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CHALLENGES AND PROSPECTS OF MEDICAL TOURISM IN THE WORLD AND THE REPUBLIC OF SERBIA

The subject of this paper is an analysis of medical tourism, in order to draw attention to contemporary trends and the factors that influence its development. We have tried to define the concept of medical tourism, the directions of movement of patients – tourists and look at the factors that influence decision-making in the choice of a particular destination.The results of this research show that the number of medical tourists is increasing. The analysis of the potential that Serbia has in the field of medical tourism, we have concluded that large cities have the largest private hospital complex. Even though the interest of patients from abroad are great, so far reference hospitals do not participate in organized medical tourism.Organized and synchronized performance of travel agencies and medical institutions, as well as adequate measures of the Government of Serbia would helpSerbia to become a centre of medical tourism in Southeast Europe.

Key words: medical tourism, patient, competitiveness

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Introduction

Provision of medical services is now increasingly influenced by global trends in order to create a global patient, staff and services. Health care at the national level in recent years has become a serious problem. The high price level, the long wait for the execution of specific interventions made the patient in this area acts as a finicky market-oriented consumer. In order to solve their health problems, patients become creators of an entirely new markets and new services. Consumption in the sphere of health care creates an unexpected connection, the idea that consumers are quickly recognized and accepted. Developing countries realizing the importance of a new, creative thinking and are the leading centres of medical tourism. Medical tourism is developing rapidly in recent years, and its development influences the development of the national health system.

Defining the concept of medical tourism

Medical tourism is a collection of different services that can be linked to the provision of treatment services to foreign tourists or patients sent by local health agencies through intergovernmental agreements on the exchange of patients, but they can not be considered as medical tourism.Medical tourism, highlight by Carrera and Bridges (2006, p. 447) includes tourists who voluntarily choose to pay for certain health services in countries outside the EU, although EU has secured health care.Contribution in defining the concept is given by Crozier and Baylis (2010) so medical tourism is perceived as an international medical travel, where patients cross national borders in order to purchase medical goods and services.Doctors in their home countries, as the author's state, have the opportunity to inform patients about the potential for their recovery in accordance with ethical and moral principles. Jones and Keith (2006) introduce a concept of "medical outsourcing". They indicate the legal and political constraints faced by medical patients, the need to adapt treatment protocol in an efficient and ethical system. Doctors, lawyers and politicians are trying to shape the field of medical tourism in line with trends in modern medicine.

Status and trends of medical tourism in the world

Medical tourism market in the world is recognized as a highly lucrative and growing form of tourism that entails a number of paradigms. According to the study of health care consumers the United States (Deloitte, 2009), which referred to specific questions about medical tourism, 40% of respondents showed interest in treatment abroad if their doctor recommends it or if the cost of treatment is lower by 50%.Studies show that more and more Europeans are travelling for surgery intervention, and in the last five years travelling for surgery intervention is on the rise by 24%. And when you take into account the information that in Europe about 80 million people with disabilities or special needs together with followers is around 133 million people, then we see a huge potential of affordable medical tourism. Based on the research of literature and practice we have been observed following trends and characteristics.

Estimated market growth of these services from 20 to 25% per year due to the aging of the world population, the value of medical tourism market 2011 totalled over $ 120 billion, a 5% of all

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CONTENTS

TOURISM

ECONOMICS

economy – as a take-off element for the „Northern Coast of the Danube Bend". Concurring with the opinion of the local actors, to revitalize the local economy successful and sustainable operation, the development of production and marketing of the local products, the development of local enterprises, and the reshaping of the population's and entrepreneurs' approaches is needed.

Conclusion

Through the results of analyses, calculations and surveys, I established that in the micro-region of the „Northern Coast of the Danube Bend" a significant part of the goals and tools of local economic development (e.g.: tourism) have potential chance for materialisation, and its sustainable operation considering the economic, social and environmental endowments of the area. Therefore, a successful local economic development program can be carried out by the optimal utilization of tourism potential.

The new methodology, applied in the selected micro-region, is considered to be effective judging by my knowledge of the place and the researches carried out throughout the years. The deviced indices can clearly show the role of space and the subjective structure of the local economy, furthermore, its application is advised despite territorial differences.

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– Subjective index of local products (HTI)
– Subjective index of the local economy (HGI) (Table 1)

Source: based on own reasearch result, 2013.

Figure 1 – The summarized system of created indices

Results

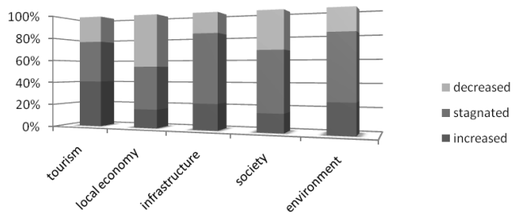
It became clear from the tourism infrastructure potential analysis that the attraction scope of Pest County is very wide in the country. To investigate this we chose a smaller area, a micro-region, which lies between the agglomeration ring and a highly underdeveloped region. During our investigation aimed to analyse the economic potential of the area, the indices clearly showed the economic structure, success and development level of the Northern Coast of the Danube Bend.

The results:

– according to the opinions of the local actors, the development process is halted currently (HFSI=49%)
– local economic development tools supported by the locals could be rather successful (HGSI=64%)
– implementations aiming to revitalize the economy of the micro-region would are needed and would be successful (HGCI=78%)
– currently, the selling and buying frequency of local products and services is not developed well (HTGI értéke 39%)
– the quality of local products is above average (HTMI=72%)
– factors influencing the consumption of local products and services affect the consumer habits in the micro-region greatly (HBTI=65%)
– in the investigated area the support of marketing activity is above average (MTSI=71%)
– in the micro-region of the „Northern Coast of the Danube Bend”, according to the opinion of the local actors, the economic development activity of the settlements can bring success (HGFI=68%)
– on the „Northern Coast of the Danube Bend” the consumption potential of local services and goods is above average (HTI=62,3%)
– the potential level of the local economy of the „Northern Coast of the Danube Bend” is currently above average (HGI=65,4%).

It can be established by the statistical and subjective parts of the research that – because of the missing natural resources from the „Northern Coast of the Danube Bend” – the basic resources and also the main factors to form its image are the Danube, the landscape and the tourism. According to the opinion of the local actors, the basic determinant of the area is the Danube, which is a resource, a basis and opportunity for tourism, common image and supports the sense of belonging. Also, they consider the B rzs ny, the arable lands and the forests as local resources as well. That is why the protection of the environment is important in the area, because the sustainable utilization of resources and the improvement of quality can only be carried out this way.

Development does not only have a quantitative side, but also a qualitative one, which cannot be established only from the statistical data. Thus in the questionnaire the representatives of all the spheres were asked to give grades to the five investigated dimensions (classes: decreased, stagnated, increased, Figure 2.). Tourism was highlighted from the economy, because it is the most characteristic economic branch of the area, furthermore, because it provides the largest market for local products through the tourists, beside the local inhabitants. It can be clearly observed on Figure 2. that accourding to the respondents, in the micro-region of the „Northern Coast of the Danube Bend”, the development of infrastructure, the society and the environment stagnated. Local economy received the worst grade, which shows obvious decrease. This is understandable, because such jobs have decreased which produced local products, and people responded that they do not know much about local economy and local products. This is because the marketing of these products is not efficient. The best grade was given to the tourism. 39% of the respondents said that its importance had increased.



Source: own edition based on own research, 2013.

Figure 2 – The improvement of quality of the investigated five dimensions

The distribution of the respondents showed that, despite the local actors see that the local economy decreases, a significant part of them sees the tourism – which is a part of the local

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Áldorfai György

METHODOLOGY EXAMINATION OF THE LOCAL ECONOMIC DEVELOPMENT BASED ON SUBJECTIVE FACTORS

Nowadays we must realise that solutions sustained only by external resources cannot solve the problem of territorial inequalities and the area currently in need of support will never be able to develop on its own. Therefore, internal (local) resources become increasingly important during the developments. In fact, the optimal return of these resources would be that with their transformation they could create new resources in the specific area in a sustainable way. During my research I examined the possible level and use of the materialisation of local economic development goals and tools in a specific area bounded and unified by me. My aim was to find out a methodological opportunity by using different indicators, based on subjective data, including tourism sector to quantify the local economic's structure and it's development possibilities.

Key words: local economic development, methodology, subjective factors

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Summary

The measuring of success and effectiveness of local economic development nowadays can be carried out by complex methodologies due to the multivariate factors. Currently there are no common methods neither in the EU, nor at national level (in Hungary). The main problem of the deviced methodologies so far is the content of information used after the measuring process, since many data represent only quantitative changes. However, during local economic development it would be important to show the qualiative aspects as well.

To investigate qualitative changes, I analysed the possible levels and ways of use of local economic development goals and purposes in the „Northern Bank of the Danube Bend" micro-region during a case study, by using my own methodology.

My goal was to find out the structure of the area's economic structure and potentials by developing different indicators (based on subjective data). The used methodology is a fine starting point for more complex analyses.

Introduction

Taking space, as a factor into consideration is one of the best tool against some one-sided, mechanical economic approaches. It draws the attention to the fact that in reality there are no „pure economic phenomena". There are no two identical points of the Earth, which would have completely similar endowments. Furthermore, even if we do not take geographical and other spatial endowments into consideration, every point is different in the sense of distance from important markets, resources, cooperation characteristics and agglomeration advantages. By investigating the spatial criteria of the economy many factors can be found which stops the materialisation of the traditional „balance" (Káposzta J., 1998). I think it is important to find factors during my research which can clearly show the reasons behind inequalties and qualitative development.

„The task of regional development is to create the favourable conditions for practicing basic social functions by analysing and utilising the relations and patterns of regional endowments, opportunities and spatial elements (in other words, to improve the welfare of the local inhabitants), by implementing the principle of social fairness and justice (so, the intention of decreasing objective differences between living conditions" (Káposzta J., 2001).

Material and methods

In my research, it was important to define what data are used and what methods are applied to achieve my goal. Keeping the format requirements for the length of paper, I intend to introduce the databeses and methods that have been applied and used. In order to discover the coherences between the factors, I had to set up statistical models to reflect the real situation.

The application of the "Local economic potential" model was carried out in the Central-Hungarian region, in which I picked a smaller area in the county as a target which is situated between the agglomeration circle and an underdeveloped area. That is how I selected the „Northern Bank of the Danube Bend", where the proximity of Budapest and the underdeveloped Ipoly area has positive and negative impacts on the local economy and tourism as well.

The major information sources of the Hungarian regional processes are settlement-level databases from which aggregated data can be gained

on request (Tóth et al., 2006). So, I needed a special database for the selected area. I created a reliable secondary database, covering 12 years (2000-2011), including 137 indicators. Considering that the selected area is not a statistical micro-region, the data sources were the TeIR, the resource map and the T-STAR.

I prepared and distributed questionnaires as well to get data which are not collected in the abovementioned databases. The size of the sample was influenced by two factors: the targeted exactness and the costs. Data were collected through 2 on-line questionnaires and personal interviews, which provided the primary database.

The success of local economic development depends on the activity, approach, consumer habits and many other subjective factors of the local actors.

Measuring these factors can be carried out quickly by questionnaire surveys, but it is rather difficult to determine the meaning of the results. Therefore I attempted to establish a system which measures the results on a scale from 0 to 100%. I chose the creation of complex indicators by using scoring methods as the most sufficient calculation model to produce this complex system. The general use of this model was done by the following method: first, the categorisation of the numerical data was carried out, then they were transformed to ordinal scale-type, then scores were assigned to the categories. Then the part-scores were added to each other, and some variables were marked (by weighting them), if it was necessary. In the last step complex indices were created based on the summed scores. *So, an average to the answers of the questionnaires was first created. Then I subtracted the minimum value and I divided it with the difference of the maximum and minimum values, thus creating the part-index for the indices. In case of some part-indices I had to pay attention that the low value may mean the „good" result. In these cases I subtracted „1" to get the real value.* (Figure 1, Table 1)

Table 1 – Formulas of the Part-, Factor and Topic indices

Part-index:		Index:	
In case the high value of the index is considered good:	In case the low value of the index is considered good:	Factor Index	Topic Index
$RI_n = \frac{\Sigma_{i=1}^{n} X_i - X_{min}}{X_{max} - X_{min}}$	$RI_n = 1 - \left(\frac{\Sigma_{i=1}^{n} X_i - X_{min}}{X_{max} - X_{min}}\right)$	$TI = \frac{\Sigma_{i=1}^{n} RI_n}{n}$	$TKI = \frac{\Sigma_{i=1}^{n}(a_n \times TI)}{A}$

Legend:
RI_n: The nth partial index of the analysed index
$\Sigma_{i=1}^{n} X_i$: The average of the value of responds to the ith question
X_{min}: The minimum value of the answers given to the ith question of the questions
X_{max}: The maximum value of the answers given to the ith question of the questions
TI: Investigated Factor Index
TKI: Investigated Topic Index
$\Sigma_{i=1}^{n} RI_n$: The sum of partial indices of the ith pillar
n: The number of answers found in the ith pillar
$\Sigma_{i=1}^{n} a_n$: Weight factor
A: The sum of weight factors

Source: own edition based on own research, 2013.

The indices created from these can show how the inhabitants of the micro-region judge, and how they would support the local economy and its elements. Two groups can be distinguished as follows.

The first group is the „factor indicies", which show the indicators established from the answers given to the questions in the survey (the abbreviations stayed in Hungarian).

- Subjective success factor of local economic development tools (HGSI)
- Subjective expedience index of local economic development implementations (HGCI)
- Subjective index of marketing activity (MTSI)
- Subjective index of local development (HFSI)
- Buying frequency Index of local products and services (HTGI)
- Subjective index of local products' and services' influencing factors (HBTI)
- Subjective quality index of local products (HTMI)

The second group is the „topic indicies", which come from the weighed average of the previous indicies.

- Subjective index of local economic development (HGFI)

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INNOVATION IN RURAL TOURISM: A CASE STUDY OF UTENA REGION, LITHUANIA

The aim of this research is to determine the innovation of rural tourism homesteads, located in Utena Region, Lithuania, in the field of service development. In order to achieve the aforementioned aim, questionnaire survey of owners of rural tourism homesteads in Utena Region was conducted, which enabled to determine the features of service innovation development in rural tourism homesteads from the start of business till now, and to find out the innovations planned to be developed in the near future. The innovation of homesteads in the field of service implementation was assessed. Research also helped to identify the factors that hinder to develop the service innovations in rural tourism homesteads more actively.

Key words: innovation, rural tourism, service.

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Introduction

Innovation – one of the main factors, which accelerate Lithuanian economy development and ensures economic rise. Innovations have been the main driver of economic growth in advance countries, which allows for a high added value and ensures an economic development, for a quite long period of time. Thus, new products, services and goods, technologies and processes or business control models emerge. Innovations are necessary to develop new products, services or experiences as the market is changing, demand is becoming more divided.

In Lithuania *rural tourism service* is defined as an individual paid accommodation service, provided for tourists in rural residential location or town, where there are not more than 3 000 residents, when it is combined by conditions to meet the needs of catering, leisure, entertainment or event organization. Rural tourism services can be provided in homestead of farmer or in buildings, dedicated for rural tourism, when total number of rooms for tourist accommodation is not higher than 20 and there are not more than 50 beds.

In Lithuania, the beginning of rural tourism as a social phenomenon and of activity alternative to farming should be considered the year 1994, when the first seminars on possibilities of rural tourism development in Lithuania took place upon initiative of Lithuanian Farmers' Union. The beginning of rural tourism as an economic activity in village should be considered the year 1997, as first providers of leisure services came together in Lithuanian Rural Tourism Association, which undertook the promotional activity of active recreation services in village. In this year, recreation services and activities were provided by 34 Lithuanian homesteads. It should be noted that this business has grown significantly – currently (2013) there are 605 rural tourism homesteads, which make 37 % of accommodation market in Lithuania. This is one of the most developed activities, a significant part of Lithuanian sector, which affects the image formation of the state, promotes the growth of incoming tourism.

The analyzed Utena Region borders with Latvia and Belarus, in Lithuania – with Vilnius and Panevėžys regions. In Lithuania, this region is not favourable for agriculture development due to low soil productivity, therefore, alternative businesses, e.g., rural tourism, are developed in rural locations. This region is distinguished by the largest relative basin (5.8 %) and woodedness (33 %), therefore, it is leading by number of rural tourism homesteads (175 rural tourism homesteads) and is characterized by their rapid growth. As a number of rural tourism homestead grows, competition increases, there is a need for homesteads to stand out from competitors. One of the key factors in increase of competitiveness is innovation. However, in the meantime Lithuanian homesteads pay too little attention on development and implementation of efficient, original innovations. Therefore, the aim of this research is to determine the innovation of services, provided by rural tourism homesteads of Utena Region in the field of service implementation.

Innovation of rural tourism services

Innovation is the process of making changes, large and small, radical and incremental, to

international travel is related to medical tourism. The structure of the current total trade of medical tourism 40% are dental services, 42% in orthopaedics, cardiology, cardiac surgery and neurosurgery, and 15% on cosmetic surgery.The growth trend will continue in the future, and in his slowing may affect only a lack of capacity, and not a drop in demand. According to the data in 2007 as much as 750,000 Americans travelled abroad in order to solve their health problems and those trends in tourist arrivals for medical tourism are shown in Table 1.

Table 1 – Projected number of patients, users of medical tourism in the USA

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Patients (mill)	0,75	1,50	3,00	6,00	7,50	9,38	10,78	12,39	13,64	15,00

Source: Delloite, 2008, p. 4.

The last several years have seen the following trends in the field of medical tourism:

- Major players in the market are Asian countries: the Philippines, according to estimates in 2007th they achieved revenues of $ 3.4 billion and held 12.7% of the world market, India which is visited by 450,000 tourists in 2007th (Deloitte, 2008), Thailand in 2006th was visited by as many as 1.2 million tourists, Malaysia's 2006th was visited by as many as 300,000 patients, Singapore as a reference centre for cancer 2006th was visited by 410,000 tourists.Other, equally important participants are: Mexico, Cuba, Costa Rica, Israel, Turkey, Taiwan, China, Egypt, South Africa and others. In Europe there are Germany (in surgery), Switzerland, France (leader in the field of cosmetic surgery), United Kingdom, Belgium, Hungary and Serbia (dental services and cosmetic plastic surgery);
- significant is entry of new players such as emerging Asian countries, Korea, China, Libya, Iran, South American countries focused primarily on the U.S. market, present connection that recognize alternative medicine methods of treatment;
- leads to the development of multinational hospitals (corporations) as a provider of services that are investing in the development of medical services in the Third World;
- increasing number of users with new rich market where price is the primary factor in destination choice;
- Stronger involvement of insurance companies to offer medical tourism;
- The possibility that even national governments "outsource" health services, i.e. portion of their budget will be spend in third countries.

