



DERREG

Developing Europe's Rural Regions in the Era of Globalisation

*An interpretative model for better anticipating and responding to
Challenges for regional development in an evolving international context.*

Case study and overview reports.

Jihomoravský kraj (Czech Republic)

(Final Version: December 2011)

Milada Šťastná, (MENDELU)

Mendelova
zemědělská
a lesnická
univerzita
v Brně



A project funded by the European Union

Framework 7 Programme

Socio-economic Sciences and Humanities



CONTENTS

1. INTRODUCTION	3
2. THE SOUTH MORAVIAN REGION: SOME BACKGROUND INFORMATION, AND KEY ISSUES RELATING TO GLOBALISATION.	4
3. WORK PACKAGE 1 – BUSINESS NETWORKS AND GLOBALISATION	7
3.1 Overview	7
3.2 Business Networks in the South Moravian Region.....	7
4. WORK PACKAGE 3 - ENVIRONMENTAL CAPITAL AND SUSTAINABLE RURAL DEVELOPMENT	12
4.1 Overview	13
4.2 Analysis	13
5. CONCLUSIONS ABOUT POLICY	24
References:	26

1. INTRODUCTION

This report has been written by researchers at the Department of Applied and Landscape Ecology, Mendel University in Brno (MENDELU) as part of the European Union Framework 7 project DERREG (Developing Europe's Rural Regions in the Era of Globalisation). This is a research project, carried out by nine institutes in seven EU Member States, with a focus upon Globalisation processes in rural and remote regions. The work of the project is carried out within the four themes:

- Global engagement and local embeddedness in rural business networks
- International mobility and migration
- Environmental capital and sustainable rural development.
- Capacity building, governance and knowledge systems.

Of these, only the first and the third were followed by the MENDELU team. They worked within the context of the Jihomoravský kraj (the South Moravian Region). The detailed findings from each of the above themes, and across all seven Member States may be accessed via the project website (<http://www.derreg.eu>). The purpose of this document is to provide an overview of the findings for the South Moravian Region with some potential policy implications.

2. THE SOUTH MORAVIAN REGION: SOME BACKGROUND INFORMATION, AND KEY ISSUES RELATING TO GLOBALISATION.

The South Moravia has been chosen as a model region for different kind of analysis and surveys to present the situation in the Czech Republic from a globalisation point of view.

Globalization is a modern term used to describe changes in societies and the world economy that result from dramatically increased international trade and cultural exchange. Globalization penetrates to the South Moravia mostly through its capital – the city of Brno. It touches all kind of sectors as educational, industrial, agricultural or cultural one. Probably the first globalization impacts on the South Moravian population arrived by the retail chains. Besides, there are also two sites of the UNESCO world heritage in the South Moravian Region: Tugendhat Villa in Brno and Lednice-Valtice landscape Area (283 km², since 1996). The second one is situated in rural milieu and information is spread globally among tourist guides to attract foreign tourists. To take into account the South Moravian Region as whole, it is necessary to list an international competitiveness in education, research and trade. Besides, the countryside also contributes by the tourist development based on the intersection of landscape beauties, cultural heritage and wine.

The South Moravian Region (Jihomoravský kraj previously known as Brněnský kraj), occupies the south-eastern corner of the Czech Republic. It has international borders with Austria and Slovakia, and the distance from Brno is shorter to Bratislava and Vienna than to the Czech capital, Prague. The South Moravian Region lies in the peripheral parts of Europe and it is surrounded by other relatively marginal regions of the Czech Republic and Slovakia (Vaishar et al., 2011). The region with its area of 7,196 km² encompasses fertile lowlands in the south and west, and partly-forested uplands and karsts landscapes in the north and east. The southern border is partly formed by the Morava and Dyje rivers.

The region is made up of seven districts - Blansko, Brno-město, Brno-venkov, Břeclav, Hodonín, Vyškov and Znojmo (without self-governing competences) and

673 municipalities. The state administration is supported by 21 municipalities with extended power. The South Moravian Region is one of the 14 administrative regions of the Czech Republic, and it is classified as NUTS3 by Eurostat. The population of the South Moravian Region was 1,154,654 people (1. 1. 2011), where 371, 371 (32 %) are permanent residents of Brno. The region is categorized by Eurostat as 'significantly rural' or 'intermediate rural', with a population density of 157 people per km², or 110 people per km², if Brno is excluded.

South Moravian Region is an area with the significant economic potential which implies a high proportion of gross domestic product over the Czech Republic. Beside the traditional industries, which is still dominant in the regions also the farming especially in southern areas of the county has got their own place. The total gross value added in the region is low (2,7%).

As a great danger emerged a gradual extinction of the agricultural condition caused by unregulated overproduction of food, loss of sales of agricultural products, dissolution of agricultural companies and loss of agricultural perspective. Although this trend partly started by common agricultural policy of the European Union, the common tasks of the EU countries are to prevent and promote the sustainable management of food production and renewable materials, while maintaining cultural landscapes and villages. It is the use of renewable sources. It is necessary to support the emergence of small factories that can compete with the big brands. Farmers and growers of wine in the South Moravia are under great competition from the west. Global overproduction of grapes and low cost destroy the traditional small winemaker. Supranational company displaces not only small and medium-sized enterprises, but also the traditional types of international companies whose aim is to respect the local peculiarities and preferences.

