

SUSTAINABLE RURAL DEVELOPMENT

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Abstract: *Over the years, it has become a worldwide trend for developed market economies to base their competitiveness on knowledge, information, innovations, successful business strategies, etc. and less on natural resources and cheap labor. Such efforts do not characterize our environment. That is why the imperative of our time is turning towards new development trends and promoting rural development.*

Key words: *rural, agricultural, education, human resources*

1. INTRODUCTION

The economic and political changes that have taken place in Serbia in recent decades, transition, globalization, uneven regional development of the country, require a well-designed system approach. It is increasingly visible that the agricultural sector is becoming a national development opportunity. It is therefore important to provide conditions for the education of human resources in this field, that is, their integration into the formal concepts of the education process.

Namely, based on the examination of the state of agricultural development in Serbia, it can be concluded that this branch has extremely large economic strength; it forms the basis of the economy, and is responsible for the development of rural areas. Climatic conditions alongside the geophysical characteristics of Serbia are crucial factors for agricultural and tourism potential, as well as for the development of a multifunctional local economy in rural areas of the country. Most of natural resources (agricultural land, forests, water) are concentrated in rural areas, with rich ecosystems and biological diversity, as well as significant human resources, economic activities and important cultural heritage. An analysis of the current situation in the agricultural sector shows that these potentials are not adequately used. That is why priority should be given to changing the previous way of working in favor of the new investment policy.

2. AGRICULTURAL POLICY

Agriculture is an economic branch that can generate more wealth than it does now, thus contributing to the development of the country and helping to ease the transition process in the short run. However, it cannot continue to employ the current number of people and expect to be competitive in the environment that Serbia strives for through integration processes. The conflict between the role of agriculture in economic development and its social components is what characterized the past period. Slowly but surely, changes are taking place in agriculture, rather as a response to market processes, than as a clear national strategy for the development of the sector, whereas institutional and legislative reforms have started, but have not ended yet.

The economic structure of rural areas of the Republic of Serbia is highly dependent on the primary sector, especially agriculture, and is still based on depleting natural resources. High share of agriculture, food industry, mining and

energy, and low share of tertiary sector in the realized GDP, are basic characteristics of the economic structure of rural areas of the Republic of Serbia. The achieved level of diversification per performance is similar to that in the countries within the region, and is confined to almost identical factors: the unfavorable position of the agrarian sector and rural areas in development policies and commitments, unfavorable capital market and insecure investment environment, a limited market for the placement of products and services, insufficiently educated human potential, and low level of private entrepreneurship.

As to the issues relating to the possibilities of Serbia's accession to the EU and WTO (World Trade Organization), and its adapting to the EU requirements and standards, there are seven major challenges to address in the future of agricultural development, and they are as follows:

- food production,
- globalization,
- environmental protection,
- economic issues,
- territorial approach,
- diversity,
- simplification of agrarian policy.

This would ensure stable and safe food supplies at prices affordable for consumers. In line with the Common Agricultural Policy (CAP), the European Union has adopted a set of regulations and practices aimed at ensuring the sustainability of rural life in the long run through a single agricultural policy for all its members, adapting agrarian measures accordingly, as follows:

- increase productivity by promoting technological progress and optimizing the use of all factors of production, and primarily labor;
- provide an adequate standard of living for the agricultural community;
- ensure the availability of supplies;
- provide food at prices affordable for consumers.

3. DEMAND FOR NEW EXPERTS

Bearing in mind the experience of surrounding countries, which have imposed very rigorous criteria and requirements to farmers involved in the EU programme, it is necessary to start immediately with the education of all interested users, and to prepare projects that would meet such strict criteria. The uncertainty regarding the accession to the EU and WTO has adversely affected the dynamics of adapting to the required standards and procedures. Considering the fact that, in our country, professional farmers are in minority compared to those who still engage in agriculture inadequately and by the way, during the EU accession process, it is necessary to do the following:

- create opportunities for education of human resources in the field of agrarian sectors,
- ensure their integration into the formal concepts of the education process,
- create opportunities for organizing specialized trainings.

Previous experience in the agrarian sector in the country has shown that political changes in the top ministry further complicate the implementation of incentives and measures in the field of agrarian sectors. This has contributed to the slow development of support institutions and legislative framework, slow compliance with food safety standards, changes in ownership structure and property consolidation, slow development of the loan and land market, gradual opening up of the market, insufficient development and establishment of modern market chains operating within the legal bounds. As to the establishment of market chains, there are two main challenges to address. The first one is how to include small-scale producers (family households) into a modern market chain, as they are largely uncompetitive, work in informal environments, and the cost of their compliance with standards is high. This is often accompanied by the rivalry between the traditional and modern technology, by the constantly present problem of ensuring the adequate quality of all raw materials. Another challenge is how to increase competitiveness at the level of processing capacity, which will increase consumption by penetrating new markets.

