

DEVELOPING EUROPEAN MOUNTAIN ENTREPRENEURSHIP THROUGH EMPLOYMENT SUSTAINABILITY. REALITIES AND PERSPECTIVES 2030

Brîndușa COVACI¹, Radu BREJEA², Mihai COVACI³

Abstract. *Mountain entrepreneurship is a defining dimension of scientific research on the mountain economy. At European level, the general situation of mountain entrepreneurship is ensured through defining business coordinates, such as the population of active enterprises and the degree of employability in the mountain area. The fluctuations of the mentioned coordinates characterize the general picture of the mountain entrepreneurship. The paper presents the degree of employability in the mountain area, establishing what are the current realities and forecasts for 2030. The statistical data are taken from Eurostat and processed in SPSS, respectively Excel. The results of the study show that the economy of mountain areas, especially mountain entrepreneurship, has developed significantly in recent years. The perspectives for the year 2030 present the defining ascending mountain area both in terms of the indicators regarding the population of active enterprises, as well as those related to the degree of employability.*

Keywords: European mountain entrepreneurship, mountain employee, employment and sustainability, mountain industry, mountain services

8. Introduction

The development trends of mountain entrepreneurship are supported by the major investments made for this area, but also by ensuring the repopulation of mountain areas. At the level of the European Union, the mountain area is considered to have a special potential for organic farming and human health, the air-water-soil ecosystem of this area being less polluted than the other relief areas. This is also the reason why European countries have legislated on issues related to the mountain area, as no other country or group of countries outside Europe has specific mountain regulations. Europeans believe in the development of the economy through the sustainability of mountain science. In this context, mountain entrepreneurship, especially on employability, is a permanent subject of studies and applications for the public and corporate governance of European countries.

¹Assoc. Prof., PhD, & Senior Researcher, PhD student, Centre for Mountain Economy of the Romanian Academy & University of Oradea, Romania, (e-mail: covacibrindusa@gmail.com).

²Assoc. Prof., PhD, University of Oradea, Romania, Corresponding Member of the Academy of the Romanian Scientists, (e-mail: rbrejea@yahoo.com).

³Assoc. Prof., PhD, Hyperion University, Bucharest, Romania, (e-mail: mihaicovaci@gmail.com).

The mountainous area implicitly presents a socio-economic, cultural, natural and technological handicap. Mountain dwellers often assume this fact, being economically poorer than the inhabitants of other geographical areas.

Literature review

The mountainous areas of the world, especially in Europe, are rich in resources and represent cultural and spiritual icons, being mental magnets for tourism. The mountainous area of the world has sources with huge potential for energy, food, mineral deposits, especially due to the less polluted ecosystem. The imperative question is if the mountains are so rich in resources, then why are people poorer economically? Some researchers believe that there is a direct relationship between mountain entrepreneurship and the poverty of a mountain area. This translates into the fragility of the mountain environment; population vulnerable to external influences due to socio-economic marginalization; solving problems related to industrial exploitation, especially mining; legal inconsistency and incorrect application of existing legislation [5].

One of the best sectors in terms of European employability is tourism. Mountain entrepreneurs, implicitly the inhabitants of this area, are urged to orient themselves towards this field of activity.

Currently, tourism is developing through the prism of a better selection of products and services. Tourism presents special opportunities in mountain resorts. The mountain environment presents ideal conditions for outdoor recreation, and especially for tourism, if the population, public governance and private government converge actions towards a common ideal, namely the protection of mountains. Most mountain tourists, coming from polluted and crowded urban environments, want to access traditional destinations with a strong natural character. In contrast to the environment in which they cohabit daily, tourists from mountain areas want to spend their holidays in a calm and pleasant atmosphere. This is the reason why mountain tourists often prefer ecological and traditional recreation and accommodation spaces. Some mountaineers prefer to provide additional costs to certain services, provided that they adequately satisfy their tourist desires. This leads to significant price increases, reconfusing the demand-supply ratio and the price system in mountain areas for the peak period of mountain tourism. Subsequently, the economic system is recovering. These rapid fluctuations unbalance the mountain economy of areas with strong tourist and entrepreneurial potential [2].