Aid should be focused also on the diversification of production and to ensure the diversity of economic activities in rural regions. The challenge is to create social capital in rural areas that would be able to give opportunity to all residents to create their own healthy and viable countryside. Tourism is seen as being of considerable economic and social benefit to rural areas through the income and infrastructural developments it may bring to marginal and less developed

regions. Important is the development of wine tourism, which brings finances to rural communities (rural area).

For most indicators that characterize the labour market exists the differences between rural and urban area in the South Moravian Region. Overall differences in terms of regional and national comparison of rural areas were not significant. The aim of regional policy is to promote rural energy independence (in particular, support for organic use of local energy sources), the promotion of handicrafts and traditional economic activities using local resources and promotion of rural tourism and agri-tourism in areas of cultural and natural values. Basic commodities, by which the Region wants to succeed in global markets, are certified products of Moravian malt, pork and poultry meat products.

DERREG research in the South Moravian Region involved two of the four thematic work packages. Next two sections will present summaries of these work packages, in each case first providing an overview of the research as a whole, and then focusing upon findings from the South Moravian Region in particular.

3. WORK PACKAGE 1 – BUSINESS NETWORKS AND GLOBALISATION

3.1 Overview

This section introduces aims and objectives, methodology, and findings of WP1. Work package 1 was implemented between 2009 and 2011 in five case study areas: Sweden, Netherlands, Slovenia, Czech Republic and Lithuania. For more detailed information see Copus et al 2011. Outcome for Jihomoravský kraj (the South Moravian region) only will be presented in this report.

3.2 Business Networks in the South Moravian Region

More details regarding methodology and findings from the South Moravian Region case study are presented in this section.

(a) The sample of firms in the regional context.

The sample of selected firms in the South Moravian region covered six rural districts (Blansko, Břeclav, Brno, Hodonín, Vyškov and Znojmo). Only one district (Brno-city) was omitted, because it is not classified as a rural area. The selected companies were mostly located in the southern part of the region (the border with Austria); minimum of them in the northern and eastern part of the region (the border with Slovakia). There were no significant geographical differences in between individual districts; it is rather flat to slightly undulating territory. Companies were placed mainly within the municipalities, which have several hundred residents. There were not located in the centre, but rather on the fridge.

Internet was used as a main tool to create a database of companies. The server administrative business register of the Czech Republic available on <http://wwwinfo.mfcr.cz/ares/ares.html.cz> was used for this purpose. It is an information system that allows searching for companies registered in the selected region. There have been found necessary data as the number of employees that were crucial for the selection of subjects. Also, there was a need to find particular companies according to the Classification of Economic Activities (NACE) in some villages. The database included companies according to

predefined parameters (micro - 9 or fewer employees, small businesses - 10 to 49 employees and medium enterprises - 50 to 249 employees) in rural areas.

In total, the database for the selected South Moravia region contained 555 companies located throughout the region with various fields of activity. Companies were not easy to locate, because there often lacked some necessary information and contact details. This kind of searching method was very time consuming. All selected firms were subsequently contacted by telephone and asked to fill out an online survey to provide us with more detailed information. Contacting the firms by telephone was the least step during the project processing; we often faced to great repulsion and occasionally also vulgarity. Still, we managed to get 45 properly completed questionnaires. During the follow-up phase we have carried out face-to-face interviews. Respondents who marked in the questionnaire that we can approach them again (25) were contacted by telephone and personal meetings were arranged, where they answered additional questions. In total we managed to accomplish 15 face-to-face interviews.

(b) Profile of the sampled firms.

All firms were independent companies owned by the family or individuals. Most of them was founded after 1990, six companies before and after 2000 and 1 firm in 1974, however this company started to operate officially only in 1993. Two companies were mid-sized employing 50-249 workers; six were small firms employing 10-49 people and seven were micro firms with 9 or less workers. According to the activities, twelve companies fall into category "Agriculture, Forestry and Fishing". Here prevails wine growing and processing. Three companies were in "Manufacturing" category where two of them were bakeries and one company run manufacturing of rubber and plastic products. This company is dealing mainly with wood, metal and plastic products.

(c) The degree of International Integration

The survey showed that the South Moravian region has relatively low level of globalization, 16% only despite all companies except one are either completely or partially international. Most of business contacts are maintained through the external companies. Only a few companies are maintaining contacts alone. Most of partners (relationships) are having companies at regional and national level,

which corresponds with results of lower levels of globalization. It is interestingly explained in answers of the face-to-face interviews:

- High competition of big companies in the Czech Republic and abroad;
- Focus mainly on regional and national market (only marginally in Europe);
- All external contacts (business) take place only within Europe, it is due to the proximity of the South Moravian region to the national borders (Slovakia, Austria, Poland, Germany);
- The problem is demanding organization, financial resources, visibility on the foreign market, complicated transportation;
- Language barrier; only a small percentage of respondents have basic German language, mostly in Znojmo and Hodonín (in the villages close to the border), the English language is used by younger entrepreneurs only;
- a major obstacle for the winery is to penetrate into international markets, lack of promotion of the quality Czech wines, patriotism in Austria, especially winemakers close to the border would be interested in trading;
- The general lack of interest abroad regarding Czech commodities (excluding wine, crop and livestock production).

