

The Alpine Space as a Sustainable Business Location

Ruggero Schleicher-Tappeser, Permanent Secretariat of the Alpine Convention, Innsbruck, Austria

1 + 6 pages

Schleicher-Tappeser_07.pdf

Published in
Structural Change in Europe 5,
Cities and Regions Facing up to
Change

October 2007

Print run 30.000 copies

© Lou Hagbarth, October 2007

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the publisher.

Every effort has been made to ensure that the information given herein is accurate, but no legal responsibility is accepted for any errors or omissions in that information and no responsibility is accepted with regard to the standing of any firms, companies, authorities or individuals mentioned.



Founded in 1991, we specialize in international presentations. Our clients are business and industry, sites and locations as well as governmental and international organizations and public authorities in Europe.

Hagbarth Publications

Möhlinstr. 21
D-79283 Bollschweil
Germany
Tel +49 7633 981663

info@hagbarth.de
www.hagbarth.de

The Alpine Space as a Sustainable Business Location

Ruggero Schleicher-Tappeser, Permanent Secretariat of the Alpine Convention, Innsbruck, Austria

Wild mountains, green pastures, good cheese, traditional farming and exciting ski resorts usually dominate the romantic image of the Alps prevalent in northern Europe. It is less well known that 13 million people live in the mountainous area defined by the perimeter of the Alpine Convention. Many Alpine valleys are densely populated and perform well in economic terms. Against the background of the overall structural change of European economies, the Alpine regions have undergone a specific transformation. Although considerable differences exist across the Alpine arc, in many places new service and high tech industries have been established. These developments build on three factors: the entrepreneurial spirit of a population used to working on its own in difficult conditions, the long tradition of inter-cultural cooperation in the Alpine cities along the historical trade roads, and the high quality of life in an attractive landscape. Alpine products and services are associated with sustainability and reliability. Systematic cooperation between Alpine countries and regions to develop these strengths could further consolidate the role of the Alps as an attractive space for innovation in high quality sustainable solutions.

Considered one of the most conservative and traditional areas of Europe, the Alps are undergoing profound transformations – not only in regard to developments such as the decline of Alpine agriculture, strong internal migration, new economic patterns, new high-speed rail connections, and urban lifestyles but also with regard to the self-image and the external perception of this most important European mountain range. In the larger European and global context the Alps are “shrinking”. Planners are taking a new look at the area. Public funding for infrastructure is undergoing re-examination. Economic promotion agencies are starting to rethink the positioning of Alpine territories as business locations and to question tourism strategies. New provocative visions are being presented, such as the booklet “Tyrol City” in which planners show that the Inn valley can be viewed as one extended urban area¹. Today the Alpine regions are among the richest in Europe (Fig. 1). This is a rather new development. In order to understand what has happened, it is necessary to look back.

Ups and downs of the Alpine economy from Roman to modern times

Since the Romans, the Alps have been perceived as one large mountain range. In the five hundred years of Roman government, the Alpine space underwent strong development: a road system not only allowed for Alpine transit but also connected the Alpine settlements; most valleys, especially on the southern side seem to have been intensely cultivated and integrated into a larger economy. After the

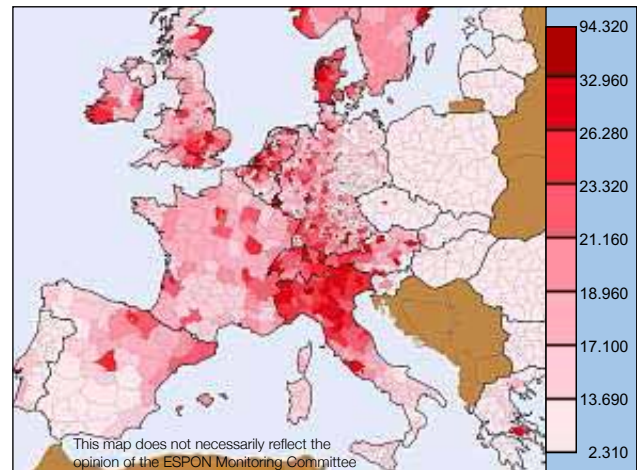


Fig. 1: Gross domestic product (purchasing power), per capita (1999)