The main resource for the development of mountain rural tourism consists of beautiful natural landscapes, ecological environment, historical monuments, local culture, traditions, food, etc. The development of rural tourism is based on cultural and historical heritage, exotic natural landscapes, tasting of local dishes made from organic agricultural products, etc. In this context, a special role should be played by coherent tourism development programs for mountain regions,

applicable locally, regionally, nationally or internationally, with the aim of strengthening the mountain economy of certain localities, regions or countries [7]. Mountain regions vary in terms of natural, cultural, historical and functional resources, some of which are more attractive than others. However, the proper promotion of tourism and the coherence of public governance activities, as well as the involvement of the population and private governance can lead to the progress of the mountain economy of disadvantaged regions. In addition, activities that develop unique proposals for a particular region need to be synchronized with national promotion activities so as to create a strong regional or country brand [1]. The Mediterranean mountain regions of Europe are experiencing a sharp decline due to competition between the tourism sector and the agro-forestry-pastoral system, the latter being at an economic disadvantage. The problem should not be overlooked as pasture-based livestock systems are relevant to the role in the management and conservation of large agricultural lands of high natural value in Europe, implicitly for the whole Community ecosystem. The problem is all the more acute as, under the given conditions, young entrepreneurs either remain in the mountain area and no longer want to get involved in the agro-forestry-pastoral system, or abandon the mountains to carry out activities in rural areas with agro-tourism potential. higher or in urban areas. In recent years, there has been a reduction in the primary workforce, caused by a significant increase in entrepreneurial activities belonging to the secondary or tertiary sectors, in particular tourism [4].

At the level of the European mountain area, competition between the primary sector of the economy (agro-forestry-pastoral systems) and the tertiary sector (ie tourism), has contributed to increasing the socio-economic vulnerability of mountain regions, environmental changes with negative impact on the ecosystem, reconfiguration negative impact of the landscape and the social disintegration of certain areas [6].

Another problem of the mountainous area in the poorer European regions is gender segregation and equality. The disadvantage of women is still among the main disadvantages of mountain entrepreneurship. Certain occupations remain for women in the mentioned mountain areas more a desideratum than a reality. Under these conditions, the actors influencing the mountain areas concerned should bring concrete solutions for the promotion of female entrepreneurship [8].

9. Materials and methods

The indicators studied are Employees of enterprises established in year t and Persons employed in enterprises established in year t . According to Eurostat [3], *Employees of enterprises established in year t* covers all persons who carry out a productive activity within the production limit of national accounts. Employees are either internal employers (persons working for a resident institutional unit and

receiving remuneration as employees) or self-employed (persons who are the sole owners or co-owners of the enterprises in which they operate, with the exception of those unincorporated enterprises which are classified as quasi-corporations or transnational corporations). The concept of domestic employer implies that the employment of both residents and non-residents aims to align the activity to the demand of resident producers. *Persons employed in enterprises established in year t* is the indicator which defined as the total number of persons working in an economic unit (including owners who are gainfully employed, partners in enterprises who regularly work in the economic unit they own and employees of unpaid family), as well as people who work outside the business unit and are paid by it for various one-off services (for example, sales representatives, delivery staff, repair and maintenance teams). This excludes labor provided to the unit by other enterprises, persons performing repairs and maintenance in the economic unit under consideration, as well as those performing compulsory military service. Studied sectors refers to Industry, construction and services except insurance activities of holding companies (I1); Industry (except construction) (I2); Construction (I3); Wholesale and retail trade, repair of motor vehicles and motorcycles (I4); Transportation and storage (I5); Accommodation and food service activities (I6); Information and communication (I7); Financial and insurance activities, real estate activities except activities of holding companies (I8); Professional, scientific and technical activities, administrative and support service activities (I9); Education, human health and social work activities (I10); Arts, entertainment and recreation, other service activities (I11).

Data simulation, in SPSS and Excel, return models for each European studied countries. The results, validated statistically, return no errors. Parametric analysis under ANOVA has been used for current data and forecasting analysis for forecasts data.