(d) Intra-Regional Collaboration.

Personal contact was very important for most of surveyed firms. For the establishment of business networks were very important formal relations, but these were mostly based on good informal relationships (personal contacts). Also here is visible dominance of regional and national levels relations comparing to international ones. Especially, it is prevailing within firms operating in agriculture, primarily wine production. Due to a dense network of villages in rural areas there is a healthy competition among them, which maintains good relations. Many companies are members of various small local / regional groups, but also national associations, organizations, community groups and associations. Relationships among some companies are becoming informal, which is mutual. Some companies are part of smaller regional groups of vintners in the region. It mostly helps to get an advices in grants applications, organizing various events, solving specific problems in a specific area of the business

(workshops, education, marketing and promotion). The agricultural companies form relationships mainly to help each other during seasonal work (harvest, stock, spraying, and seasonal activities).

(e) Motivations for Business Networking

During the face-to-face interviews there was an interest to find out networks and links between small and medium-sized businesses as well as to realize the benefits they got from them. Business Networks in South Moravian region have the greatest benefits in obtaining the financial capital. The most valuable was the contribution of new opportunities for the development of enterprises; the least important area was to ensure compatibility with the rules and regulations. The largest groups of actors involved in commercial networks were customers and suppliers. Agricultural businesses and wine growers-producers often reported the importance of public support for European subsidies. Most players participated in commercial networks were on national geographic level. Some of surveyed businesses are willing to expand abroad and plan a future expansion into international networks to achieve a greater global level. Only one of the surveyed companies did not have an international partner. Research institutions were also an important component inside the networks. Business networks are not enough interlinked for most surveyed companies.

(f) The Institutional Setting

Surveyed firms in the South Moravian region mentioned importance of the public bodies at all levels (regional (local) and national). In some half-public institutional areas play a considerable role association with universities, mostly in research (Mendel University in Brno, Veterinary and Pharmaceutical Sciences Brno, Zoo (Zlín, Lešná and Brno), Czech Agricultural University in Prague). Subsidies from EU and national grant programs are very important for most of companies, especially in the agriculture. This is an important source of finances as some firms would not be able to stay on the market without such subsidies. Respondents often see problems in too complicated application forms for grants. Firms then hire a specialized company for processing applications for grants (despite it is expensive, it is worth), or pay consultants. Whole the South Moravian region is well informed about the options and grants provided by European and national programs. Firms obtain financial resources mainly from

grants, private owners and banks, but also from private persons who does not have too high interest rates. Most of the businesses dealing with the winery are members of the Wine Fund of CZ and CZ Vintners Association.

(g) Resilience and the Impact of the Financial Crisis

In general, there is an agreement that the South Moravian region has been affected by recent global economic crisis only a very little. However, this statement is only general, because the sample of interviews was very small and cannot be taken as complete and clear description of the situation in the entire region. Most of the surveyed companies stated that they felt the economic crisis mostly during 2008 and 2009, when the annual turnover decreased at most of companies. The crisis influenced primarily commodity prices, which hit most of companies doing business in agriculture. Specifically for the region they were wineries. Here they noticed a change of the type of customers. They started focusing on wealthier clients, ordinary customers were buying less. During the time of crisis, there has been increased interest in buying cheaper wines and generally lower sales of wines. Viticulture is an important component of agricultural activities, which is very prospective, but unfortunately hardly sustainable without national and European subsidies. Most of wine producers are focusing on national clients, only a minority counts on international costumers.

Most of the respondents mentioned that over the last 5 years they have not been forced to fire the permanent staff (only a number of temporary workers were limited). The crisis has been somehow reflected in a slight reduction of salaries. Companies try to keep their permanent partners, both suppliers and customers. Quite a large number of small businesses tried to seek for new international partners and to expand abroad during that period. The impulse for such step is mainly a better price for commodities which they can get paid from foreign countries. In most cases they are companies close to borders with Austria, Slovakia, Germany and Poland. It is very important to build up and maintain a quality business networks for all companies. Most of the companies stated that personal contacts are very important, both in the establishment, and in maintaining business relationships. Most of the surveyed companies are trying to maintain and strengthen good relations. They are meeting on regular bases (mainly once per month) or when needed. Phone and e-mail serves as the quickest way of communication for most companies, especially for orders

(purchase and sale); solving specific problems; identifying commodity prices, etc. Phone and e-mail communication are at the same level for most companies, they both are very important. Some firms also use social network (Facebook), which allows them to approach mainly young people.

(h) The perception of physical distance and remoteness

The entire region has a very good geographical amenity with good transport accessibility (cohesion, structure). This is the border region, dominated by a relatively dense network of settlements (large distances between sites are not typical for the South Moravian region). Rural areas prevail. There are main highways and good rail connectivity in the region, including the airport in Brno. Transportation costs are not extremely high for most companies because majority focuses on regional or national market, and only a minor part of businesses deals with foreign countries. Goods traffic is the priority for most of surveyed businesses.

