Environmental Barriers and Protected Areas: Obstacles for Investment, or New Opportunities?

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Abstract

Structural development in the European protected areas is limited, because of conservational laws and conservational restrictions. Construction industry often applies push strategy in the purpose to break some rules or to obtain permissions for new structural projects. Such activities are negatively perceived by local communities and may even lead to local protests and consequent damage of reputation as well as public opinion. The present study aims to suggest a general investment strategy that utilizes natural potential of protected areas and, at the same time, respects borders of officially protected areas. The key idea is to make a shift from a small individual orders with local character to long-term land use developmental projects with potential of sustainable economic performances. Another feature of suggested investment strategy is creation a new space instead of penetration into space restricted by conservational laws and restrictions. Practical commercial feasibility of the suggested strategy is demonstrated on the case of areas revitalized after strip mining in the northern Bohemia.

Keywords: Environmental barriers, protected areas

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1. Introduction

Expansion of human world population is still reducing the surface of remaining natural areas. In the European context it causes a very strong pressure to active environmental conservation of remaining biotopes including establishments of new protected areas. Human world population is still increasing and its spatial needs often operate against nature. More people need more space for living, for working as well as for entertainment and relaxation. The present paper discusses the essence of this human / nature interaction and posits the question: Are borders of protected areas real obstacles for investment? This question will be further developed on the case of construction industry and its interaction with environmental conservation of natural protected areas.
Structural development in the European protected areas is limited, because of existence of conservational laws, conservational restrictions, and borders of protected areas. In line with the growth of cities and their pollution, the demand on housing in a nice natural environment is continually increasing. Many of managers, entrepreneurs, politicians and high governmental officers are highly motivated to buy residences in some of natural protected areas. Given the fact that structural development in the protected areas is limited, big construction enterprises press conservationists and local municipalities to break some rules or to obtain permissions for new structural projects in the protected areas. Big construction enterprises are often successful due to their high financial resources. This application of "push strategy" is negatively perceived by local communities and may evenly lead to local protests and consequent damage of reputations as well as public opinion of particular construction enterprise. Medial presentations of these conflicts do not support credibility of construction industry on the whole and it may sometimes also lead to decreased support from external stakeholders.

The core of these conflicts is based on non-systematic investment strategies of big construction enterprises, at least in the case of big construction enterprises working in the Czech Republic. Construction enterprises are seeking for one-off commercial orders like building of individual residences, hotels, pensions, supermarkets, or power stations. Individual business activities are, therefore, fragmented into high number of smaller projects. This strategy brings only one-off financial profits and it does not bring long-term competitive advantage, because all construction enterprises offer almost similar projects. However, there is also another possibility that enables building of long-term competitive advantage and sustainable economic performances (see part Implications for investors). This long-term investment strategy is based on utilization of borders of the protected areas as an opportunity for investment. However, it does not mean to break these borders, but to invest into structural development along these borders outside of the protected areas. Such structural development can utilize the natural potential of current protected areas and respect conservational laws and restrictions at the same time. Further details of the suggested strategy will be described in the second part of the paper.

2. Business of nature-based tourism

Tourism has been identified as one of the largest and fastest growing industries in the world (Miller, 1990). Especially nature-based tourism seems to be the most important contributor to that growth (Orams, 1995). An increasing number of tourist resorts are utilizing nature-based attractions and protected areas for recreational and touristic use of the natural environment. A nature-based travel is defined as "travel motivated totally or in part by interests in the natural history of a place, where visits combine education, recreation and often adventure" (Laarman & Gregersen, 1996: p. 247). This definition reveals the main motivations for nature-based tourism - the enjoyment of different places and the pleasure of engaging in aspects of other cultures. Although some authors (Uriely, 2005) pointed out that many of these experiences and attractions are accessible through mass media and Internet, it does not seem that virtual reality is able to fully substitute the real experiences. Wickens (2002) provided main general categories of motivations for tourism: placing a strong emphasis on the local culture, searching for sensual and hedonistic pleasures, wishing for a romantic experience, need for sunshine and hot climate, and enjoying the familiarity of the place.
Walking in the nature helps people to clean their minds, to relax and to forget their concerns from everyday life. Turner and Ash (1975) enhanced the significance of temporary distance of tourists from their regular environments. The change of place enables tourists to be opened to various new stimuli and they can think about their lives from a different perspective. Munt (1994) pointed out to growing popularity of outdoor activities like climbing, mountain biking, kiting, paragliding, parachuting etc. He also pointed out that many of nature-based programs are designed for managers, what points out to the incorporation of tourism practices into professional domain.

Business of nature-based tourism is considered very interesting for possible investment projects of big construction enterprises. This sector has dynamic nature a progressive growth. These features make up its very good investment potential with perspective of good return of investment.

3. **Implications for investors**

Existing developmental activities of big construction enterprises in the protected areas are focused mainly on one-off commercial orders in the case of the Czech Republic. However, big construction enterprises have sufficient investment capital to begin with more systematic developmental activities that can bring higher capital augmentation in the future. The key idea is to make a shift from small individual orders with local character to long-term land use developmental projects with potential of stable profits. Another feature of the suggested investment strategy is creation of a new space instead of penetration into space restricted by conservational laws and restrictions.