It is estimated that the $ 2.1 billion spent in the 2008th year, the opportunity cost of national health care system is $ 15.9 billion (Deloitte, 2008). In general it can be concluded that the growth of demand for medical tourism in the world, generating a crisis in the health systems of developed countries, the high cost of health care services, long waiting lists, overwhelmingly present trend of population aging. Factors determining the patient to select destinations can be divided into three groups: a medical institution (cost, language, availability of medical personnel and facilities, availability of equipment, medical records and medication, standards and accreditation) and hotel services (accommodation costs, professional and diagnostic services, etc.) in hotels, and other maintenance services.

Price is certainly the most important factor motivating the patient, and the examples in Table 2 clearly see the difference between the rates in and out of the United States.

Table 2 – Comparative prices of most important medical interventions

Intervention	Prices inUSAin US $	Prices outsideUSA in US $	Lowest prices including travel expenses of US $
Knee surgery	11.692	4.686	1.398
Shoulder surgery	6.720	8.972	2.493
Tonsillectomy	3.844	2.185	1.143
Plastic surgery of the nose	5.713	3.866	2.156
Cataract surgery	4.067	2.630	1.282
Vein surgery	7.993	2.685	1.576
Glaucoma surgery	4.392	2.593	1.151

Source: Delloite, 2008

The following chart points show a clear difference between the intervention price of medical tourism. By comparison, these are some prices in Serbia breast plastic surgery that costs 3000-7000 (approximately 30,000 in the world), nose surgery costs from 1500-3500 (approximately 25,000 in the world).

Another important factor is the length of waiting for an intervention in their home countries, but also an offer of special services that are only available in certain countries or they are banned in their home countries.Hospital accreditation is particularly important because it gives patients the confidence that the services provided are comparable to services in Referential hospitals, and in 1999the foundation of the Joint Commission International (JCI).Today there are more than 120 accredited hospitals around the world (Devon, 2007).

Table 3 – Medical tourism prices (in selected countries)

Element	USA	India	Thailand	Singapore	Malaysia	Mexico	Cuba	Poland	HU	UK
Heart bypass	113,000	10,000	12,000	20,000	9,000	3,250		7,140		13,921
HeartValve	150,000	9,500	11,000	13,000	9,000	18,000		9,520		
Angioplasty	47,000	11,000	10,000	13,000	11,000	15,000		7,300		8,000
Hip replace	47,000	9,000	12,000	11,000	10,000	17,300		6,120	7,500	12,000
Knee	48,000	8,500	10,000	13,000	8,000	14,650		6,375		10,162
Gastric bypass	35,000	11,000	15,000	20,000	13,000	8,000		11,069		
Hip resurface	47,000	8,250	10,000	12,000	12,500	12,500		7,905		
Spinal fusion	43,000	5,500	7,000	9,000		15,000				
Mastectomy	17,000	7,500	9,000	12,400		7,500				
Rhinoplasty	4,500	2,000	2,500	4,375	2,083	3,200	535	1,700	2,858	3,500
TummyTuck	6,400	2,900	3,500	6,250	3,903	3,000	1,831	3,500	3,136	4,810
Breast reduce	5,200	2,500	3,750	8,000	3,343	3,000	1,668	3,146	3,490	5,075
Breastimplant	6,000	2,200	2,600	8,000	3,308	2,500	1,248	5,243	3,871	4,350
Crown	385	180	243	400	250	300		246	322	330
Tooth white	289	100	100		400	350		174	350	500
Dental implant	1,188	1,100	1,429	1,500	2,636			953	650	1,600

Source: Lunt et al., 2011, p.12, Costs given in US$.

Most doctors in the centres of medical tourism were educated at prestigious universities and hospitals are equipped with the model of the U.S.For example in India, which is now the leading country for medical tourism, 240 senior medical schools are opened, which in turn casts doubt on the qualifications of the staff (Devon, 2007). The purpose of the changes in the economy of corporations is focused on survival, growth and development (Malesević, Čavlin, 2009) it is necessary to pay special attention to the analysis of factors destination of choice, especially in light of the fact that medical tourism in the years of recession has not recorded negative trends.

Prospects of Medical Tourism of Serbia

In studies that have been carried out in recent years about the importance and impact of tourism on the economy, special emphasis is placed on the impact of medical tourism. Predictions are that the tourism in our area of the Balkans will gain in importance in relation to the total supply of the service sector: for example 15 Slovenian realized 3 million for overnight stay and about 200 million in revenues.Health tourism offer of Serbia and neighbouring countries, according to the Ignjatijevi et al. (2010) goes in two directions. One direction is the traditional offer spa treatments, and the other offer medical services. The greatest demand is for domestic dentists, ophthalmologists, plastic surgeons, orthopaedists, and physiatrists, cardiologists, but also for the rehabilitation in Spa centres (Serbia has over 50 major natural cures, but at the moment this type of tourism is stagnating).No matter that Serbia is not well positioned in this area, some examples such as service of sex changes (100 patients for one year, the price 10 times lower than in the U.S.), services in the field of cardiac surgery clinic "Dedinje", which in the last decade earned 25-30 million EUR from foreigners.Serbia has to offer about 2,000 medical providers, but it is necessary to reform health care institutions with changing organizational structures and processes (Čavlin, 2008), and an organized and synchronized performance of hospitals with leading travel agencies in order to be competitive. The investigation and analysis of the environment, starting from the theoretical postulates SWOT analysis produced a list of SWOT factors to be considered in the evaluation process perspective of the development of tourism in Serbia.

Table 3 – SWOT analysis of medical tourism in Serbia

ADVENTAGES	WEAKNESS
Price competitiveness Pure natural treasure Favourable climate, air spa The gastronomic offer Hospitality Relatively competent medical staff	Underdevelopedinfrastructure The low level ofquality of accommodation The inefficiency ofpublic health Inadequategovernment policiesand poorlegislative framework The underdevelopmentof health insurance
CHANCES	DANGERS
The growth in demand of the services of medical tourism Accession process in EU New technologies in tourism Strengthening of cooperation with Russia and the Arab countries Interest and the number diaspora	Competition of the neighbouring countries Lost tourist markets in the past Leaving of medical staff to European countries Global competition

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Tourism in scanning area of the Lower Danube, can be develop relate to the principles of sustainability, in order to: first, to valorise the rich natural resources, second to preserve natural environment of the National Park "Djerdap", and then the rich heritage of the entire anthropogenic areas.

Strategic basis for the proposed vision for sustainable tourism development is based on:

- environmental preservation,
- rich biodiversity of the areas,
- anthropogenic heritage,
- diversity of spaces in the area, of those located in the "Djerdap gorge", through urban centres (Golubac, Majdanpek, Kladovo, Negotin) to numerous of rural areas.
- opportunities for the development of cross-border cooperation with the Republic of Romania,
- unexploited opportunities for investment in the tourism industry and agriculture.

This commitment was reinforced by the signing of the Carpathian Convention (*Official Gazette – International Agreements* 102/2007) and it's Protocol on Sustainable Tourism from the 2011.

The *Protocol* provides for a numerous of obligations, relating to cross-border cooperation on:

- promotion of Carpathian region as a destination for sustainable tourism based on unique shared natural and cultural values, traditions and historical heritage of the Carpathians;
- developing regional integrated tourism products and services, and common, high standards of quality, regional tourism brand and promotional strategies and marketing schemes;
- improving the contribution of tourism to sustainable development of the local economy in the Carpathians, providing an integrated infrastructure development and related activities and the promotion and branding of products of local producers' associations, especially products of traditional agriculture and crafts;
- providing tourism's contribution to the conservation and sustainable use of biodiversity and landscape in the Carpathian Mountains, especially the management of protected areas, including the inclusion of CBD Guidelines on Biodiversity and Tourism Development of strategies and plans for tourism development;
- Development of the Carpathian codes of good practice in sustainable tourism and others (*UNEP-ISCC, 2011a*).

Republic of Serbia participates in definition and implementation of *Danube strategy*. In Action Plan, it is predicting a series of specific actions in Carpathians region in variety areas, including tourism, with aim to promote this region and its zones as comfortable for economic, environmental and social progress and sustainable development.

In addition to developing strategies for sustainable development, it is predicted also priority actions in field of tourism with priority actions initiated to development Carpathian tourism cluster (*UNEP-ISCC, 2011b*).

Sustainable tourism development is one of the priority tasks of cooperation in the framework of *the Carpathian Network of Protected Areas* (CNPA), among whose members is also included National Park "Djerdap"(*UNEP-ISCC, 2011c*).

A large number of projects at the national level are ready for implementation, and their implementation is in progress, also in the field of tourism. Some of them are:

- Master plans for tourist destination, "Lower Danube" and cultural and historical "*Route of Roman emperors*" of the Ministry of Economy and Regional Development;
- Regional Strategic Plan for Tourism Development – Danube area (supported by USAID through the CRDA program in five municipalities of the Lower Danube region);
- Program of tourism development of municipalities Majdanpek, Kladovo, Donji Milanovac with defined objectives and investment projects for tourism development, etc.).

Conclusions

In the following years, it is necessary to work primarily on the image of the "Lower Danube" as a tourist destination. This assumption is based that this area could be positioning at the potential tourist markets, thereby to catch the attention some segments of tourist demand. Process of building image should take place complementary with building image of Serbia as a tourist destination at the international tourist market.

Serbia as a tourist destination has not been represented on appropriate way in the international market, and the reasons for this lie in:

- Political situation that existed in the Western Balkans over the past twenty years.
- Insufficient investment in tourism as an economic activity.
- The absence of adequate implementation strategy for tourism development in the long term, etc.

Strategic positioning and branding must be conducted right through the market "target", with a precisely defining certain number of tourist products that have been already exploited or there are some opportunities they can be put in exploitation in the short term.

Products are: Nautics and "cruising", excursions with round tours, short breaks, business tourism, rural tourism and tourism of specific interests. Crucial place in strategy of marketing focus should have a domestic market in the short and long term. Such an attitude is based on the proximity of large urban centres in Belgrade, Novi Sad, Pozarevac, Kragujevac, which representing a potentially large tourist emissive centres.

In the long term it should be made focus on neighbouring countries such are Romania, Hungary and Croatia. With Romania should be used opportunities to establish an appropriate level of cross-border cooperation, which would further strengthen the tourism sector in this area.

Taking into account the impact of the four groups of factors, SWOT analysis on the development of medical tourism in Serbia, according to the necessity of a special development point out the following directions: capacity development of spa tourism, the development of the system of government incentives, cluster development of medical tourism organizations, training of human resources in order to harmonize with EU funds developing measures to ensure a healthy environment instep for sustainable environmental development.

Conclusion

The development of medical tourism as a new and innovative process in the world with the contribution and positive effects on the economy by increasing employment, foreign exchange earnings, the modernization of the health care system. The results indicate an increase in the number of medical tourists and in countries that tourism offer is completed in this way.There is a battle in competition for patients, and the winners will have the lowest price, high quality services and equipment. Countries from which patients travel will have to modify the system of insurance and health care in order to accommodate the upcoming needs.On the other hand, countries where medical tourism is in its infancy, with the assistance of the State authorities should take advantage of existing knowledge and experience.In this context it is necessary to connect the national and international health institutions, local communities, non-governmental organizations, businesses and others. State fiscal policy measures and other incentives should create a positive climate for the development of medical tourism. It is necessary to create the modern concept of tourism that will organize and unite all participants in providing medical tourism.

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CONDITION FOR SUSTAINABLE TOURIST DEVELOPMENT IN AREA OF LOWER DANUBE REGION, REPUBLIC OF SERBIA[1]

Tourism in Serbia has been developed uncontrolled so far and at the detriment of natural and social resources, and justifiably raises the question of its sustainable development. This situation is also actual in the area of the Lower Danube region, which is rich with natural and social resources relevant for the tourism development.

The paper points out the strategic direction for tourism development in the Lower Danube region with special emphasis on the need for the application of the concept of sustainable development. Characteristic of the current development is the absence of the application of the concept of marketing and management of tourist destinations.

Expectation is that through consistent application of this principles, area of Lower Danube will quickly positioning on the tourist market, and positive effect which tourism has on overall social and economic life will stop current negative trends.

Key words: tourism, sustainable development, destination, resources, marketing

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Introduction

The Danube River is a great tourist potential that has been used little in the development of tourism so far. The reasons for this approach based on the policy which have been the official option available in the Republic of Serbia for many years so far. Main characteristic of this policy approached from the standpoint of undifferentiated tourism marketing, where one unique tourist product offered to the international tourism market without a clear policy of focus on relevant market segments.

This meant that tourist products were not differentiated, which resulted in less revenue than is objectivity possible. On this way Republic of Serbia was not competitive at the international tourism market as destination.

Approach was caused with attitudes from the political leadership of Yugoslavia that suggested that tourism should be developed in the area of Adriatic Sea and Alps in the northwest of the country. Serbia has been seen as a raw material base, and its great potential for tourism development for many years have been unfairly ignored and neglected.

A change in orientation started in the second half of the nineties of twenty century. Expectation is that this policy is rational and efficient, and also it will give positive effects in long term, i.e. tourism will give contribute to overall economic prosperity and will stop some of negative trends which burden social and economic life.

Natural and socio-cultural resources in the area of the Lower Danube region which is important for the development of tourism in the Republic of Serbia

One of the areas that can be seen as a big opportunity for tourism development in Republic of Serbia is an area of the Danube region. River Danube also European Union recognized as one of the most important tourist attraction which could be the basis for the development of a large number of tourist products. Danube is also one of the most important European transport corridor (Corridor 7), which linking together 10 countries and four capitals (Vienna, Bratislava, Budapest and Belgrade).Considering the length of the river Danube in Serbia (588 km), river basin in terms of tourism can be divided into three geographical spatial units that can also be viewed as a three tourist destinations. These are the areas of the Upper and Lower Danube and the Metropolitan area of Belgrade-Novi Sad. The area of the Lower Danube region covers the geographical area that includes administration municipalities: Golubac, Kučevo, Majdanpek, Kladovo and Negotin [2].

[1] The paper is a part of the research on the project III-46006 -*Sustainable agriculture and rural development in the function of achieving strategic aims of the Republic of Serbia within the Danubian region*, financed by the Ministry of Education, Science and Technological Development of the Republic of Serbia.

[2] „State and possiblities for developing sustainable agriculture and rural development in Danube region“ (2013), p. 5. Institute of Agricultural Economics, Belgrade

In biggest part of the analysed area of the Carpathian area extends National Park “*Djerdap*“ with its protective zones. Hence, the issue of sustainable tourism development take more topical and actual.

The rural area is suitable for production and sale many agricultural product for tourists, that could be included in organic food.

The significant natural resources for tourism development include:

- National park "*Djerdap*", an area of 63,608 ha, located along the Danube River, from the Golubac to Kladovo municipality. It is characterized by a high concentration of hydrological, geomorphological, and the geographic resources. Around the park extends protection zone, area 90,629 ha.
- River Danube with the hinterland.
- "*Djerdap*" which is the largest gorge in Europe. Spatially speaking, “*Djerdap*“ consists of four smaller gorges and three valleys.
- "Đerdap Lake” is the largest artificial lake in the Republic of Serbia. Depending on the work of Hydroelectric Power “*Đerdap*” area of the lake varies from 170 to 253 km^2.
- Favourable geographic and traffic position. The Corridor 7 with connection to Corridor 10 through Požarevac city;
- moderate continental climate;
- flora and fauna;
- spatial diversity of the area is characterized by the urban centres: Blace, Majdanpek, Kladovo and Negotin and large rural area with many rural ambience parts [3].

As a significant potential for the development of some forms of urban tourism are distinguished urban centres: Golubac, Majdanpek, Kladovo and Negotin. This area has 121,306 residents, according to Census 2002.

For the development of rural tourism are significant numerous of rural environmental entities as representatives of the rural way of life of the people in this area.

Numerous cultural and historical monuments, notably archaeological sites, “Lepenski Vir,” “Diana,” “Golubac City”, “Traian’s Bridge” and “Tabula Traiana,” various castles and remnants of traditional architecture and rich cultural heritage based on multi-ethnic areas are the basis for the development of cultural tourism.

Accommodation capacity in the Lower Danube region

According to the available data (the Tourist Organization of Serbia and the Regional Chamber of Commerce) in the entire area, “Lower Danube” operates 19 facilities registered to accommodate guests.

They have a total of 833 rooms with 1,942 beds. Total operates six hotels with 595 rooms and 1,294 beds. The degree of reached full capacity was 25.3%. The average length of stay of tourists was 2.4 days.

The largest number of visitors is domestic tourists. The relative share of foreign tourist is less than 6% of the total tourist in this area of “Lower Danube”, which can be assessed as very low. Official data about the accommodation capacity of domestic houses, primarily in village i.e. rural tourism, have not available yet.

Actual and potential tourist products

The most prospective tourist products of this area are:

- *Nautics* – the area offers excellent opportunities for the development of the nautical, which could attract large numbers of tourists interested to spend time in the area of Golubac, Donji Milanovac,Tekia and Kladovo.
- *Excursions* included visits to archaeological sites, “Lepenski Vir”, “Diana”, “Golubački city”, “Traian’s bridge”, as well as hydroelectric power plant “*Djerdap*”.
- *Short breaks (holidays)* – For this type of tourism facilities exist in Kladovo, Donji Milanovac, as well as in the National Park “Djerdap”.
- *Business tourism* – there are some activities which already exist in the area of Donji Milanovac, Kladovo and Golubac.
- *Rural tourism* – for this type of tourism, there are good prospects in the area Negotina and villages in the area and around the National Park “*Djerdap*”.
- *Hunting tourism* – with some investment in infrastructure hunting grounds in the park and in its immediate vicinity.
- *Fishing tourism* – the entire area of the Danube River Basin provides excellent conditions for the development of fishing tourism. In this regard, certain investments are needed in areas where the fish would feed, spawn and fish.
- *Photo safari* – NP area “Djerdap” provides ideal conditions for the development of this form of tourism that today there exists a great demand in Western Europe, the USA and Japan.
- *„Food tourism“*–gastronomic specialties typical for this area provide an excellent basis for the development of this type of tourism [4].

Sustainable tourism as a vision of the future development

Actual trends in the developing tourism in Europe and also in the World, which can be best described by the sentence “back to the roots”, put emphasis on ecology, health and nature for which usually in tourism use term sustainable tourism development. This kind of tourism gives a lot of opportunities for developing different variations of the “tourism of specific interests.”