Some companies indicated that they are starting (or just started) to implement e-shops (hence the internet connection is very important, also for their advertisement). There is a good opportunity to open the websites in English and German. For wine producers is typical to sell wines directly from their own cellars and factories as there is no costs for transportation. Most of the wineries are concentrated in Znojmo, Břeclav and Hodonín districts. Majority of firms focuses primarily on the quality of commodities and products. It is very important to have and keep a good business basement (suppliers / customers). They are selling products abroad indirectly, through some other company. Direct trade with foreign countries is not profitable for small and medium enterprises in the region due to the high expenses. They hardly succeed on the overcrowded international market.

**4. WORK PACKAGE 3 - ENVIRONMENTAL CAPITAL AND
SUSTAINABLE RURAL DEVELOPMENT**

4.1 Overview

The concept of the present research related to environmental capital and sustainable rural development was based on the assessment of the changed position of forestry in the South Moravia Region. Research was done within the framework of regional development in the context of mutual interactions of global, regional and local influences, including the mutual position of wood - producing forestry, forest protection and nature conservation as well as the potential for activities stemming from the principle of sustainable forest management.

The methodology was based on the concept of the DERREG project, comparing results from individual project centres, in the case of forest management in the regions of South Moravia and Western Ireland. The quantitative part of the research was based on monitoring the defined statistical indicators along the defined time series (data from years 1997, 2002 and 2007) for understanding the current developmental trends. Further indicators helping to illustrate the nature of forest management in the region included for example forest percentage in the territory, degree of naturalness of forest stands etc. Data were mainly obtained from the Czech Statistical Office, from regional analytical documents and from regional professional institutions.

4.2 Analysis

The South Moravia Region has been known within the Czech Republic for its agricultural production of thermophilic plants and viticulture. Agricultural land covers 60% of the region's area, on which arable soil represents 83%, special agricultural crops (orchards, gardens, vineyards) 10%, and meadows and pastures 7%. Forests cover 28% of the area of the region (which represents the second lowest forest percentage after the Central Bohemia Region), while other areas (built-up land and waters) total of 12%. Statistics show that today only a small part of rural population works in agriculture and forestry. The principal employment sectors include engineering and textile industry, with the dominating service sector, giving job opportunities to nearly 60% of the regional population. Thus the South Moravia Region has been becoming a popular place for enterprising.

There are 205 160 ha of forests in the South Moravia Region. The state has been the prevailing forest owner in the region (72% of the total forest area, of which Lesy ČR s. p. [Forests of the Czech Republic, State Enterprise] owns 57%, and Vojenské lesy a statky [Military Forests and Estates] 10%). More than a tenth of forests have been in the hands of towns and villages and a comparable proportion (12.5%) are held by private owners, their cooperatives and

companies. Other entities (such as Mendel University in Brno) have in their possessions less than 3% of all forests in the region.

The dominant economic entity has been the state enterprise *Lesy České republiky [Forests of the Czech Republic]* represented by its regional directorate in Brno and 7 forest administrations as basic operation units of the establishment. Forest strategy of the enterprise is sustainable forest exploitation, assuring balanced wood-producing and non-wood-producing functions of forests entrusted. Economic priority is balanced financial management, funding of forestry activities from in-house resources and independence on the state budget. Forest works related to forest exploitation and regeneration are assured by business contracts with companies dealing in forest activities. Calls for tenders looking for contractors to carry out these activities on a multiple-year basis have been target of regular criticism on the part of unsuccessful applicants and NGOs for the alleged lack of transparency of the tenders.

According to the legislative classification, nearly two thirds of forests in the region are production forests, more than one third are special-purpose forests and 2 % are protective forests. In sum, one tenth of all these forests is part of strictly protected areas – the Podyjí National Park, the Pálava Protected Landscape Area, the Moravian Karst Protected Landscape Area, part of the White Carpathians Protected Landscape Area and two hundred small-scale protected areas- such as nature reserves and nature monuments. The Ministry of the Environment has prepared a proposal for the establishment of the Soutok [Confluence] Protected Landscape Area to protect the local exceptionally well preserved complex of floodplain forests of the Pannonia biotic province. So far the territory has been protected by two National Nature Reserves Ranšpurk and Cahnov-Soutok, and as part of the Lower Morava River Biosphere Reserve and the protective mode within the NATURA 2000 system. The decreeing of the Protected Landscape Area is opposed by mayors of the surrounding municipalities, by the Chamber of Commerce, representatives of the Lednice-Valtice Area, and the South Moravia Region. Lesy ČR, miners of the Naftové doly Hodonín, a.s., [Oil Mines in Hodonín, joint-stock company] and operators of recreational sailing on the Dyje River also protect their individual interests in this context.

The current condition of forests in the South Moravia Region is far from being optimal due to multiple factors. The most pressing problems reducing the ecological stability of the forests, their natural value including biological diversity and in effect their long-term production capability mainly originate in a considerable simplification of species composition by the introduction of spruce and pine monocultures in the past centuries and their high representation until the present. In many locations the forest condition has been largely negatively affected by overpopulated hoofed game stock and increasing recreational use.

