

## **Vulkanland Case Study: Transformative regional development**

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**Envigogika 10 (1) – Case Studies/ Případové studie**

Published/Publikováno 25. 4. 2015

DOI: [10.14712/18023061.436](https://doi.org/10.14712/18023061.436)

### **Abstract**

After being an economic backwater, the southeastern Austrian border region enjoys economic boom today. The decisive factor for the turnaround was a regional development process that had its first steps in 1995. The region was suffering from low education, had the national lowest income rate, no industrial development, no infrastructure, little self-esteem and a lack of job opportunity. The initiators of the project were thinking of a different way of measuring progress and started imagining a future built on different standards. Due to profound research activities, the initiators came to the conclusion that mega projects won't entail sustainable solutions or future-competence. Hence, they turned their focus to their habitat – their region. To in-valuate the living space, a new identity that was representative, gained recognition and reinforced the peoples self-confidence. In 2001 the new identity 'Steirisches Vulkanland' was born. The vision throughout the entire development process was to transform the border region with little chances into an innovative, worth living region 'Steirisches Vulkanland' within a period of 15 years. In 2010 their vision seems to be achieved, 79 municipalities together promote successfully local, green, self-sustaining businesses. Yet, the development process is still going on, heading for new, courageous, challenging visions like achieving energy independence by the year 2025.

### **Key words**

Transformative Development, Visioning, Regional Development, Styria, Municipality Co-operations

### **Abstrakt**

Poté, co jihovýchodní příhraniční region Rakouska z ekonomického hlediska stagnoval, zažívá dnes ekonomický boom. Rozhodujícím faktorem pro obrat byl proces regionálního rozvoje, který byl zahájen v roce 1995. Region trpěl nízkým vzděláním, měl nejnižší míru příjmů v zemi, minimální rozvoj průmyslu, žádnou infrastrukturu; charakterizovalo jej malé sebevědomí místních obyvatel a nedostatek pracovních příležitostí. Iničiátoři projektu přemýšleli o jiných možnostech posuzování pokroku a začali se představovat budoucnost, která by byla postavena na odlišných atributech. Díky důkladnému výzkumu dospěli k závěru, že velké rozvojové projekty nepovedou k udržitelným řešením ani nevypěstují dovednosti důležité pro budoucnost. Proto obrátili

svou pozornost na samotný region – s cílem znovu přiznat hodnotu životnímu prostoru, znovu utvářet místní identitu, která by posléze získala široké uznání a posilovala sebevědomí obyvatel. V roce 2001 se tak zrodila nová identita „Steirisches Vulkanland“. Cílem celého procesu bylo během 15 let proměnit pohraničí s malými příležitostmi pro rozvoj, na inovativní region, kde stojí za to žít. V roce 2010 se zdálo, že této vize bylo dosaženo: 79 obcí společně provozovalo úspěšné místní, ekologicky příznivé, soběstačné podniky. Přesto vývojový proces stále probíhá, a míří na uskutečnění nových, odvážných, náročných vizí, například dosažení energetické nezávislosti do roku 2025.

### **Klíčová slova**

Transformativní rozvoj, Vize, Regionální rozvoj, Štýrsko, Spolupráce v obci

## Introduction

Until a few years ago, the region Styria, a province in the south east of Austria, was an economic backwater, a buffer zone between the prosperous west of the country and its formerly communist neighbors. Regional planners and scientific experts labeled it the border region without any economic future. In their forecast from 1995 they predicted a decline in population of five percent by the year 2010 for the region. Also the people's behavior was depressing; they acted like they had no future perspective. The population was waiting for external help in form of big investors and external guidance.

The ambitious idea for the regional development project came from a few members of present-days managing board. They were responsible for the whole process and involved in every single step, which was for sure the most important success factor. At the very beginning of the process (Initial phase), but also increasingly in the analysis phase scientist from various subject areas were integrated in the project. The budget for the whole project was in part provided by the European Union (Leader), the Federal and Regional Government and later from membership fees.

## Approach / Methodology

### 1995 – 2000 Initial phase

The development project started in 1995 in a single municipality with approximately 800 inhabitants. The group of regional actors consisted of the local mayor and municipal councils, a local advertising specialist and a local process engineer and regional scientist ('the initiators'). First attempts were smaller agricultural projects with local entrepreneurs, mostly farmers, on a community level. It turned out to be quite difficult to convince the people to participate in the projects. Despite the support of external project managers, participants in most cases felt sad and depressed and euphoria has been of short duration. As a consequence, projects were discontinued after a few months, as visible results were not achieved quickly enough. Experiences of every single initiated project were documented by the local mayor and the process engineer in a regional knowledge data base in order to understand the underlying behavior and thinking pattern of the involved inhabitants that induced them to resign.