10. Results and discussions

According to Eurostat [3], in 2014 – 2018 period, the European mountain entrepreneurship regarding the employment fluctuate considerable. In general, most of the indicators presented above increase, meaning that the unemployment has been reduced in the European mountain area.

Employees of enterprises established in year t represent in the European countries people which migrate from other countries or lowland area, respectively I1 increase in Bulgaria with 8.56%, Czechia 2.64%, Spain 12.89%, France 2.35%, Croatia 4.96%, Italy 9.99%, Austria 6.49%, Portugal 14.81%, Romania 8.32%, Slovakia 9.05%; I2 in Bulgaria with 3.20%, Czechia 7.23%, Spain 14.29%, France -1.59%, Croatia -1.53%, Italy 4.93%, Austria 6.91%, Romania 4.11%, Slovakia 12.51%; I3 in Bulgaria increase with 4.90%, Czechia -1.49%, Spain

22.60%, France 0.94%, Croatia 5.86%, Italy -0.93%, Austria 5.12%, Portugal 7.99%, Romania 1.96%, Slovakia 13.61%; I4 in Bulgaria with 1.35%, Czechia -0.01%, Spain 11.40%, France -1.63%, Croatia -4.17%, Italy 6.35%, Austria 4.29%, Portugal 13.35%, Romania 5.19%, Slovakia 7.22%; I5 in Bulgaria with 8.82%, Czechia 11.53%, Spain 15.37, France 9.80%, Croatia 4.87%, Italy 13.28%, Austria -100%, Romania 27.99%, Slovakia 10.24%; I6 in Bulgaria with 9.74%, Czechia 9.34%, Spain 25.05%, France 9.91%, Croatia 16.84%, Italy 33.38%, Austria 7.42%, Portugal 30.41%, Romania 19.12%, Slovakia 35.40%; I7 in Bulgaria with 40.10%, Czechia 18.53%, Spain 19.39%, France 19.93%, Croatia 6.32%, Italy 13.81%, Portugal 41.54%, Romania 36.40%, Slovakia 36.84%; I8 in Bulgaria with 5.40%, Czechia -6.92%, Spain -4.32%, France -1.43%, Croatia 20.07%, Italy 1.99%, Austria -3.03%, Portugal -4.90%, Romania 22.81%, Slovakia 20.92%; I9 in Bulgaria with 22.13%, Czechia 13.81%, Spain 12.53%, France 4.27%, Croatia 5.25%, Italy 18.28%, Austria 15.97%, Portugal 26.85%, Romania 6.05%, Slovakia 19.65%; I10 in Bulgaria with 7.13%, Czechia -27.33%, Spain -8.23%, France 4.09%, Croatia 16.85%, Italy in 18.33%, Austria 4.06%, Romania 42.90%, Slovakia -39.33%; I11 in Bulgaria with 24.78%, Czechia -6.14%, Spain 35.93%, France 11.68%, Croatia 21.01%, Italy 13.73%, Austria -0.42%, Portugal 20.85%, Romania 9.01%, Slovakia 29.34% [3].

Horizon models for 2030 (Appendix 1) present forecasts with significant linear ascension based on mountain entrepreneurship investments.

Table 1. Horizon 2030, *Employees of enterprises established in year t - number*

<i>Model</i>	<i>2020</i>	<i>2025</i>	<i>2030</i>
Bulgaria-Model_1	1,618,272	1,853,505	2,088,738
Czechia-Model_2	464,803	482,613	500,422
Spain-Model_3	7,571,317	8,628,934	9,686,551
France-Model_4	2,328,910	2,395,348	2,461,785
Croatia-Model_5	217,370	232,087	246,804
Italy-Model_6	5,364,702	5,992,517	6,620,331
Austria-Model_7	1,533,069	1,644,349	1,755,629
Poland-Model_8	503,631	570,376	637,121
Portugal-Model_9	710,567	816,192	921,818
Romania-Model_10	1,239,730	1,369,111	1,498,493
Slovakia-Model_11	715,858	801,036	886,213

Source: Eurostat, 2021.