Dominant tree species include spruce, Scots pine and oak. The overall proportion of coniferous and deciduous tree species is nearly balanced, though, which is a singular positive phenomenon following out from the comparison among regions.

A two-level analysis of regional printed media was made on the basis of keywords for years 2000 and 2007. The analyzed dailies included the regional mutation of the national newspaper *Mladá fronta Dnes* as well as Regional dailies of the former districts in the South Moravia Region. The quantitative media analysis for the case study area of Brno region showed that between the years 2000 and 2007, the number of articles about environmental topics increased in the last period. Common themes of regional newspapers are effects of natural disturbances - floods, storms occurring in the region. Articles also reflect the most discussed issues of our time. These are particularly engaged with „Nature protection“, „Waste/Sewage“ and „Tourism“.

Regarding the fact that many natural reserves are situated in this region, the regional newspapers provide very often information about this issue. This mainly reflects the fact that a significant area of South Moravia landscape has been afforded by protection of national and international designations reflecting their environment importance and people living in the Brno region perceive this reality. In relation to the search for alternative sources of energy, building of other wind and solar power plants is considered as suitable in the region. In recent years, there are more articles focused on this topic. The formerly often discussed issue of air pollution has been decreasing. Many newspaper articles inform also about the possibilities of waste sorting and waste treatment.

The growing demand of the urban population for spaces for relaxation and recreation in the rural landscape reflects in a frequent occurrence of these topics in newspapers. Tourism has been identified as a potential growth area for the South Moravia Region's economy, emphasising the region's distinctive natural and cultural heritage and the relative proximity of cities such as Prague and Vienna. A relatively significant part of recreation in the region mentioned in newspapers relates to wine-growing culture and living folk traditions. It can be assumed that tourism has had a more intense impact on the South Moravia Region. Currently, the position of agriculture and forestry in relation to environmental conservation and formation is noticeably changing. While the topic of Agriculture surprisingly recorded only little interest, issues related to „Deforestation“ occurred quite often in the reviewed newspaper in spite of the fact that South Moravia Region has the lowest forest coverage of all regions.

The qualitative analysis was based on the following basic strategic documents: the National Forest Programme (NFP II) and the Forest Development Programme of South Moravia Region. They are part of the national forest policy and at the same time, they implement the Forestry Strategy for the European Union. In the European context, forestry has been considered part of rural development and covers three basic groups of forest functions - economic, environmental and social – implemented on the basis of the sustainable development principle.

The South Moravia Regional Forest Development Programme (2009) considers the following priorities:

- Development of wood-producing and non-wood-producing functions of the forest,
- Preservation and development of biological diversity of forest ecosystems,
- Assurance of production and use of raw wood,
- Forest management in strictly protected areas, protection of forest ecosystems against harmful factors.

During the subsequent project period, the qualitative analysis dwelled on the *interview method* – in-depth interviews with the *key regional players* in the forestry sector that were conducted in the period from January – March 2010. The structured interview consisted of 30 questions, of which 15 questions were focused on the general assessment of the environmental background in the region and 15 questions covered individual themes of the regional forestry in national and supra-national contexts.

The results of the detailed interviews provided new views and ideas across the forestry specialisation spectrum and represented a major contribution to the holistic approach to regional forest management. The interviews with the key players brought expert views of forest management and its sustainability in the South Moravia Region. According to experts, the potential of the region in the environmental area is good. However, the landscape not only in the South Moravia Region, but also virtually across the whole country faces current problems with the chaotic development of settlements (suburbanization), low

utilization of brown fields and the related further fragmentation of the landscape. In addition, South Moravian foresters feel problems of excessive agricultural exploitation of land. In spite of all these problems, current trends in the field of environment can be considered rather positive. Forest experts can see a chance to improve the environment through environmental education of the wide general public. It is also important to establish new protected areas (within the NATURA 2000 system) and to improve management of the existing ones. This approach is not shared by all forestry experts, some of them believing that namely the protection of forest biotopes is sufficient thanks to high-standard and stringent forestry legislation.

Utilization of the environmental capital for regional development is generally supported. The issue of large solar power plants built on agricultural land has been widely discussed not only in South Moravia. The largest potential of the South Moravia Region in the area of sustainable energy resources is seen in the production and subsequent combustion of biomass of crops grown on agricultural land as well as of various residues after forest exploitation. The orientation of the primary sector of regional economy towards sustainability is not too much accentuated yet. Even though there are some examples of organic farms in South Moravia, they are only represented by tens of establishments. Frequently mentioned in relation to sustainable forest management is the Masaryk Forest Training Forest Enterprise of Mendel University in Brno. New achievement of 22 April 2011 was the ceremonial declaration of the forests operated by Mendel University in Brno (Masaryk Forest at Křtiny) a *Forest Park* with the aim to strengthen the poly-functional mission of the forests, to declare the exceptional value of forest stands owned by the University (The Moravian Karst Protected Landscape Area, twenty nature reserves and NATURA 2000), and to maintain and develop these values in harmony with the principles of sustainable forestry.