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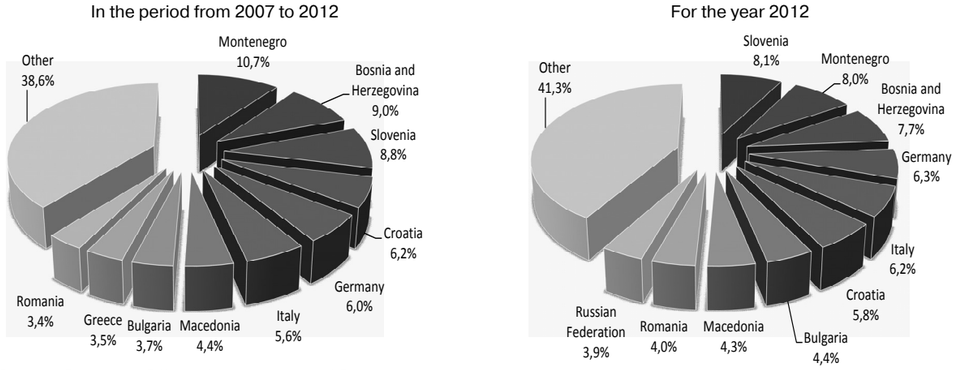


Source: Statistical Office of the Republic of Serbia, Belgrade.

Figure 3 – Tourist arrivals by countries

Overview of the Hotel demand in the Belgrade region

Hotel demand in Belgrade is driven by the corporate market. There are a number of international companies and employers with headquarters or large premises in the city and this drives demand during the working week. This includes multinational companies such as: Samsung, Nestlé, Mercedes, Fiat and others, 21 foreign commercial banks, 21 foreign insurance companies and others. As the city is also the political and administrative capital of Serbia, there is additional corporate demand generated by government and foreign embassies.

During the 1980s Serbia was much better known as a business destination than today, where only approximately 30% of inbound tourists travel to the country for business. In terms of existing floor area, Serbia is arguably the largest fair country in the Balkan region and the city undoubtedly benefits from this advantage. Belgrade's largest convention area is the Belgrade Fair which annually organizes in about 30 fair events with approximately 1.5 million visitors annual. The Sava Centre is also a significant conference venue in Belgrade with 18 conference halls with capacities ranging from 20 to 4,000 people. Belgrade Arena is one of the highest technical profile sport halls in Europe with the capacity of 23,000 people.

However, in terms of the International Congress and Convention Association (ICCA) rankings, Belgrade fails to feature in the top 20 European cities compared to its neighbouring capitals Budapest, Prague and Vienna (Table 7).

Table 7 – ICCA Ranking 2012

Element	Belgrade	Budapest	Vienna	Prague
Meetings	38	98	195	112
World rankings	60	20	1	11
European ranking	31	15	1	10

Source: ICCA, the Netherlands.

Demand for hotels and other form of accommodation in Belgrade peaks between April and October. The growth in visitor numbers from Western based economies will be a key factor in the successful growth of the local hotel market. In the past it was considered that this would be a rapid process, although based on current market conditions both international and local it is more likely that this will be a long and slow process.

The leisure market is still very limited and seasonal, mainly from April to October. Belgrade is expected to attract an increasing number of tourist groups in the medium term given the current low base. This segment of demand will be important in the medium to long term. The relative lack of recognized tourist attractions in Belgrade will, at least in the short term, have a negative impact on leisure tourism, particularly from Western Europe and further destinations.

Leisure demand in Belgrade mainly consists of those visiting tourist attractions in the city or visiting family and friends. Additional demand is driven by tour groups travelling the region particularly by the river Danube. The average leisure stay is short in Belgrade, as a result of the city's size. Backpackers make up a considerable number of leisure tourists. Their primary motivations to visit Belgrade are the renowned festivals and the city's famous nightlife. This segment of tourist visitors has traditionally stayed at lower category hotels.

Overview of Hotel market in the Belgrade region

Much of the existing supply in the past comprised dated hotels that were privatized, or are in the process of privatization. These hotels are in poor condition and far from the requirements of the contemporary business traveller. One of the characteristics of the hotel market in Serbia and consequently Belgrade area is that the local hotel categorization standards do not necessarily correspond to international requirements for the hospitality industry. For example, a significant portion of the existing four star hotels in Belgrade would be seen as mid-scale three star hotels.

products, processes, and services that result in the introduction of something new for the organization that adds value to customers and contributes to the knowledge store of the organization (Sullivan&Dooley, 2008). An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations (Oslo.., 2005).

Innovations can be different. The given definitions of innovations distinguish several types of innovations: technology, process, marketing, organization. Išoraitė (2010) distinguishes eight types of innovations in rural tourism: new growth strategies, new product/services, new companies, new markets, new business model, new partnership, new business practice, sustainable innovation. This article focused on implementation of service innovations in rural tourism homesteads, since many research (Astromskienė et al., 2007; Ramanauskienė&Trimonytė, 2008; Ramanauskienė&Gargasas, 2007) showed that a lack of variety of services reduces the attractiveness and uniqueness of homesteads in Lithuania.

Three types of services can be distinguished in rural tourism, i.e., accommodation, catering, and recreation. Accommodation service is the main and provided in all rural tourism homesteads. Catering service is organized by homesteads themselves or by self-service principle. Recreation services determine the uniqueness and specialization of a homestead. In Lithuania, rural tourism homesteads specialize in the fields of passive, cognitive, active leisure, culinary heritage, agrotourism, nature conservation, health, leisure with family, organization of events and family celebrations (Classification.., 2011).

Although innovation implementation in rural tourism is promoted in Lithuania and it is emphasized in Lithuanian strategic documents (Lithuanian.., 2013,) their implementation is not active. Research, carried out by Išoraitė (2010), reveals that innovation implementation in rural tourism sector is prevented by price of innovations, lack of financial sources, and high risk. Ališauskas & Rutkauskienė (2012) state that innovation implementation in rural tourism sector is hindered by lack of information, competence and cooperation. The authors state that rural tourism homesteads should cooperate with other rural tourism homesteads, craftsmen, research institutes, government agencies, etc., while developing new technologies or products and services.

Methodology

Seeking to analyze the innovation of services, provided by rural tourism homesteads of Utena Region, questionnaire survey of their owners was conducted. The questions therein enabled to determine the features of implementation of service innovations in rural tourism homesteads from the start of business till the presence, and to find out the innovations planned to be implemented in the near future. Innovation of services, provided by homesteads, was calculated according to the following formula: $I=I_p+I_f$; where: $I_p=(P_c-P_b)$; $I_f=(P_f-P_c)$; I – innovation, %; I_p – past innovation (from the start of business till the presence), %; I_f – innovation in the future, %; P_c – number of homesteads, where service is provided currently, %; P_b – number of homesteads, where service was provided at the beginning of business, %; P_f – number of homesteads planning to provide service in the future, %.

56 rural tourism homesteads from 176, i.e., 32 % all homesteads of the region, took part in survey. The average operation duration of rural tourism homesteads of Utena Region, which took part in survey, is 7,5 years: the oldest ones have been operating for 15 years, while the youngest – three years. 77 % of homesteads have been operating all year round. There are 5 rooms and 21 beds on average in homesteads.

Results

Research revealed implementation of innovations in homesteads was more active in past, i.e., from the start of business till the presence – then 62 % of all innovations (new services) were introduced. 29 % of homesteads plan to implement new services in the near future. The majority of homesteads use their funds for implementation of innovations, and only 24 % of homesteads benefit the support of EU Structural Funds.

Most innovations are implemented by homesteads in the field of entertainment/leisure (I=63), organization of family/corporate events (I=54), catering (I=48), accommodation (I=32) services (see Figure 1).

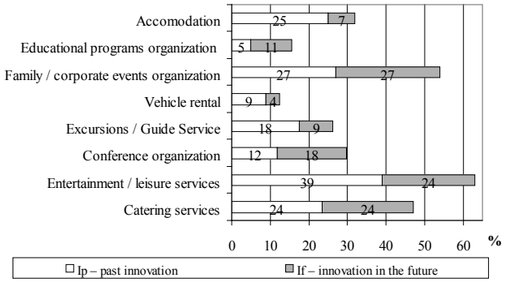


Figure 1 – Innovation of Utena Region Homesteads

At the beginning of business all homesteads provided accommodation services, however, 25 % of homesteads have developed and expanded it. 7 % of homesteads plan to develop the accommodation services in the future. It is noticed that these are small homesteads, which can accommodate up to 20 guests, while larger ones to not plan development in this field.

Catering service has become an innovation in many homesteads. Only 24 % of homesteads

were providing catering service at the beginning of business (P_b=24 %), currently this number is equal to 48 % (P_c=48 %), while 24 % of homesteads plan to provide this service in the future (P_f=24 %).

Many homesteads were providing entertainment/leisure services (P_b=79 %) at the beginning of business, however, their range was limited: swimming in water pond (P_b=79 %), bath (50 %), cycling (27 %), rental of fishing tools, sports entertainment (21 %). Business development led to expansion of range of services, thus, new entertainment measures, which were not provided at the beginning of business, have been implemented. It is observed that the most active homesteads in entertainment/leisure innovations are those that did not provide these services at the beginning of the business. Innovations in aforementioned homesteads include fitting the bathing places in water ponds, building the sports yards, baths, increasing the variety of baths.

In future, the variety of services in rural tourism homesteads of Utena Region will develop, some exceptional services will be implemented, for example, climbing the trees (I_f=9 %), orienteering sports (7 %), archery (5 %), horse riding (4 %), hot air ballooning (4 %), hunting (2 %), etc.

In Lithuania, rural tourism homesteads face the problem of seasonality. The research revealed that implementation of services, reducing the seasonality, i.e., the services of organizing the events have been developed, become more active in rural tourism homesteads of Utena Region. While at the beginning of business only 12 % of homesteads were renting the conference equipment and premises, currently 24 % of homesteads (I_p=12 %) offer the rent of conference equipment and premises and 18 % plan to do it in the future. Rent of premises for family/company events is even more popular service: P_b=24 %, P_c=51 %, P_f=27 % (I_p=27 %; I_f=27 %).

Although 77 % of homesteads operate in winter, the service of winter entertainment and equipment rent was provided only in 4 % of homesteads at the beginning of business, and is provided by 9 % of homesteads now, while 13 % of homesteads plan to provide in the future (rent of snow motorcycle P_f=4 %, sleigh ride P_f=4 %, rent of sleigh, skis P_f=7 %). During winter, homesteads offer event organization together with catering, baths, and the majority plan to develop the business in this direction.

A lot of attention in Lithuania is paid on fostering the traditional businesses, EU allocates funds for promotion of business and crafts development, however, they are scarcely implemented in homesteads. Traditional agriculture and traditional animal husbandry were developed at the beginning of business, respectively P_b=27 % and P_b=21 %, beekeeping – P_b=5 %. Currently, the development of these activities fell by nearly half, and will fall in the future. The owners of homesteads note that it is difficult to combine the traditional and rural tourism businesses as not all guests want to relax in homesteads with livestock, and are almost not interested in traditional agriculture. Development of traditional crafts is hindered by lack of knowledge and skills of owners in this area.

At the beginning of business, 6 % of homesteads were organizing educational programmes, related with making food and beverages (making pyramidal cakes, bread, pancakes, cheese, beer, and wine). Currently, educational programmes are offered by 11 % of homesteads. Rabbit homestead was furnished, horse riding, candle making, drawing, traditional celebrations educational programmes were implemented in other homesteads. 11 % of homesteads will offer educational programmes in the future – Ebru art, photography, herbs collection, tea making, honey programmes – will be implemented.

39 % of surveyed rural tourism homesteads cooperate with other homesteads: offer to use the services of other homesteads, organize joint events, rent the stock together, thus, developing the innovations in the field of cooperation.

Research revealed that more service innovations would have been implemented in rural tourism homesteads, but it is prevented by legal (bans to construct buildings in protected territories, near water ponds, forests, complex procedures of changing the purpose of land usage, bans to implement certain activities in protected territories, in lakes of certain size), financial factors, lack of knowledge and abilities of owners of rural tourism homesteads.

Conclusions

1. Innovations in rural tourism homesteads are more actively implemented at the beginning of business, however, as business progresses, more exceptional services are introduced.
2. The greatest innovation of rural tourism homesteads in Utena Region is in the field of entertainment/leisure, events, catering organization services.
3. Innovations of educational programmes will be implemented in future, however, it has been increasingly shifted from traditional businesses, and traditional crafts are not planned to be implemented.
4. Seasonality problems are solved by implementing and developing the services of event organization, and too little attention is paid on innovations in winter entertainment.
5. Implementation of service innovations in rural tourism homesteads of Utena Region is prevented by legal, financial factors, and lack of knowledge and abilities of owners themselves.

Table 3 – Tourist arrivals by type of accommodation in Serbia from 2007 to 2012

Element	2007	2008	2009	2010	2011	2012
Hotels – All	1,410,000	1,405,000	1,233,000	1,280,606	1,291,955	1,308,901
5 – star hotels	107,000	96,000	100,000	93,524	109,650	105,125
4 – star hotels	231,000	241,000	236,000	254,154	277,772	416,151
3 – star hotels	590,000	565,000	484,000	522,242	521,193	481,319
2 – star hotels	333,000	366,000	297,000	281,746	275,366	260,475
1 – star hotels	73,000	57,000	34,000	44,142	32,584	45,831
Hotels not categorized yet	76,000	80,000	82,000	84,798	75,390	0
Other accommodations	896,558	861,166	785,466	719,991	776,655	770,742
Total	2,306,558	2,266,166	2,018,466	2,000,597	2,068,610	2,079,643

Source: Statistical Office of the Republic of Serbia, Serbia.

Table 4 – Tourist nights by type of accommodation in Serbia from 2007 to 2012

Element	2007	2008	2009	2010	2011	2012
Hotels – All	3,612,000	3,690,000	3,172,000	3,159,056	3,190,945	3,149,880
5 – star hotels	219,000	195,000	212,000	205,524	224,938	220,390
4 – star hotels	551,000	569,000	530,000	544,494	611,236	882,813
3 – star hotels	1,453,000	1,435,000	1,207,000	1,233,430	1,222,263	1,148,576
2 – star hotels	924,000	1,017,000	830,000	747,301	780,191	762,718
1 – star hotels	188,000	161,000	102,000	136,654	97,350	135,383
Hotels not categorized yet	277,000	313,000	291,000	291,653	254,967	0
Other accommodations	3,716,692	3,644,106	3,589,715	3,254,459	3,453,793	3,334,822
Total	7,328,692	7,334,106	6,761,715	6,413,515	6,644,738	6,484,702

Source: Statistical Office of the Republic of Serbia, Belgrade.

In analysed period average share of arrivals in hotels in total number of arrivals in Serbia was 62.3%, while the average share in total nights spent was 48.7%. In total number of arrivals and nights spent in analysed period, 5 star hotels had a share of 4.8% and 3.1%, while 4 star hotels had 13.1% and 9.1% respectively. The average number of nights spent by tourist in hotels in the analysed period was 2.4, while in the 5 star and 4 star hotels was 2.1 days per tourist (Tables 3 and 4).

Number of tourist arrivals and nights spent in the Belgrade region in period from 2007 to 2009 decreased by 15.6% and 16.6% respectively due to a general decrease in arrival numbers and not hotel specific. After 2009, data shows a steady increase in hotel visitor numbers and nights spent in average by 7% per year. The average number of nights spent by tourist in the Belgrade region in the analysed period was 2.1 days per tourist (Tables 5 and 6).

Table 5 – Tourist arrivals by type of accommodation in the Belgrade region from 2007 to 2012

Element	2007	2008	2009	2010	2011	2012
Hotels – All	481,293	430,740	406,023	442,555	474,354	500.528
Other accommodations	283,173	274,834	196,011	175,899	144,770	160.146
Total	764,466	705,574	602,034	618,454	619,124	660.674

Source: Institute for Informatics and Statistics Belgrade, Tourist organization of Belgrade, Belgrade.

Table 6 – Tourist nights by type of accommodation in the Belgrade region from 2007 to 2012

Element	2007	2008	2009	2010	2011	2012
Hotels – All	987,332	893,205	823,905	897,856	943,300	1,011,774
Other accommodations	576,194	538,123	544,937	421,773	393,899	419,610
Total	1,563,526	1,431,328	1,368,842	1,319,629	1,337,199	1,431,384

Source: Institute for Informatics and Statistics Belgrade, Tourist organization of Belgrade, Belgrade.

In the period 2007-2012 the source of demand for Serbia in terms of visitor nationality is primarily oriented on Balkan nations, with only Germany and Italy in the top ten visiting nations being from outside of this area. The number of visitors from Western Europe has been steadily increasing. In particular festivals such as the Exit Festival and the Belgrade Beer Festival helped attract leisure tourists from Western Europe.

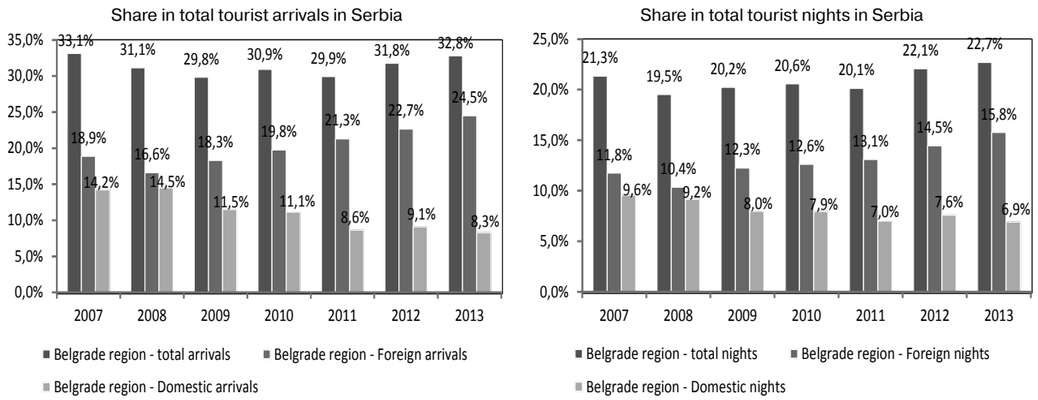
Nautical and fishing tourism (relying on the Danube river and its numerous tributaries); Rural tourism (satisfactory resource potentials in the urban hinterland, in other words peri urban areas); etc., (Vuković et al., 2013).

Visitor numbers enjoyed an overall boost from the Summer Universiade in 2009, partially explaining the amelioration in visitor nights due to the positive influence felt as a result of the Universiade, as participants at the 2009 Belgrade World Universiade stayed an average of 13 nights in the host city Belgrade. The visa liberalization which came into force at the end of 2009 had a strong influence on the decrease of domestic tourism, as it enabled Serbians to freely travel to EU countries providing new alternatives to domestic travel.