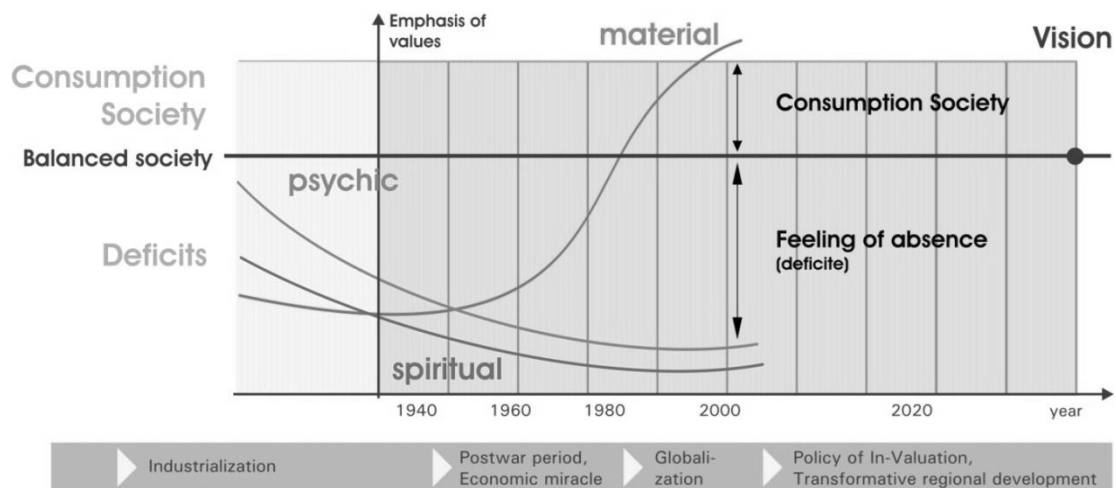
In the initial phase, support from regional economists and geographers of the university of Graz was requested in order to work out strategies to support the development project. After some brief analyses on the macroeconomic data of the region the scientists came to the conclusion that the region had no economic potentials (industry, motorway access, etc.), movement of labour was inevitable and the transformation of the region was an impossible undertaking. Despite the bad news, the initiators did not give up. After a few years of field research during several regional projects together with an intense literature study on social and economic development the initiators came to the following conclusions (cf. Krotscheck et al., 2007):

- *The devaluation* - The globalization and a one-sided focus on monetary and material values lead to a devaluation of living spaces and a demoralization of the resident people, often seen in peripheral regions. Many countries install a touristic lighthouse-project in order to mobilize these areas to solve the problem, which detracts regional managers from their regional responsibility in direction of hope and help from outside. The negative effect is that a transformation process gets more and more difficult.

- *The misbelieve* - the more the people possess and receive, the more satisfied they would be, turned out to be the opposite way round in reality.
- *Impoverishment in times of material prosperity* – Inner, spiritual emptiness can't be replaced by outside abundance. Another phenomenon is the loss in perceptual capacity, which implicates an enormous devaluation of the own (person, talents...). Along with this, the connectivity gets lost and an unconscious separation dynamic appears. As a result, people distance themselves and finally leave the region.
- *False scarcity* – Despite explosively increased material options, people seem to be infested with a deep inner dissatisfaction. People suppose there is a lack in material values and allay the spiritual desire on a false path, which results in a consumption society without meaning and value produces senselessness and value-lessness.

Based on these new insights the initiators realized that the people's resignation to change their future was not solely of a material nature and therefore had to be considered from a holistic perspective. They decided that a holistic approach, considering human being as a unity of body, mind and soul would be the most appropriate way to describe the phenomenon observed. The graph below illustrates the observed phenomenon.

### Mass consumption of material values is not able to compensate psychic-spiritual deficits!



**Figure 1: Inner emptiness inspite of enormous increases in material values (Krotscheck et al., 2007, p.8)**

From random meetings with other local municipalities the initiators knew that the phenomenon was the same all over the border region. They decided to make the mayors of the other municipalities aware of the issue and informed them about their experiences. A few joint sessions later, the mayors of the surrounding municipalities decided to mutually work on the issue. An association was found and the initiators became members of the management board. The decision to jointly work on the issue was a turning point as

from then on, the project that started on a municipality level turned to a regional level consisting of 79 municipalities.

### **1999 – 2000 Analysis phase**

Based on the insights from the field research the management board was convinced that only a more challenging and long-run path, a transformative process, which required the participation of the regional population, would overcome the spiritual and psychic deficits. Subsequently, analysis phase with scientists from different disciplines (geography, economics, social, geomancy, etc.) was started in order to explore the potentials of the region. The explorations were mainly accompanied by the local process engineer. Based on the findings the managing board evaluated the regions strengths and weaknesses, to find the regions' fields of competence and with it its future positioning.