© EuroGeographics Association for the administrative boundaries

Source: ESPON Hyperatlas (European Spatial Planning Observation Network)

end of the Roman Empire, much of this Alpine civilisation was lost; large areas were depopulated, connections abandoned. Since then, the Alps have always been divided into parts belonging to different states – with a short exception during the empire of Charlemagne. Between 1000 and 1350 there was a second period of prosperity. The Alps fully participated in the boom of the high Middle Ages, which affected all of Europe. Favoured by a period of political consolidation and significant warming, agriculture expanded, mining, crafts, and trade developed, and the cities grew. The Alpine population reached up to 3,2 million. The settlement patterns and agricultural structures formed in this period persist well into the 20th century.

Around 1350, the plague and then a cooling-down of the climate led to a profound crisis and decrease in the population. By 1500 the Alpine population had recovered to about 2,9 million; by 1900 it had tripled. However, the overall development in the Alps increasingly lagged behind the development in the surrounding regions. Innovations in agriculture and in the cities in the plains could not easily be adapted to Alpine dimensions and conditions. For example, the cultivated area accessible within a one-day return journey was only half as large for a city such as Innsbruck as it was for a city in the plains.

The interaction of political, social and settlement struc-

The views expressed in this publication are the sole responsibility of the author and do not necessarily reflect the views of the Permanent Secretariat of the Alpine Convention.

¹ YEAN (Ed.) (2005): *TirolCITY – New Urbanity in the Alps / Neue Urbanität in den Alpen*. German/English, Folio, Wien

tures evolved differently in the various Alpine countries, with the major differences between the east and the west of the Alps².

Industrialisation and the romantic image of the Alps

The construction of railways in the second half of the 19th century dramatically changed the situation. The transport disadvantages of Alpine cities diminished and industry began to play a major role. Alpine farmers once dependent on powerful landowners slowly integrated into the market economy; cheap industrial products became available and Alpine agriculture had to compete more immediately with mass production in more favourable areas. Increasing difficulties of the more traditional mountain economy led to a strong depopulation in rural areas, at first in the western Alps. Since the first half of the 20th century, this integration process into a larger European context has accelerated. With the easy availability of cars and the building of an efficient road network, travel and transport times have diminished, and the Alpine population, Alpine lifestyles and economies have become fully exposed to European markets. Once peripheral, they now find themselves in the middle of highly dynamic European metropolises. With the change in accessibility, the Alps are “shrinking” and their central position in Europe is becoming most important.

Compared to other peripheral areas, the reintegration of the Alps into the European economy occurred in a very particular way. The retardation and partial “decoupling” of the Alpine development after the high Middle Ages was not unique, but occurred in combination with the central geographic position of this mountain range in Europe and its really exceptional landscape. It allowed for a particular symbolic and psychological use of the Alps in the deep transformations of European societies during industrialisation; with growing cities, intensified division of labour, developing dirty industries and large organisations in the rest of Europe, the Alps were “rediscovered” as the antipode of these developments. The beauty of the land-

scape shaped by centuries of human activity, the impressive wild peaks and the persistence of traditional lifestyles became attractive as real and imagined contrasts to the industrial centres. The romantic image of the Alps, which developed primarily in northern Europe, started to transform the self-perception of the Alpine population as well as the Alpine reality. While Alpine agriculture was experiencing increasing difficulties, the mountain people learned to sell the new image of the Alps and to welcome tourists originating from the big industrial cities. Tourism thus strongly shaped the image of the Alps³.