The capacities of rooms and beds in Serbia in the period from 2007 to 2011 were increased by approximately 13% each. In hotels number of rooms was increased by 8.6% and number of beds available by 8.3%. But in 2012 reduction in capacities of rooms and beds have occurred, when the total number of rooms and beds are reduced by 9.3% and 11.2% respectively in comparison to the previous year. Average share of rooms and beds in hotels in the total number of rooms and beds in the period from 2007 to 2012 was around 40% (Figure 2).

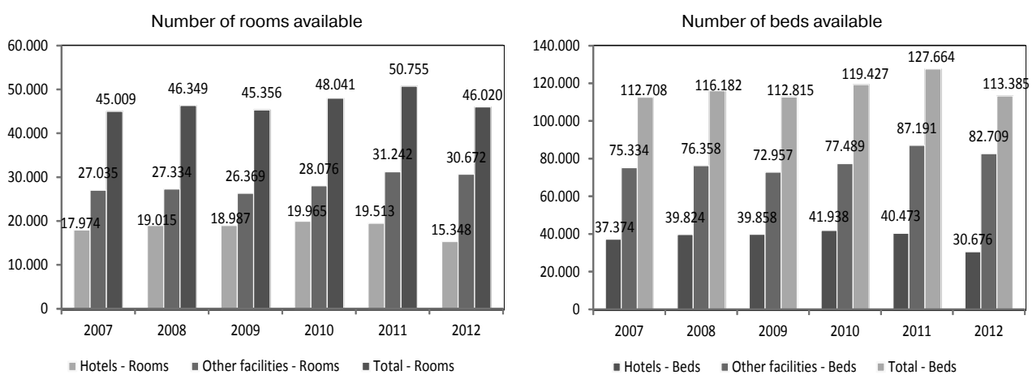
According to the data from Belgrade Chamber of Commerce, total number of beds available in Belgrade in 2012 was 12,106 of which 7,374 belongs to hotels, or 61% of total number of beds in Belgrade. Average beds capacity utilization in Belgrade in 2012 was 35.8% and in hotels 41.4%.

Total number of arrivals and nights in hotels in Serbia in the period from 2007 to 2012 was reduced by 7.2% and 12.8% respectively. Despite the overall reduce in number of arrivals and nights spent in hotels in Serbia in analysed period, number of arrivals and nights spent in 5 star hotels were more or less stable. In 4 star hotels number of arrivals and nights spent increased by 80.2% and 60.2% respectively. In 2012 in comparison to 2011, number of arrivals in 4 star hotels number by 49.8% and number of nights spent by 44.4% (Tables 3 and 4).



Source: Statistical Office of the Republic of Serbia, Belgrade

Figure 1 – Share of the Belgrade region in total number of tourists' arrivals and nights in Serbia



Source: Statistical Office of the Republic of Serbia, Belgrade

Figure 2 – Rooms and beds capacity in Serbia

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Dragutinović Stefan, Jeločnik Marko, Zubović Jovan

BUILDING TOURISM CAPACITIES IN BELGRADE IN THE (POST) CRISIS PERIOD[1]

Based on presence and diversity of number of natural and social resources, generally Serbia possesses very good potentials for intensive tourism development. Beside mountain and spa tourism, in last few decades Belgrade has been grown into the unavoidable destination, as for domestic as well as for international tourists.

Main goal of paper is to analyse current state of tourist industry in Belgrade city, and to show that, after crisis period, it can and has to play more significant role in actual economy rebuilt. Moreover, it is expected that larger investments in tourism of Serbian capital will be economically sustainable in long term period, as it is well known that developed tourism can successfully fill in the city and national budget.

Key words: tourism capacities, Serbia, Belgrade

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Introduction

Tourism is one of the substantial sectors of the Serbian economy, as it has great influence on GDP creation, employs large contingent of working population, affects balanced regional development and improves the country's balance of payment through the silent export and attraction of foreign direct investments. It is based on widely available natural resources, rich cultural and historical heritage, proper physical and social infrastructure and satisfactory accommodation and catering facilities (Jeločnik et al., 2013).

Despite generally known potential role of tourism as an initiator of overall socio-economic development, unfortunately, over the last few years it has been faced with dominant obstacle in Serbia – the lack of available investors that will refresh the existing and create new tourist contents.

Turning the focus to Belgrade, it can be represented as the capital and the largest city in Serbia. According to census in 2011, it had a population of slightly more than 1.2 million inhabitants, and with wider surrounding around 1.7 million inhabitants.

From the aspect of tourism, after introspection in Strategic documents, its' territorial diversity can be divided and then grouped into the following zones: urban zones, aquatic zones, parks and zones for recreation, ecological-touristic zones and rural areas (mostly peri-urban areas), (IEN, 2008).

What is impressive that Belgrade can offer to potential guests? According to Vuković et al. (2013) that will be: numerous of cultural and historical monuments, museums, galleries and capital facilities; various environmental complexes at the macro and micro level; landscaped green areas throughout the whole city territory; arranged access to Danube and Sava river; tourist complexes relatively close to core centre; number of and good dispersion of sport-recreational facilities; abundance of cultural and tourist events throughout the whole year; attractive restaurants and excellent catering services, etc.

Despite various contents, currently Belgrade´s tourism demand is highly dependent on business travel. Nevertheless according to Joksimović et al. (2013) "Belgrade has been acknowledged as a low-cost destination of fun and nightlife and the city's new image has attracted more foreign tourists". On the other hand "it is well known that urban green spaces represent the most valuable part of urban open space from ecological point of view" (Anastasijević et al., 2009). At the same time, being the capital city it is to expect that tourist arrivals will be concentrated in Belgrade on the account of lower arrivals in other areas (Pejović et al., 2008). Belgrade itself has got several micro destinations which are attractive for tourists, both domestic and foreign (Lakićević, Srđević, 2011). Some authors have developed project for alternative means of transport by ropeways like shuttles, gondolas, street escalators (Maksimović, Međo, 2008). For all of those reasons, it was necessary to make an overview of the arrivals, current and planned capacities in Belgrade.

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Methodology and data on tourist arrivals in Serbia

In this research the authors have used several sources of secondary data, mostly originating from the Statistical Office of the Republic of Serbia. In the conjectural part of the paper there was reviewed literature related to the topic. We have presented the most important facts which might be important in affecting tourist arrivals. The research uses the most recent data from the period 2007-2013, therefore following the crisis and post crisis period.

In the Republic of Serbia, the number of visitors reached its peak in 2007, when it was visited by 2.3 million visitors, out of which 0.75 million visited Belgrade. After that period of reduced tourist arrivals has begun and it lasted until 2010. In that period tourist arrivals in Serbia were reduced by 13% to the level of 2 million, with 0.62 million visiting Belgrade. Therefore the drop in arrivals was higher in Belgrade where it recorded 19%. In the next three years a steady recover of tourist arrivals in Serbia was recorded. In 2013 tourist arrivals increased by 10% as compared to the level in 2010. However the recovery of number of visitors of Belgrade region became one year earlier and in that period, 2009-2013, total number of arrivals has increased by 19% (Table 1).

The average share of arrivals in Belgrade region in total number of arrivals in the observed period from 2007 to 2013 was 31.4%. In the same observed period the majority of total arrivals in Serbia referred to domestic tourists arrivals which constituted 65.3% of total arrivals. From the total number of foreign arrivals in the period 2007-2013, Belgrade participated with 58.7% (Table 1).

The similar trend that followed total number of arrivals in Serbia was recorded at the number of visitor nights in the same 7 years period. After the reduction of total number of tourist nights in Republic of Serbia from 2007 to 2010, in which number of tourist's nights was reduced by 12.5%, from 7.3 million to 6.4 million, a period of steady recovery begun. In the period from 2010 to 2013, total number of tourist nights in Serbia increased by 2.4%. In the Belgrade region number of tourist nights from 2007 to 2010 was reduced by 15.6%, from 1.5 million to 1.3 million tourist nights, after which the recovery from 2010 to 2013was much faster than the recovery recorded on state level and it reached 12.9%.

In the observed period from 2007 to 2013, domestic tourist participated with 76.2% in overall number of tourist nights spent in Serbia, while the Belgrade region participated with 54.6% in total number of recorded foreign tourist nights in Serbia.

It should be mentioned again the thesis that registered increase in arrivals of foreign tourists (mostly from EU), along with the impact of global economic crisis, could be a great chance for Belgrade and Serbian tourism at all, having in mind that the cost of desired tourist services in Serbia is relatively lower compared with some traditional destinations in surrounding, so on world touristic map Belgrade and Serbia starts to be identified as an attractive tourist alternative (Jeločnik et al., 2013).

After deeper reconsideration of tourist offer of Serbian capital, domination of following tourist products were identified: Business and MICE tourism (due to the fact that Belgrade is the administrative, cultural, economic and educational centre of Serbia); Excursion and touring (Belgrade is mainly within the offer of many European tour operators, especially those whose programs are based on the Danube river); Tourism of special interest (based on cultural-historical heritage, arts and tradition of the territory, gastronomy, sports-recreational facilities, etc.); Events;

Table 1 – Tourist arrivals from 2007 to 2013

Element	2007	2008	2009	2010	2011	2012	2013
Republic of Serbia	2,306,558	2,266,166	2,018,466	2,000,597	2,068,610	2,079,643	2,192,435
- Domestic arrivals	1,610,513	1,619,672	1,373,444	1,317,916	1,304,443	1,269,676	1,270,667
- Foreign arrivals	696,045	646,494	645,022	682,681	764,167	809,967	921,768
Belgrade region	764,466	705,574	602,034	618,454	619,124	660,674	718,943
- Domestic arrivals	328,528	328,657	232,457	223,046	178,777	189,375	182,006
- Foreign arrivals	435,938	376,917	369,577	395,408	440,347	471,299	536,937

Source: Statistical Office of the Republic of Serbia, Belgrade.

Table 2 – Tourist nights from 2007 to 2013

Element	2007	2008	2009	2010	2011	2012	2013
Republic of Serbia	7,328,692	7,334,106	6,761,715	6,413,515	6,644,738	6,484,702	6,567,460
- Domestic nights	5,853,017	5,935,219	5,292,613	4,961,359	5,001,684	4,688,485	4,579,067
- Foreign nights	1,475,675	1,398,887	1,469,102	1,452,156	1,643,054	1,796,217	1,988,393
Belgrade region	1,563,526	1,431,328	1,368,842	1,319,629	1,337,199	1,431,384	1,489,801
- Domestic nights	701,405	671,485	540,112	509,807	466,227	493,531	453,526
- Foreign nights	862,121	759,843	828,730	809,822	870,972	937,853	1,036,275

Source: Statistical Office of the Republic of Serbia, Belgrade.

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Kalugina Elena

ADVERTISING IN TOURISM: LANGUAGE PARADIGM OF MANIPULATION

The aim of the article is to offer the new subject in the language and culture study in the advertising field. The paper represents the object, subject, aims and tasks, its structure and correlation with the other fields of researches, methods, and practical application.

Key words: sociolinguistics; cognitive linguistics, genderology, advertising, tourism

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Advertising boom that began in the late twentieth century has realized not only in huge quantities of promotional products, but also in the increased interest in advertising specialists in various branches of knowledge, especially sociologists, economists, psychologists: examines of the economic and psychological aspects of promotional activities with a specific language problem in the advertisement, as well as the mechanism of action advertising, which is of great importance in solving problems of advertising and advertising objectives; investigate questions of formation and development of advertising; presented attempts a systematic approach to the study of advertising in the media and its role in the social space, describing the different methodology for advertising copywriters, advertising technology analyzes in political advertising.

One of the issues as a consequence of the "social" advertising is the question of the place of advertising in the communication system. An important criterion of status of advertising in this system is the number of communication partners. Stormy social, economic, political, and cultural processes that occurred in the twentieth century, brought with them more and more examples of actions and " non classical " communities. Among them were featured participants of various mass, political and socio-cultural movements; audience separate means and channels of mass media; consumers of certain goods and services; Member of numerous amateur (interest) associations, clubs, etc.

Mass communication as a kind of human communication has certain specific features that leave a mark on the process of communication and its structural components. There are the following components: author (sender, communicator), message (text), and the recipient (destination user). However, apart from them in the communication process included such an important element as communication channel. The author and the recipient acquire mass communication of "collective" character, while interpersonal communication takes place between the author and the recipient, which can be both individual and collective. Mediation communication technical means of mass communication as attached to the unidirectional nature, i.e. there is no immediate feedback or delayed feedback. In contrast, interpersonal communication may be possible to establish a separate exchange of information and contact with the individual. In the mass media communication is carried out large social groups, it leads to a pronounced social orientation of communication.

The main aim of the article is propounding a new branch of linguistics which intends to research gender aspects of language and culture in their peripheral fields. At the current stage the main task is to construct a theoretical model, which includes the description of such aspects as:

- the definition of the science,
- the object domain,
- the aims and objectives
- the framework of the discipline,
- the overlapping with the other branches of linguistics,
- the research methods,
- the relationships in the scientific paradigm,
- the basic premise
- the possible applications.

Definition of the science. A new linguistic branch of science is called genderology of the language nonstandard. Genderology of the language nonstandard (GLN) is the integrated humanities, exploring the images of man and woman reflected by

The most dynamic changes in the Belgrade hotel market in recent years occurred in the four star hotel segment, where three new facilities were opened: IN Hotel, Holiday Inn and Zira Hotel. Besides these hotels, another 21 small new four star properties were opened in Belgrade's downtown area, such as: Design Hotel Mr. President (2007), Town House 27 (2008), Life Design Hotel (2009), Hotel Crystal (2010), Belgrade Art Hotel (2010), etc. Considering that most upscale hotels in Belgrade are positioned in New Belgrade, these hotels have recognized their market niche by locating their premises in the downtown Belgrade. International Hotel chains have a considerably lower market share in Belgrade than in other major cities of Central and Eastern Europe, where they own and/or operate between 40 to 80% of all rooms in each city.

Luxury hotels in Belgrade are competing with smaller hotels as well, which would not be a case in a more established hotel market. These hotels due to its location or historical significance have established a market niche which in some sense represents a secondary competition for luxury hotels in Belgrade.

The Belgrade market is still in a development phase and there are a number of proposed hotels under construction in Belgrade. Four of the proposed hotels are in the five star category and all remaining ones are in the four star category, with the exception of the Holiday Inn Express, and they all will therefore compete for similar market segments. Many projects were announced several years ago and as yet have not recorded any progress in their development. Nevertheless, international operators remain interested in the location (Table 9).

It should have always in mind the business maxim that follows common sensibly economic logic that tourism is effective proportionally to the total investments in it, so mentioned is focused on the fact that developed tourism later successfully covers all debts to national economy.

From the aspect of more intensive tourism development in Belgrade, in upcoming mid-term horizon is necessary to approach to the next activities: more aggressive attraction of potential investors; Strengthen the position of Belgrade in the international tourist market; Innovate the promotional activities in line with global trends; Available tourism products bring closer to targeted market segment; etc.

Table 8 – Luxury hotel segment in Belgrade area

Hotel	Location	Number of rooms	Category	Best rate*
Metropol Palace	Old Belgrade	240	Luxury	146,00 EUR
Holiday Inn	New Belgrade	140	Upper Midscale	130,00 EUR
IN Hotel	New Belgrade	187	Upper Midscale	73,00 EUR
Square Nine	Old Belgrade	45	Luxury	180,00 EUR
Zira	Old Belgrade	125	Upper Midscale	82,50 EUR
Hotel Town house 27	Old Belgrade	21	Luxury	131,00 EUR

* The rate is the lowest available rate on [23-24th August 2013] for a double room with dual occupancy, booked in advance on the internet. The rate includes VAT and breakfast.

Table 9 – Future hotel projects in Belgrade area

Hotel	Number of rooms	Category	Location	Opening date
μ T	171	5 star	New Belgrade	2012/2013
Crowne Plaza Belgrade (InterCon-tinental)	415	5 star	New Belgrade	2013
Old Mill Radisson Blu	220	4 star	Old Belgrade	2014
Courtyard by Marriott	120	4 star	Old Belgrade	2014
Kempinski Hotel Belgrade	280	5 star	New Belgrade	2016/2017
Hilton	225	5 star	Old Belgrade	N/A
Boat hotel	N/A	4 star	N/A	N/A
Holiday Inn Express	N/A	3 star	N/A	N/A

Source: Management of certain Companies (hotels).

Conclusion

Level of development of tourism in Serbia and its' capital is in slight disproportion with the available contents, before all nature and cultural and historical heritage. Definitely Belgrade has something to offer, but from public and private investors are expected to adequately adjust offer of Belgrade touristic market with usually higher requests of contemporary tourists.

Adjustments have to be done quickly, how all economic facts goin favour to Serbia and Belgrade, having in mind that during the crisis and post-crisis period Belgrade turned into the more and more required tourist alternative to traditional destinations in Serbian surrounding. So, optimal price for offered quality of tourist services might be a great chance for development of Belgrade at all.

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Despite all the opportunities provided by development of tourism for Russia, Ukraine, Serbia and Slovakia, it is generally difficult to forecast how exactly the development of tourism will affect the economic sphere and what exact results it will bring for those countries [10]. It is primarily necessary to develop awareness and educate local residents for tourism development. Professional staff should also be trained, as the main bearers of development. At the same time there is a need to study the needs of target markets and potential tourist clientele, in order to obtain the data required to create the quality tourism offer [6]. Tourism should be developed adhering to the principles of sustainable development and in collaboration with the tourism companies and organizations both at local and national level. Only under such conditions, tourism will become a factor in the development of rural settlements and lead to economic prosperity [8].

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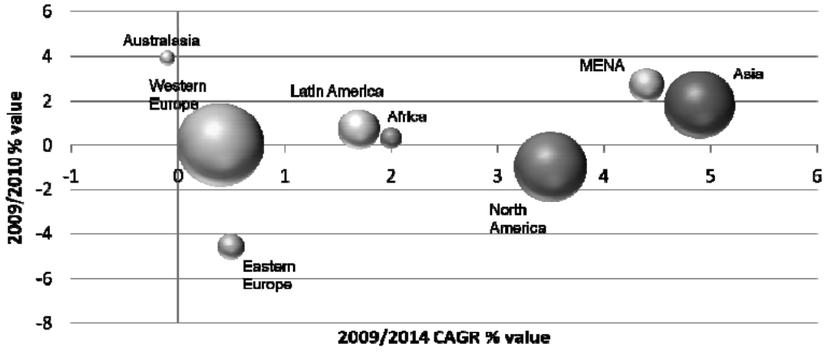
Table 2 – Separate indicators of tourist sectors of Russia, Serbia, Slovakia and Ukraine in 2012.