The most frequently discussed theme in the context of sustainable use of natural resources has been orientation towards tourism, building of educational paths, cycling paths or wine paths. It is important to emphasize, though, that these activities mainly support soft forms of tourism. Forest experts do not consider protection of natural resources any principal obstacle to their sustainable use, even though in practice there are sometimes conflicts between nature protectionists and users of natural resources (such as the issue of floodplain

forests management in the area at the confluence of the Dyje and Morava Rivers). According to experts' opinions, the general protection of natural resources should mainly be assured by land use planners. At present, the zoning plan creation and changes not only in the South Moravia Region but across the Czech Republic are often purpose-driven, thus not guaranteeing sufficient protection of natural resources and landscape as a whole. In the opinion of some experts, land use planning is limited by insufficiently qualified human resources, legislation, lack of transparency of state administration and strong lobbying pressures. The threat to the natural potential as represented by economic activities is not simple to assess. Not even the key players agree in whether and in what ways the regional nature potentials are threatened. While some point to the negative effects of various interests of supra-national corporations, others believe that the regional nature potential is not threatened at all. The rest of the experts see the threat in excessively intensive agriculture or forestry, bringing about huge environmental burdens. Especially forest experts, speaking out of personal experience, also often mention damage to nature by undisciplined visitors, while negative effects of industries are hardly mentioned by them.

Conflicts between nature protectionists on the one hand and users of natural resources on the other do happen in the region. At present, the most widely discussed themes include the attempts at the establishment of the Soutok [Confluence] Protected Landscape Area (to protect the local floodplain forests), or the construction of biogas stations, photovoltaic power plants and transport constructions in unsuitable localities.

The South Moravia Region is most often connected with agriculture and viticulture, but some forest experts believe that forestry is another typical activity in the region. The greatest potential of regional forestry is seen above all in the appreciation of the true value of the non-wood-producing functions of the forests (ecosystem services). Forest ecosystems can only provide these services if their natural quality is preserved to an adequate extent. Therefore, certain positive changes in the species composition, structure and quality of forest stands have been introduced recently. In the context of the subsidy policy of the state, South Moravia also belongs to the regions that have begun forestation of agricultural land, sometimes even in unsuitable localities. The National Forest Strategies (the National Forest Programme) and legislation are considered by

forest experts as introducing sufficiently high-standards also with a view to sustainable forest management. In addition, these documents also take into consideration the expected climatic change.

Most forests in the Czech Republic and also in the South Moravia Region are state-owned. These forest stands are managed by the state establishment Lesy České republiky [Forests of the Czech Republic]. A number of non-governmental organizations and some politicians have been criticising activities of this state enterprise for some time. Similar objections have been voiced by some of the key players in the forestry sector of South Moravia. The reason is that most of the extracted wood mass is immediately exported abroad in the form of round wood. Thus this raw material is exported without any added value coming from the region. It would be desirable to process the wood directly in the region instead. However, at present there are virtually no regional markets with forest products and very limited conversion capacities. Great help to forestry in the region might come from the financial appraisal of forest ecosystems services, paid out for example in the form of subsidies. Experts are unable to agree on whether the situation of the regional forestry sector has improved or rather worsened in the past two decades. Mentioning the worsened situation, they mainly talk about worsened care of forest stands due to the exclusive orientation of business entities on profit-making and deteriorating prestige of people working in forestry and forest management.

There is no tradition in the regulation of activities of forest visitors and pickers (picking mushrooms, forest fruit or brushwood) in the Czech Republic. Foresters maintain that certain regulation should be introduced even though there is not yet any instrument ready to be used for that purpose. At present, the forest stands are extensively damaged by visitors, especially by horse riders, motorcycles and four-wheelers. In addition to repressive instruments applied in cooperation with the Police of the Czech Republic, the visitors can also be guided by soft methods of regulating their activities. Good examples are educational paths and resting places. In addition to visitors, the forest owners must also face problems with the overpopulated game stock, for which they blame hunters' associations. Most experts plea that the legislation calls for some change in this area, feeling that hunting rights are superimposed to the justified interests of forest owners.

In the opinion of the interviewed key players, the role of forestry in the South Moravia Region will certainly continue to grow but will never reach the importance of agriculture, not even in the context of the expected global climatic change.

Conservationists themselves greatly differ in their views about the intervention into forest ecosystems in the strictly protected areas and no wonder that similar great differences exist in views between conservationists and forest managers. On the one hand, the more radical group of conservationists asserts the requirement of non-intervention into the spontaneous development of forests in the strictly protected areas, disregarding the fact that the subject of the protection is often a result of sensible long-term management. On the other hand, the market-driven owners and administrators of forest assets reject any limitations of their economic activities. These two approaches are mutually exclusive if applied categorically. The main obstacle to a reasonable agreement between foresters and conservationists is represented by the surviving prejudices following from the insufficient or superficial knowledge of natural forests.

