mountain topography, the situation for accessibility to regional and national centres is very diverse, with in general a peripheral situation for most municipalities and with

about 1/5 of the municipalities being classified as even extremely peripheral. This situation occurs particularly in the side-valleys providing accessibility difficulties for the population at the end of these valleys and contributing to out-migration tendencies of some of these areas. On the other hand the regional centres and some main tourist resorts are well accessible by train and car for people outside of the region (Kautz et al. 2001; ÖIR 2004 and 2005).

Figure 1.2: **Higher road network in the study area**



Source: Regiograph 2004 (www.macon.de)

The following overview of some key indicators for the regional context is selected to underline some of the main characteristics of the region (Table 1). The comparison with the indicators for Austria points to regional specificities in the national framework.

Table 1.1: **Some key data of the study area Pinzgau-Pongau**

criteria	Pinzgau-Pongau (AT 322)	Austria
Total area (in km ²)	4,396.22	83,870.95
Population, 2001	161,996	8,032,926
Population change, 1991-2001 (absolute)	+ 12,764	+ 237,140
Population change, 1991-2001 (in % p.a.)	+0.82	+0.30
Density of population, 2001 (inh./km ²)	36.8	95.8
Proportion of area of permanent settlement (in %)	14.2	37.5
OECD typology, regional level, 2001	predominantly rural (PR)	in PR 46.7% (of population)
OECD typology, rural communities (%), 2001	85.6	41.9
Proximity to conurbation, accessibility to regional and national centres	all municipalities classified peripheral; 1/5 extremely peripheral	44.4 4.5
Non-farming employment: Service sector (incl. tourism) (%)	67.8	68.2
Industry (%)	26.9	27.6
Share of mountain area (% of total area)	100	70
Arable land (% of UAA))	< 1.0	42
Permanent grassland (% of UAA)	> 99.0	56
Predominant farming systems	Almost all milk/grazing livestock High degree of integration into organic farming systems	46% Crop production 18% Animal production 27% Animals 9% others
Pluriactivity (% of farm households)	66.2	61.8

Source: Statistics Austria 2004; BMLFUW 2005

2. Demographic patterns

The area is characterised by a typical rural population settlement. This is obvious through classification according to the OECD typology (and other categorizations) where about 85 per cent of all communities are defined as rural communities and subsequently the area is classified on the regional level as predominantly rural (OECD 1994, Dax 2003; see Table 1).

The population development of Pinzgau – Pongau between 1991 and 2001 was significantly positive (+ 12,764 persons; + 0.82 per cent p.a.), following a positive population development over the previous decades (see Table 2). The increase of the population results to a share of 69 per cent from natural population increase (number of births minus number of deaths) and to 31 per cent from migration gains (in the decades between 1971 and 1991 there were little migration gains). The municipalities with a particular positive population development are above all those with extensive tourism activities. However in some remote municipalities of

the study area there was a negative population development between 1991 and 2001. In 2001 the share of population younger than 15 years was 19.3 per cent, the group between 15 – 64 years counted for 67.7 per cent and older than 64 years were 12.9 per cent of the population. Notwithstanding this rather young age-structure, the tendencies towards older age categories continued, as in other Austrian regions.

Table 2.1: Population development in Pinzgau – Pongau (1971-2001)

	Population	Increase of population per decade	Natural balance (Live births minus deaths per decade)	Migration balance (Migration gains per decade)
Population 1971	129,933		.	
Change 71-81		9,288	9,187	101
Population 1981	139,221			
Change 81-91		10,011	8,966	1,045
Population 1991	149,232			
Change 91-2001		12,764	8,753	4,011
Population 2001	161,996			

Source: Statistics Austria 2004

3. Recent economic history

There is some history of industrial development in the main valley of the study area, particularly along the rivers of Salzach, Saalach and Enns. Nevertheless due to the high involvement of employment in the tourist sector and the high intensity of tourism the area is seen as a tourist region.