The suggested investment strategy is applicable, for example, in the case of commercial structural development of areas revitalized after strip mining in the northern Bohemia. The northern Bohemia coalfield is the biggest deposit of brown coal in the Czech Republic. Massive strip mining between years 1860 and 2013 destroyed about 40 000 ha of landscape in this area (Vrablikova, 2008, Figure 1). Eighty four settlements were liquidated due to establishments of new strip mines included liquidation of town Most with 34 000 inhabitants in years 1967-1982. Due to the fact that many of deposits of brown coal were depleted, revitalizations of the landscape started after closing particular mines. Currently, there are many revitalized areas covering 6 945 ha of landscape in the northern Bohemia coalfield (www.czechcoal.cz). These large areas do not include almost any settlements, some of them are utilized for agriculture, some of them are covered by grass and small trees.
These revitalized area borders directly with natural protected area "CHKO Ceske Stredohori" as well as with nice natural area "Podkrušnohori" (see Figure 2). Both of areas are highly attractive touristic localities providing natural environment enabling tracking, cycling, relaxation in the countryside and other outdoor sport activities. The commercial potential of this area is high, but partly unutilized.

Large revitalized areas of the northern Bohemia are very suitable for large-scale, landscape developmental projects that could create new, creative space for entertainment, relaxation, and tourism. Such big-scale structural projects could include combination of entertainment facilities, accommodation for tourists as well as alternative land use of agriculture areas. The base of such projects may be entertainment space. Such space could be structured in various ways. One possibility is to build new thematic villages, for example, medieval village or town, archaic Slavic agriculture village, pastoral farmsteads with traditional animal production, cosmic town etc. All types of suggested projects could be accompanied by accommodation capacities, sports fields, taverns, pubs, botanical gardens, safari, parks for relaxation, interactive entertainment attractions, or summer cinemas, spectacles and open air theatres. Combination of highly attractive touristic localities of natural areas "CHKO Ceske Stredohori" and "Podkrušnohori" with newly
developed entertainment facilities will create a very interesting investment opportunity with long-term stability and good return of investment.

Figure 2. Natural area Podkrušnohori (Photo: Radek Trnka).

Moreover, such strategic change of investment would fully respect conservational laws and conservational restrictions, because all landscape developmental projects would be conducted in the areas revitalized after strip mining that are rather valueless for conservationists due to their degraded biodiversity. On the other hand, newly constructed accommodation capacities will be
located close to both natural areas and clients will be able to utilize it for tracking, cycling, or other outdoor sport activities.

Implementation and following operation of above-suggested landscape developmental projects would have also additional indirect effects. Operation of large-scale entertainment enterprises will create many new job opportunities in the northern Bohemia. Reduction of unemployment will be supported by local municipalities that are very interested in creation of new job opportunities, because of their popularity in regard to next elections. Positive communication with local municipalities and common objectives are very desirable given the fact, that many of constructional permissions for private-sector developers are approved just by local municipalities. There are also grant opportunities that are able to gain financial support from structural funds of European Union and where the cooperation of public- and private-sector developers is very desirable. Common grant applications for financial support from European Union represent a new dimension of cooperation between construction industry and local municipalities.

The project of western village "Sikluv Mlyn" is already implemented example of a good practice in this sense (www.sikland.cz). The entertainment western village Sikluv Mlyn is situated in the southern Moravia. This entertainment project started in 1994 as a small-scale western village with several themed houses. This business plan was very successful and original area was enlarged about new two villages and estates during several next years. Many further facilities were built, for example, Rodeo arena, amphitheatre for 3 000 spectators, swimming pools, complex of hotels, themed restaurants, golf resort, airport, military and off-road zone, ŽOO, 3D cinema, model of historical spa, haunted house, crocodile park, new stables and horses, and historical railway with railway station. The western village Sikluv Mlyn is now the biggest entertainment resort in the Czech Republic and the management of Sikluv Mlyn has bought new estate in 2004 in Slovakia for foundation of similar entertainment village in Slovakia. The Slovak branch of Sikluv Mlyn was opened in 2005.

4. General features of suggested strategy

The motto of the suggested strategy is "create a new space". This expression captured the main focus on the utilization of areas that are available for implementation of new, large-scale business plans instead of effort to penetrate areas that are restricted in any manner. General features of the suggested strategy will be explored with the help of classical typologies of business strategies in this final part of the paper.

The above-described strategy can be handled as "Differentiation" in terms of Porter’s (1980) typology. Differentiation is based on creating uniqueness in product or service. Similarly, it is "Attacking strategy", subtype "Service or product innovation" according to Miles’ theoretical approach (1982).

Further, we can analyze the strategy from the view of competitive position. The strategy can been characterized as "Expansion" (Wissema, Van der Pol, & Messer, 1980) in the initial stage of investment plan, however, it can be considered "Continuous growth" in subsequent stages of further development.

The rate of investment offers another view with focus on capital demands. General strategy "Turnaround" is typical with improvement of strategic posture and higher investment
requirements (Hofer & Schendel, 1978). Galbraith and Schendel’s (1983) general strategy "Builder" similarly supposes high level of investment as well as strong commitments to promotion and investment support of a high visibility for the product. The basic precondition for success of this strategy is a high degree of product/service differentiation. This feature corresponds well with Porter’s general strategy "Differentiation". Also Amit and Zott (2001) considered novelty and uniqueness as one of four basic drivers of value creation for business strategies.

5. Conclusions

The present paper was intended to show that environmental conservation and business interests do not have always to be in conflict. Harmonization of organizations interests with conservationists interests represents a big challenge for future research as well as practice. The present paper did not discussed all relating issues, for example, general business conditions, or communication between private sector and conservation bodies. Further question is, whether nature-based tourism can be sustainable and what management strategies can be employed to minimize the negative impacts which are associated with anthropogenic influences on natural ecosystems. (see Orams, 1995). These issues can be impetus for future research works in the field of interrelations between construction industry and environmental conservation.

References