

Governance of market in the case of local food systems as crucial dimension of the „rural web“ – case study of an Austrian and a Hungarian National Park region

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Aim of the work

- This work is part of an ongoing research in the territory of the Hortobágy National Park (HNP) of Hungary, where sustainability of the region is examined
- Taking the rural web concept, the aim of this paper was to exam the similarities and differences of the two National Park regions, special regard to the governance of market dimension.

Outline of the presentation

- **I. Literature review**
- **II. Case studies**
- **III. Conclusion**

Dimensions of local economy

Machlis – Field (2000) call attention, that fundamental dimensions of local economy structure have two parts:

- ✓ so called **export sectors**, all economic activities within the boundaries that bring in money
- ✓ **secondary sector** provide goods and services to local consumers

If one wishes to stimulate local economy the place to begin with is the **export sector**.

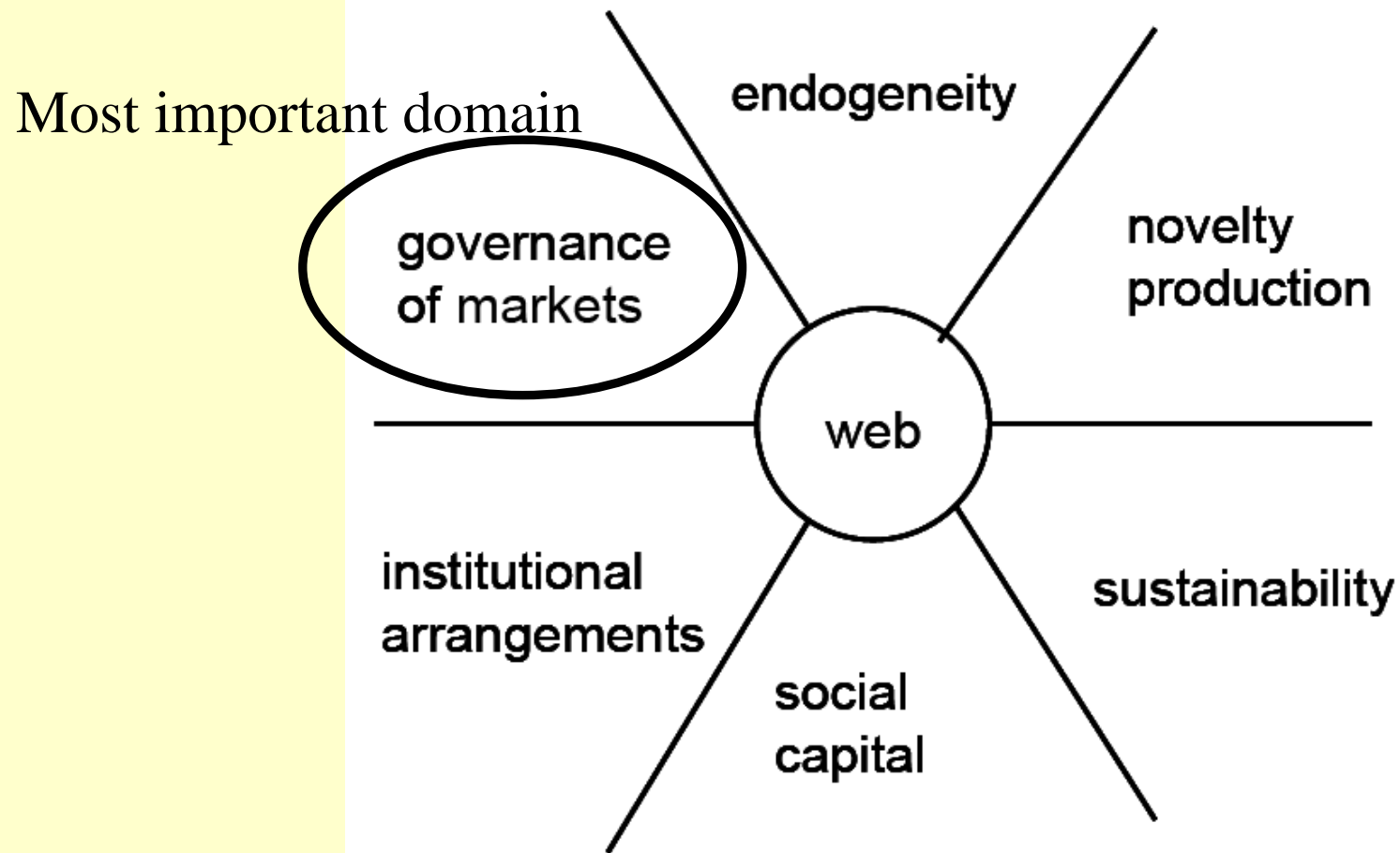
As the two examined regions are protected areas, there are barriers to economic activities, “*export sectors*”.