The regional GDP in 2003 accounted for 4,177 Mio. € and GDP per head reached 25,600 € (see table 3). This is 83.1 per cent of the GDP per head of the province Salzburg (and 90 % of GDP of Austria, which is 28,000). Between 1995 and 2003 the regional GDP in Pinzgau-Pongau increased by 31 per cent which signifies slightly stronger economic growth than in other parts of the province. The total employment in the study area increased from 73,400 in 1995 up to 80,600 in 2001 (Statistik Austria 2004). But the statistics of employed persons (at place of work) only show 67,835 employed persons, thereof 5.4 per cent in agriculture. The difference between the two concepts reveals the high portion of out-commuting from the study area which has been largely enabled through improvements in the road network (particularly the central highway passing through the area) over the last two decades. The employment rate, calculated on the basis of the total population is 49.8 per cent (men: 57.1 per cent; women: 42.7 per cent). The harmonised unemployment rate for 2003 was 2.6 per cent which was even lower than the Austrian average of 4.2 per cent (Statistics Austria 2005). In 2003 4,073 persons were registered unemployed, of which 20.8 per cent were under 25 years old.

Table 3.1: Regional GDP Pinzgau-Pongau in 1995, 2000 and 2003

year	Pinzgau-Pongau in Mio €	Province Salzburg in Mio €	Proportion Pinzgau-Pongau in %
1995	3,195	12,676	25.2
2000	3,854	15,134	25.5
2003	4,177	16,074	26.0
2003 per head	0.0256	0.0308	83.1

Source: Beigl et al. 2006

As in other rural areas the tertiary sector is the only sector with increasing employment figures and counts for 69.4 per cent of all employment in 2001.

Table 3.2: Employment by economic sector in Pinzgau-Pongau

	Employment in primary sector in %	Employment in secondary sector in %	Employment in tertiary sector in %
1981	9.5	34.3	56.1
1991	7.3	31.0	61.8
2001	5.9	24.7	69.4

Source: Statistics Austria 2004 (Volkszählung 2001)

The majority of 72.3 per cent of all enterprises employs less than 5 employees and only 1.5 per cent of enterprises fall in the category employing more than 50 employees.

Table 3.3: Structure of enterprises in Pinzgau-Pongau

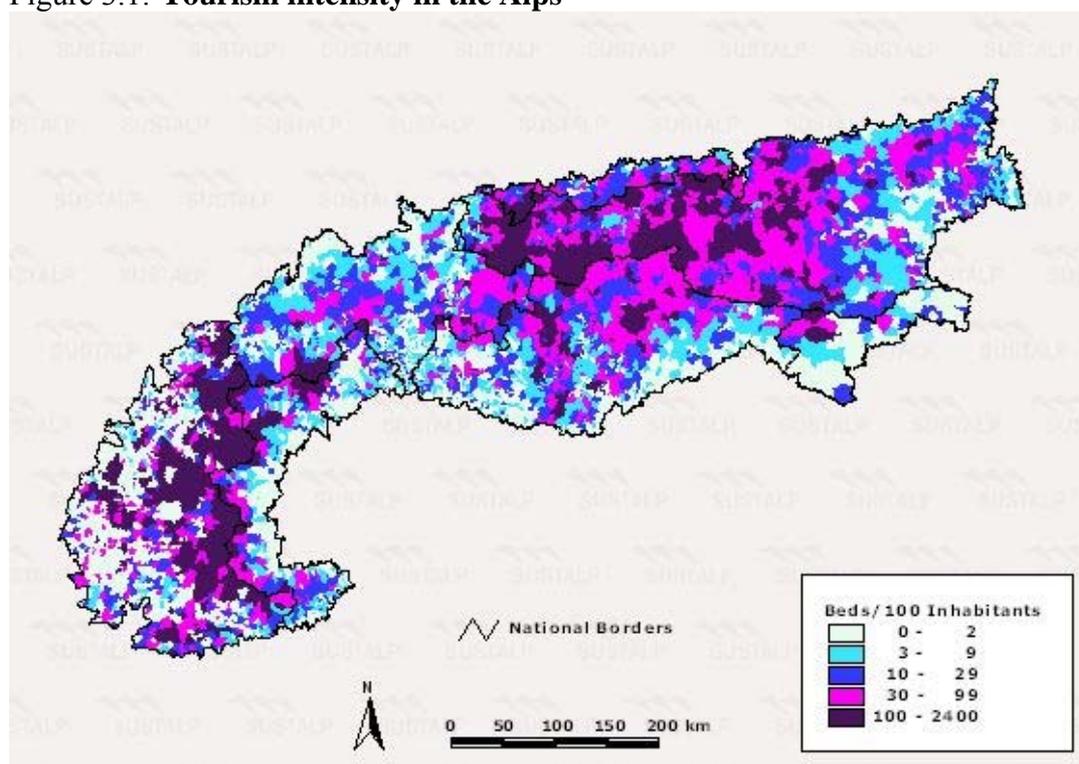
	Number of local units	Share of total local units in %
Until 5 employees	7,132	72.3
5 to 9 employees	1,443	14.6
10 to 49 employees	1,137	11.5
50 employees and more	151	1.5
Total local units	9,863	100

Source: Statistics Austria 2004

The average total gross income of taxable employees in 2002 was €19,400 (Salzburg: €22,500; Austria: €23,900) and that of retired persons was €15,100. In 2003 debt of local governments in Pinzgau- Pongau was €225.3 Million (about €1,390 per inhabitant).