Research results show that Bulgaria will increase employees from 1,618,272 (2020) to 2,088,738 (2030), Czechia from 464,803 (2020) to 500,422 (2030), Spain from 7,571,317 (2020) to 9,686,551 (2030), France from 2,328,910 (2020) to 2,461,785 (2030), Croatia from 217,370 (2020) to 246,804 (2030), Italy from 5,364,702 (2020) to 6,620,331 (2030), Austria from 1,533,069 (2020) to 1,755,629 (2030), Poland from 503,631 (2020) to 637,121 (2030), Portugal from 710,567 (2020) to 921,818 (2030), Romania from 1,239,730 (2020) to 1,498,493 (2030), Slovakia from 715,858 (2020) to 886,213 (2030) as presented in Table 1 [3].

Persons employed in enterprises established in year t variate in the studied period for all the countries, thus I1 in Bulgaria with 9.53%, Czechia -4.98%, Spain 10.97%, France 5.47%, Croatia 3.97%, Italy 5.83%, Austria 5.91%, Portugal 15.44%, Romania 7.50%, Slovakia 9.08%; I2 in Bulgaria with 3.48%, Czechia 1.94%, Spain 12.87%, France -0.72%, Croatia -2.25%, Italy 3.22%, Austria 6.64%, Romania 3.82%, Slovakia 11.57%; I3 in Bulgaria with 6.06%, Czechia -3.13%, Spain 13.41%, France 3.05%, Croatia 3.96%, Italy -4.82%, Austria 5.41%, Portugal 8.89%, Romania 2%, Slovakia 13.60%; I4 in Bulgaria with 2.94%, Czechia -10.84%, Spain 7.15%, France -0.03%, Croatia -5.77%, Italy 0.10%, Austria 3.63%, Portugal 11.43%, Romania 2.84%, Slovakia 0.96%; I5 in Bulgaria with 10.08%, Czechia 7.14%, Spain 11.24%, France 14.15%, Croatia 3.80%, Italy 9.65%, Austria 2.66%, Romania 25.41%, Slovakia 10.74%; I6 in Bulgaria with 9.79%, Czechia -2.64%, Spain 17.94%, France 8.52%, Croatia 12.83%, Italy 20.25%, Austria 4.43%, Portugal 30.33%, Romania 17.26%, Slovakia 24.19%; I7 in Bulgaria with 40.40%, Czechia -3.14%, Spain 20.32%, France 19.23%, Croatia 6.26%, Italy 11.94%, Austria 17.99%, Portugal 40.30%, Romania 28.32%, Slovakia 33.27%; I8 in Bulgaria with 7.71%, Czechia -32.44%, Spain 3.42%, France 5.63%, Croatia 20.90%, Italy 1.26%, Austria -3.05%, Portugal 2.50%, Romania 22.28%, Slovakia 42.15%; I9 in Bulgaria with 22.75%, Czechia -7.89%, Spain 13.46%, France 10.37%, Croatia 5.94%, Italy 13.12%, Austria 12.94%, Portugal 25.50%, Romania 4.17%, Slovakia 21.05%; I10 in Bulgaria with 7.57%, Czechia -25.18%, Spain -4.83%, France 10.03%, Croatia 15.51%, Italy 15.52%, Austria 6.75%, Romania 38.30%, Slovakia -35.69%; I11 in Bulgaria with 27.22%, Czechia -16.55%, Spain 31.33%, France 13.04%, Croatia 26.05%, Italy 8.45%, Austria 2.01%, Portugal 23.57%, Romania 19.67%, Slovakia 27.38% [8].

According to horizon 2030 (Appendix 2), forecasts values show that the European countries will invest significantly in mountain entrepreneurship, especially in resident employee. According to the results Bulgaria will increase persons employed from 1,775,258 (2020) to 2,149,679 (2030), Czechia from 595,262 (2020) to 543,514 (2030), Spain from 9,371,157 (2020) to 11,627,330 (2030), France from 3,553,038 (2020) to 3,997,635 (2030), Croatia from 241,831 (2020)

to 268,669 (2030), Italy from 7,713,383 (2020) to 8,845,947 (2030), Austria from 1,822,695 (2020) to 2,071,478 (2030), Poland from 642,247 (2020) to 764,701 (2030), Portugal from 917,129 (2020) to 1,198,265 (2030), Romania from 1,409,017 (2020) to 1,700,254 (2030), Slovakia from 971,323 (2020) to 1,196,374 (2030) as shown in Table 2 [3].