Despite this romantic image, and with some delay compared to other regions, industries developed in the Alps from the 19th century onwards. Even large and polluting factories, mainly associated with mining and hydroelectricity, were built without much respect for the landscape. From the 1950s, the fordist production model shaped the development of Alpine cities. However, this was handicapped by the lack of space, the limited size of labour markets and the linear structure of the valleys⁴.

Although there are many common elements, the image of the Alps has evolved differently in the various Alpine countries. The romantic “discovery” of the Alpine realm of beauty and freedom was mainly a northern European phenomenon, and “the Alps” which attracted the tourists and the yearning of industrial cities were mainly Swiss, and to some extent, Austrian. Still today “Heidi” and “Wilhelm Tell” are strong, although slowly fading, myths. In Latin Europe, the cities always had a better image and Alpine tourism developed later, more for sports and climatic reasons; the cultural landscape, shaped by a specific rural economy, was less of a preoccupation.

New favourable development conditions

With the worldwide shift from large-scale fordist mass-production to flexible specialisation and the emergence of the service economies around 1980, the situation has become more favourable for the Alpine economies. Smaller units are more appropriate to the complex topography and small-scale specialised production more easily connects to the highly developed local craft traditions. Increasing attention to cleaner production in the post-fordist development patterns is more suitable for the sensitive Alpine environment, and the quality of life is attractive not only for tourism but also for other service businesses not dependent on a specific location.

With European integration, national borders have become increasingly meaningless. Despite improving transport technologies, nationalism hindered cross-border exchange over the last two centuries, and intimidated bilingual populations in this area of neighbouring and over-

2 For the history see: Bätzing W. (2003): *Die Alpen*. C.H. Beck, München. / Matthieu J. (1998): *Geschichte der Alpen 1500-1900*. Böhlau, Wien. / Matthieu J., Boscani Leoni S. (ed.) (2005): *Die Alpen! Les Alpes!*. Peter Lang, Bern. / Varotto M. (2004): “Montagna senza abitanti, abitanti senza montagna: le recenti tendenze demografiche e insediative nell’arco alpino italiano (1991-2001)”, In Cason Angelini E., Giuliotti S., Ruffini F. (ed.) *Il privilegio delle Alpi: moltitudine di popoli, culture e passaggi*. Accademia Europea, Bolzano. / Schleicher-Tappeser R. (2006): *The role of the Alps in an integrating Europe: Perspectives for cooperation*. Revue de Géographie Alpine

3 Debarbieux, B. (2006): *Population et cultures alpines: les enjeux d’une reconnaissance politique*. In: *Lebensministerium: La dimension socio-économique de la Convention alpine*. Wien

4 Messerli, Paul (1999): *Sind die Alpenstädte besondere Städte?* In Perlik, M./ Bätzing, W. (Hrsg.): *L’avenir des villes des Alpes en Europe / Die Zukunft der Alpenstädte in Europa*. Revue de Géographie Alpine 1999 no. 2 and Geographica Bernensia P36

Fig. 2: The Urbanization of the Alps**Agglomerations outside and on the edge of the Alps**

- Centres
- Alpine parts of an agglomeration

Inner Alpine agglomerations

- Core cities
- Peri-urban areas (municipalities)