As mentioned the region Pinzgau – Pongau is one of the most intensive tourist regions of Austria (and the whole Alps). The significance of the tourist sector is underpinned by the fact that the employment shares in service branches comprising tourist activities (hotel, gastronomy, commerce) is the highest of all Austrian regions and overnight stays figures as well. The study area counted 16.6 million overnight stays in 2004 which was 14 per cent of all overnight stays in Austria. The shift towards the winter season in past decades led to the high proportion of 62 per cent of overnight stays in the winter season. Tourists from abroad account for 78 per cent of all overnight stays in the region (Statistics Austria 2005). Four of the 20 most important tourist communities of Austria (in terms of overnight stays) are located in the study area (Number 3 and 6 in Pinzgau and number 11 and 14 in Pongau).

Figure 3.1: **Tourism intensity in the Alps**



Source: Tappeiner et al. 2003

4. Agriculture in the area

According to the EU classification system of less-favoured areas (LFA), all the study area is classified as mountain area (100 per cent). Most of the farms in Pinzgau-Pongau are mountain farms. Cooperatives which manage alpine pasture common land are not classified as (individual) mountain farms but as specific legal entities. The high proportion of the alpine pastures (71.4 per cent of UAA) underscores the relevance of low intensive pasture management as characteristic feature of agriculture and relevant aspect for landscape development (Greif et al. 2005). Moreover, quasi the total agricultural area is now used as grassland (and crop areas have almost disappeared entirely over the recent decades). Although pastures are very often managed by cooperatives (which are not classified as mountain farms as they don't constitute private, individual farm units) the management of these pastures is closely linked to mountain farms as these are the partners of the cooperative.

Table 4.1: **Farmland categories in Pinzgau-Pongau, 1999 (ha)**

	Pinzgau-Pongau in ha	Austria in ha
Total area	439,600	8,387,095
Total farm area (area of farm units)	409,205	7,518,615
Utilised agricultural area (UAA)	176,416	3,389,905
Of which crop area	165	1,395,274
Of which grassland	176,163	1,916,792
Of which alpine pastures	125,908	833,393
Forest area	151,366	3,260,301
Other areas	81,423	868,409

Source: Statistics Austria 2001 and 2004; BMLFUW 2005

Part time farming is the main form of farming in the area. Only about 36 per cent of all farms in the dataset are full time farms which manage about 46 per cent of UAA. Legal entities manage 35 per cent of the alpine pastures. The area has in addition the highest degree of integration into organic farming systems (in 2003 the share of organic farms is about 44 per cent).

Table 4.2: **Pluriactivity of farms in Pinzgau-Pongau (1999)**

	number	Share of farms in %	Average farm size in ha	Share of UAA in %	Share of grassland in %	Share of alpine pastures in %
Full time farms	1,692	36.3	48	45.9	45.8	41.3
Part time farms	2,599	55.8	19	28.0	28.0	23.7
Legal entities	368	7.9	125	26.2	26.2	35.0
Total	4,659	100.0	38	100.0	100.0	100.0

Source: Amt der Salzburger Landesregierung 2005; Statistics Austria 2001;

The proportion of mountain farms is 77.0 per cent of all farms. Together with the alpine pasture cooperatives (legal entities) they manage about 85 per cent of all farms, 88 per cent of the grassland and 86 per cent of the alpine pastures. The rest of farms being not classified as mountain farms (e.g. non mountain farms) mainly do not fulfil the criteria for being integrated in the classification system, disposing of too small areas (UAA), being concentrated on forest areas or other issues for excluding them. Although the table shows the mountain farms divided into four categories in 1999 there is a new, much more sophisticated system of assessing the farm production difficulties in place since 2001 which attributes disadvantage points to mountain farms. A detailed system of attributing points up to a (theoretical) maximum of 570 points is used. The elements used in the calculation are grouped into the three categories: internal farm situation (portion of steep areas and altitude), external farm situation (accessibility, local and regional indicators etc.) and soil and climate conditions. For statistical purposes the mountain farms are again presented in four groups of disadvantages according to the “mountain farmer registry point system” (Tamme et al. 2002). Although there are changes in the attribution of farms between the former system and the new classification method, in general the distribution of mountain farming difficulties to the four groups has remained similar.