	Russia	Serbia	Slovakia	Ukraine
Number of nights, spent in the country	n/a	1796217	4039410	368724
Average length of stay, days	n/a	3.0	n/a	3.9
Number of hotels	8406	n/a	2907	3144
Average capacity of hotels, beds	n/a	n/a	n/a	96.6
Number of accommodated tourists	9785406	809967	1510699	1165141
Number of rooms in hotels	21531	46020	n/a	81441
Number of places in hotels	585327	113385	193369	162831

Sources: author's development according to www.ukrstat.gov.ua and www.slovak.statistics.sk.



Source: [7].

Figure 4 – Expected hotel sales performance by region in 2014.

Health and wellness lifestyle is spreading among different consumer groups. Natural resources of Russia, Ukraine, Slovakia and Serbia create certain competitive advantage [4]. One of the recent trends in domestic tourist industry in Serbia and Slovakia is development of rural and environmental tourism, which is completely preconditioned by unique environmental and "green" advantages of those countries. The Republic of Serbia has not given sufficient attention to development of rural tourism, but it has recently started with some projects which aimed to revive the rural areas which burdened with many economic and social problems. It is expected that rural tourism will contribute to the elimination of these negative trends and multiple impacts on the overall economic and social life [9]. In some areas of Serbia, rural tourism is based on the activities strictly related to farm and rural tourism offer which is based on life style on the farm. On the other hand, in other areas, it took the form of tourism of special interests, and is often associated with other forms of tourism that have a dominant impact on tourist visits to the certain destinations (winter resorts, spa centres, etc.) [9].

Summarizing the results of the current research, it is necessary to consider the following challenges and opportunities of development of tourism in Russia and other countries of Eastern Europe. The major challenges in tourist market of Eastern Europe as a whole, and investigated countries in particular, are related to:

- Decreasing dependency on regional visitors to attract big spenders.
- Improving quality of tourist products and services, both in traditional tourist attractions, and in other regions of investigated countries.
- Developing images of the four countries in the sphere of tourism, including such new destinations as rural tourism.
- Development of tourist infrastructure, including accommodation and transportation facilities.

The opportunities, that we have discovered, may be combined into the following groups:

- Large number of potential tourists close by.
- Unique natural recourses for development of recreational, medical and rural tourism.
- Lower prices for tourist products in comparison with other popular EU and world destinations.
- Good geographical position of Russia, Ukraine and other countries of Eastern Europe.
- New countries with undiscovered destinations – especiall Serbia and Ukraine, almost unfamiliar to the majority of international tourists.

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Ivolga Anna

TOURISM IN RUSSIA AND EASTERN EUROPE AS A CONTEMPORARY FACTOR OF NATIONAL ECONOMIC DEVELOPMENT

In the modern conditions tourism is one of the most active drivers of economic development of separate countries and entire-international economic. Tourist industry promotes economic and social progress, conditions modernization of existing infrastructure and creates new job opportunities both in developing and developed countries. One of the key indicators of development level of tourist industry is a volume of tourist flow. That predetermined the goal of the current research, which is the analysis of contemporary tourist flows of several countries and discovery of factors, influencing on inbound and outbound tourism. The comparative analysis of dynamics of development of tourist industries is conducted on the examples of Russia and some of the countries of Eastern Europe (Slovakia, Serbia, and Ukraine). The research resulted in study of business environment of those tourist industries, existing shortages and opportunities, as well as perspectives of development with due account for competitive advantages of each investigated country.

Key words: tourist industry, inbound and outbound tourism, tourist flow, tourist direction.

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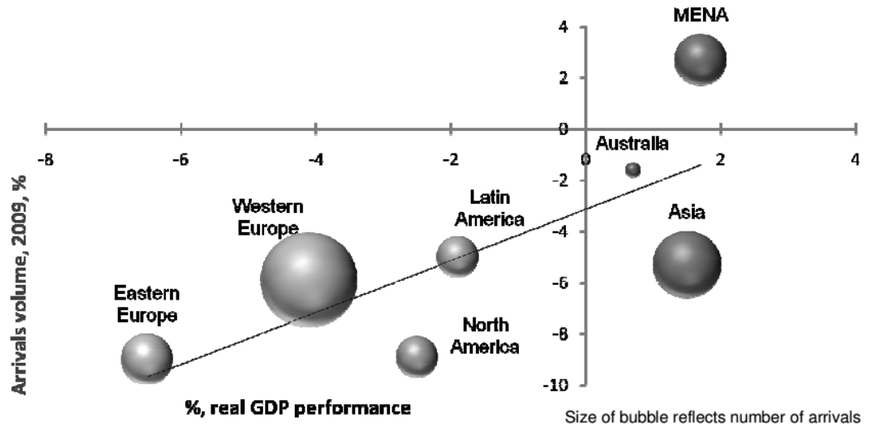
Tourism is becoming one of the most important spheres of national and international economic. In some countries tourist industry already creates the substantial (and even the biggest) part of domestic product; for others development of tourist sector is still a certain challenge.

The region of Eastern Europe experienced the strongest negative performance in the sphere of tourism during 2008-2010. It was partially caused by the world financial crisis, because of the close correlation between GDP and number of arrivals. Being the fourth largest destination region in the world with over 105 million international arrivals, Eastern Europe in 2009 demonstrated substantial loss (-9% in comparion the -5%) [7].

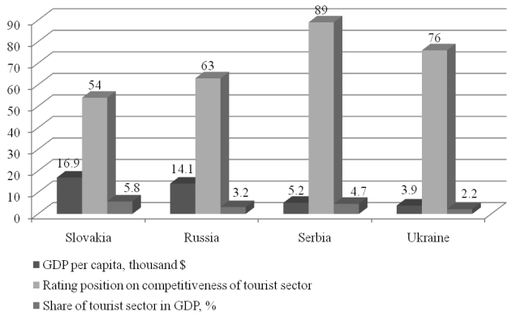
Regional arrivals dominate in the structure of tourist flows in Eastern Europe. The largest countries of the region, Russia and Ukraine, drive the overall growth, while Balkans countries (Montenegro, Serbia, Macedonia, Albania) are considered as emerging destinations [7].



Source: [7].

Figure 1 – Arrivals vs GDP growth by region in 2012

However, Russia and its neighbors in Eastern Europe are still on the early stages of development and promotion of their tourist sectors. There are similar economic and organizational problems, environmental and geographical conditions, and certain differences, which have to be taken into account when studying countries of that region [6]. Investigations of the Russia's tourist complex had been compared to the cases of Slovakia, Serbia and Ukraine (Figure 2).



Source: author's development according to www.ukrstat.gov.ua and www.slovak.statistics.sk.

Figure 2 – Comparison of Russia, Slovakia, Serbia and Ukraine on separate indicators, related to their tourist sectors, in 2012.

After the collapse of the USSR and a difficult transition period, Russia had faced a range of various problems. In those times development of tourist industry was not among the Russia's top priorities, in spite of the huge tourist potential and unique environmental and recreational resources. Tourism in Russia has seen rapid growth since the late Soviet times, first domestic tourism and then international tourism, fueled by the rich cultural heritage and great natural variety of the country [1].Currently Russia takes the 50th position among other countries of the world on GDP per capita ($14037 in 2012), and invests substantial funds into development of tourist sector of national economy, which in turn provides 3.2% of country's GDP. However, undeveloped infrastructure restricts inbound tourist flows, causes low tourist attractiveness of Russia, and, as a consequence, decreases potential return on tourist industry for national economy [3].

The most visited destinations in Russia are Moscow and Saint Petersburg, the current and the former capitals of the country.The warm subtropical Black Sea coast of Russia is the site for a number of popular sea resorts, like Sochi, the host of the 2014 Winter Olympics. The mountains of the Northern Caucasus contain popular ski resorts, including Dombay. Region of Caucasus Mineral Waters is one the world famous spa resorts with a huge variety of mineral springs. The most famous natural destination in Russia isLake Baikal. Other popular natural destinations include Kamchatka, Karelia, Altai Mountains [6].

Ukraine has more or less similar economic and structural problems as Russia, since the country was the part of a single soviet system. Following Ukraine's independence, the tourist sector of that country suffered the serious economic and infrastructural crisis. The country's tourism industry is generally considered to be underdeveloped, but it does provide crucial support for Ukraine'seconomy. In 2012 tourist sector resulted in 2.2% of Ukraine's GDP. Nowadays Ukraine takes 109th position among other countries of the world on GDP per capita ($3.867 in 2012. Ukraine has certain advantages, including much lower costs than other European destinations, as well as visa-free access for most people from Europe, the former Soviet Union, and North America. Visitors primarily come from Eastern Europe, but also fromWestern Europe(6.3 million in 2012), USA, Israel and alsoCanada. The country is the 8th most popular tourism destination in Europe.

Slovakia, after its secession from Czechoslovakia, was in the process of reorientation to the western market. The country has substantial recreational and tourist potential, even compared to other EU countries, considered as traditional and popular tourist destinations (Czech Republik, Austria, Germany and others). Currently Slovakia takes the 45th position among other countries of the world on GDP per capita ($16934 in 2012), and attracts tourists from neighbor EU countries. Most visitors come from the Czech Republic (about 26%), Poland (15%) and Germany (11%). The most attractive destinations are the capital of Bratislavaand the-High Tatras.Tourist industry provides about 5.8% of domestic product of Slovakia (as of 2012).

Serbia went through the same process of secession, as Slovakia. After its secession from Yugoslavia, the country is recovering its national economy and is developing its tourist industry. GDP per capita in Serbia was $5190 in 2012, which is 100th world position. Domestic tourist sector provided up to 4.7% of Serbia's GDP in 2012, and the country continues attracting tourists. Serbia is not a mass-tourism destination but nevertheless has diverse range of touristic products. In 2013, total of 2,192,435 tourists were recorded in accommodations, of which 921,768 were foreign, while the average length of a tourist stay was 3.6 days (2.3 days for foreign tourists). Foreign exchange earnings for the same year were estimated at $1.08 billion. Tourism is mainly focused on the mountains and spas of the country, which are mostly visited by domestic tourists, as well asBelgradewhich is preferred choice of foreign tourists. The most famous mountain resorts are Kopaonik,StaraPlanina, andZlatibor. There are also manyspasin Serbia, the biggest of which is Vrnja ka Banja,Soko Banja, andBanja Kovilja a.One of the significant tourist resource bases in the Republic of Serbia is the Danube River which its course flows and in different parts it makes different natural geographic units. Area of Danube region characterized and relatively good preservation of the natural environment. In this area are located two of the five national parks in Serbia [9].

One of the major indicators of tourist attractiveness of the country are volumes of inbound and outbound tourist flows. The comparative data of such incoming and outgoing flows for Russia, Serbia, Slovakia, and Ukraine in 2008-2012 are presented in the Table 1.

Table 1 – Dynamics of inbound and outbound tourism in Russia, Serbia, Slovakia and Ukraine, thousand trips

	Russia		Serbia		Slovakia		Ukraine	
	inbound	outbound	inbound	outbound	inbound	outbound	inbound	outbound
2008	2295	11313	1620	647	3896	2829	373	1282
2009	2100	9555	1373	645	3426	2636	282	914
2010	2133	12605	1318	683	3593	2354	336	1296
2011	2336	14495	1305	764	4130	2725	234	1250
2012	2571	15332	1269	810	4682	3017	270	1956

Sources: author's development according to www.ukrstat.gov.ua and www.slovak.statistics.sk.

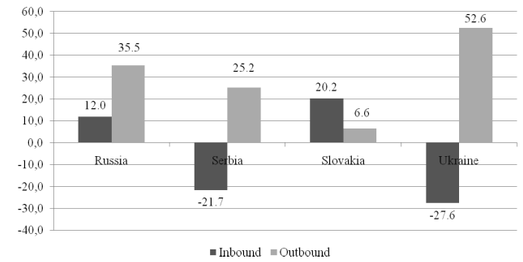
Analysis of dynamics of tourist flows in Russia, Slovakia, Serbia and Ukraine during 2008-2012 shows, that Slovakia is the most travelled country out of four investigated, while Ukraine is the least travelled. The biggest outbound tourist flow in in Russia, while the smallest is again in Ukraine. The global economic crisis of 2008 resulted in recession of tourist flows, both inbound and outbound. However, starting from 2009 and until now tourist flows of Russia and Slovakia have grown.

In 2012, 25.7 million international tourists arrived in Russia and brought $11.2 billion in international tourism receipts to the country. Including domestic and international tourism, the industry directly contributed 860 billion rubles to Russian GDP and supported 966,500 jobs in the country.

Slovakia is getting rapidly adapted to the condition of market economy. The facilities were gradually privatised since 1990s and new facilities have been built, also with the help of foreign capital. Dozens of new travel agencies have been established, and the number of tourist from abroad and income from tourism increased considerably. Passive tourism (Slovaks travelling abroad) increased as well – in the 1990s Slovaks travelled predominantly to the neighbouring countries andCroatia, and since the early 2000s the foreign destinations of Slovaks have shifted to major world tourist destinations (Egypt, France, Indonesia etc.).

The same tendency of growth had been observed in Ukraine until 2010, but in 2011inbound tourist flow decreased substantially (over 30%). Outbound flow decreased on 3% in 2011 in comparison to 2010, but in 2012 continued to grow (+56.5% in comparison to 2011).

Local researches consider tourism as the Ukraine's greatest lost opportunity [2].Of the seven countries that share borders with Ukraine, three far outstripit in tourist business. Ukraine is far behind Poland, Hungary and Russia. According to the State Service, the second most popular destination after Kiev isCrimea, followed by Lviv. Also, there are significant numbers oftourists visiting Odesa and the Zakarpattya region. The latter two havegained popularity with visitors from neighboring countries.Most of Ukraine's visitors come from Russia (about 34% in 2012). Thesecond largest number of visitors comes from Poland (about 21% in 2012),partly because of commerce and partly because of family relationships datingback to the period when what is now western Ukraine was a part of Poland.Also, there are substantial numbers of visitors from neighboring Moldova,Belarus, Hungary and Romania [2].



Sources: author's development according to www.ukrstat.gov.ua and www.slovak.statistics.sk.

Figure 3 – Growth rates of inbound and outbound tourist flows of Russia, Slovakia, Serbia and Ukraine in 2012 in comparison to 2008, %

The similar tendency is observed in Serbia, where inbound tourism is decreasing, while outbound one is growing. Being the smallest country out of four investigated in the current research, Serbia has lower tourist facilities in comparison with Ukraine, Slovakia and Russia, but uses them in more effective manner. For instance, the total number of nights, spent by tourists in Serbia, is substantially over Ukraine's level (Table 2).

Recession on 2008-2010 hit hard business travel in most Eastern European countries, including Russia, Ukraine, Serbia and Slovakia. World hotels sales fell by (-12%)in 2009-2010 in comparison to 2008-2009, but nowadays thje slow recovery of hotels is expected [7].

Countries of Eastern Europe, especially Slovakia out of four investigated, promote regional tourism in a number of ways. Slovakia, for example, is trying to intensify interregional and domestic tourism underpins popularity of destinations in its regions. The country is developing new projects to attract tourist to regions by promotion of its rural tourism, spa, and amusement parks [5].

levels in order to improve the validity of administrative decisions on the sustainable development of local tourism markets:

– to form socio-economic policy of municipalities with regard to the type of development, including the tourism sector ;
– to diagnose the potential opportunities for sustainable development of recreational areas through the use of techniques of determination of potential reserves of the tourism market development ;
– to develop target programs for the adaptation of rural and urban population to rapidly changing conditions of the tourism market in order to increase employment and sustainable development in the region.

The above mentioned areas will contribute to the further sustainable development of the tourism cluster in the system of natural and recreational complex of the region on the basis of socio-economic improvement of rural areas and increasing of non-farm employment in the municipal units.

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forms of the language outside the literary standard in the features of male and female speech. Regional dialects are not considered in this aspect.

The object domain. GLN investigates images of male and female in nonstandard speech, as well as is the nonstandard nominative units with gender semantics and characteristics of male and female speech beyond the literary standard. So, at the stage of definition and determining knowledge domain, the perceptive and productive aspects of genderology of the language nonstandard can be identified.

The aim of the science is male and female nonstandard linguistic image construction; the objectives are the study of man and woman manifestations of semantics in the nominative linguistic units, features of male and female communicative behavior with the use of nonstandard language units. One of the problems of genderology of language nonstandard is an active involvement of cognitive techniques into sociolinguistic science, along with methods of interpretation and sociological cultural linguistic description of personality.

In addition to theoretical aspects, this branch of the science has applied aspects and therefore applied problems in terms of possible solutions which will be discussed below.

Leaving aside the advertising products previous decades, which were placed in the narrow professional, industry publications, we can say that the present advertising is essentially a new area of our reality, linguistic, and psychological aspects of which are still recognized and studied. It is no coincidence force of influence on mass consciousness advertising in the West (and now we) liken art and religion.

The effect of the emotional impact of advertising depends on several factors, which are closely connected. Primarily from the substantive aspect of advertising, causing emotional feelings among consumers, from an emotional impact on consumers of novelty and concreteness advertising appeal of emotional intensity of the advertising text, its liveliness, originality and effectiveness of selected arguments, their evidence and logic, from the speech of expediency, i.e. the optimal selection of the optimal composition of words and to create the necessary advertising image from the material and spiritual needs of people. The purpose of manipulation is manipulation in the hidden true intentions – to induce another person to commit certain actions, change the values, perceptions and attitudes, etc., while maintaining his illusion of independence or autonomy of decisions and actions, confidence in the fact that it acts on their own.

The place of GLN in the science. Genderology of language nonstandard “is a complex humanity in the topical area of linguistics, namely: a) sociolinguistics, as social language version is studied, b) cultural linguistics, as representation of subcultures are studied in language, and c) cognitive linguistics, as cognitive paradigmatic foundation and methods are applied This scientific branch can be regarded as a gender linguistics in its research projections beyond the literary language. Thus, the gender study of language nonstandard is interdisciplinary area at the crossroads of linguistics and gender studies. In turn gender study is also a comprehensive science formation: it is narrow, specify and simultaneously expand the subject field of gender linguistics. On the one hand, genderology of language nonstandard belongs to gender linguistics as it studies not all language, but only those of its area, which is limited in the social (age, scope) and functional aspects. On the other hand, genderology of language nonstandard marks the expansion linguistic material towards the outlet in its peripheral areas.

Methodology. Genderology of language nonstandard highlights three levels. They are: the philosophical, general scientific, and specific scientific; it is also included in the anthropological paradigm.

