

THE OBJECTIVES OF SUSTAINABLE DEVELOPMENT IN SERBIA

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Abstract: *The purpose of the paper is to identify the development degree of the chosen area. So we want to underline that, despite the fact, that the Serbian economy has faced with economic decreases, in the last decades of the 20th century, with the disintegration of Yugoslavia, with interethnic wars Serbia still has a transition economy. In order to reduce the imbalances between the different areas of the region, due to irregular economic development on its territory, were established several priority development areas.*

Key words: *development, Serbia, objectives*

INTRODUCTION

Serbia is a unitary state, administratively organized in 2 autonomous provinces, 29 districts, 24 cities and 150 communes. Serbia has two autonomous provinces: Vojvodina in the north (with 39 communes and 6 cities) and Kosovo and Metohia in the south (with 28 communes and one city).

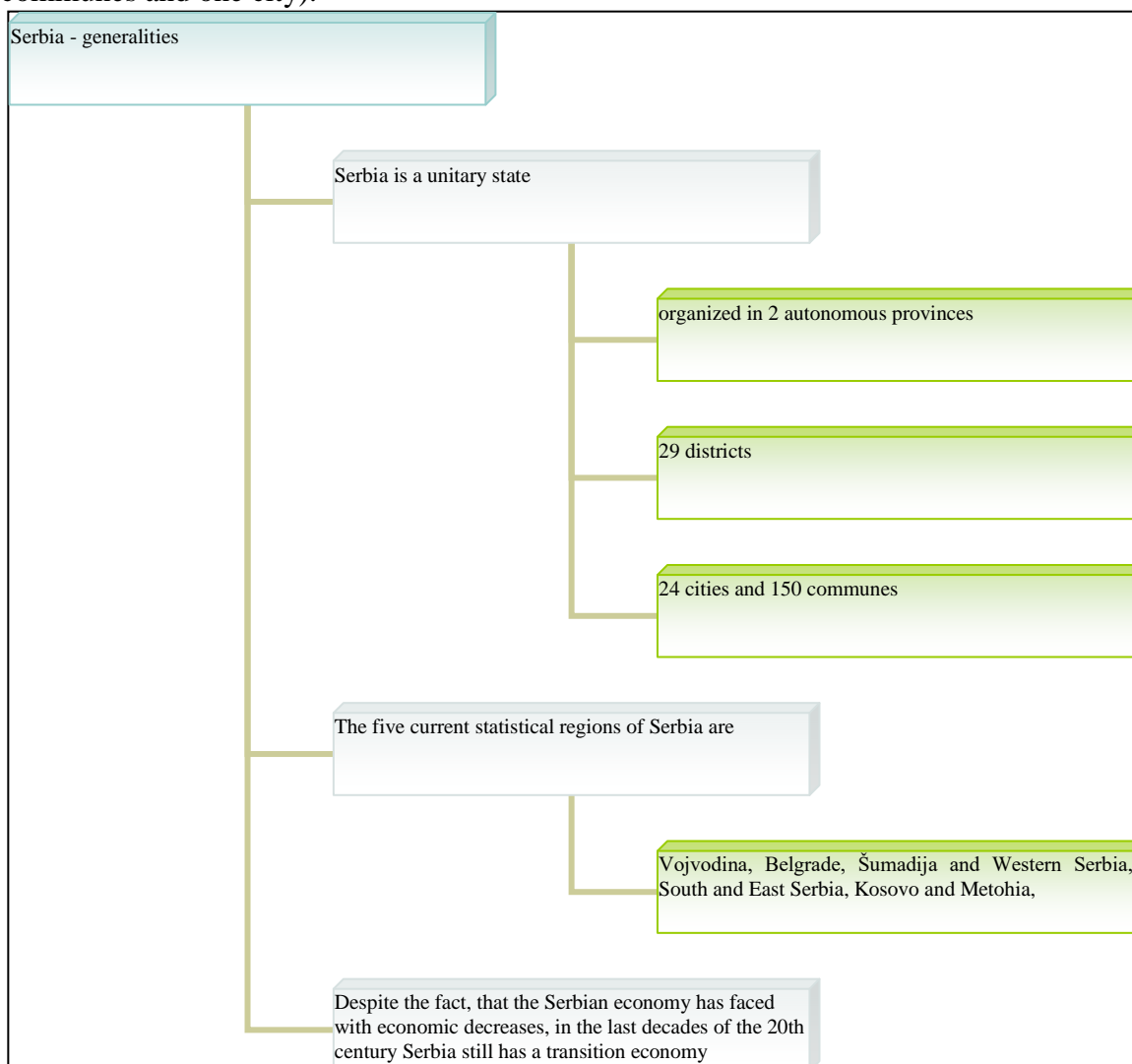


Figure 1. Serbia - generalities

The autonomous province of Kosovo and Metohia (or Kosovo at a glance) was transferred to the UNMIK administration in June 1999. In February 2008, the Kosovo government has declared its independence, which was recognized by 108 countries (including most of the countries in the European Union and the United States) but has not been recognized by Serbia or the ONU. The province of Vojvodina has its own parliament and government and enjoys autonomy in certain areas, such as infrastructure, science, education and culture.

The five current statistical regions of Serbia are:

- Vojvodina
- Belgrade
- Šumadija and Western Serbia
- South and East Serbia
- Kosovo and Metohia

Despite the fact, that the Serbian economy has faced with economic decreases, in the last decades of the 20th century, with the disintegration of Yugoslavia, with interethnic wars Serbia still has a transition economy, with an incomplete privatization system and incomplete structural reforms. Major future challenges include: high government spending on wages, pensions and unemployment; an increasing need for new government borrowing; the increase of public and private foreign debts and the stagnation of the level of foreign direct investment. Privatization revenues have declined considerably in recent years, while a large percentage of economic activity remains in the hands of the state.