Table 4.3: Classification of mountain farms in Pinzgau-Pongau (1999)

Category of mountain farms	Number of farms	Share of farms in %	Average farm size in ha	Share of grassland in %	Share of alpine pastures in %
Category 1	723	15.5	43	17.7	16.9
Category 2	806	17.3	41	18.9	17.2
Category 3	1,331	28.6	23	17.6	11.9
Category 4	729	15.6	19	8.0	5.4
All mount. farms	3,589	77.0	31	62.1	51.4
Non mount. farms	702	15.1	62	11.7	13.6
Legal entities	368	7.9	125	26.2	35.0
Total	4,659	100.0	38	100.0	100.0

Source: Statistics Austria 2001; BMLFUW 2005

The study area is characterized by small and medium scale farming (yet in the Austrian mountain area context many other regions reveal a still much smaller farming structure). The proportion of farms with less than 20 ha UAA is 70.8 per cent but their share of total UAA is only 14.7 per cent.

Table 4.4: Farm size structure in Pinzgau-Pongau (1999)

Farm size (ha UAA)	number	Share of farms in %	Share of UAA in %
Under 5 ha	1,152	24.7	1.3
5 until 20 ha	2,146	46.1	13.4
20 until 50 ha	694	14.9	12.1
50 until 100 ha	242	5.2	9.6
100 until 200 ha	226	4.9	18.7
200 ha and more	199	4.3	44.9
Total	4,659	100.0	100.0

Source: Statistics Austria 2001; BMLFUW 2005

The forest area in Pinzgau-Pongau comprises 151,368 ha (37 per cent of total farm area) of which 72.4 per cent belongs to legal entities (a large part belonging to the Österreichische Bundesforste AG) and only 20 per cent to mountain farms. The predominant farming systems are milk production and livestock grazing. The share of farms with cattle is 74 per cent. A share of 15 per cent of all farms is classified as forest entities.

Table 4.5: Livestock numbers in Pinzgau-Pongau in 1999 (livestock units 2004)

Mountain farms	Dairy cows	Other cows	Cattle total	Livestock units (LU)
Category 1	6,094	1,737	17,815	14,912
Category 2	5,993	1,746	18,199	15,426
Category 3	6,509	2,327	20,430	17,363
Category 4	2,766	1,051	9,417	7,950
All mount. farms	21,362	6,861	65,861	55,651
Non Mount. farms	1,419	522	4,716	4,358
Legal entities	129	84	627	443
Total	22,910	7,467	71,204	60,453

Source: Statistics Austria 2001; BMLFUW 2005

According to the Austrian FADN data for 2004 (LBG Wirtschaftstreuhand 2005), the income from agriculture and forestry per farm in the region was €17,195 (88.7 per cent of the Austrian average). Although in the FADN data small farms are not included the income derived from off-farm activities was €12,109 which shows the importance of pluriactivity in the region.

5. Relevance of the study area in the multifunctionality context

The case study area is a mountain area which is less-favoured in terms of agriculture and forestry. Nevertheless because of its amenities it is an important tourist area (skiing, mountain walking trails etc.).

Tourism is a core income source in the study area with the particular situation of the mountains and the cultural landscapes providing the significant basis for activities both in winter and summer tourism. Agriculture plays an important role in maintaining multifunctional landscapes in mountainous areas. There are some parts of the study regions with very extensive (winter) tourism and other parts with a more environmentally (summer) tourism in particular in the more remote region of Oberpinzgau which belongs to a large extent to the national park area of “Hohe Tauern” (Glanzer et al. 2005).

Forests are of considerable importance in the case study area. In Austria and also in the study area many farms, and particularly mountain farms, own not only agricultural land but also considerable forest areas. Therefore farms are important for forest protection, particularly in mountain areas where fragile soil situations are prevailing for large parts of forest areas.