From the viewpoint of philosophy the language is regarded as a dialectical unity of material and ideal, objective and subjective, dynamic and stable in the sign system, having the character of social destiny. Social purpose of language is implemented in its various social forms, including the vernacular, slang, jargon and slang. Because of its relative freedom in comparison with the literary norm, nonstandard manifests subjectivity of linguistic identity, its creative origin to a much greater extent.

Specific scientific methodological foundation is based on the principle of anthropocentrism and determinism the center of which is a man. In postulating a new branch of science methodology we avoid rigid determination models, preferring nonlinear version of determinism, self-organization model, in which there is a phenomena of synergy. Nonstandard does not have norms in the sense in which it refers to the literary language, it produces “norms of the second level”, and the process of this “normalization” has synergistic nature. Specific scientific methodological foundations are based on the provisions of sociolinguistics, which studies “the forms of language existence of in its social conditionality, social functions of language and communication with social processes, language dependence on them and their reflection in its structure” (Chemodanov). The ratio of the outer and inner determination in the case of language nonstandard can be characterized by using of sociolinguistic variable “the item, which depends on some non-linguistic variable of social context: someone who is speaking, listening, audience, environment, etc.” (Labov 1975, p. 150). Linguistic features that W. Labov calls indicators “have a regular distribution of the socio- economic, ethnic or age groups, but appear in the speech of each person more or less in the same way in any context “ (Labov). These indicators can be stratified if social contexts allow hierarchical structuring. Sociolinguistic variables, called markers by scientists, have not only a social distribution, but also stylistic differentiation.

Paradigmatic context. Overall genderology of language nonstandard is anthropological paradigm as regards the subject of communication though the image of its gender as a social factor. Anthro-

pocentrism is still the guiding principle because “speaking person» owns more than one code, in particular more than one social language.

Presuppositions. As is known, a new scientific branch does not occur in a vacuum. However, an important prerequisite is the understanding that cognitive methodology and tools of cultural linguistics are insufficiently used in sociolinguistic studies of language nonstandard, despite the active studies of language and culture. We conducted a study of concepts “man” and “woman” in particular affirmed the hypothesis that these concepts are projections of general cultural perceptions of men and women as carriers of qualities and properties, socially prescribed, formed on the basis of various representations, stereotypes, standards, ideals. Both national and subcultural specificity are manifested in these concepts. The specificity expressed in a quantitative and qualitative difference between linguistic resources that represent concepts in the socially and culturally limited areas of the language. Marked specificity is also reflected at the cognitive level, namely features structuring concepts “man” and “woman” (Kalugina 2008). The proposed structuring of gender concepts (Kalugina, 2012) and is expressed in the introduction of cognitive indicators, cognitive derivational markers (Kalugina, 2011), cognitive metaphors (Kalugina, 2008) as the supporting elements such ordering empirics. At the same time there is the possibility of correlation of cognitive derivational markers and cognitive indicators, on the one hand, and sociolinguistic variables of W. Labov (indicators, markers). All these include social linguistic tradition into cognitive context.

Practical application. Theoretical bases allow developing a new theory of nonstandard language forms, which gives the opportunity to go on the practical application of its developments for example in lexicography, by creation of special cognitive cultural linguistic dictionary of gender nominations in language nonstandard. Another practical direction is linguistic expertise, in particular, such a form as author identificating examination in which there is no generally accepted methods of the author’s attribution (Krassa, 2013).

Significant field of application is advertising and PR. In this regard, not only the characteristics of men and women are relevant, but especially their speech and the aspect of intentionality theory. Since the language of men and women is a complex heterogeneous structure consisting of standard and nonstandad elements, gender research of language of target groups has great prospects in this direction. Such an opportunity, in particular, is given by forums, groups in social networks.

Thus, theoretical modeling of genderology of language nonstandard includes defining scientific direction, representing of its object and subject, aims and problems, identifying the place of the subject in the system of scientific knowledge, the description of the methodology of scientific discipline and its paradigmatic context, the disclosure of the initial assumptions and practical applications.

Genderology of language nonstandard is complex humanity that studies the images of men and women, reflected by the forms of language outside the literary norm in the features of male and female speech in these peripheral forms of language.

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Secondly, at the moment, tourism infrastructure and touristic – excursion activity are underdeveloped. Small amount of domestic and foreign investment in tourism industry development is fixed.

Thirdly, there is no educational-methodical center for training and retraining specialists in the sphere of tourism, international tourism relations, market that provides tourist services to the population, including those living in rural areas are not well developed.

For the revival of rural tourism we need an effective mechanism through which active development of tourism industry will happen, it will also increase the role and stimulate the interest of local authorities in improving the quality of tourist services, development of social infrastructure, transport and communications, telecommunication systems, culture, sports, folk art and crafts [3, p. 87].

In our opinion, as the main directions of sustainable development of the tourism market of rural areas in the region should be recognized the following: the formation of optimal socio-ecological-economic policy of municipalities with regard to the type and level of their development, the creation of municipal databases on sustainable tourism development and employment, the priority development of processing industries of regional and municipal economy, construction and trade industry; the formation of sustainable system of small and private entrepreneurship in the rural area; the formation of stable employment system in the field of agro-tourism, recreational and environmental activities.

Creation of regional municipal rural centers on issues of sustainable development and employment, design and usage of socio-economic maps of tourism clusters sustainability and employment can have certain positive role. Management of sustainable development of local tourism markets and employment involves implementation of a set of measures of organizational and economic, social and labor, environmental and legal and socio-psychological nature [6, p. 237].

The basic principles of a strategic approach to the formation of sustainable development of regional tourism market for long term should be the following: the priority of its organizational and economic, social and labor development, including improvement of employment system in the countryside, modernizing social and labor sphere of rural area, creation of conditions for the commodity-product self-sustainment of territory and development of rural self-government, smoothing socio-economic differentiation of rural sub national entities taking into account risks of their sustainable development and work procurement.

To these activities we can also include: the optimal combination of management forms in agriculture, environmental compatibility and harmony development of agriculture, consideration of polyfunctionality and multifunctionality of the agricultural sector, the priority of development of employment system in the recreational and environmental sphere, balanced diversification of industries and the development of non-farm employment, improvement of human potential, employment sustainable system and material incentives for workers of tourism cluster.

Speaking about the reasonable practicality of research it should be noted that in cooperation with specialists of department of sustainable development of rural areas of the regional Ministry of Agriculture, we have participated in the development of the principal measures for the implementation of innovative projects that provide employment increase in the recreational and tourist complex in the region.

In this case the question is about the implementation of innovative projects providing the expansion of employment in non-agricultural area in accordance with the project of the regional target program “Sustainable development of rural areas for 2014-2017”. Herewith the objects include: special economic zone of tourist-recreational type “Grand SpaYutsa” in Predgorny municipal district, Pelagiadsky sports complex and recreation base “Lost Paradise” in Shpakovsky district, therapeutic mud-baths “Salt Lake” in Petrovsky district, cultural and recreational complex “Golden Sands” on the shores of the reservoir “Wolf’s Gates” in Novoselitsky district, the base of agricultural tourism (private farm of Vasyutov N.I.) in Levokumsky district, hunting tourist complex in Apanasenkovsky municipal district.

According to preliminary calculations, only on the basis of the listed facilities it is planned to create more than 163 new job places in the region in 2014-2015, primarily in the field of recreation and tourism. Expected growth of the gross regional product will exceed 49 million rubles.

Therefore, sustainable development of the tourism market in the region – is the strategic direction of a stable, effective and optimal functioning of the socio-economic sphere of this territory with the system of touristic service and its permanent ability to resist constant external and internal influences, where employment in the sphere of Regional tourism is the imperative of positive transformations procurement.

Definitely, appropriate and well-timed assessment of the condition and dynamics of socio-economic development of the tourism market should be based on system research of the passing processes taking into account key factors that open the opportunities of the regional economy condition improvement and enhance living standards.

According to our calculations, integral indicator of sustainable development of the tourism market of separate territories for 2010-2012 varies in the region from 0,674 to 0,891 and most highly correlate with a complex indicator of employment (due to variation of 37.2%), functioning of social sphere (12.4%) and economic development of municipal areas (19.6%).

The following measures are recommended to government agencies of regional and municipal

UDC 338.487(1-22)=111

Molchanenko Svetlana

PRINCIPAL DIRECTIONS OF TOURISM MARKET DEVELOPMENT IN RURAL REGION

Problems of tourism market development in industrial and agricultural region are analyzed, main activities on sustainable development of tourism in rural area are substantiated in the article.

Key words: tourism market, sustainable development, employment in tourism sphere.

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The market of tourism or tourism market of rural region is a complex multi aspect structured formation, which includes the following functional components: economic, environmental, social, legal. They are based on the system forming elements of development such as labor, land and natural environment in general, as well as capital and entrepreneurship. Practical realization of these elements are: employment as a basis of the of municipal territories existence and development of recreational and environmental protection fields on this base.

However, at the present time, there are no theoretical, methodological and applied aspects of the development of the tourism market in rural areas, some problems of its functioning and transformation are not completely solved.

In this regard, in our research we developed a theoretical idea of sustainable development of the tourism market in terms of substantiation of its structural and functional components evolving under the influence of system of the factors that ensure self-sustaining formation of local tourism markets in the region on the basis of improvement of the employment and effective functioning of the socio-economic sphere of municipal economy.

As the analysis of the scientific economic literature shows, according to majority of scientists, tourism – is a cross-sectoral and interagency multistructure economy and at the same time a unique social phenomenon, accessible to the population of all ages as a means of healing, communion with nature and gaining peace of mind, as the environment of harmonious development and society improvement [1, p. 34-41; 2, p. 55–57].

As regards the tourist industry in Stavropol Territory it is a young growing sector of economy of industrial and agrarian region. Currently services in travel and tourism sphere (mainly hotel and restaurant services) are less than 700 thousand dollars on average per year, it is about 3% of gross regional product. The following facilities have the greatest value on the tourism sector market: Caucasian Spas, Kuma and Podkumok river valleys, Lake District Manych Gudilo, Chograysky reservoir, plateau Strizhament, Salt Lakes, tourist attractions of the Stavropol city, Pyatigorsk, Kislovodsk, Zheleznovodsk and Nevinnomissk [7].

The necessity of marketing strategy development in order to promote the Stavropol Territory, as a region advantageous for tourism is substantiated according to the target program “Development of Spa resorts and tourism in the Stavropol region for 2012-2016” of the Ministry for Economic Development segment. As one of the main tools of promotion is considered the formation and development of a regional brand “Touristic Stavropol region.” Special attention is paid to the development of natural and recreational complex and tourism activity at the level of the rural areas of the region as a particular social, ecological and economic zone of residence almost half of the population of the Stavropol region.

According to research results, in Stavropol region at the present time there are more than 190 firms engaged in tourism sphere only. 97 touristic firms have license for international tourism activity. [8]

At the same time, there are some organizational problems of the tourism industry development in the region.

In the first place, there is no effective coordinating activity of state authorities on the tourism industry, including the regional Ministry of Agriculture. Legal framework and economic mechanism of relationship of administrative bodies and economic entities with tourism organizations is insufficiently developed.

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Klímová Monika

ETHICAL SPECTRUM OF SERVICES HALAL TOURISM OF CZECH REPUBLIC IN RELATION TO THE RUSSIAN-SPEAKING TOURISTS

The aim of this article is to identify the main features of Halal tourism in relation to the Russian-speaking, Muslim tourists so as to make this information useful for specialists in inbound tourism. Halal tourism is certainly one of the latest trends in the field of tourism. The number of its users is growing in direct proportion to the number of followers of Islam. However specialists, who provide services to this segment of customers are lacking in basic knowledge of Halal tourism, which in practice significantly affects the quality of provided services in incoming tourism of the Czech Republic and guests‘ satisfaction as well.

Key words: halal tourism, incoming tourism, Russian tourist, Arab-Islamic culture

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Introduction

Halal tourism is certainly one of the latest trends in the field of tourism. Halal tourism appears as a relevant form of the tourism, connected with the segment of clients related to the Arab-Islamic culture. Arab-Islamic culture is an important junction of the two expressions. Arabs are a nation, ethnic group that could by way of their qualities, language and geographical location influence the value paradigm of the Arab-Islamic culture. Islam is the youngest monotheistic religion in the world. Completes the Arab- Islamic culture. Islam is not just the name of religion; it is an expression and a way of life.

The aim of the article is to identify the main features of Halal tourism in relation to the Russian-speaking, Muslim tourists so as to make this information useful for specialists in inbound tourism.

HALAL TOURISM AND ITS BASIC PRINCIPLES AFFECTING TOURIST SERVICES

Halal tourism features require also qualified and trained staff. Experts in the field of tourism are lacking in basic knowledge of Halal tourism in providing services to this segment of clients, which in practice significantly affects the quality of services in incoming tourism of the Czech Republic and guests' satisfaction as well.

Halal tourism segment of tourists is formed also from the ranks of Russian tourists. Usually they are associated primarily with the Orthodox believers, who form the majority in the Russian Federation. From the Russian Federation come Muslim tourists as well, who also belong to the religious structure of the Russian Federation, and in this case are our target segment.

Russian-speaking Muslims arrive to the Czech Republic from the former republics of the Soviet Union too, especially from Azerbaijan, Kazakhstan and Uzbekistan. It is very difficult to determine their number, because religion is a so-called sensitive data that can not be collected and processed without the subject's consent and registration at the Office for Personal Data Protection, so we come out only from the official tables of religion in former Soviet Union, whose residents come to the Czech Republic and their predominant religion is Islam.

Specialists' knowledge of the principles of Halal tourism, who work in the tourism industry, is not satisfactory, the main ignorance we face with is in the lodging department, catering organizing and services provided at resorts and Spa centres.

Basic knowledge must come from the familiarity with five fundamentals of Arab-Islamic culture. They only create the main part of the value paradigm of the culture and its knowledge is essential for working, conducting business negotiations and cooperating in the field of tourism with the representatives of the target culture.

The main religious text of Islam – Koran establishes what is right and what is wrong. These principles are sophisticated enough, for our needs (to become acquainted with Halal tourism) sufficient is knowledge of the two terms : halal and haram. Halal means everything that is right, "allowed". They are the traditions, customs and activities in accordance with Islam. From this term derives the designation of Halal tourism. Haram is the opposite term to the word halal. It means "forbidden, illegal, prohibited." In Muslim countries this desig-

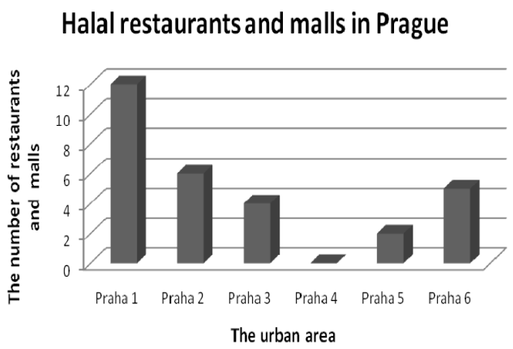
nation is not correctly applied only to products that Muslims are allowed to eat.

Arab-Islamic culture has its own features, which are, undoubtedly, reflected in the tourism and hospitality industry. Muslim client as a tourist is characterized by the following features:

– *Concerning alimentation* may require the compliance with the principles of Halal food. Not only correctly selected products and ingredients, but cooking and table serving as well. Halal food principles also include the selection of the beverages. To Halal products always refers milk (cow, goat, sheep and camel milk), honey, fish, non-poisonous plants, fresh or frozen vegetables, fresh or dried fruits, legumes and nuts, grains. Speaking about animals, it is crucial to abide by the method of slaughtering of the cattle in accordance with the established ritual: the neck must be cut immediately with a very sharp knife, all the three major arteries must be cut at once, the meat of slaughtered animal must be bled from the blood. Slaughtering is always done by a Muslim and during this process must be read the prayer or pronounced the name of Allah.
– To haram products refers alcohol, blood and products made of blood. Pork and products from it (sausages, bacon, ham, gelatin, etc.), incorrectly slaughtered animals or carcasses. Animals that weren't slaughtered in the name of Allah. Get drunk. Predators, birds of prey and animals without external ears (snake, reptile, worm, insect, etc.). Products mentioned above and their inclusion to the list of halal or haram food are not negotiable, some other ones may be controversial and it is necessary to know more information – composition, origin. They are called mashbuh (doubtful, questionable). They are considered to be unsuitable, unless the contrary is proved.

In addition to Halal restaurants for tourists is important to have Halal products in everyday chain stores. From this perspective, the most equipped is Prague (Figure 1), which offers Halal products in attractive tourist parts of the city.

– *In air transportation services* some companies are adjusting to the client's requirements. To airlines, that announce during the flight the time for prayer or offer halal meals pertain: Emirates, Saudi Airlines, Etihad Airways, Qatar Airlines.
– *In the lodging department* may appear a requirement of separate rooms – for men and women. If the hotel has a swimming pool, it is assumed a separate pool for women and a separate one for men. In room mini-bar is not offered alcohol. As a component part of the architecture of the hotel for Muslim guests is the prayer hall. Many hotels, specializing in Islamic clientele, recruit staff of Arab origin.



Source: own study

Figure 1 – Halal restaurants and malls in the tourist areas of Prague

From the viewpoint of providing Halal tourism services is important to know where in the Czech Republic are the closest mosques or prayer halls where can go the clients. Some hotels, for instance, Karlovy Vary Thermal Hotel has the prayer hall in its building. Guests must feel themselves comfortable and it is also essential to provide conditions for a calm prayer in the room or prayer hall at the right time. Rooms must be oriented such way that it is always obvious the direction toward Mecca. Most mosques and prayer halls are located in Prague, then follow Brno, Karlovy Vary and Teplice.

– *At resorts*, which are a popular form of tourism for Muslims in the Czech Republic, are also required: Halal food, separate swimming pools, procedures, closed separate changing rooms. Dressing room without respecting personal space to Muslim guests is extremely unpleasant. The requirement of professional staff in accordance with the client's gender. Women are examined exclusively by female doctor, rehabilitated only by nurse etc. It must be no surprise to the staff when the client's husband is present in a doctor's office as well, etc.).
– *In the field of guide activities organizing*. Travel agency should not be surprised, if faced with the requirement that the guide must be only a man. This will help to avoid possible impolitenesses towards female guides, who are in a negligible percentage and are rejected by the client in the beginning of the event. It is crucial to know the Islam issues, historical ties and the relationship between the Czech Republic and the Arab-Islamic culture (first contacts are from the tenth century, when Prague was mentioned in the report of Arab merchant as a city of pleasant business relations, etc.). The tourist guide should certainly avoid the topics that may lead to a conflict.

To work in the tourism industry means not only to create proposals using the knowledge of the principles of halal tourism and the Arab-Islamic culture. The work in the field of tourism means meetings not only with clients but also with managers of the hotels, travel agencies, carriers and a range of business organizations operating in this socio-economic sphere.

