

3 A brief review of the situation and problems: the SWOT analysis of the Carpathian Area

The Carpathian region is a European Region, stretching over the area of 8 European countries (Austria, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia and Ukraine). Its total area and population is comparable to that of the Alps. Nevertheless, so far much less attention was paid – in European context – to this area than to the Alps. From the 1st of January 2007, 6 Carpathian countries out of the 8 will be members of the European Union. But even the other two – Ukraine and Serbia – are of key importance for European security and development. One of the most important aims of the Carpathian project is to call the attention of European decision-makers to this unique European region, to its strengths and weaknesses, to its development opportunities and to the threats of non-action in this area.

3.1 The SWOT analysis

What follows below, is a sketchy SWOT analysis of the Carpathian area. One of the tasks of the actions of the project is to elaborate on the specifics and details of the particular items of the SWOT analysis.

1) The strengths of the Carpathian area

- There are several places in the Carpathians having well equipped and relatively easily accessible recreation and winter sport facilities. The most important of them are Zakopane (PL), Tatranská Lomnica, Starý Smokovec, Štrbské Pleso (SK), Sinaia, Azuga, Predeal (RO);
- The Carpathians are rich in medicinal mineral water sources and spas. Major spas are Krynica in Poland, Piešťany, and Teplice in Slovakia, Borsec, Sovata, Băile Tuşnad, Covasna, and Băile Herculane in Romania.
- The Carpathian Mountains are stretching over the area of 8 European countries (the largest number in the World) and it is situated in a politically, economically, environmentally and from the point of European security important place in the middle of Europe. Even its situation calls for more attention and for more effort to deal with its problems.
- The Carpathian area is one of the regions of Europe, where old rural architecture and different rural arts and crafts have been best preserved. They can be one of the attractions of tourism. On the other hand, their products – if adequately organised and marketed – can be sold to a wider interested public.

- The Carpathian area is rich in forests. It has special importance in Central Europe where a rather small share of surface area is forested (e.g. 60 percent of all the forested area of Ukraine is in the Carpathians). This could form the basis for a competitive wood-processing and furniture industry. Competitiveness could be enhanced by cooperation of enterprises in the different Carpathian countries and by coordination of their strategies.
- The Carpathian area is rich in rivers, which are suitable for the generation of hydroelectric power. Regarding that most river basins are stretching over state borders, these developments require transnational coordination.

2) *The weaknesses of the Carpathian area*

Unfortunately, the weaknesses of the area are – at least at present – more numerous than its strengths.

- From geological point of view the Carpathian area is – like the Alps – a geologically youthful mountain range. Youthful ranges are less suitable for larger settlements and are poorer in mineral wealth. Some oil and other resources were found rather at the foot of the mountains, where plains and mountainous areas meet. While ancient mountain areas are often attracting population and economy, youthful ranges have in many cases a “repulsing” effect. The Carpathian area belongs to the less developed areas, even in Central European context. Mountain areas are less suitable for agriculture; arable areas cannot reach to areas higher than 600-700 metres.
- Despite of being lower than the Alps, and mainly for historical, and economic reasons, the Carpathian range is less passable than the Alps. The mountain range is 1450 km long and there are only 12 railway lines crossing the mountain range (5 of which are on the Czech–Slovak border). There is no motorway crossing the Carpathians. Because of the poor accessibility, tourism is also at low level, the tourism potential of the area cannot be exploited.
- Agricultural endowments of the area are poor. Despite of these unfavourable conditions, agricultural population density was relatively high, surpassing the carrying capacity of the area. The result was poverty and high emigration from the area in the last hundred – hundred fifty years. The Carpathian area was one of the regions with the highest emigration in Europe in this period. But agricultural overpopulation caused also other unfavourable developments in the area. The area, suitable for efficient and large scale plant production is small; steep slopes are more exposed to erosion and many areas are already eroded.
- The situation of the area is peripheral. Markets and large urban centres are far and their access is costly and difficult. There are no significant mineral resources.