The alpine pasture areas account for 71.4 per cent of the agricultural land in the case study area. The management of these extremely sensitive eco-systems by farms (mountain farms) therefore is of great importance in the multifunctional context. This importance is not only relevant for tourism development, but also significant from the point of view of society as a whole, maintaining biodiversity, protection against natural hazard, issues of nature protection and general environmental performance being the main aspects of social demand. In the study area the Alpine national park “Hohe Tauern” plays a core role for the protection of the environment in these highly sensible mountain areas, with an exemplary role for other regions of Austria as well.

A further aspect with regard to the case specific farm management is the high proportion of organic farming in the area which is not only an advantage for the environment but also a basis for direct marketing/selling of regional agricultural products. In particular, the activities are oriented also towards an increased value-added through the strategy of quality development of mountain products. An other recent development is the involvement in activities to increase the use of renewable energies where a series of action has been taken since some years.

There has been an intensive discussion on positive (Dissemond et al. 2003) and negative (Hofreither et al. 2002) effects exerted by mountain farming in Austria since the beginning of the 1990s. Elements and indicators which constitute multifunctionality have been listed by several authors. The following tables summarize the most important concepts discussed in the national context, but which are nevertheless of great relevance for the mountain areas.

Table 5.1: Positive agricultural externalities in Austria

item	Elements	specification, effects	sources
1	Production of goods	Food, fodder, fibre	Pevetz 1998 Wohlmeyer and Dissemmond 1999, Pistrich et al. 2000, Dissemmond et al. 2003, Dax et al. 1995, Pruckner 1993
2	Rural employment	Direct and indirect employment, buffer function	
3	Spatial development	Road network, infrastructure, land use	
4	Cultural landscapes	Biotopes, nature stewardship	
5	Natural hazards	Safeguard settlement particularly in mountain regions	
6	Environment protection	Biodiversity, habitat protection, water and soil protection	
7	Recycling, waste management	Compost, sewage	
8	Socio-culture	Cultural heritage	
9	Food safety	Supply of high quality food	Pevetz 1998, Pistrich et al. 2000
10	Agri-tourism	Income, recreation and tourism	Pevetz 1998, Pistrich et al. 2000, Dissemmond et al. 2003
11	Social services	Care for elderly people, disabled, alcohol and drug addicts, homeless, schools, kindergartens etc.	Pevetz 1998, Wiesinger 2000, Dissemmond et al. 2003
12	Hunting	game	Sinabell 2001
13	Military	Areas used for military training	Sinabell 2001
14	Regional planning	Land utilization plan	Wytrzens 1994, Dax et al. 1995
15	Farm cooperation and para-agriculture	Direct marketing, processing, machinery rings	Loibl 1997, Wiesinger 1995, Dissemmond et al. 2003

Source: Dax and Wiesinger 2003

Table 5.2: Negative external effects of Austrian agriculture

item	likely change	external effect	technical relationship (examples)	affected party	representative source(s)
1	↑	loss of landscape elements	land use (with machines)	visitors, local residents	Liebel et al. 1986
2		loss of species	pesticides, loss of habitats	society (global), hunters	Liebel et al. 1986
3		soil erosion	inadequate tillage, some crops	hydropower producers	Aichberger 1999; Klaghofer 1997; UBA 1988
4		CO ₂ -emission	turn grassland in arable land	society (global)	Sinabell 1996; Kopetz 1997
5	↓	other gases and bad smells	livestock production	society (global; neighbours)	Klaasen 1994; Knoflacher et al. 1992; Schütz and Steinmüller 1997; Womastek 1992
6	↓	eutrophication, water pollution	runoff of nutrients, emission of nutrients and pesticides into	water users (local and downstream)	Hofreither 1996; Hofreither et al. 2000; Hofreither and

			groundwater		Sinabell 1998; Gerhold 1993; Götz 1998; Schwaiger/Brandstetter 1993; Sinabell 1999; Wagner 1998
7		accumulation of heavy metals	Fertilisers, use of sewage sludge	farmers, society (option value)	UBA 1988; Blum/Wenzel 1989
8		damage of archaeological objects	fertiliser use, tillage	society (global)	Blum/Wenzel 1989
9		animal welfare	Livestock production	consumers	Konrad 1993
10	↓	depletion of groundwater	Irrigation	water users (local)	Hofreither et al. 1996
11		separation of habitats, loss of species	ways, streets	society (global)	Liebel et al. 1986
12	↓	over-use of marginal land	alpine grazing	society (local, global)	Moser 1999; Spatz 1988
13	↓	grazing in forests	alpine grazing	forest owners	ÖROK 1993