The *workshop* organised by the Czech project team became a meeting place of top representatives of both groups, pointing out examples of good practice without any clashes of extreme standpoints. The state establishment Lesy ČR, s. p. strives to respect the mode stipulated for management of forests in the protected areas, even though in particular cases it is still needed to further approach mutual consensus even at a cost of certain compromise. The year 2011, announced by the UNO as the Year of Forests, is a good opportunity to remind the wide public of the role of forests in the landscape and the role of forest management. In the final session of the workshop, the participants expressed a very inspiring conclusion saying that even though the issues of our forestry would be satisfactorily resolved sooner or later, our attention and material assistance should also be directed towards global problems of the world, above all towards the problem of deforestation in tropical countries.

In South Moravia, a lot of problems have accumulated in forestry, part of which will need to be resolved in near future, while other ones will require solution over a long-term perspective. There are not many examples of Good Practice that might become model and inspiration for potential followers. Let us mention at least two. The first concerns the *Renewal of windbreaks in South Moravia*, and

the other the *Role of forests in the landscape, clarified within the framework of forest pedagogy*.

Eye-catchers in the flatland of South Moravia are the lines of windbreaks, which put a final touch to the character of the local landscape. The mass planting of windbreaks started at the beginning of the 1950s. The main objective for planting the windbreaks was to reduce the risk of wind erosion and to retain within the landscape the so much needed moisture. The poor care of windbreaks is the most frequent subject to criticism. According to legislation, windbreaks or more correctly shelterbelts belong in the category of protection forests and their management is therefore in the competence of forest enterprises. Although the foresters run required records on the windbreaks including the plans of their management, the plans were seldom implemented. This crucial discrepancy remained unsolved for several tens of years and the current poor condition of windbreaks is sad evidence to the fact.

The situation considerably improved only recently thanks to the fact that the *renewal of windbreaks* had been ranked with activities subsidized by the European Union from the Operation Programme Environment within the caption Renewal of Landscape Structures. The first part of the extensive renewal of windbreaks was started at the end of 2008 and the second part is just being implemented in the Znojmo district. Lesy ČR s.p. (Forests of the Czech Republic, State Enterprise) has launched the reconstruction of windbreaks so that they could carry out all functions necessary for the local landscape.

Forest visitors must be provided targeted information about the purpose of sustainable forest management, about all benefits and services provided by the forest to human population, and about functioning of the forest ecosystem. All that is the purpose and task of *forest pedagogy*, only introduced in the Czech Republic a couple of years ago, but already undergoing successful progress, and therefore considered one of the *good practices*. Forest pedagogy is the simplest and most natural way for the foresters to introduce to the general public the forest environment and tasks of forest management.

Conclusions

This part of the project studied options for the regional development of rural areas in the South Moravia Region with a specific focus on forests and forestry.

Although the forests cover only 28% of the region's total area (which is below the national average of 33.4%), their wood-producing and non-wood-producing functions represent significant natural assets. The natural value of local forests is confirmed by the fact that one tenth of the area covered by them is protected within large-scale as well as small-scale strictly protected areas, even though a higher degree of conservation regime has not been asserted so far for the exceptionally well-preserved complex of floodplain forests at the borders with Slovakia and Austria. The largest forest owner in the country is the state represented by its establishment Lesy České republiky [Forests of the Czech Republic]. This dominant enterprise in the forest resort, in its development programmes and strategic documents, declares the principles of sustainable development of forest management. However, the actual economic activities in the forests – forest logging and regeneration, wood conversion and sales – are mostly assured by private forest companies on the basis of contracts. The methods of their selection through public tenders have been often criticised, especially by NGOs. A considerable handicap is also the fact that South Moravia lacks sufficient manufacturing capacities for timber conversion (especially of hardwoods) and thus wood is exported abroad in the raw form without any value added. This was admitted by forest experts in controlled interviews organised in the context of the present research.

The method of *interview* was also used for addressing representatives from managements of large-scale protected areas (the Podyjí National Park, the Pálava Protected Landscape Area), who obviously emphasize the role of the forest in the preservation of biological diversity and environmental stability of the landscape, but substantially agree with the foresters upon the overall assessment of environmental issues faced by the region. The difference between the two groups was rather found in their approach to the solution of these issues. The final *workshop* where the key players from both parties met through their top representatives, developed into a fruitful discussion without confrontations and with a hint of potential consensus in the main problematic issues. Agreement already exists about the need of public education, which should be especially focused on the young generation. This is why a positive response is being recorded to activities such as the recently developing forest pedagogy, building of educational paths, issues of information and publicity materials, the series of educational spots with forestry themes on the commercial TV channel etc.

A new achievement was the ceremonial announcement of the forests of Mendel University in Brno (Masaryk Forest Training Forest Enterprise) the *Forest Park* – a model area with sustainable management offering to the wide general public information about the values and functions of the forest and forest-friendly recreation.

Recommendations

- The methods of contract awards to private businesses in the context of public tenders organized by the state establishment Lesy ČR [Forests of the Czech Republic] need to become more transparent and activities of forest contractors need to be systematically reviewed and supervised
- It is necessary to abandon the one-sided resort approach (foresters versus protectionists) and to seek a consensus in the solutions of key forest management issues in valuable natural territories
- The established forms of public education should be further developed, namely those focused on the young generation, to increase awareness about the role of forests in the landscape and about the need of proper forest management, including the awareness of global aspects, above all the deforestation in the tropic areas.