Numerous trends are taking place, which have yet to affect farmers or inhabitants of rural areas. The agricultural holding is changing its role in the sense that it no longer only produces food, but requires new skills and more extensive knowledge about economics, marketing, management in agriculture, and also needs a higher level of education of rural population, which will increasingly seek jobs in the service industry. This all speaks in favor of the need for the adoption of a human resource management strategy in this field.

4. PICTURE OF RURAL AREAS IN SERBIA

According to the collected data (Statistical Office of the RS, 2014), the Republic of Serbia has 5.06 million hectares of agricultural land, 71% of which is intensively used (as arable land, orchards and vineyards), while 29% of agricultural areas are natural grasslands (meadows and pastures). The dominant part of agricultural land, 3.3 million hectares or 65%, is used as arable land, about 7% of which is not used every year (lying fallow or remaining uncultivated). In addition to the areas lying fallow, a significant part of areas covered in meadows and pastures are not used because they are inaccessible, overrun with weeds or economically inefficient. Estimates are that 200 to 350 thousand hectares of fields and meadows are not cultivated each year, whereas the area of unused agricultural land with pastures is significantly higher.

Furthermore, based on the observation of the situation in rural areas in the Republic of Serbia, the following tendencies have been noticed: the reduction in the number of farmers, decreasing demand for labor, increasing migration to cities due to seeking employment, decreasing area of agricultural land, the EU approximation process and membership. It should be borne in mind that the agrarian budget is lower than the budgets of the countries with which Serbia's agriculture compete on the same markets, and that financial support per farm is much higher in those countries, which puts Serbian producers in an unfair position on the market. However, in Serbia, all hopes are constantly pinned on agriculture, which should be cornerstone of the strong food industry. The data show that the average agricultural yield in Serbia today does not exceed 50% of its real potential, and the number of employees is catastrophically low. Furthermore, it is estimated that the agrarian sector can employ another three hundred thousand people and increase the gross national product by over two to three billion euros. Improving the position of the agrarian sector, increasing the yield, income and employment in agriculture would have a positive effect on the development of the processing industry, primarily on food industry, on the one hand, and on the development of all other accompanying economic activities and sectors on the other hand. To that end, it is necessary to change the conditions in which the agricultural activity takes place, primarily by changing the economic policy of the country in which the agrarian sector must be a priority. In order to develop competitive agriculture in the country, investments in new production technologies, new materials and resources, human resource development and quality standards are needed to match the European competition. The implementation of reforms in agriculture, organization and financial incentives for agricultural production, professional support and assistance to farmers (recommendations, advice on production, introduction and application of new knowledge and achievements) can create conditions for faster development of Serbian agriculture.

Analyzing the development of rural areas, it can be concluded that agriculture remains a dominant activity in most areas, characterized by small farms, low productivity rates and low income of farms. A large number of households are farms that produce for their own needs, with almost no surplus agricultural product. However, the number of farms that produce for a market is increasing, and with the introduction of proper education in the agrarian sector, these farms would become competitive on the market. Infrastructure in rural areas, both economic (roads, water supply, communications) and social (schools, health services), is weak and undeveloped and therefore negatively affects the competitiveness and social structure of rural areas. In order to develop agricultural farms and villages, which are almost abandoned due to the growing urban population, all social and economic subjects must make a contribution to the changes that would create a village as an urban, business, and geographically defined whole, connected with its closer and farther surroundings through developed communal infrastructure.

4. CONCLUSION

The development of rural economy requires the existence of a sustainable and strong, demographically balanced rural community, satisfactory income and additional employment opportunities, in which residents can easily adapt to economic, social, political and environmental changes. The development of villages offering new social events and work possibilities will contribute to the growth of agricultural production and additional value creation, as well as to the integrated rural development based on the competitive advantage of the area, which would not focus on a single industrial branch, but will be in line with global trends and with the possibility of international integration (EU, WTO). The development should be based on the establishment of institutions and policies to enhance sustainable rural development; on increasing capacity for employment and diversification of economic activities based on the principle of the knowledge economy, on growing awareness of natural resources, environmental protection and preservation of the environment, as well as on the principle of reducing poverty, which is a prominent

feature of rural areas. Bearing this in mind, Serbia should provide equal opportunities for all inhabitants of rural areas for achieving social, ethical, and moral goals such as the access to education, courses and human resources training, which represent a source of economic power of a society, together with the access to vocational training and lifelong learning. It should invest in the social community development and improvement, prioritizing active participation in the work of relevant bodies, and appreciating cultural identity.

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