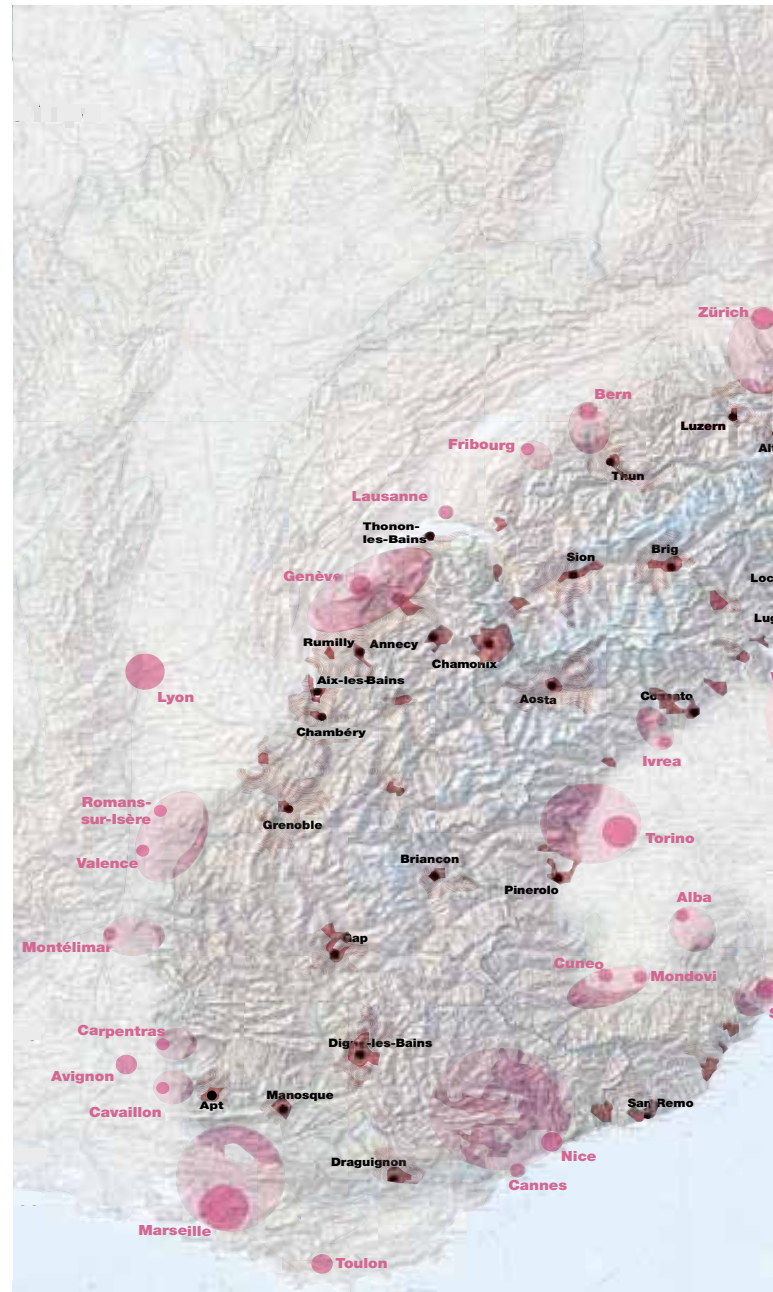
Source: M. Perlik⁹, Birkhäuser Verlag AG, Basel¹⁰
 Cartographics: ETH Studio Basel
 © M. Perlik

lapping Latin, Germanic and Slavic cultures. Increasingly, the Alpine population is discovering that the ability to relate to different cultures can be an important economic resource and that cross-alpine cooperation and the exchange of experiences can bring many advantages. In the vicinity of border crossings and also along the transport corridors between the Alpine countries, easier cross-border trade and commuting have boosted the local economies. Developments such as those on the Verona–Bolzano–Innsbruck–Munich Axis, on the French–Italian border along the coast, or in the triangle between Austria, Italy and Slovenia would not have been thinkable without this integration.

While small and medium Alpine cities are finding new opportunities in this new context, success is not guaranteed. It requires the ability to carefully combine local potentials, existing networks, the Alpine image, and accessible markets. New connections need to be developed. The configuration of future Alpine transport systems, their knots and east-west connections will also play a role in the capacity to make use of new communication technologies and research networks. Tenacity, pragmatism and independent entrepreneurial spirit are considered to be typical for the mountain population, but also narrow-mindedness and defiance toward foreigners – in considerably varying proportions. Some cities and regions have developed remarkably well by combining their potentials and new opportunities.

