



# SOCIO-ECONOMIC IMPACT



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## Socio-economic impact of mountain supply chains

Mountain farming has a strong socio-economic dimension that should be better explored. To have a better knowledge of it different aspects needs to be analysed, such as the development of SMEs, improvement of local economy... In this context, the impact of mountain product development on employment creation has a special importance, due to the high current unemployment rates in Europe. This could be achieved by searching for good examples and strategies where employment opportunities are created through mountain farming related activities.

In line with the last European Mountain Convention in Chambéry in 2012 special attention should be given to the role of young people in the socio-economic development of mountain areas. Young people are key to ensuring the prosperity of the mountain territories, and are specially hit by the unemployment, which is linked also to the difficulties they have in starting their own business activities.

## Assessment of the current situation:

Mountain agriculture can provide high-value and high-quality products that promote increasing market demand and generate employment and income for local communities.

Successful mountain food supply chains improve rural infrastructure and economic diversification, having multiple effects on mountain societies:

- **Economic effects:** increase of GDP/capita, employment and value added in the region.
- **Social effects:** increased opportunities and capabilities for employment with positive impact on regional/local identity and in decreasing out-migration.

The development of mountain supply chains, improved mountain branding and marketing and development of new products and ways of doing things, can create new employment and income.

The current unemployment situation as well as the financial crises that have affected economic growth in many European countries have generated different European, national and regional policies to support mountain farming, the creation of new, diversified employment, training and educational opportunities and stimulate income generation.

The optional quality term "mountain product" should foster this process. It can also complement as the EAFRD support for generational renewal, setting-up of producers groups, income stabilization tools, basic-services and village renewal in rural areas, investments, establishment of agroforestry systems and the Common Market Organization measures. Additional and specific policies support employment for mountain farming through, for instance, training and exchange activities for young farmers.

The three case studies in Slovenia, Norway and Spain presented during the workshop, confirmed how mountain farming and local products can act as a driver for local economies and consequently enhance new income generating activities and traditional or alternative employment opportunities.

The following main points emerged during the workshop discussions:

- **Short supply chains.** The chains get stronger and have a better impact if they are really local so that the generated income will stay in the region and create benefit for local people.
- **Thrust in the supply chain.** Good chains have confidence from the members and generate faith towards the supply chain to the extent that the members are willing to give away some of income in order to receive a return later in the continuing process.
- **Growth through new young entrepreneurs.** Many successful producers don't want to get larger or entry in the world market as they are not able to compete on the global market, and their size doesn't allow competitive prices and the products are not positioned on the market. These producers prefer to produce for the local market and if they intend to increase the production they can create synergies with other producers and generate benefits for the whole value added chain (from farmer to customer).
- **Improving quality means that you need more knowledge.** This process of improving quality by providing appropriate training actions and improve skills and expertise could attract young people in mountain areas and offer new jobs opportunities.



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# Recommendations



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## Recommendations: to improve socio-economic impacts of mountains supply chains:

- Pay **special attention to the role of youth** in the socio-economic development of mountain areas and **promote appropriate policies and tools to support youth entrepreneurship**. Young people are essential to ensure the prosperity of these territories, and are particularly affected by unemployment (which is also linked to the difficulties they face in starting their own business activities).
- **Develop farmers' business skills** by providing business training in order to change the mindset of mountain producers towards a higher entrepreneurial mentality, and so acquire skills to strengthen their businesses.
- **Invest on knowledge and quality improvement, research and innovation, education and entrepreneurship** in order to develop activities that may generate diversified profit and new jobs.
- **Sensitize local authorities to a greater consideration of mountain food products** in tenders at local level; bids should take into account not only the criteria of the lowest price, but also quality and local development criteria (income, jobs, environmental impact).
- **Set-up facilities and appropriate tools** for business start-up and clusters, women and youth entrepreneurship in mountains areas.



## Action plan for Euromontana:

- **Facilitate the organization of study tours and the development of exchange programmes** addressed to the mountain producers in order to share information, exchange experiences and practices at European level, establish linkages among different mountains producers' organizations and improve network-building.

Timetable: from 2015 and on-going the following years by Euromontana secretariat.



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