Static-preservation or dynamic-innovation approach (Mose et al. 2007)

The work of Mose states, that there is a new understanding of protected areas, new approaches are aiming at a consistent **integration of conservation and development functions making protected areas ‘living landscapes’**.

The economic **activities** he lists are: “*Agriculture as well as forestry, handicrafts, tourism, or education... these activities... offer potential arenas to test which way and to what extent this process of integration could be developed in practice.*” These activities in the future could be linked to the creative sector (including IT, media, arts...) of the economy.

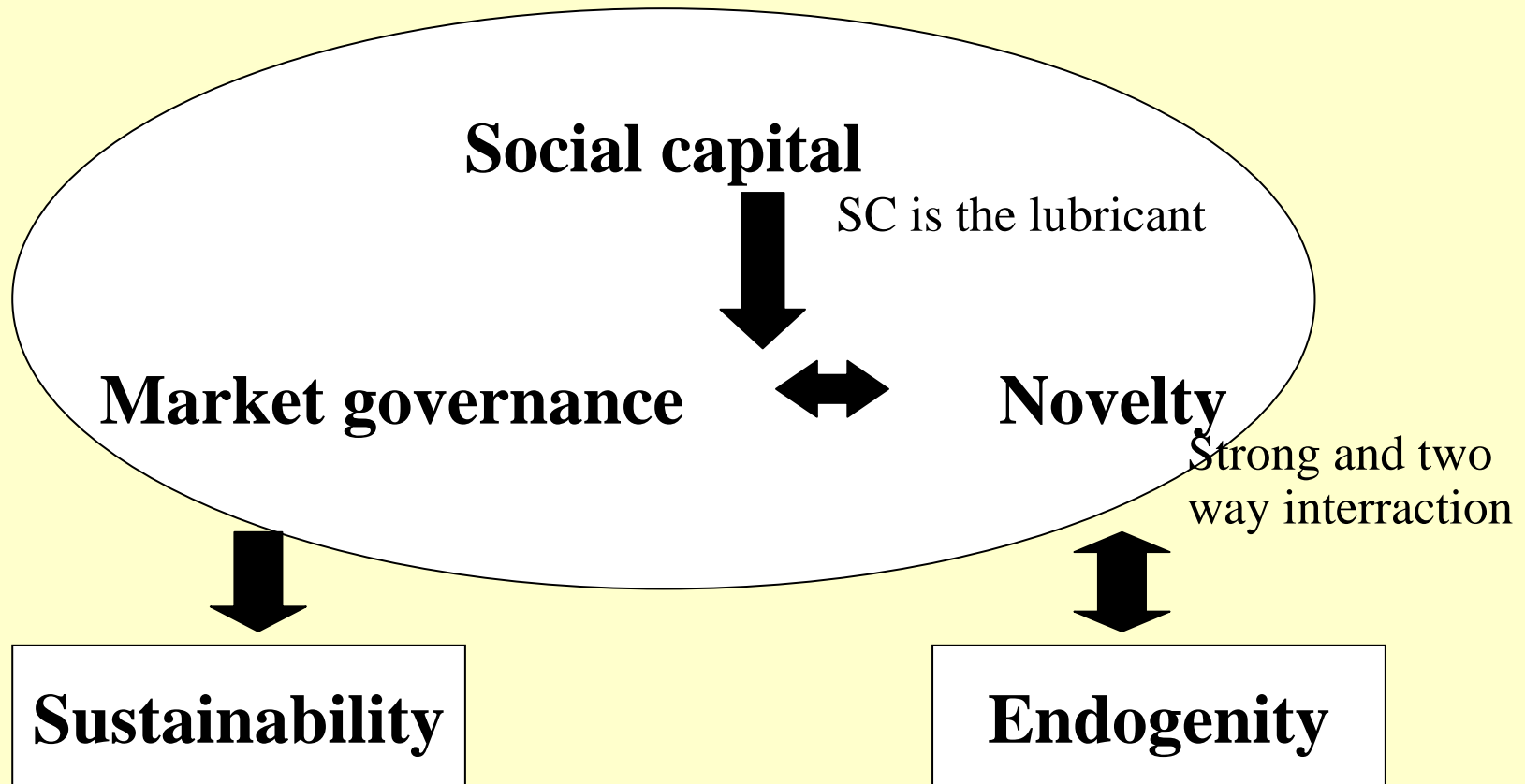
The theoretical dimensions of rural web



Source: van der Ploeg et al. 2007, p.8

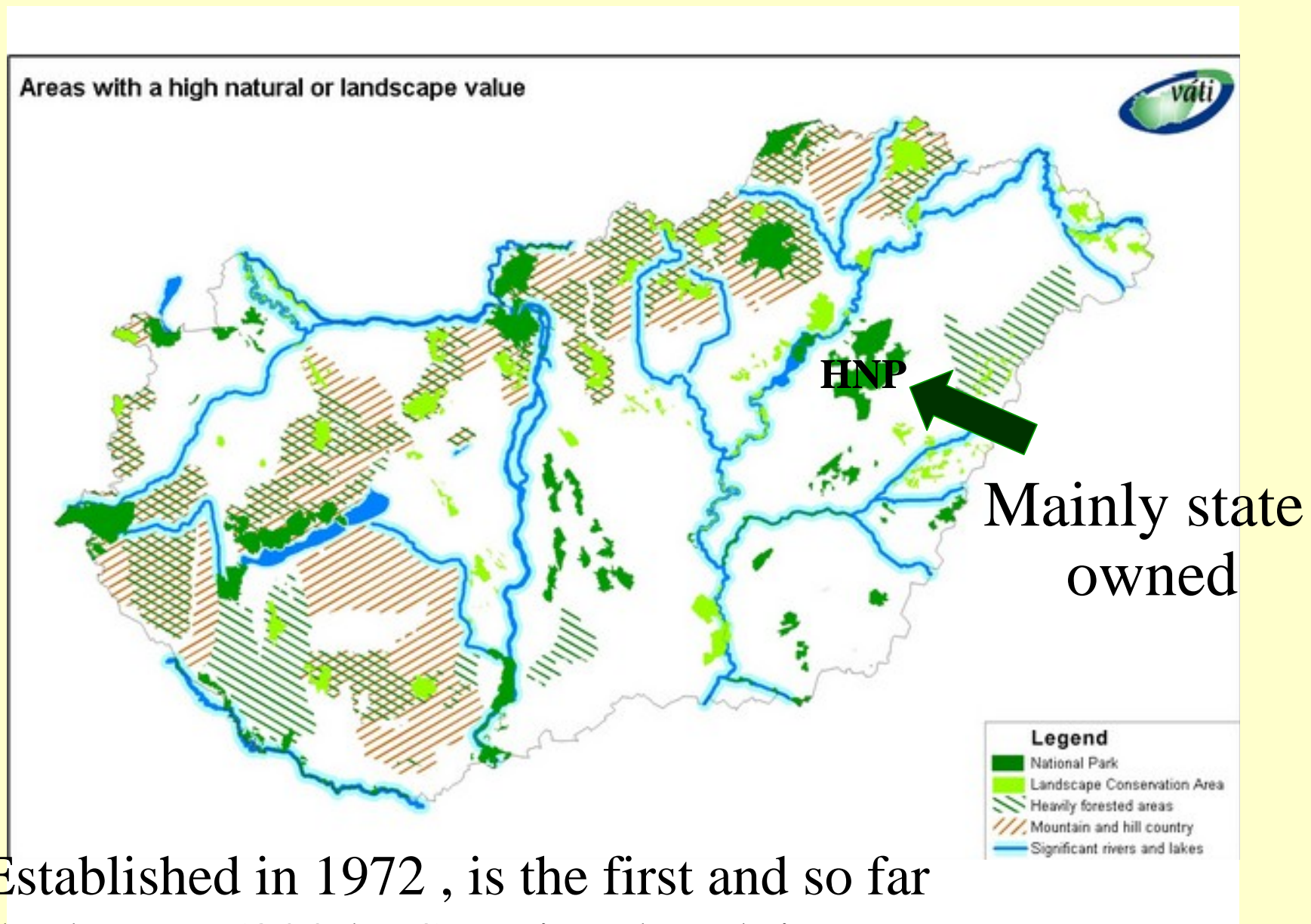
Domain interrelations unfolding around market governance