Table 2. Horizon 2030, *Persons employed in the population of births in t – number*

<i>Model</i>	2020	2025	2030
Bulgaria-Model_1	1,775,258	1,962,468	2,149,679
Czechia-Model_2	595,262	569,388	543,514
Spain-Model_3	9,371,157	10,499,244	11,627,330
France-Model_4	3,553,038	3,775,336	3,997,635
Croatia-Model_5	241,831	255,250	268,669
Italy-Model_6	7,713,383	8,279,665	8,845,947
Austria-Model_7	1,822,695	1,947,087	2,071,478
Poland-Model_8	642,247	703,474	764,701
Portugal-Model_9	917,129	1,057,697	1,198,265
Romania-Model_10	1,409,017	1,554,636	1,700,254
Slovakia-Model_11	971,323	1,083,848	1,196,374

Source: Eurostat, 2021.

According to the data presented in the results, the current values of the *Employees of enterprises established in year t* indicator in the mentioned sectors and countries increases considerably in 2014-2018 period.

Countries with important rising for this indicator, as Austria, Bulgaria, Italy, Portugal, Spain and Slovakia (Fig. 1) will sustain employment for non-residents or people which return in their original countries (still having other resident or citizenship).

Persons employed in enterprises established in year t indicator display increasing values for all sectors and countries mentioned, but differently from the other indicator this one has a slower growing in 2014-2018 period. Austria, Bulgaria, Italy, Spain, Portugal, Romania and Slovakia will increase the persons employed indicator significantly, while Czechia will decrease mountain employment (Fig. 2). Countries with increasing values will sustain employment for residents or people from lowland area or Romanian citizens which return in their original countries and do not have any more other resident or citizenship.

Supply-production-distribution chains should be shortened so that the end product reaches the best product/service in terms of transformation in value chains.