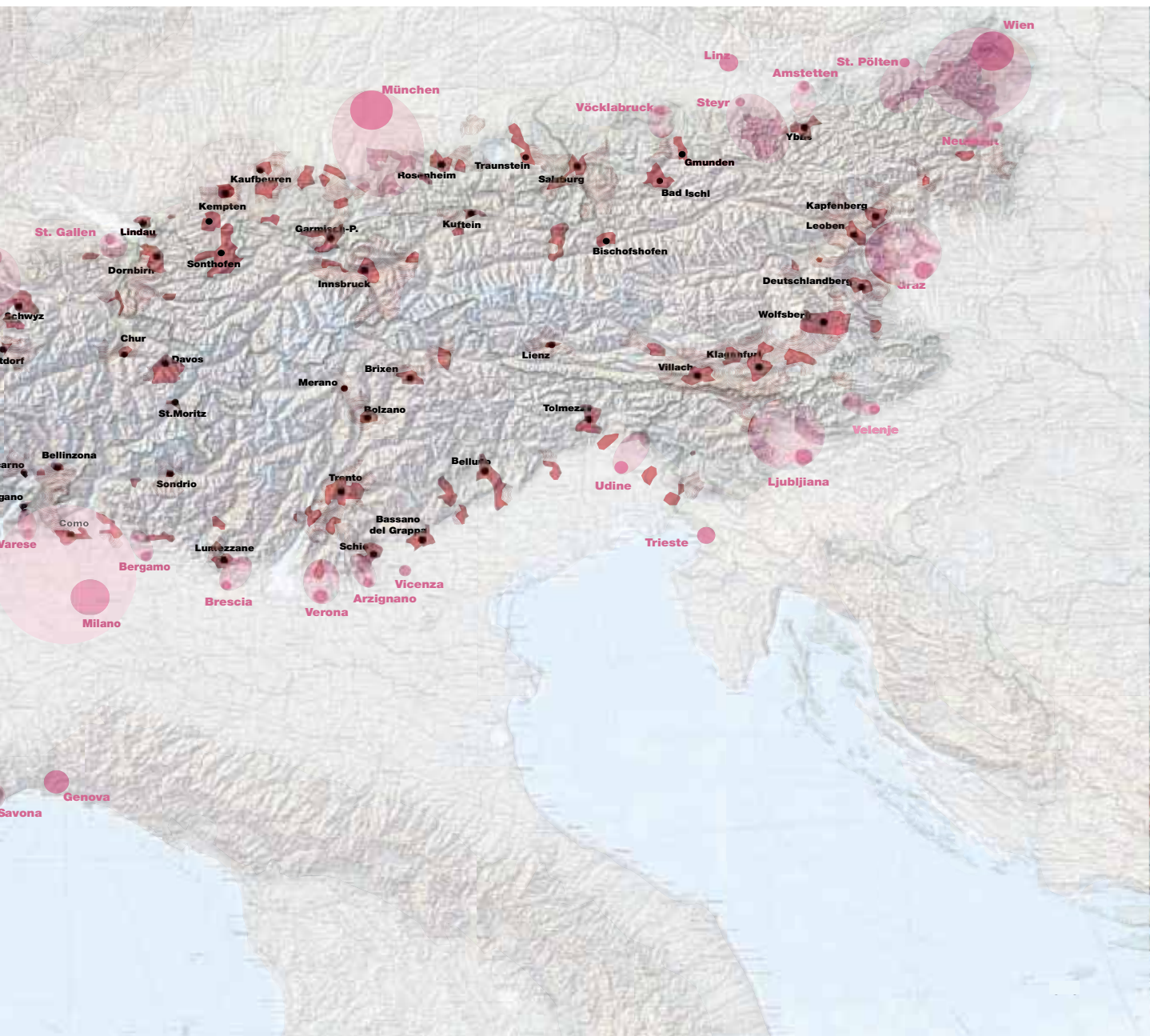
A diverse space with a strong identity

In order for these opportunities to be understood and used, a differentiated picture of the Alpine region is necessary. The different cultures, political and socio-economic systems in the Alpine space have reacted differently in the various phases of overall development. Depopulation



since the early 19th century was most heavy in the south-western, French and Italian, part of the Alps, with large areas losing much more than half of their population before 1950. At the same time in most parts of the central and eastern Alps, population was still growing. Since then, population decline has been wandering eastward, today reaching high rates in the eastern part of the mountain range. Since the 1980s, however, the Alps have been characterised by a strongly positive overall migration balance.