Actors distance themselves from conventional agri-food market – alternative markets
Novelty plays crucial role as initiator



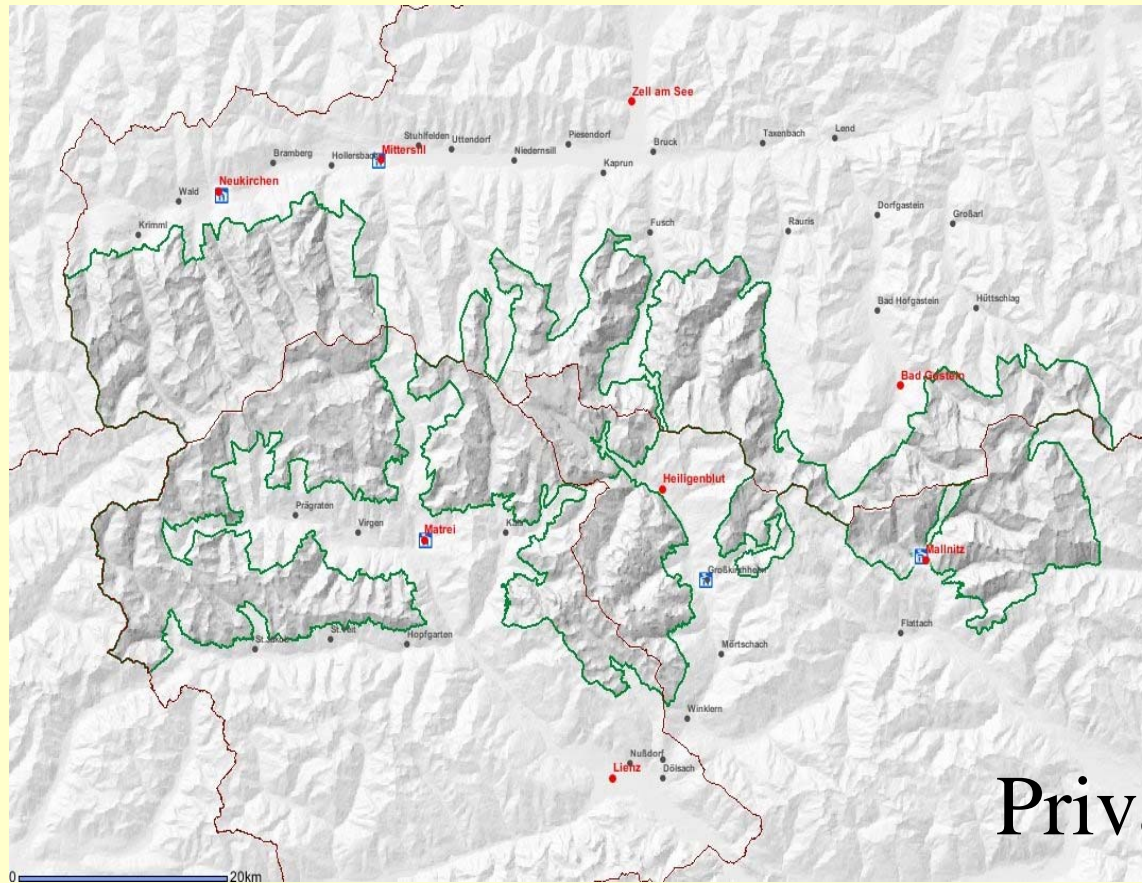
Case studies

Hortobágy National Park



Established in 1972, is the first and so far the largest (800 km²) national park in Hungary

Hohe Tauern National Park



Private ownership

The Hohe Tauern National Park – protection area already in the 1970s – today is more than 1,800 km²

Population and economic activities

Examined settlements/ LAU2s	Population	Population	Population	Change of the population	Economic activities	Actors only with tax reference number
	1988	2002	2008	2008/2002	2010	2010
Balmazújváros/S1	18 503	18668	18 269	97.9 %	1083	1934
Egyek / S2	6 638	5919	5619	94.9%	206	497
Tiszacsege / S3	5 624	5169	5013	97.0 %	193	366
Hortobágy / S4	1 717	1708	1601	93.7%	115	164
TOTAL	32 482	31 464	30 502	96.9 %	1597	2961

The average number of economic activities/inhabitants of the region is 0.15

Population and economic activities

Examined settlements/ LAU2s	Population	Population	Change of the population	Economic activities
	2002	2009	2009/2002	2010
Badgastein	5 351	4 499	84.1 %	2 145
Bramberg	3 880	3 935	101.4 %	868
Fusch	758	691	91.2 %	160
Hollersbach	1 167	1 124	96.3 %	423
Hüttschlag	972	916	94.2 %	95
Kaprun	2 916	2 966	101.7 %	2 180
Krimml	878	850	96.8 %	373
Mittersill	5 567	5 417	97.3 %	2 586
Muhr	627	659	105.1 %	29