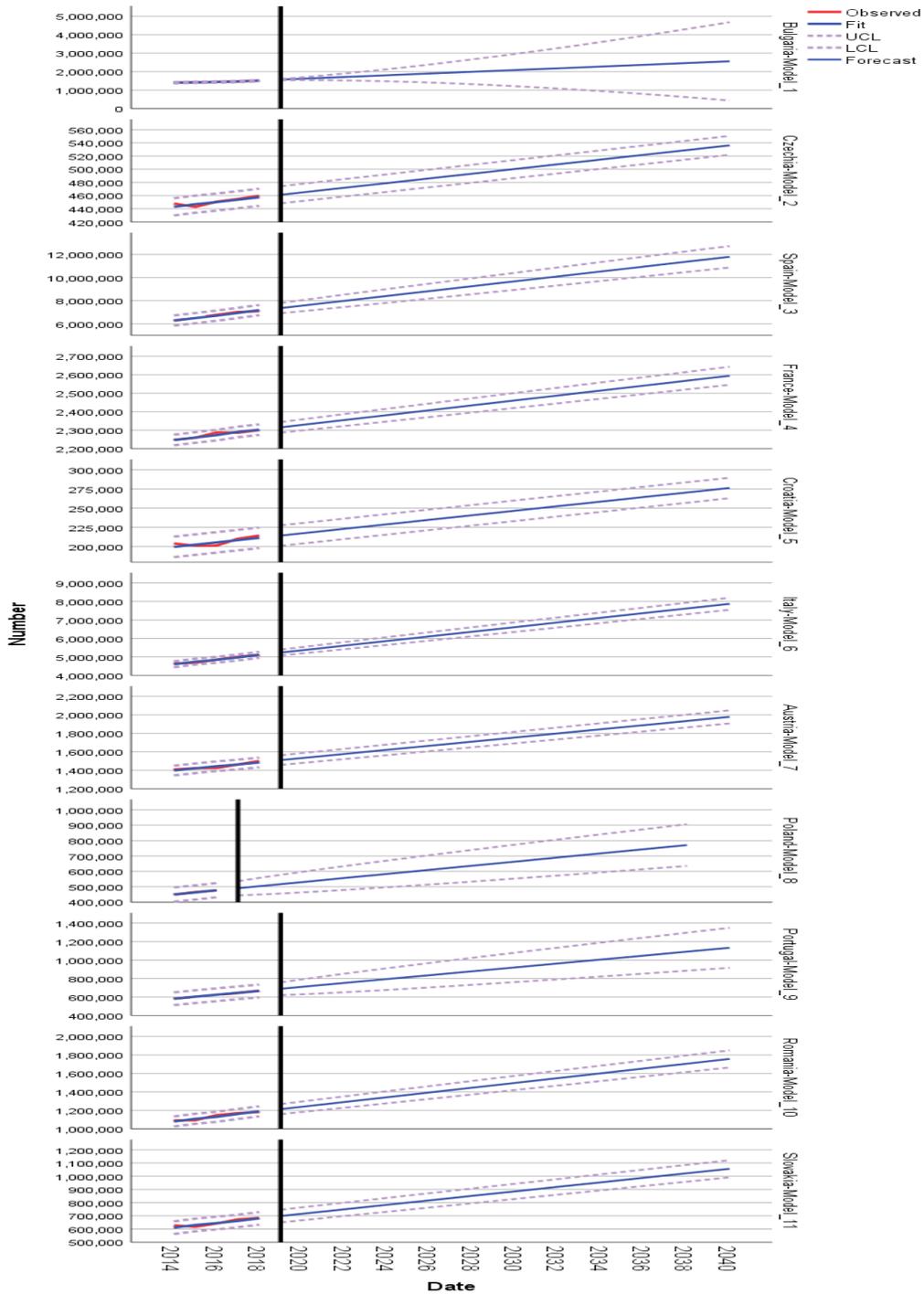


Fig. 1. Horizon 2040, Employees of enterprises established in year t;
 Source: Eurostat (2021).