The difficulty of describing the strongly heterogeneous Alpine space already begins with its delimitation via topographical, economic and political perspectives. The Alpine Convention – the international treaty for the sustainable development of the Alps – refers to an area which is essentially defined by geomorphologic criteria. It includes Alpine cities such as Grenoble, Chambéry, Lugano,



Trento, Bolzano/Bozen, Luzern, Salzburg, Innsbruck or Klagenfurt, but excludes cities just at the foot of the mountains, such as Nice, Valence, Genève, Bern, Graz, Ljubljana, Verona, Bergamo, Varese or Cuneo, which are of great importance to the Alpine economy – not to mention the European metropolises surrounding and referring to the Alps: Lyon, Zürich, Munich, Vienna, Milan and Turin. Within this actual mountain area, internal migration has been considerable. Today, around 60% of the 13 million inhabitants of the Alpine convention territory live in urban areas in the larger valleys⁵.

Whereas large parts of the south-eastern Alps and generally areas above 1000m have fewer than 10 and often fewer than 3 persons per square km, the population is concentrated on the borders of this territory with particularly high densities in the German and Italian parts. In order to take account of the centres which strongly influence

the mountain range of the Alps in both economic and political ways, the EU INTERREG programme “Alpine Space” covers a much larger area, including four French and eight Italian regions, southern Bavaria and Baden-Württemberg, the whole of Austria, Switzerland and Slovenia. In the last years, this programme has considerably contributed to the development of administrative, economic and professional networks across the Alps. Remarkably, it is considered to be one of the most successful of the INTERREG IIIB programmes for transnational cooperation defining larger spaces in the EU, and has maintained its geographical coverage in the new programming period 2007–2013. This shows that the Alps provide a strong identity for the surrounding regions and are an important economic and cultural reference.

⁵ Alpine Space Programme, Interreg IIIB Initiative, December 2006

Understanding the territory through its networks

The analysis of economic data at the level of entire regions shows that real GDP per capita and productivity are not very diverse and are actually converging; country-specific frame conditions visibly play a role. The new economy sector (IT and communication) is strongest in upper Bavaria, Rhône-Alpes, the Swiss Mittelland and Provence-Alpes-Côte d'Azur with a strong growth rate in the German and French regions. The old economy sector (chemicals, pharmaceuticals, automotive, precision instruments) is strongest outside the Alpine core area (in Franche-Comté, North-Eastern Switzerland and Alsace). The traditional sector (food, textiles, paper and printing, petroleum and plastics, metal and construction) is strongest in the Austrian regions⁶. In the Alpine core area, the western part has the highest share in services, whereas the eastern part still has a relatively important primary sector⁷.

The broad economic data do not show the sharp differences between different valleys in the Alpine core area. Internal migration and the improvement of accessibility on the main transport corridors have further accentuated small-scale differences. As different trends interact in this dynamic transformation, categorising or clustering Alpine territories is not self-evident⁸. A most interesting analysis of the Swiss situation has been put forward by a research team around the famous architects Herzog and de Meuron¹⁰; they have produced a provocative analysis of the entire territory of Switzerland from the perspective of urban structures and distinguish “metropolitan areas”, “city networks”, “quiet zones”, “Alpine resorts” and “Alpine fallows”. The “Alpine resorts” consist of a superposition of rather traditional local structures and a temporary “city” during tourist seasons. They are concentrated in limited parts of the Alpine core area. The “Alpine fallows”, which have a record of decline over decades, are larger than expected. Many settlements have lost essential services. The diversity of jobs is very low. Brain drain has reduced development potentials. Commuting times are still relatively high as are public expenditures per capita needed to maintain settlements. In contrast, the “city networks” are vital, sometimes reaching far into the Alpine core area, e.g. the whole Valais valley, the upper Italian lake valleys and the Lake Constance network reaching beyond Chur. This analysis could be extended to the rest of the Alps with city networks as the backbone of the development in Salzburg–Bavaria–Tyrol–Adige valley, Carinthia–Styria–Slovenia or Lyon–Grenoble–Chambéry.