Neukirchen	2 614	2 603	99.6 %	845
Rauris	3 109	3 040	97.8 %	676
Uttendorf	2 820	2 823	100.1 %	733
Wald	1 169	1 167	99.8 %	376
TOTAL	31 828	30 690	96.4 %	11 489

The average number of economic activities/inhabitants of the region is 0.4

NACECODES (Hortobágy NP)	S1 (%)	S2 (%)	S3 (%)	S4 (%)
A.. - Agriculture, forestry and fishing	7.2	19.4	17.1	17.4
B.. - Mining and quarrying	0	0.5	0	0
C.. - Manufacturing	7.9	4.4	4.7	5.2
D.. - Electricity, gas, steam and air conditioning supply	0.2	0.5	0	0
F.. - Construction	17.0	10.2	8.8	3.5
G.. - Wholesale and retail trade; repair of motor vehicles and motorcycles	18.0	25.7	23.3	22.6
H.. - Transporting and storage	5.7	1.5	8.8	3.5
I.. - Accommodation and food service activities	5.2	5.3	9.3	7.8
J.. - Information and communication	0.7	2.9	0	0
K.. - Financial and insurance activities	4.2	3.9	2.6	3.5
L.. - Real estate activities	4.2	1.0	0	1.7
M.. - Professional, scientific and technical activities	7.1	3.9	2.1	11.3
N.. - Administrative and support service activities	2.4	4.4	3.1	1.7
O.. - Public administration and defence; compulsory social security	0.3	0.5	0.5	1.7
P.. - Education	2.6	1.5	2.1	0.0
Q.. - Human health and social work activities	1.8	1.5	1.6	2.6
R.. - Arts, entertainment and recreation	3.0	2.9	3.1	3.5
S.. - Other services activities	11.4	10.2	13.0	13.9
T.. - Activities of house holds as employers	0	0	0	0
U.. - Activities of extraterritorial organisations and bodies	0	0	0	0