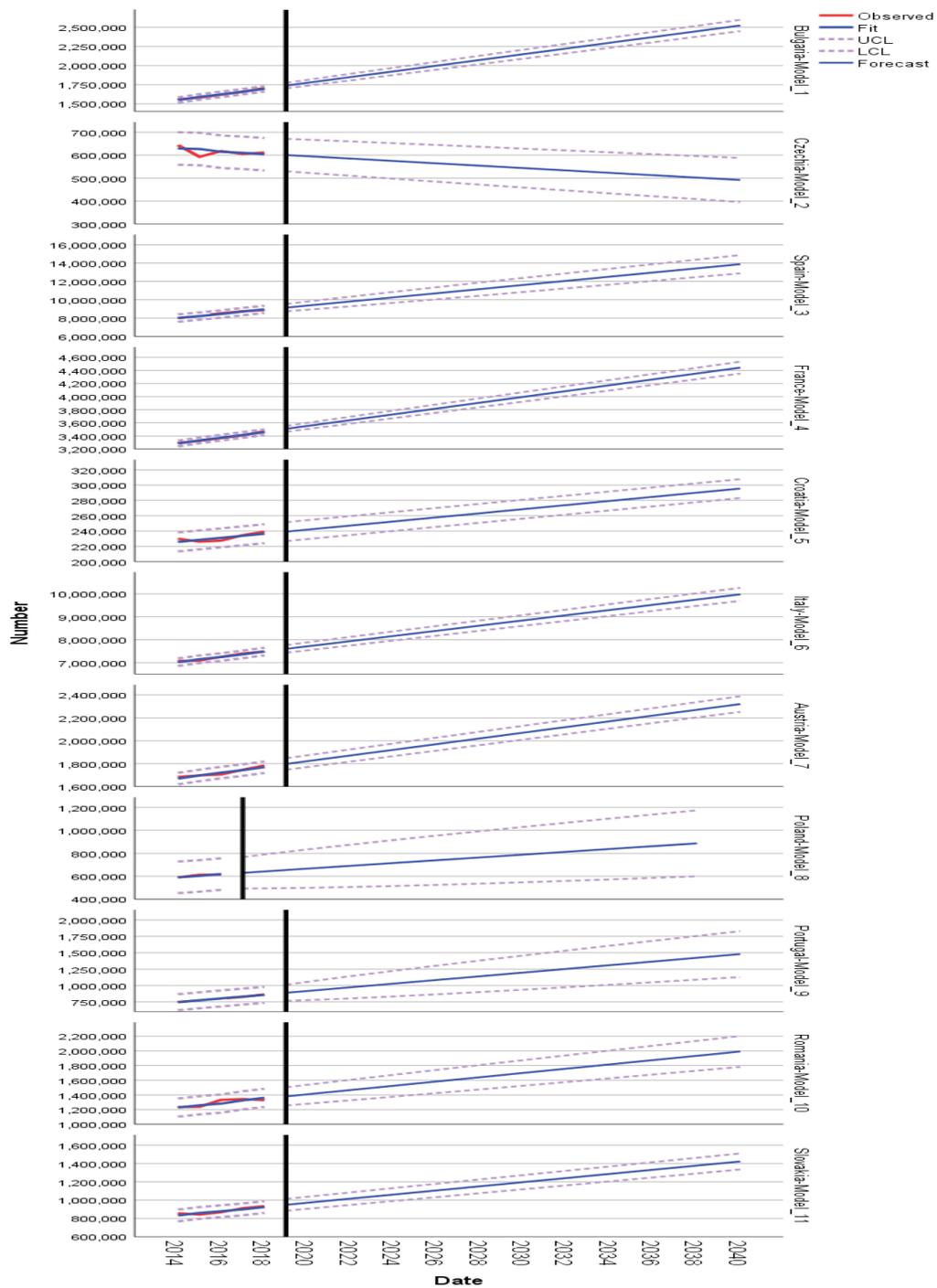


Fig.2. Horizon 2040, Persons employed in enterprises established-year t ;
Source: Eurostat (2021).

11. Conclusions

- (1) Forecast values for *Employees in the population of births in t – number* and *Persons employed in the population of births in t – number* show that European presented countries invest significantly in mountain entrepreneurship, especially in employment. Integration of the primary with secondary and tertiary sectors, mainly with tourism by ensuring functional synergies.
- (2) The specific solutions required for the development of large producing farms converge towards the evolution from an agrarian system to an agro-pastoral-tourist one.
- (3) Regarding the small farms and individual producers, the impossibility of developing their own agro-pastoral-tourist system leads to the idea of the progress of the tourist system of the respective mountain area to which entrepreneurs can join.
- (4) Classic economic chains need to be transformed into value chains with the added potential of mountain sustainability.

REFERENCES

- [1] Abuselidze, G., Johann, M., Creating the Unique Destination Proposition (The Case of Poland), (2015), <http://ejournals.atsu.ge/BLSS2015/eJournal/Papers/AbuselidzeGeorge.pdf>, Accessed on August 20, 2021.
- [2] Basariya, S. R., Ahmed, R. R. The Influence of ‘Adventure Tourism Activities’ in promoting tourism business in mountain stations. *Journal of Hospitality and Tourism Management*, Vol. 8(2):1-10. (2019).
- [3] Eurostat, Business demography by size class (from 2004 onwards, NACE Rev. 2) – Mountain region, 2021. <https://ec.europa.eu/eurostat>, Accessed on August 20, 2021.
- [4] Genovese, D., Culasso, F., Giacosa, E., Battaglini, L. M., Can livestock farming and tourism coexist in mountain regions? A new business model for sustainability. *Sustainability*, Vol. 9(11). (2017).
- [5] Hughey, K., Big business and the mountain environment: Focus on mining, Lincoln University, New Zealand. (1997).
- [6] Marin-Yaseli, M.L., Lasata Martinez, T., Competing for Meadows. A case Study on Tourism and Livestock Farming in the Spanish Pyrenees. *Mount. Res. Dev.*, Vol. 23:169–176. (2003).
- [7] Putkaradze, M. P., Abuselidze, G. The impact of tourism on business development in mountain regions: a case study. *International Journal of Economics & Business Administration*, Vol. 7(3):70-83. (2019).

- [8] Verma, R., Business as unusual: The potential for gender transformative change in development and mountain contexts. *Mountain Research and Development*, Vol. 34(3):188-196. (2014).