RESEARCH RESULTS

Serbia's agriculture [13] is at the heart of the economy and is a motor of rural development. The contribution of agriculture to Serbia's GDP remains high. In 2016, agriculture accounted for 11.9% of GDP, 2.4% higher than last year, mainly due to very favorable weather conditions and record crops. This high participation in the country's GDP resulted mainly from Serbia's fertile land and natural conditions for agricultural production, as well as the continued importance of the rural economy for the Serbian population and delays in structural reforms in other sectors of the economy. According to the Serbian Statistical Office, there are 680,000 people in agriculture, or 21% of the country's total workforce. Agriculture is also Serbia's most important export sector. In 2016, agricultural and food production accounted for 19.4% of total Serbian exports and enjoyed a surplus of 1.4 billion \$, with 130 million dollars more than in 2015 (mainly due to increased fruit exports and processed vegetables). About 60% of Serbia's agricultural area is used for cereal production, including corn, wheat, barley, sunflower, soybean and sugar beet. The main agricultural land is in the northern part of the country; Vojvodina accounts for 84% of the total cultivated land in Serbia. The country has 5.05 million hectares (ha) of arable land. Approximately 90% of the arable land is privately owned and 10% belongs to the government. [14] According to the 2012 Agricultural Census in Serbia, there are approximately 630,000 registered agricultural entities, of which about 99.6% are family households, and 0.4% are legal entities. The average size of the family farm is only 4.5 ha and the average size of the registered agricultural holdings is 10.6 ha. In Serbia, about 94% of registered farmers have up to 20 ha of arable land, while the remaining 6% are large farmers with arable land over 20 ha.

Most companies from the industry are owned by the state. Some of the most important areas and companies are:

- NIS (Serbian Oil Industry) with 7629 employees, with Gazprom as major shareholder with 56.6%.