### **2000 – 2002 Vision phase**

Reclaimed values struggled for a new identity. For the collective acceptance and with it the success of the whole process, it was important to ensure a high identification of the population with the targets of the process and thus the region itself (Tischer et al., 2006, p.51). The region was given the new distinctive identity 'Steirisches Vulkanland', inspired by the volcanic history. Eight thematically future workshops guided by the managing board built the basis for a two year continuing idea generation process. The regions competence fields were selected. In conclusion, guide values for an independent living, working and business culture were adopted. Knowledge management became the important learning instrument for future development and cross-regional networking.

### **2002 – 2005 In-valuation phase**

The vision Phase was followed by a phase of "in-valuation". No more than from an in-valuation region, the readiness to act arises, from which a new future can be generated. This is so to say the nutrient solution for any development process (Krotscheck et al., 2007). Practical implementation took place in the form of a broad based awareness campaign focusing on positive buzzwords (e.g. in the print media, posters) and was carried out by the local advertising specialist. The awareness campaign was accompanied by motivating and inspiring lectures and workshops of the managing board. The self-awareness of own potentials opened the people's eyes for the nature beauty of their region, returned their honour and dignity and strengthened their self-esteem. The in-valuation phase contributed to overcome the feeling of insufficiency and returned people's ability to act (see figure 2).

## Mass consumption of material values is not able to compensate psychic-spiritual deficits!

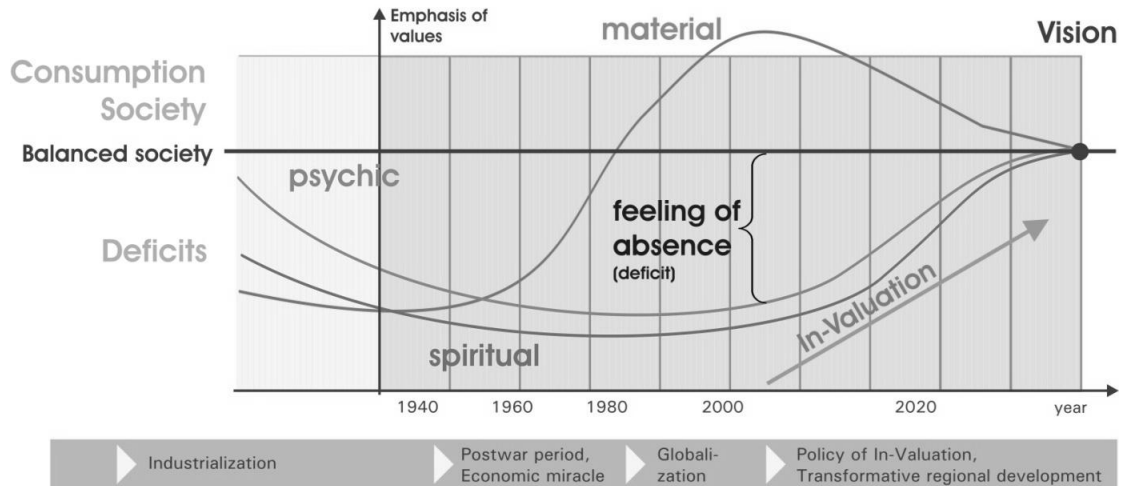


Figure 2: To overcome the feeling of insufficiency through 'in-valuation' (Krotscheck et al., 2007, p.12)

### 2005 – 2011 Transformation phase

In this phase, the shared vision will be integrated in the everyday life, actions, and economic activities. For that purpose the vision had to be refined into many small sub-goals or actions and implemented step by step over a period of five to seven years. This process stadium called for a strong commitment from local residents. New values lead to a new philosophy. Out of the newly attained philosophy emerged a new language. The set off creativity gave rise to a new design and eventually to new innovations. Assisted by municipal project managers, local farmers and business men together started creating own innovative products. Without adding vast material values and new assets, the in-valuation of the existing achieved an astonishing increase in material and immaterial value.

To reflect the progress of the whole transformation process an Evaluation Commission consisting of 25 elected citizens was established. An evaluation report was published every two years. In 2004, 2006 and 2008 regional surveys were conducted in order to receive information and feedback from the residents. Additionally diploma theses were used to evaluate the diffusion of the process in the region.

### Discussion

As the whole transformation process was a new approach in regional development the process was often exposed to strong criticism. In the first years of the process, results from immaterial in-valuation are hardly visible. The Styrian Government and opponents of the project expected first visible results, especially in the form of marketable products. But it is a long way from changing a whole region's awareness and thinking to create new products, which are successful on the market for a long time.