Even more than elsewhere, the concept of networks seems essential in order to understand the Alpine structures and discuss business development in this unusual space whose central part is symbolically and ecologically

very important but economically and demographically nearly empty. Cultural networks, commuting networks, trade networks, professional networks, transport networks no longer correspond to the classic hierarchical structures, but differ and overlap. Differentiated strategies with a specifically adapted mix of networking to the circum-alpine metropolises, with other Alpine areas or with cities and regions well beyond will have to be developed to bring about economic success¹¹. The active formation of a wide variety of economic clusters has played an important role in business promotion; for example, innovative networks around tourism, food, wood, precision instruments, micro-technologies, ICT, water and sustainable energies are using and reinforcing the Alpine image associated with sustainable development.

The evolution of infrastructure and cooperation networks is underway. New high-speed baseline railway tunnels will considerably change the Alpine geography. The first tube of the Lötschberg will open in 2007; the Gotthard will be completed by 2017; the connection Lyon–Torino may follow some years later, and preparations for the Brenner baseline tunnel are progressing. The idea of creating a development pole in the middle of the central Swiss Alps by constructing a train station in the Gotthard Tunnel under Sedrun has led to hot debates. Broadband communication networks have strongly improved over the last years and new technologies are about to deliver low-cost wireless broadband in remote valleys. Cross-border roaming fees for mobile phones and data connections – a nuisance for cross-border trade – can be expected to disappear in the next years. The numerous research institutions in the Alpine area are increasingly organising themselves in networks and clusters, seeking more direct contact to business; recent reforms are leading to increasing numbers of combined cross-border university studies.

Sustainability as the core of the Alpine image

Stemming from the romantic image of the Alps but also linked to real Alpine traditions is the idea that Alpine products stand for a link to nature, environmental friendliness, robustness and longevity, and small-scale production in a rather social environment. Precision and reliable tech-

6 BAK Basel Economics et al. (2005): MARS – Monitoring the Alpine Regions Sustainability. Final Report. Basel

7 YEAN, *ibid.*

8 Bätzing W. (2003). / Pfefferkorn W., Egli H.-R., Massarutto A. (ed.) (2005): Regional Development and Cultural Landscape Change in the Alps. Geographica Bernensia, Bern

9 Perlik, M. (2001): Alpenstädte - Zwischen Metropolisation und neuer Eigenständigkeit. Geographica Bernensia P38. Bern

10 Diener R., Herzog J., Meili M., de Meuron P., Schmid Ch. (2005): Die Schweiz – Ein städtebauliches Projekt. Birkhäuser, Basel

11 Messerli, Paul (1999), see above

nical ingenuity are also associated with the Alps. Health, purity and absence of pollution in food products complete the spectrum of qualities which could be summarised as representing sustainability. The statements of Alpine countries and regions in national and international policy reinforce this image.

It seems that with European integration and globalisation, it has become increasingly attractive to use the Alpine origin as a mark of quality in marketing. However, systematic approaches have so far been rare. One example is the attempt to develop a brand identity for the Alps in the ArgeAlp project AlpNet¹².

Tourism plays a central role in such marketing considerations. Every year more than 100 million tourists visit the Alps, making up for 11% of the (border crossing) world tourism market. The direct impact of tourism is often over-estimated and may be much lower than the indirect image effect for the Alpine economy. It is mostly concentrated at higher altitudes and is of low or no importance in 80% of the Alpine municipalities. Joint endeavours of the tourism industry to advertise the whole Alpine range as one destination on the increasingly important global tourism market are still weak¹³.