- Srbjagas having 3011 employees, which integrates gas production, transport and distribution, providing 1/6 of domestic consumption of domestic resources.
- Telekom Serbia with 13,000 employees under privatization,
- The Smederevo Iron and Steel Company: is the most important producer in South East Europe of metallurgical products.
- Zastava-Fiat is the industrial vehicle plant in Kragujevac, being the largest exporter of goods produced in Serbia.
- Bor Metallurgical Complex: contains primary mining activities and copper ore processing, in significant quantities, at regional level. There are also projects to develop the exploitation of boron ores, phosphates, zirconium, zeolites, etc.
- Kikinda Construction Products Company is constantly developing, exporting bricks and tiles.

The ITC Serbian market was estimated at 2 billion \$ in 2016. This sector accounts for 6% of Serbia's GDP and is the most vibrant and fastest growing in the Serbian sectors from the last 10 years. According to official Serbian statistics, total revenues from mobile and fixed telephony in 2016 reached 1.2 billion dollars and 200 million dollars from Internet service operations. A total of 65% from households from the country have a computer, 64% an internet connection and 58% a fast internet connection. [15]

In order to reduce the imbalances between the different areas of the region, due to irregular economic development on its territory, can be established several priority development areas [5,6,12], meaning industrial restructuring areas around the big cities. Strategic directions of sustainable development and sectorial development strategic programs have been agreed and defined with wide consultation of local actors with responsibilities in the development of the region at several conferences organized in the past, that aimed to achieve the Economic and Social Development Strategy. Rural areas where are dominant by factors favorable to the economic and social development of the area and are characterized by a wide range of natural resources, as well as by the development of non-agricultural activities and the multiplication of income resources.

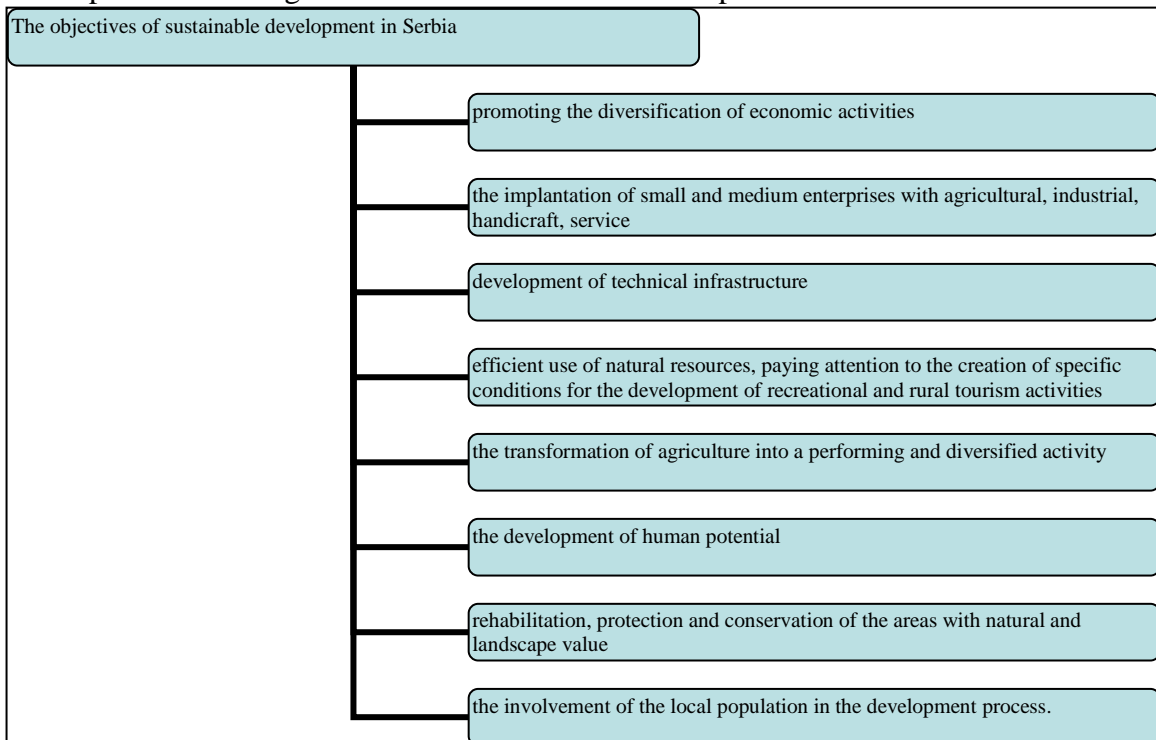


Figure 2. The objectives of sustainable development in Serbia

The objectives of sustainable development pursued in these areas that represent strong points for sustainable rural development in the region should be to: [1,2,3,9,10]