- A large part of the Carpathian region is border area where crossing the borders is difficult and time consuming both from technical and administrative point of view. These types of borders are serious hindrances of economic cooperation and integration. For centuries, the large part of the Carpathians was peripheral and neglected border area. One part of it (between Slovakia and Poland) is still a border zone. The other parts are now inside the countries of Ukraine and Romania, but the new situation caused other problems. In Ukraine, Transcarpathia the area, isolated by the mountain range from the other parts of the country, became even more peripheral than before. In Romania, the country is divided into two parts by the Carpathians and the mountain range remained in some sense – an obstacle of full national integration.
- During the last century, state borders in the area changed many times, in some areas even the ethnic composition of the population changed substantially. In the former Soviet Union border areas were deliberately not developed and not industrialised. Political factors were among the causes of economic underdevelopment. Political conditions were also unfavourable in the area. The promotion of the development of the Carpathian area was not enhanced by the circumstance as in most countries it was not inhabited by the titular nation, but by ethnic minorities. In the pre-World War I Hungary Carpathians were inhabited by Slovaks, Rusyns and Romanians. In post-World War I Poland and Czechoslovakia a large part of the Carpathians was inhabited by Ukrainians and Rusyns, in Romania some parts by Hungarians.
- The consequences of the communist-type economic system still can be felt, up to the present day. Smaller and medium size cities at the foot of the mountain range have lost their important market function as places of exchange and processing of products from the mountains and from the plain. Small and medium size enterprises are missing. Many small and medium size cities are “one-factory” towns economically depending fully on one single industrial plant in the town.
- Nearly forty years of communist centrally planned economy caused substantial damage to the Carpathian area. The system of central planning did not consider the specificities of the mountainous areas, they applied uniform methods by setting planning targets as in other parts of the respective countries. Serious deforestation took place in Ukraine and Romania in this period. Collective farms were organised in areas, where conditions are unfavourable for large scale farming. In some mountainous areas in Romania, collectivising was not carried out, but agriculture in these areas did not enjoy any state supports. Industrialisation was implemented in the Slovak Carpathians and in some parts of the Romanian Carpathians (Brasov), but a large part of it represented arms industries. The mountainous areas could offer opportunities for

tourism, but tourism was not a preferred sector in the socialist economy. International tourism was rather restricted in some countries hermetically isolated from the outside world.

3) *Opportunities of the Carpathian area*

- The Carpathian area is one of the very few regions in Central and Eastern Europe where the number of population is still growing. It is a huge reservoir of educated, skilled (cheap) and relatively young European labour force.
- The area has a huge potential for tourism. Winter sports facilities are confined to a small number of places, mainly in the Western Carpathians (Zakopane PL, Poprad SK). There are much more suitable places for winter sports. There are huge hardly touched areas of natural beauty. There are large national parks with relatively few visitors.
- One of the important opportunities is the revival of the medium size cities along the “market line” at the internal and external edges of the Carpathian mountain range. These towns were the centres of the exchange of products from the mountains and from the plains. The decline of this function in the past decades was partly due to the communist economic system, but also to the holocaust (a large part of the merchant class of these cities was of Jewish origin). Many of these cities are now in a critical situation because some of the industries located there during the centrally planned economy are declining. Trade, processing and marketing of the products of the mountain areas (like mountain foods) could constitute an important part of the economic base of these towns.

4) *Threats in the Carpathian area*

- Rural population pressure and shortage of agricultural land area together imply the threat of deforestation, of overgrazing, of inadequate use of mountain slopes for agricultural purposes. These practices are increasing the hazard of flood, landslide and land degradation.
- Climate change, without preventive measures, could also cause the growing threat of floods and the radical decrease of winter sport opportunities
- A certain level of migration from the Carpathian area is unavoidable and may have even some beneficial impacts on the economic and social situation (lower rural population pressure, income transfers, etc.). In the absence of economic development and improving accessibility, however, emigration can take excessive dimensions, spoiling even the future possibilities of economic development.
- Huge economic, social and security gaps along the external borders of the EU could give rise to different semi-legal or illegal activities on the two sides of

the border: Illegal employment, smuggling of people and commodities, huge price difference in the provision of services, cross-border service provision, environmental dumping and export of waste materials, etc can cause increasing tensions in the border area which hampers integration.

- Even now, in some border areas a fairly large part of the population makes its living from small-scale illegal or semi legal activities (smuggling of fuel and other commodities, unregistered employment). Prosperous settlements are only those where this activity takes larger dimensions. The earned money is invested not in productive activities but in the construction of huge apartment houses, which is a form of money laundering. All these developments give rise to adverse income distribution, based not on work but on illegal activities.
- In the Carpathian area – especially at the edges of the North Eastern and Eastern Carpathians – lives a large part of the European Roma population. The living conditions of a large part of this population have deteriorated in the last one and half decade. Social tensions, caused by these developments are already substantial. If no, or only insufficient measures will be taken to change this situation, then serious conflicts could emerge in this area.
- Besides the Roma population there are other ethnic minorities in the area. Their status has improved in the last decade, but it cannot be regarded as stable. Nationalist parties can any time come to power in any country of the region (because there exist such parties in all Carpathian countries) and such events can generate serious tensions in the region.
- The Carpathian region is now the Eastern external border area of the European Union. The future of the enlargement process of the European Union is still uncertain. But whatever policy will be pursued concerning enlargement, the securing of political stability requires to cooperate with neighbouring countries and to help them to stabilise their economy and to improve the living conditions of their population.

The aim of the Carpathian VISION document (*VASICA: Visions and Strategies in the Carpathian Area*) should be utilising and enhancing the strengths of the area, to reduce its weaknesses, to exploit its opportunities and – as far as it is possible – to avoid and prevent its threats.