The old, more backward-looking image of the Alps is slowly fading. But will new cultural developments be able to bring in a new image, one that is oriented toward sustainability and is widely attractive? Businesses in the Alps will be important in supplying answers to this question. New developments, such as the emergence of a new architecture in the eastern Alps, are signs of the vitality of a specifically Alpine culture. Are they strong enough to compensate for the spread of homogeneous urban lifestyles across the Alps?

The Alps are among the first areas in Europe to experience the consequences of climate change. Nevertheless, they will remain highly attractive if they manage to adapt. Sustainability will inevitably remain the big issue. Alpine businesses in all branches are sharpening their images in this direction.

Toward a stronger Alpine cooperation?

In 1991, the Alpine countries and the European Union signed the “Alpine Convention” and developed implementation protocols for a wide range of policy fields in subsequent years. The Alpine Convention is the first international treaty of this kind aiming at an integrated sustainable development including environmental, economic and societal aspects. In order to make use of the full potential of the convention, its organs will have to provide more detailed comparable information on Alpine developments. There is a wide scope for mutual learning on how to deal

with structural change in the different Alpine regions.

Joining the forces of the Alpine Convention, the Interreg programme, the regions and cities, motivating businesses and NGOs could create an innovative multi-cultural “European laboratory” to find answers to urgent challenges such as climate change, the transformation of the tourism market, increased mobility, the preservation of cultural landscapes, and the change in lifestyles¹⁴. However, the development of the Alpine Space in the next 20 years is still an open question today. Will the transformation of Alpine societies and economies lead to a stronger shared identity and joint action within the Alpine mountain range? Or will the Alps fall apart into the separate backyards of the surrounding strong economic and political centres and refer mainly to their national contexts? Or will the broader Alpine Space, including these metropolises, develop a strong and highly interrelated cross-border economic area, boosted by new high-speed transport links and intercultural cooperation¹⁵?

Outlook

Whatever may develop, the Alps will remain an outstanding symbol for identification purposes, associated with the search for a balanced relationship between humans and nature as well as the search for sustainable development. The Alpine core area and the surrounding regions will continue to refer to the best-known mountains worldwide. Moreover, we can assume that the Alps will maintain an increasingly positive image for products and services with high and sustainable quality. Not least against the background of climate change, the wider Alpine Space with its high quality of life in different climatic zones, its cultural diversity, and its considerable innovative and flexible economic power seems to be one of the most promising areas in Europe. By cooperating more intensely, and by resolutely promoting only sustainable business, Alpine regions could make a big difference in further developing this potential. ::

12 Arge Alp (2002): Wirtschaftsraum Alpen – Chancen und Perspektiven. CD-ROM. Innsbruck

13 Permanent Secretariat of the Alpine Convention (2007, forthcoming): Report on the State of the Alps: Transport, Innsbruck/Bolzano / Luger K., Rest F. (Ed.) (2002): Der Alpentourismus. StudienVerlag, Innsbruck

14 Schleicher-Tappeser R. (2005): “The future of the INTERREG Alpine Space Programme – Considerations from the Alpine Convention perspective”. In: Maintaining quality of life and economic competitiveness in the rural Alpine Areas and their centres. ÖROK, Vienna

15 Bätzing W. (2003). / Schleicher-Tappeser R. (2006). / Bätzing W., Messerli P., Scheurer Th. (2004): La Convention alpine, entre législation internationale et mise en œuvre fédéraliste: obstacles et perspectives, Revue de Géographie Alpine no 4. / Bausch, Th. et al. (2005): Alpine Space Prospective Study – Sustainable Territorial Development in the Alpine Space – towards long term trans-national cooperation. Alpine Space INTERREG IIB Programme. Rosenheim.