- promoting the diversification of economic activities;
- the implantation of small and medium enterprises with agricultural, industrial, handicraft, service;
- development of technical infrastructure;
- efficient use of natural resources, paying attention to the creation of specific conditions for the development of recreational and rural tourism activities;
- the transformation of agriculture into a performing and diversified activity;
- the development of human potential;
- improving social infrastructure and living conditions;
- rehabilitation, protection and conservation of the areas with natural and landscape value;
- the involvement of the local population in the development process.

The main concern about unfavorable factors that act on sustainable rural development in the rural area [4,8,11] of the Vojvodina region should once again identify the problems and then remove these areas from poverty.. the support policies for these areas and removing disfavorable factors must be oriented through:

- the development and modernization of technical infrastructure;
- promoting and realizing efficient and diversified agriculture;
- diversification of economic activities in rural areas;
- speeding up the privatization process in agriculture;
- granting young farmers premiums;
- reducing taxes and fees for entrepreneurs, who develop economic activities, related to agriculture in rural areas;
- granting loans with interest-rate subsidies for the investors which invest in these areas;
- orientation of agricultural households towards viable activities;
- improving social infrastructure;
- encouraging agro-tourism and ecological production.

The analysis of the main development resources, corroborated with the development possibilities, creates a structured aggregated model. [7] Thus, areas of activity with development potential that should be taken into account in the case of the sustainable rural development of the Vojvodina region are: Agriculture-zootechnical branch, Agriculture-vegetal branch, Organic agriculture, Unconventional rural tourism. Capital attraction is also seen by most private entrepreneurs as a taboo subject.

CONCLUSIONS

The big chance for the development of rural localities seems to be represented by European funding. Both pre-accession and post-accession projects aim to improve living standards in the rural area of the region. These contribute to a number of benefits such as:

- modernization of the agricultural holdings in order to improve their economic performance through better use of inputs, including the introduction of new technologies targeting quality as well as diversification inside and/or outside the holding;
- ensuring the restructuring of semi-subsistence farms and their transition to viable farms, increasing the income of these farms at the same time as lowering production costs, plus stopping the migration of young people, having in mind that much of the contracted projects have been submitted by young people under 40 years;

- creation and support of rural micro-enterprises from rural area, active in various fields of activity, in order to provide specific services to the rural population. The creation and development of these microenterprises has led to an increase in the income of the rural population, a better use of local resources, but also a better coverage of the need for services;

- renovation, development of the villages, preservation and improvement of the rural heritage, plus a focus on the provision of tourist services by the farm or household and maintaining the hospitality of the population, which continues the important traditions and customs of the countryside, thus ensuring the preservation of identity given the specificity of rural space.

The experience of the candidate countries in the European Union shows that the main difficulties they have encountered in the process of absorption of structural funds may, in the specific context of the Republic of Serbia, represent similar obstacles in the development of post-accession projects. If at this point in time the problem lies in the inability (largely administrative-institutional) to attract and spend European money in terms of eligibility, in the long run, the major challenge of all Member States will be to ensure sustainable absorption of Community funds, thus understanding the extent to which the absorption of this financial capital can, and even produces, added value in the medium and long term. It is therefore necessary to include in the framework of the analysis and evaluation of Community policies the concept of sustainable absorption and an appropriate indicator or composite index taking into account criteria such as: jobs created or sustained by absorption European funds; number of patents in the field of technology, obtained through the implementation of projects funded by European funds.

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