Conclusion

Tourism is one of the most significant socio-economic industries in the modern world. It plays an important role in the Czech Republic as well. Tourists practicing Islam tend to travel with the family. The tourism industry can not ignore this group of customers.

Professionals, who work in the field of incoming tourism, are mainly based on managerial abilities to create primary and secondary tourist product. Underestimated are their knowledge of the target segment of tourists. Very often in practice we can face with the view that tourists are mostly all the same, need essentially the same things and it is not necessary to classify the individual segments of tourists. For these reasons, the aim of the article has been set as defining the basic features of Halal tourism in relation to the Russian-speaking, Muslim tourists so as to make this information useful for specialists in inbound tourism.

Exactly the knowledge of the target customer segment forms together the offer of basic and additional services of tourism. Cross-cultural skills is a necessary equipment for workers in areas said above, whether in the middle or senior management and in any other area as well. Offering to Russian and Russian-speaking tourists the services only as for the Orthodox guests is considered to be the main mistake, the source of tourists' frequent complaints and their discontent.

Education in the field of cross-cultural differences fundamentally affects the ethical perceptions and actions of workers in the field of tourism.

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Babiak Robert, Parlińska Maria

INFORMATION UNCERTAINTY AND ITS IMPACT ON ECONOMIC MODELING

Abstract
This paper highlights the importance of information efficiency based firstly, on research by Stiglitz (ref: 1) and secondly, on empirical and well documented examples such as the Private Public Partnerships in construction industry (see ref: 4 by Marty/Voisin). Special attention is also given to the importance of governments that have leading roles in remedying information asymmetries in the finance industry (see ref:3 by Ciżkowicz).

The focus is on information inefficiency and the subsequent information asymmetries. Lack of asymmetries is the prerequisite to ensure market stability and the correct functioning of economies in general. The problem of information not being available may distort relations between parties and may become an obstacle in smooth operation of market systems.

The analysis in this paper is centred in the assertion that information is no longer a public good with its public good characteristics. With the onset of extreme measures to protect information resulting from the "the war on terror", some previously public domain information may unnecessarily be currently classified. Hence the full objective analysis of facts may not be possible without the additional cost of obtaining all the relevant data. This artificially inflates or deflates the objective value of information which, when placed in public domain rather than in the classified domain, has different value placed upon it.

Key words: Economics of information, asymmetry of information, value of information

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Discussion

The starting point for our analysis is the observation that information has economic value because it allows making choices that yield higher utility than could be obtained with the absence of information. Hence information is of value.

Much of the research in information economics was inspired by Fredrich Hayek (ref: 2) and recently by Joseph Stiglitz, George Akerlof and Michael Spence (ref: 6) in their analyses of markets with asymmetric information.

They noted that buying and selling information is not the same as buying and selling of other goods. Information as a good has, in their research, very different characteristics to the public good. Until their findings were published, information was considered to be nonrival meaning that one party receiving it did not reduce the availability of information to others. We will also challenge the second important aspect of information which prior to the Stiglitz research had been known to be "non-excludable" and that consumption of the good by one individual does not exclude other parties from also receiving or consuming it.

Following the premise that information was both nonival and non-excludable one could have concluded that it was also the example of a public good. This nonrival and non excludable property of information will be challenged by us together with the outdated definition of information as the public good.

Results

Information is not a public good – previously it was thought that "consumption" of information by one party does not reduce its availability to others. But by withdrawing information from the "public domain" and making it "classified", governments actively promote the notion of reducing information availability. The more the information is seen as sensitive the more it is "consumed" by government and less of it is available to the public.

The defense industry being often a large consumer of public money, is one such example where the more information is taken away from the public domain, the less information is available to others. Those "others" (not "the allies" who should be sharing the same "classified" data) in turn will be making wrong and costly defense related decisions based on information asymmetries. In most economic pursuits the information asymmetry is an undesirable factor in decision-making. The defense industry is one of few examples where information asymmetry is most often taken into account in decision-making. It is because this possibility of information asymmetry is well recognised by both parties having a natural adversarial relationship.

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Nagy Adrienn, Virág Ágnes

DESTINATION MANAGEMENT IN HUNGARY

The global trends, the changes of tourism market and the intense competitions require a modern management and operating system in tourism industry to be established. One of the most important elements of the National Tourism Development Strategy (2005-2013) was to achieve the establishment and operation of an institutional structure based on destination management in Hungary, too. The main task of these organizations is to provide valuabe experience for tourists and to improve economic, social and environmental development of the host community. The European Union has provided significant resources to develop the Hungarian destination management organization system, in recent years; several local and micro-regional tourism destination management organizations were established. The entire organizational structure has not yet developed and the uniform legal regulation has not established, in spite of this, in the next budget period of European Union serious emphasis is laid on the construction of the new institutional system. We provide a short overview of concept and main elements of tourism destination management. We explain how the structural system is built and what kind of the territorial coverage of the Hungarian system is. Finally, the tender effectiveness of the Hungarian tourism destination management (TDM) organizations will be analyzed.

Key words: Destination Management Organization (DMO), institutional structure, cooperation, tender support, sustainability

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Serious emphasis is laid on the continuous development of tourism in increasingly more countries of the world, so it is necessary to focus on restructuring the tourism system. In the early 2000s Tourism Destination Management (TDM) system appeared among the tourism development opportunities in our homeland. Basic principles of the bottom-up approach system are partnership, professionalism and support of financial background.

The advantage of development concept is that stakeholders may get a role in the future shaping of the tourism sector. In Hungary, the creation of TDM system received increasingly bigger attention, the new institution structure was/is built by the cooperation of tourism profession and stakeholders in the last 10 years.

In our study the general description of the destination management were used TDM Operational Handbook (edited by Márton Lengyel) the Balaton TDM booklets (edited by Ágnes Nyirádi – Sándor Semsei) and published writing of Tamás Víg. We made two professional interviews with László Tar, who is the executive director of the West-Balaton Tourism Office Nonprofit Ltd. and with Tamás Víg, who is the strategic leader of the Hungarian TDM Alliance. From the professional documents of Hungarian TDM Alliance we will analyze the success of TDM tenders and the territorial coverage of Hungarian TDM structure. Finally, we will emphasize information of the main guidelines of the National Development Plan and the National Spatial Development Concept 2014-2020 which belong to the TDM system. In the next years we can see that the TDM organizations how effective they work and how they will be sustainable in longer term.

Results

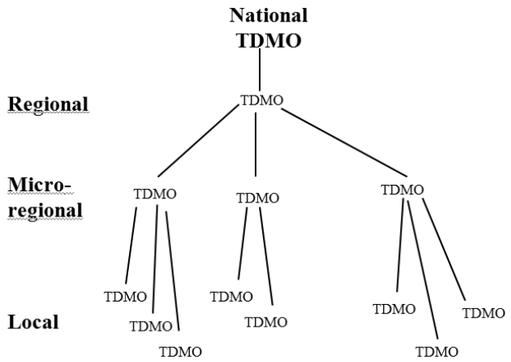
Stakeholders of tourism have to face a number of challenges including competitiveness, quality requirements, infrastructural requirements and ensuring of the complex experiences (Virág-Szabó-Zsarnóczai, 2012). Creation of a Tourism Destination Management system which guarantees that tourism is controlled and managed by competent professionals and local communities can be an adequate answer to these challenges (Lengyel, 2008). Tourism is one of the highest income-generating sectors that has influence on other economic and social processes as well. With the increase in the solvent demand, it can contribute to the creation of sustainable touristic service (Káposzta-GodaPál- Nagy H.-Nagy A. 2012).

The word, destination has latin origin and from tourism point of view it can be interpreted as the (ordained) end-point of a journey. Tourism destination management (TDM) is a long term, voluntary and organized co-operation of partners (local governments, professional and civilian organizations, businesses) who manage the products and services of the destination as a complex unit with the aim to optimize experiences of tourists and effects resulting in tourism activities taking into account criteria of sustainability. The aim is to achieve sustainable and competitive tourism (Víg, 2010).

Modern tourism destination management is based on several elements like high degree of willingness to cooperate, the coordination of services, management and marketing skills which

agreed by all, technical and other tools, the relevant professional knowledge, product development based on tourist needs, creation of a brand and ensuring of material background (Nyirádi-Semsei, 2007).

The TDM system is a hierarchically structured organizational unit, its base is the community-based organizations. The micro-regional alliances unite the local organizations. The regional organizations are made of micro-regional alliances. The peak of the system is the national organization. The TDM system consists of different levels of organizations (Lengyel, 2008).



Source: Own editing, 2013.

Figure 1 – Structure of TDM system in Hungary

78 local and 7 micro-regional registered organizations came into existence until February 2014 in our homeland. First regional TDM organization was born around Balaton in 2011. The Hungarian TDM Alliance assessed in which year they came into existence mostly among the registered TDM organizations. 40 percentages of the registered TDM organizations took part in the filling, so complete conclusions may not be drawn. The result shows well the beat of the domestic organization development. Visibly, more organizations came into existence in the tender period. The number of TDM organizations was insignificant before 2005, till in 2008-2009 and in 2010-2011 the number of organizations increased continuously. This is confirmed by our own research, the year of establishment of the organizations were collected from data of websites of registered TDM organizations which also shows that the majority of registered TDM organizations were established between 2008 and 2011.

In Hungary large differences can be discovered between locations of TDM organizations. 2. figure shows that more organizations work on the more-developed, western part of the country. The best hierarchical system took shape around Lake Balaton where 20 local, 3 micro-regional and a regional organization work. The micro-regional and the regional organizations get an increasingly bigger emphasis for the formation on other parts of our homeland, but it needs more time.

Sources: Hungarian TDM Alliance, 2013. Blue: only local TDM Organization. Green: Local and micro-regional TDM Organization is in the area.

Figure 2 – Hungarian TDM Organizations in 2013

The reorganization of the tourism institutional system and the creation of the tourism destination management system appeared in our homeland related in relation with. There were mainly Austrian and Italian examples. The National Tourism Development Strategy between 2005-2013 defined the reorganization of the old institutional system with the formation of local and micro-regional TDM organization and with the transformation of existing national and regional organizations (Káposzta – Nagy – Nagy, 2013). Based on Hungarian researches it is considered really important to improve diversification especially in the disadvantaged rural regions, in which for example turism could play a major role (see e.g. Ritter 2014).

The European Union separated 13 billion Ft to the formation and transformation of TDM organizations in the budgetary period between 2007 and 2013. In Hungary, the first TDM tender appeared in 2008, a call for tender was announced with two occasions until 2013, in 2011 in all regions, in 2012 in all regions with the exception of Middle Hungary. The local and micro-regional organizations may have applied for the union support through the regions' operative programs. In 2009 37 projects won tender support beside severe condition system. In 2011 inside the frameworks of the New Széchenyi Plan the next tender was announced originally with three competitions (May, September, and December). However, the call was suspended referring to vocational reasons in September 2011. Considerable vocational change did not happen in the tender call in the nearly one year period. In 2012 the tender was restarted with the fraction of the utilizable sources, the withdrawal of the clusters and the exception of Middle Hungary Region.

Table 1. summarizes the number of the winners of the three tenders and the measure of the won sources. In 2009 there were 37 successful projects, in 2011 only 32 and in 2012, 23 organizations won union support. The first 37 won organizations received 1656,4 million Ft support in all, then in 2011 32 competitors won 1791,36 million Ft and

tourism stakeholders; the situation of tourism destinationnetwork.

According to M. Enright and J. Newton (2005), destination competitiveness and sustainable development depends on the specific and general factors:specific factors (architecture, history, indigenous people, cultural identity, events (festivals, concerts, etc.)., museums, galleries, concert halls, theaters, night life) and general factors (labor costs and skills, the level of retail development, technology level of progress, the local companies' strategy, political stability, against corruption strategy, training level, a strong currency and stable prices).

Table 1 – The tourism destination competitive factors, developed by the author

Author	Competitive factors
Go ir Govers (1999)	Destination's options, availability, quality of service, overall affordability, location image, climate and the environment and attractiveness
Hassan (2000)	Comparative advantage, demand orientation, industrial structure, nature conservation
Larry Dwyer and Chulwon Kim (2001)	Incoming resources, creating resources, special events, festivals, supporting factors, tourist destination management, situational conditions, demand factors, factors of market performance
Ritchie and Crouch (2003)	Destination's ability to achieve higher tourist spending, increase the number of visitors attracted by providing them with rewarding, memorable experience
T. E. Dmitrijeva and V. A. Šeniavskij (2009)	Regulatory framework subindex, business environment and infrastructure subindex, human, cultural and natural resources sub-index
R. Hopenienė and A. Kamičaitytė, (2004)	Climate, geographical location, natural resources, local understanding and tolerance of the local culture, the local availability of services and land uses, natural capacity, infrastructure and jobs offers
M. Enright and J. Newton (2005)	Specific and general factors
R.Andrulienė, A. Armaitienė, R. Povilanskas, L. Janulienė, D. Dulskis (2011)	Tourism resources, tourism industry components, tourists flow,destination status, image area, activities of tourism stakeholders, the situation of tourism destinationnetwork.

Source: author's research

In conclusion there aredistinguish the main factors of tourismdestinationcompetitiveness: the image of the destination, natural resources, cultural resources, human resources, tourism infrastructure, quality of service, tourist destination management, special events.

Conclusions

1. Tourism destination competitiveness, which examined the researchers confirmed the importance and stresses that it is related to the well-being of local people. Competitiveness of tourism destinations is associated with the destination ability to provide goods and services to tourists better than other are doing it. Depending on the selected destinations to assess the competitiveness should be selected factors of tourism destination competitiveness
2. Major tourist destinations competitiveness factors: the image of the area, natural resources, cultural resources, human resources, tourisminfrastructure, quality of service, management of tourism destination, special events.

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ucts that sustain its resources while maintaining market position relative to competitors" (Hassan, 2000). According to other researchers, destination competitiveness is associated with the economic prosperity of residents of a country (Buhalis, 2000; Crouch & Ritchie, 1999). This is consistent with the view espoused by the World Economic Forum (Porter, 2001).

Poon (1993) suggests four key principles which destinations must follow if they are to be competitive: put the environment first; make tourism a leading sector; strengthen the distribution channels in the market place, and build a dynamic private sector. Go and Govers (1999), in a study of conference site selection, measure a destination's competitive position relative to other destinations along seven attributes: facilities, accessibility, quality of service, overall affordability, location image, climate and environment, and attractiveness.

Hassan has recently introduced a new model of competitiveness that focuses on environmental sustainability factors associated with travel destinations (Hassan, 2000). Hassan posits four determinants of market competitiveness. These are: *comparative advantage*; *demand orientation*; *industry structure*; and *environmental commitment*. Underlying his model is a conviction that 'a global perspective to understand key determinants of market competitiveness is critical for the tourism industry to sustain its growth and vitality".

The most detailed work undertaken by tourism researchers on overall tourism competitiveness is that of Crouch and Ritchie (1995, 1999) and Ritchie and Crouch (1993, 2000). They examined the applicability to tourism destinations of competitiveness research and models in other contexts spanning companies and products, national industries, and national economies, as well as competitiveness related to service industries. They claim that 'to be competitive, a destination's development of tourism must be sustainable, not just economically and not just ecologically, but socially, culturally and politically as well". Ritchie and Crouch focus on long-term economic prosperity as the yardstick by which destinations can be assessed competitively. Thus the most competitive destination is that which most effectively creates sustainable well-being for its residents.

Larry Dwyer & Kim Chulwonpresent the indicators, which were purified during discussions, that took place in Korea and Australia in 2001. Indicators were determined from the basic elements that make up the overall tourism destination competitiveness model. Indicators are presented summarize. LarryDwyer&ChulwonKimselectedindicators ofdestinationcmpetitiveness:Endowed Resources (Natural and Culture/Heritage); Created Resources (Tourism infrastructure, Range of activities, Shopping, Entertainment); Special events/festivals; Supporting Factors (General infrastructure, Quality of service, Accessibility of destination, Hospitality, Market ties); Destination Management (Destination management organization, Destination marketing management, Destination policy, planning, development, Human resource development, Environmental management); Situational Conditions (Competitive (micro) environment, Destination location, Global (macro) environment, Price competitiveness, Safety/Security) ; Demand Factors; Market Performance Indicators (Visitor statistics (numbers), Visitor statistics (expenditure), Contribution of tourism to economy, Indicators of economic prosperity, Tourism investment, Price competitiveness indices, Government support for tourism).

Dmitrijeva T.E. and Šeniavskij V. A. (2009) present the indicators of tourism sectors competitiveness:(political rules and regulators, the environment surrounding the durability, safety, health and hygiene, prioritization of tourism), business environment and infrastructure sub-index (air transport infrastructure, ground transport infrastructure, tourism infrastructure, information-communication technology, the price competitiveness of goods in the tourism industry), human, cultural and natural resources sub-index (human capital, tourism, sensitivity, natural resources, cultural resources).Tourism sector competitiveness index measures the attractiveness factor and features of the various countries.The index consists of three parameters that affect the competitiveness and to ensure. The group combines 70 indicators that make up the three sub-indices: the regulatory framework subindex, business environment and infrastructure subindex and the human, cultural and natural resources subindex.

According to R. Hopenienė and A. Kamičaitytė (2004), the system of region's tourism factors reveals the complexity of the tourism sector and its competitiveness determinants links. The regional tourism activities cover a range of tourism infrastructure components (hospitality, transportation, entertainment, etc..), which cooperate with each other, creating a work, which creates added value in order to create a competitive position in the regional market. However, absence natural resources and environmental protection, and the lack of short-term market success can lead to deterioration in the region. In order to maintain the competitiveness of the tourism market, the development of tourism industry must be preserved, that the area does not lose its appeal, requires proper planning and strategies that are necessary for the implementation of both the private sector and local community cooperation and collaboration

The evaluating the tourism destination competitiveness, focusing on the attractiveness of the area, identifies various factors for which the valuation is provided.According to the "Lithuanian tourism potential assessment in identifying major tourist attraction areas and the priorities for the study", tourism destination attraction consists of: tourism resources (natural, cultural, social/people) and infrastructure; tourism industry components (accommodation, meals, transportation, information management, travel and training services); tourists flow; destination status (for example, resort, UNESCO, world heritage and so on.) image area, activities of

the 23 winners of the last tender call got 1043,5 million Ft from EU resources. In 2009 the most winning organizations were in the region of Northern Hungary, Central Transdanubia and Lake Balaton. In the case of Balaton there was a separated tender call in Middle, Southern and Western Transdanubia regions in three tender periods. In 2011 the number of winning organizations was outstandingly high in Balaton tourism region, where 11 organizations received union support. The development organization based on TDM started by Lake Balaton, Gyenesdiás Tourism Association was the first local TDM organization in Hungary which was established in 2002. High degree of willingness to cooperate and the obtaining of tender resources contributed substantially to the dynamic organization construction by Lake Balaton. The most winning organizations were in the region of Southern and Middle Transdanubia in 2012. In the Southern Great Plain region the lateness – which can be manifested on the more economic sector of reason is, that in 2009 there was no successful organization. In 2011 there were 2, in 2012 three organizations figured on the application with success. The region of Central Hungary expedient to emphasize, we can see that in 2009 there was 1, in 2011 there were 2 organizations that won union sources, but in 2012 the publication did not provide a tender opportunity already for organizations inside the region (Hungarian TDM Alliance, 2013).