**50% Beverage
serving
activities**

Share of economic activities linked to NACE *only with tax reference number*, 2010

NACECODES (Hortobágy NP)	S1 (%)	S2 (%)	S3 (%)	S4 (%)
A.. - Agriculture, forestry and fishing	87.1	96.0	85.8	64.0
I.. - Accommodation and food service activities	0	0.4	2.7	19.5
L.. - Real estate activities	9.1	2.0	8.2	7.9
Other activities	3.8	1.6	3.3	8.6

Share of economic activities linked to NACE classification, 2008

NACECODES (Hohe Tauern NP)	%
A.. - Agriculture, forestry and fishing	0.82
B.. - Mining and quarrying	3.85
C.. - Manufacturing	11.52
F.. - Construction	12.37
G.. - Wholesale and retail trade; repair of motor vehicles and motorcycles	10.54
H.. - Transporting and storage	7.29
I.. - Accommodation and food service activities	25.29
.. support service	5.94
.. Public services etc.	18.76

Supply Chain of the organic meat of the Hungarian Grey Cattle

<i>Production</i>	<i>Processing</i>	<i>Marketing</i>	<i>Sale/Consumers</i>
Organic meat production by the Non-profit Ltd and about 20 integrated farmers	Mainly by HIPP, but the Non-profit Ltd also has contract with two Hungarian processors	Through HIPP and the Non-profit Ltd.	Most of the product is sold abroad through the HIPP, but the own shop of the Non-profit Ltd. and restaurants also create link to consumers

Under the brand HIPP or with the Ltd's logo

Supply Chain of the organic fish

<i>Production</i>	<i>Processing</i>	<i>Marketing</i>	<i>Sale/Consumers</i>
Fish-farm of Hortobágy organic production on the whole area from 2004	Fish-farm of Hortobágy has an own processing factory	Fish-farm of Hortobágy	Own shop in (NUTS2 regional centre) Cora bio market

Supply Chain of organic milk in the National Park Hoher Tauern

<i>Production</i>	<i>Processing</i>	<i>Marketing</i>	<i>Sale/Consumers</i>
Organic milk production: about 520 ¹ out of 1000 ² farmers	Dairy „Pinzgau Milch“ 33 mio kg organic milk (60%) (out of 55 mio kg ³)	Organic product line “Ja Natürlich” of REWE	In the supermarket chains of the REWE concern: Billa, Merkur, Adeg in Consumers: ca. 10% ca. 65% ca. 25% abroad

Development projects of the HNP Directorate



Railway on the fishpond - bird
watching



Safari in HNP



Bicycle rout



„Csárda” rout

Source: <http://www.hnp.hu/78-594.php>

Tourism in Hohe Tauern NP

Cooperation between the National Park Hohe Tauern and Ja!Natürlich comprise also the production and marketing of Ja!Natürlich-holidays as a third pillar.

Since 2001 there is a broad cooperation of the agency for the “holiday-region” of the national park which coordinates the whole tourism marketing activities of the region with the Ja!Natürlich farmers, showing considerable success (3.000 overnight stays per season in 2009).