Source: Sinabell 2001

Altogether the most relevant non – commodities in the multifunctional context of agriculture in the study area of Austria can be summarized as follows:

- Cultural landscapes (including alpine pastures, forests, and extending to cultural values, e.g. typical settlement and architecture, e.g. also alpine huts)
- Cultural heritage issues
- Environmental quality development (including preservation of abundant water resources of high quality)
- Enhancement of biodiversity, with a particular focus on zone protection and orientation going beyond a focus on individual species preservation
- Settlement function

6. Policies relevant to multifunctionality in the study area

In the Austrian context the discourse on the provision of the different functions provided by agriculture was particularly advanced through the work of the Austrian Conference on Spatial Planning (ÖROK) in the 1980s. A series of relevant studies and quantitative analyses aimed at underpinning the specific external effects linked to farming in particular regions and characterising largely mountain farming management methods. As such these discussions which involved different administration levels (central state and Länder level) as well as different stakeholders paved the way for a widespread understanding of the relevance of the concept of a multifunctional land use for policy development in mountain areas of Austria.

As mentioned above many aspects on measuring, quantifying and valorising positive and negative external effects caused by farming have been discussed in the decision making process. This discourse focused on the identification of multiple functions of land use and farm management and analysed the factors determining environmental behaviour of farmers.. In particular the situation of mountain farming in terms of environmental impacts, the threat of land abandonment, natural hazards, rural development and agricultural policies has been discussed as a major national concern (OECD 1998).

The maintenance of natural and cultural rural landscapes is supported unanimously by the stakeholders and policy makers. Austria as one of the leading tourism countries is well aware

of this asset. Agriculture created and shaped landscapes throughout the long run of history. Agricultural management is indispensable for avoiding massive afforestation and hence irreversible change of landscapes particularly in high-mountain regions. Anyhow, landscapes are not to be considered as constant characteristics but subject to a persistent change process. Viable rural landscapes have to meet the requirements of rural dwellers and the agricultural population as well. Thus the maintenance of rural landscapes does not mean the preservation of ancient or historical landscapes without any dynamics. This would in neither respect meet the changing needs of the rural population.

The policies most relevant to multifunctionality in the study area can be seen in the targeted measures of CAP and the Structural Funds instruments, as well as some aspects of locally oriented environmental policies. As Austria has just one Rural Development Programme (RDP) covering the whole area of the country (with the exception of the objective 1 area in the most eastern part of Austria, Burgenland which provides for the same measures under that programme) there is a horizontal approach which is not only valid in the study area but all over the country (BMLFUW 2000). Three sets of objectives are defined in the RDP: compensation for special services by farmers, preservation of assets with regard to the maintenance of holdings, and improving competitiveness. It is focused on seven priorities. The national share of the budget for the measures within RDP is divided between federal budget and province budget by 60% to 40%. Most important measures of the RDP for the study area, due to the high proportion of mountain farms, alpine pastures and organic farms are the less favoured area (LFA) compensatory allowances (Hovorka 2004a) within priority III (less favoured areas and areas with environmental restrictions) and the agri-environmental measures in ÖPUL (BMLFUW 2003; BMLFUW 2005) within priority IV (Agri-environment measures). There are some complement support payments for agriculture and forestry on the province level (Bundesanstalt für Bergbauernfragen and Bundesanstalt für Agrarwirtschaft 2004; Amt der Salzburger Landesregierung 2005). A spatial analysis of the distribution of the CAP funds, for pillar 1 and pillar 2, has been applied at a regional level and shows quite contrasting up-take of measures. In particular the analysis underlines the importance of mountain farming support in the Austrian context which is also visible at the regional level.

Austria is one of the countries where the Leader approach has been taken up from the beginning. In particular the experience from former Leader-like national measures, the former FER programme (Förderungsaktion für eigenständige Regionalentwicklung), promoted by the Federal Chancellery (OECD 1998, Gerhardter and Gruber 2000) has contributed to the commitment and success of Leader participation. In the LEADER+ programming period (2000-2006) the financial support programme of the EU is being coordinated by the federal Ministry for Agriculture, Forestry, Environment and Water Management (BMLFUW). Even though the Leader+ Programme is co-financed exclusively by the agricultural funds of the EU, the fields of activity of all three EU Structural Funds are (theoretically) eligible for promotion. This made it possible for Leader+ to be continued as integrated programmes, giving selected Local Action Groups extensive discretionary powers in the choice of measures they wish to implement for the development of their region. The Leader+ Programme realises to a great extent the approach that, in regional development literature, is referred to as “bottom-up approach”. While the LEADER+ Programme Austria was conceived and approved of as a national programme, the processing structures are designed in accordance with Austria’s federal structures. Accordingly, the provincial government authorities were responsible for the implementation of the programme. As in the previous period a national network acted as service point and supporting agency to enhance innovative action and exchange of experience between involved regions.