Outsiders also had problems to recognize the value of the awareness development and the effect of processes. In our very materialistic driven society, where investigations

have to lead to visible and measurable figures as soon as possible, such a long-term approach, which changes a whole region, was hard to expect for some people. Some of them were anxious or not comfortable with the process, because it was something completely new; no other region did go through such a process before.

## Conclusion

The outcome from the experiences of this fifteen year lasting development process was a new approach for sustainable regional development called 'Vision-Transformation-Process', shown in the figure below.

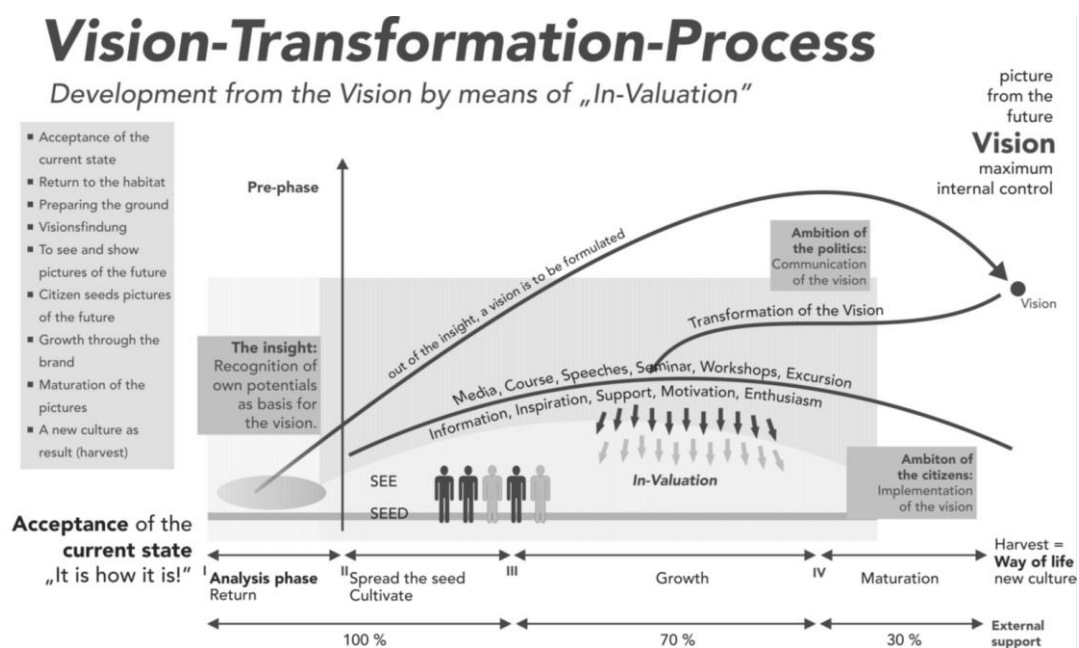


Figure 3: Vision-Transformation-Process (Krotscheck et al., 2007)

The investigated solution to overcome the feeling of insufficiency and dissatisfaction turned out to be a new policy of 'in-valuation', which was an essential component of the whole process. In the transformation context, it implies two key components: First of all, value the pre-existing situation and secondly, give the existing a new future oriented significance through a new, modern interpretation. The intense identification recreates identity and authenticity. This certain feeling of identity and being connected with the living space induces the society's ability to overcome the fake paradigms of a 'consumption society' and the 'false scarcity/feeling of insufficiency'. As figure 3 illustrates, the in-valuation process brings our society back to a natural balance of material and immaterial values. The recovered balance creates a new inner satisfaction, which is the nutrient solution of any successful sustainable development process.

In terms of success factors, the change from short-term project orientation to long-term process orientation was the decisive turning point in the whole transformation process. The positive interaction of policy-makers, regional scientists and communities was also among the keys to the success of the process. An excellent culture of cooperation occurred thanks to the intense cooperation between the communities during the entire process.

The effectiveness and the results of the transformative approach in regional development are also perceived and confirmed outside of the own region. The regional development project won the *European Village Renewal Prize* themed "Breakup for uniqueness" in 2004 (Vulkanland, 2010a). The district study 2013 ranked the region 'Steirisches Vulkanland' second in a survey of the best places to live in Austria (Taschner, 2013).

## Acknowledgement

Development of the former version of the case study has been supported from the project OP VK CZ.1.07/2.4.00/17.0130 "Interdisciplinary Network for Policy Development in Sustainable Development Field" funded through the Education for Competitiveness Operational Programme via the Czech Ministry of Education, Youth and Sport – <http://mosur.czp.cuni.cz>.

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