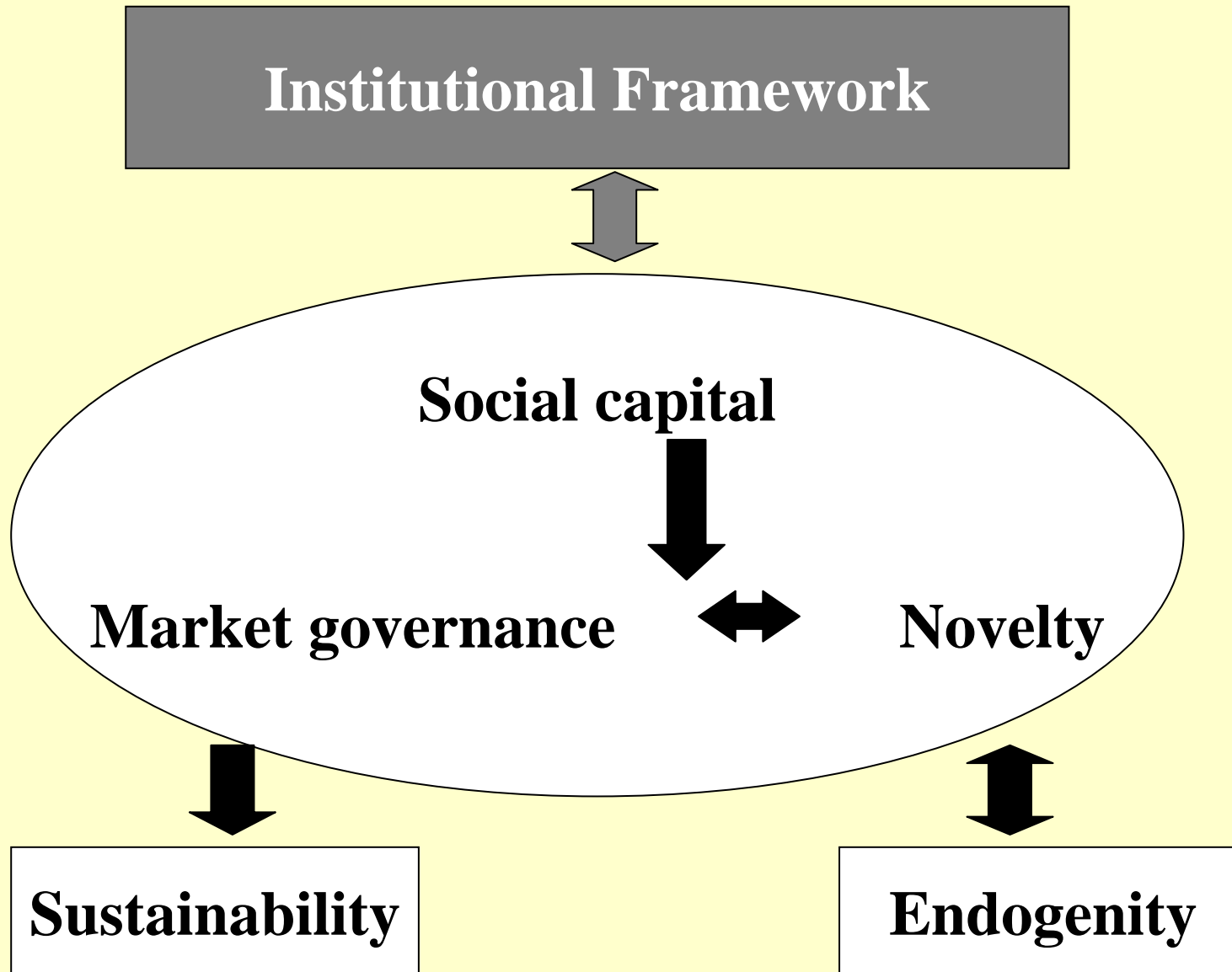
Tourists are able to retrace the organic products to their origins, produce themselves local products and stay in organic farms or National Park inns

Because of the fruitful cooperation between the national park and the brand ja!Natürlich the region gained the label of an **European „organic model region“**.

CONCLUSION

- Depopulation in both region
- Around the same number of population but different number of economic activities.
- Novelty is there in both cases
- Social capital as a lubricant is missing in the Hungarian case
- The denser the web of domain interrelations, the greater the sustainability outcome. There is a big difference between the density of interrelations in the two regions

CONCLUSION



Question for the future

Further actor oriented analysis should be carried out (SWOT) linked to the structure of the examined supply chains, how the different level actors think about the sustainability of the system they are involved in.

If the number of actors controlling the market of the product is low, does it deliver benefits in terms of sustainability in long run?

Thank you for your attention!

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