As for large parts of Austria the study area comprises significant activities of LEADER+ groups. 47 of all the 53 municipalities in the study area are members of the three active LEADER + Groups in the period 2000 - 2006. These are the LAGs

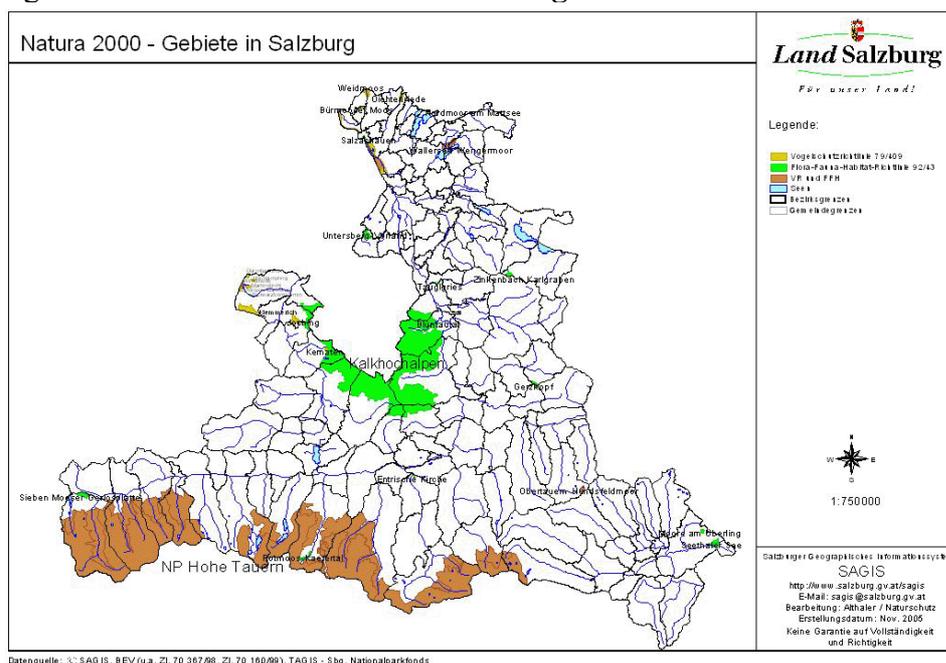
- “ARGE Nationalparkregion Hohe Tauern” (19 municipalities),
- “Salzburger Saalachtal” (6 municipalities) and
- “Pongau” (22 municipalities)

which all strive to deepen the cooperation of stakeholders in the region and to create a host of projects, in particular including new kinds of cooperation between agriculture, tourism and restaurants (Hovorka 2004b, LEADER-Magazine Austria, 2005). The mid-term evaluation of LEADER+ in Austria drew a rather positive picture of implementation of LEADER+ (Regional Consulting 2003).

In addition also the Structural Funds have been used up to now for regional development in these rural areas. Particularly in the period 1995-1999 the objective 5b areas support provided a significant incentive and gave rise to deepened discussion on regional strategies development in this region. Currently the western part of Pinzgau is included in the objective 2 area.

The entire region is also participating in the Interreg IIIA programmes Austria-Germany and Austria-Italy. Large parts of the study area have been included in the Natura 2000 areas reflecting its environmental sensitivity (Gregory et al. 2006).

Figure 6.1: Natura 2000 areas in Salzburg



Source: http://www.salzburg.gv.at/nw-nat2_gr.gif

The sensitivity of the area recalls the main focus of mountain policies which reflect the multiple tasks of mountain farming, i.e. concentration of support to farmers with substantive agricultural production difficulties, agri-environmental schemes to encourage continuation of farming and secure farm management under these conditions, and a specific orientation towards high quality production. The shift towards a more explicit quality orientation is a rather recent element in Austria’s mountain policy, but it seems that there is quite at this time considerable momentum to increase and shift activities towards this aspect, particularly in a mountain area context like the study area.

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