5. CONCLUSIONS ABOUT POLICY

Discussion about future development of the South Moravian region should be directed towards sustainable development. The principal idea is to ensure balance among three basic pillars: social, economic, and environmental. South Moravian Region is an area with the significant economic potential which implies a high proportion of gross domestic product over the Czech Republic. Beside the traditional industries, which is still dominant in the regions also the farming especially in southern areas of the county has got their own place.

As a great danger emerged a gradual extinction of the agricultural condition caused by unregulated overproduction of food, loss of sales of agricultural products, dissolution of agricultural companies and loss of agricultural perspective. Although this trend partly started by common agricultural policy of the European Union, the common tasks of the EU countries are to prevent and promote the sustainable management of food production and renewable materials, while maintaining cultural landscapes and villages. It is necessary to support the emergence of small factories that can compete with the big brands. Farmers and growers of wine in the South Moravia are under great competition from the west. Global overproduction of grapes and low cost destroy the traditional small winemaker. Supranational company displaces not only small and medium-sized enterprises, but also the traditional types of international companies whose aim is to respect the local peculiarities and preferences.

Aid should be focused also on the diversification of production and to ensure the diversity of economic activities in rural regions. There should be changes in the economic structure of rural areas and in creating the suitable environment for residential and business that will create enough job opportunities and thus lead to sustainable rural development. So there is a plan to support the creation of new jobs by diversification of activities outside the agriculture and to improve the quality of life in rural areas.

The challenge is to create social capital in rural areas that would be able to give opportunity to all residents to create their own healthy and viable countryside. This is related to development of tourism in the South Moravian countryside. Ongoing process of globalization links tourism to all areas of policy, economy and society. The question is, whether the countryside can face these changes. However, tourism is seen as being of considerable economic and social benefit to rural areas through the income and infrastructural developments it may bring to marginal and less developed regions. But in some cases tourism development may bring impacts of congestion, intrusion and loss of amenity. There is a need of strategic planning that is fundamental for the efficient use of resources and funds, and requires the involvement in policy formulation of stakeholders.

In the conditions of globalization, sustainability of the countryside may also be understood as the maintaining of its regional identity and specificities as a counterbalance to general, levelling out patterns of production and consumption. When related to the globalization on the differentiated South Moravian Region, it is possible to say that due to the globalization the core areas are developed while in peripheral areas the development trends are not extended and problematic situation is deepened. Mainly the consequences of migration as a global problem are increasingly complex. It is the cause of process of decomposition of rural areas and globally uneven rural urbanization. There the way of economic development, out-migration, unemployment etc. have influences. Then between the social consequences become the crisis and the disintegration of cultural values.

An important role of "sustainable future" will also be played by a small town. While the big cities are in favour of globalization, offering the diversity of activities and cultural life, small towns are dominated by local customs and traditions that could be endangered by globalization. It would be a pity when globalization destroys the local, regional and national identity. The South Moravian countryside in the era of "globalization" could contribute to present and promote local and regional traditions.

Globalization comes to the South Moravian Region through Brno, direct cross-border contacts and the common agricultural policy of the European Union. In this sense, the globalization might be a risk and profit in one for the Region. On

one side a degradation of national cultures, loss of identity, motivation and relationship to the landscape, on the other one the South Moravian Region maintains a local individuality through family traditions, living folklore and cohesion of local residents. This entails efforts to maintain solidarity and preservation of culture typical for this region.

South Moravian rural landscape has been disturbed in the past, especially by the intensive agriculture and its consequences. The economic pillar of sustainability of the South Moravian countryside is facing to the consequences of economic transformation, competition at the world market and the implications of the common agricultural policy of the European Union. This means the needs to find activities that would ensure the prosperity of a market economy in the countryside, which may include the culture of wine in the South Moravian Region. The social situation of the Region is particularly problematic in terms of the qualification structure of the population. There can be seen the consequences of today's urban and demographic processes.

In order to develop the region it is useful to support the development of rural areas that are an integral part of the region and its often problematic element. Diversification of production is one of the key tasks. In this direction, the South Moravian Region would find the perspective in tourism development, which is highly affected by a globalization. Due to contradictory effects of globalization (rapid transfer of advanced technology against the risk of the loss of identity) would be needed to discuss also the issue of strengthening the identity of the South Moravian Region in a globalized environment. Globalization is a reality and it is urging to benefit from it.

REFERENCES:

Copus A, Dubois A, Hedstrom M, Kairyte E, Stastna M, Potočník Slavič I, Welbrock W (2011) *Deliverable 1.4, Summary of Research Findings*, DERREG project (<http://www.derreg.eu/>)

Vaishar, A., Šťastná, M., Vavrouchová, H., Stejskal, B., Hlisnikovský, L., Jakešová, L., Kniezková, T., Lipovská, Z., Náplavová, M., Novotná, K., Ošťádalová, Z., Kozáková, H., Marciánová, G. *Současný stav a vývojové tendence jihomoravského venkova. (Present state and a future developing tendency of the South Moravian countryside)* 1. vyd. Brno: Mendelova univerzita v Brně, 2011. 166 p. ISBN 978-80-7375-537-9.