The tender resources contributed to the modernization of the Hungarian tourism institutional system, but the establishment of complete and stable hierarchical organizational structure is still to come. The sustainability of operation of the organizations has ensured only in short-term. The professionals hope the nascent tourism law will determine the income of tourism tax to return to the TDM organizations and there will be better drawdown opportunity of the tender supports (Hungarian TDM Alliance, 2013).

The number of organizations increased continuously in the last years, the reputation of the system increased despite the law regulation of the system did not come into existence. The professionals consider exceptionally important to set up a tourism law which can be passed by everybody. The law would regulate the function, the role and the tasks of TDM organizations. European Union provides resources in the future on the modernization of the tourism institutional system in its budgetary period 2014-2020. The TDM organizations can call the union support down in a bigger proportion hopefully, than in the period of 2007-2013. In this budgetary period altogether 11,148 billion Ft were separated in the tenders. TDM organizations can call down successfully only 4,49 billion Ft until three tenders, this means 40,28 percentile utilizations. The regional organizations did not take shape, so it was not possible to use of the sources for the regional development. Professionals hope that there will be more regional organizations, and they can use union sources for development in the next budgetary period.

Table 1 – The number of successful TDM Organizations and the amount of awarded funds on TDM tenders into regions

Area	2009-es ROP TDM tender		2011-es ROP TDM tender		2012-es ROP TDM tender	
	Won resources (million Ft)	Number of supported projects	Won resources (million Ft)	Number of supported projects	Won resources (million Ft)	Number of supported projects
Northern Hungary	378	11	329,14	6	82,19	2
Northern Great Plain	207,98	4	42,35	1	70,44	1
Southern Great Plain	0	0	141,65	2	112,41	3
Central-Hungary	49,38	1	89,93	2	0	0
Central Transdanubia	355,23	8	189,63	3	227,31	5
Balaton	429,98	8	570,92	11	192,82	4
Western Transdanubia	54,88	1	140,64	2	134,55	3
Southern Transdanubia	180,96	4	287,08	5	223,80	5
Total	1656,4	37	1791,36	32	1043,5	23

Source: Hungarian TDM Alliance, 2013.

Conclusions

The Hungarian TDM system was built gradually; the institutional reorganization receives increasingly bigger attention. The development of tourism receives increasingly bigger attention in National Development Concept and National Area Development Concept 2014-2020, the main aim of concept is the formation of total TDM system, the creation of accurate legal and law regulation. The TDM organizations have to face to several challenges, but the structure based on the partnership shows a positive future vision. Professionals hope that the questions of sustainability of Hungarian TDM organizations will become clearer, the tourism law comes into existence with professional touch, and the different level TDM organizations will be able to retrieve the EU resources successfully in the next budget season. A development project will not bring any resounding success for a region or a local community if the intervention was not cautious enough. The output of actions and reactions can be realized in many forms, so it would be impossible

to model all the combinations, therefore a general approach is required which can serve as a basis for each intervention. Cooperation is not enough to succeed, participants of tourism have to work together for the successful performance of destination. We think, TDM development based on cooperation is a good opportunity, with which it is worth living, it is possible to achieve better and more results with collaboration.

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Narkūnienė Ramutė

THE TOURISM DESTINATION COMPETITIVENESS FACTORS

The article discusses the concept of tourism destination competitiveness in the theoretical sense, pursue to identify the determinants of competitiveness. Destination's competitiveness is based on the growth of competitiveness determinants. A large variety of different factors affect the competitiveness of tourism destinations.

Key words: competitiveness,tourism destination, competitiveness of tourism destination, indicators of competitiveness.

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Introduction

Tourism business has blossomed in the globalization conditions and many countries have become dependent on tourism as a main source of income and investment. Tourism sector growth rates are among the highest among the business areas. According to the European Commission information, tourism accounts for more than 5% EU's gross domestic product (GDP). EU tourism accommodation sector employs 2.4 million people and all EU tourism industry provides jobs for 12-14 million employees. According to WTO data, the flow of tourists from 1990 to 2011 has more than doubled – from 435 millions in 1990 till983 millions tourists in the 2011. From a tourism growth goes hand in hand thing is a tourism destination competitiveness, which directly influences the growth of tourism. Destination's competitiveness growth should primarily be based on the main factors affecting the competitiveness of identification, then these factors suitable for use in competition. The article aim is to identify regional tourism competitiveness determinants.

Research object: the tourism destination's competitiveness factors

The aim of the research: after the theoretical concept of the destination's competitiveness study, highlighting the destination's competitiveness factors.

Objectives of the research:

– Explore the destination's competitiveness concept;
– Distinguished tourism destination competitiveness factors.

Research methods : analysis of scientific literature

The concept of competitiveness has long been in the limelight of scientists, politicians and business people. Competitiveness considered Porter in 1990. He applied advantages model of the competitiveness to countries and regions. Due to globalization, conception of the national and regional competitiveness become a policy instrument. European Union has paid particular attention to increasing the competitiveness of the regions as a means to the overall social and economic cohesion for the programming period of the 2007-2013. Strategy „Europe 2020" asserts, that the single market will achieved strategic objectives in 2020, where competitiveness and consumer stimulate growth and innovation, as well as the need to strengthen the competitiveness of the tourism sector.

According to Wahab (2001), the tourism industry's competitiveness is defined as the tourism market environment, tourism resources, tourism infrastructure and national opportunity to create value, to preserve existing resources and to increase the country's wealth. According to S. Hansen (2000), destination competitiveness is the region's ability to create a tourist infrastructure that is maintained in a natural base of natural resources and at the same time to create a similar market to competitors. Similarity of the other regions can be maintained, but, according to R. Hopeniene and A. Kamičaitytė, seeking the advantage of competitive areas must be highlighted the unique characteristics of the area of the territorial (natural and cultural heritage), what is it more distinguish from other tourist areas. Climate, geographical location, natural resources, local understanding and tolerance, and local culture creates the competitive advantage. Other competitive edge in the development of tourism and related features of the area is the availability of land and services, is the natural capacity, infrastructure and job offers. As a result, institutions, which are managing tourism regions have to collect data about determinants factors of the competitiveness.

A large number of variables appear to be linked to the notion of destination "competitiveness". These include objectively measured variables such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism industry, as well as subjectively measured variables such as "richness of culture and heritage", "quality of the tourism experience" etc. Hassan defines competitiveness as "the destination's ability to create and integrate value-added prod-

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Chaplitskaya Anastasia

ACTUAL FACTORS AFFECTING ON SUSTAINABLE DEVELOPMENT OF AGRARIAN SECTOR OF REGIONAL AGRO-INDUSTRIAL COMPLEX

This paper includes an analysis of the current problems and perspectives of rural development through rural tourism, environmental management andinvestment potentialbased on the example of the Stavropol Region. The paper addresses environmental threats to sustainable rural development and substantiates the practicality of diversification of traditional rural sources of income by means of tourism and other alternative activities.

Key words: sustainable development, rural territories, rural tourism

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Under the conditions of growing urbanisation, countries face the challenge of ensuring the social and economic progress of their rural areas. Rural territories have great natural, demographic, economic and cultural potential. The rational utilisation of that wealth can potentially provide diversified development, full employment, and high living standards and quality of life for the rural population. However, the current situation differs vastly from that ideal picture, especially in developing countries, where agriculture forms a significant part of the overall structure of the GDP.

Russia is considered as a developed country; nevertheless its rural territories are encountering serious problems on their way towards sustainable economic and social development. Current research is held on the case of Stavropol Region, the one of the entities of Russia with a distinct agricultural specialisation. The region is located in the central part of foothills of the North Caucasus and Fore-Caucasus. Its area is 66.2 thousand km2, including 57.9 thousand km2 of arable land (40 thousand km2 ploughed land). [6] Rural areas dominate in the Stavropol Region, however social, economic and environmental conditions very much vary from one rural territory to another. There are 26 districts, located in several climatic zones with different humidity: from dry in the east to perhumid in the south-west.

The first is the Sheep-Grain Zone, which includes the eastern parts of the Stavropol Region (Dry and Very Arid climatic zonesI and II). This zone occupies over 27.5% of the arable lands in the Stavropol Region, including 21.1% of ploughed lands (mainly light chestnut soils). The second is the Grain-Sheep Zone, where grain production dominates over sheep breeding.This includes territories of Arid Zone III with chestnut and dark chestnut soils (36.9% of the arable land, including 41.2% of ploughed land). The third is the Grain-Cattle Zone, which is composed of the northern and central parts of Moist Labile Zone IV. Its share in the total acreage of arable land is 25.1%, including 26.2% of ploughed land. The fourth is the Cattle-Grain Zone, which includes the southern part of the Moist Labile Zone IV, and zones V, VI and VII. It is the smallest zone out of four, with only 10.1% of the total acreage of arable land of the Stavropol Region, including 11.5% of ploughed land.

The different climatic, soil and environmental conditions of separate agricultural zones predetermined their production specialisations, the various sets of crops and animals produced, and consequently the specifics of their rural development. With due regard to such variety in the natural, soil, climatic and economic conditions of agricultural production, there is the regional agricultural system, which is composed of four agricultural zones. [9] Grain prevails in the Zone II (41.7% of overall grain production of the region).

Because of low prices for agricultural products and lack of financial resources, there is a process of asset depreciation in regional agriculture. Currently, agricultural complex of Stavropol Region is provided with machineries, tractors, grain and forage harvesters only on 45-55%. Depreciation of agricultural machinery exceeds 70%. The results of growing load are breakdown of farming processes, environmental disfunctions, failure to meet optimal dates of field works, increasing losses of yields, and ecological damages. During last 15 years humus content of topsoil decreased on 4.4–17.1%; annual shortfall in agricultural production because of soil erosion reached 8-10% of the gross agricultural output.

The current situation in the sphere of agricultural production is not unique for the Stavropol

In the real world there is no such thing as an absolutely non-rivaled and non-excludable good. Information is not such type of good. Since in our opinion information is rivalrous and it is excludable, it is also not a public good.

Information as a commodity – when the graduates of the information technology courses were going to work in 1980s they were perfectly trained firstly, to model and secondly, to construct better and faster technologies such as the ones coming out of the Silicon Valley. But did they realize that they would become dealers in one of the new commodities. The commodity called the "information commodity". Did the computer scientists realize that their mechanical inventions will become data banks; data search engines, that they will be creating e-governments, e-businesses and effectively that they will be adding value to information? Prior to that, the information flow had been easier to trace and easier to value. Information availability was less common and even searching for references for scientific publications was laborious, time consuming and in fact did cost a lot of money since a librarian had to arrange for publications to be physically sent between libraries. The value of such information was then easy to calculate. When books were made available to the reader on interlibrary loans the cost of delivering them was traceable as the books took time and effort to reach the prescribed destinations. The interlibrary lending is still the case but with Google planned scanning of all printed material and making it available via search engines, what will be the "new" value to be placed on such widely available information? Is the information contained in the scanned books destined to become the public good? As much as we have our concerns with "real books" being rivalrous and excludable we note that the "scanned books" in the age of digital information explosion will have different characteristics. Once the first copy of information package had been issued it virtually costs nothing to make as many copies of the same package as you wish. Hence information in scanned books as a good will virtually have zero marginal cost making classic marginal cost pricing rather infeasible.

Another unfortunate side effect of classifying of information is that specific benefits to community will no longer be available. Since not all travel information is available for data sharing it is not possible to easily analyse health conditions (e.g. AIDS or influenza spread). Travel data for citizens from specific countries cannot easily be obtained because of "exceptional circumstances". This now is becoming the norm. The question remains should the travel data be of such high value as it is? The public good requires travel data to be easily available for interpretation to control the spread of certain health conditions. Travel data is also important for welfare organizations to prepare resources if immigration happens to be from underdeveloped countries.

Secure information – one of the myths is that is the information from secure sources should fetch higher price. As noted in Tony Bunyan The Shape of Things to Come (ref:3) in the aftermaths of 11 September 2001, special security measures were adopted and said to be necessary as "exceptional" to limit access to specific information. Ten years on and the "exceptional" has become the norm. Moreover the "war on terror" presented an opportunity to create a monopoly of information that is now applied to new lucrative areas: data sharing, data mining, and the surveillance of travel data. Hence new values were placed on information goods after September 11. The data which could have been available for free in public domain, now because of "the exceptional" circumstances, is of higher value and is available via subscription at best (so it is known who "the consumers" are) or not available at all (not even if you want to buy it because of its "sensitive" classification). The side effect of this is that some new information (it is called "leaked information") is released. It is highly unreliable and often it is circulated with a specific purpose of increasing information imbalances. The trouble is that such "leaks" may or may not convey the true information so putting any value on such "leaked" information is a risky business.

The Role of Private Finance Corporations and The Governments – by crating computerized data banks with limited access, the computer industry has created barriers in the availability of information. Two partners entering into an agreement based on limited access to information are in fact in danger of experiencing information asymmetry that may result in unfair contractual arrangements. Frédéric Marty and Arnaud Voisin (ref: 4) look at the cases of Private Public Partnerships (PPP as it is known in the finance and building industries)

Private finance has brought to PPP a third-party overlook on the contracts. Appraisal of PPP deals resulted in creating a new "information assessment" industry by outsourcing the due diligence of the project to the party best suited to perform it. Banks and rating agencies are the main sponsors of this new flourishing industry of "information assessment". This resulted in the reduction in asymmetries of information which can normally occur both in the competition for the market or in the competition within the market.

At the negotiation stage, funding competition helps to increase the public sector's information on the deal. The cost of collecting this information normally should not overweight the savings it induces. In order to maintain competitive pressure through the lifecycle of the project, value-testing schemes such as benchmarking or market testing are used.

Private finance is therefore one of the industries for which value of information is very tangible. For this industry the information asymmetry may result in a disaster where money will be invested in a wrong project and the contract conditions will not

reflect the true risks that should be quantified in the Cost Benefit Analysis.

Similar to the impact of private finance corporations on minimising the financing risks is the role of the government which guards public sector from becoming a victim of information asymmetries.

As per Ciżkowicz studies in ref 5, a well functioning financial sector is the backbone of any economic development. In some countries however the development of the financial sector is hampered by the information asymmetries between the lending institutions and the borrower. With the existence of information asymmetries in banking industry, credits may not be available to those who are eligible to obtain them. Hence the economic growth in the country also suffers and in effect the level of investment is unnecessarily reduced. Hence the governments have a very important role in reducing ambiguities in finance industries and need to eliminate barriers hampering economic growth. Ciżkowicz research in ref 5 indicates that in order to eliminate barriers in obtaining credit, the government needs to firstly, focus on maintaining microeconomic stability (especially low and stable inflation) and secondly, to regulate the framework for financial institutions to operate within. Such government actions will improve the availability of reliable credit rating information thus reducing information asymmetries. This in turn will make it easier for small and medium enterprises to obtain credit. Thus economic stability in the country will be maintained.

Stiglitz models before the Stiglitz models of imperfect and asymmetric information, the traditional economics approach assumed that markets are efficient except for some well known market failures. Market failures were often associated with non-competitive markets, externalities or with failings of public goods. More recently as a result of Stiglitz contributions market failures have been also associated with cases of asymmetric information. The existence of market failures has often been used as a justification for government interventions, which paradoxically were designed to correct the perceived market failures in the first place. Recent work by Stiglitz reversed the presumption that markets are essentially efficient. According to Stiglitz research, markets are efficient in exceptional circumstances only. Stiglitz showed that "whenever markets are incomplete even the competitive market allocation is not considered Pareto efficient".

Economists are often concerned with the causes of market failure, and possible means to correct such a failure when it occurs. Such analysis plays an important role in many types of public policy decisions and studies among them the aforementioned PPP policy to invite private partners to public development proposals. However, some types of government policy interventions, such as taxes, subsidies, bailouts, wage and price controls, and regulations, including attempts to correct market failure may also lead to an inefficient allocation of resources called "government failures". Thus, there is sometimes a choice between imperfect outcomes, with or without government interventions. Stiglitz argues in such circumstances there is much larger scope for government action than the traditional government recommendable interventions. For Stigltiz therefore there is no such thing as the "invisible hand". According to Stiglitz research, the debate today is about finding the right balance between the market and government because they can each complement each other. This balance will differ from time to time and from project to project. As per Marty/Voisin research (ref: 4) the real value of information can be high or low depending whether asymmetry does or does not exist. The external auditing factors such as the existence of private financing in the PPP example is the factor in reducing information asymmetry thus leading to better contracting.

Conclusions

Some practical implications of Stiglitz research is in recognising the implications that incomplete and imperfect information can cause. The most surprising effect of this research had been a more realistic understanding of capitalism than is usual among economics practitioners that paradoxically leads to the conclusion that capitalism justifies state action ("socialism") as a remedy. The effect of this is to make economics more interventionist than previously advocated and that governments could potentially almost always improve the natural market resource allocation to the point that an ideal government could do better running an enterprise itself than it could through privatisation. Hence the PPP arrangements as researched earlier make perfect sense as long as the due diligence takes place and as long as there is a clear understanding of decision-making techniques and above all the risks of information asymmetry.

The generation of different types of information domains (public vs. classified) and the way how it affects the sectors of the economy, the authors argue, may cause misguided government interference which paradoxically could be creating market failures that the very government interference was design to correct.

The effect of this study had been of political nature too. It leads to the new understanding of capitalism with conclusions similar to what Stiglitz proposed (ref: 1) that capitalism justifies state action ("socialism") as a remedy, and that "problems of information are central to understanding not only market economics but also political economy with its implications of information imperfections for political processes". To remedy information imperfections economists have to become more interventionist than previously advocated. It is also noted that governments having access to extensive information banks could potentially improve the natural market resource allocation. Hence an ideal government could do better running enterprises than a private organization.

ication. Regarding the environmental resources it must be remarked that the theft of woodpiles is quite frequent in the region of South-Heves, resulting in the disappearance of complete tree lines and parts of the forest, especially during wintertime. And though built elements do not belong to the matter of natural environment, it is worth mentioning here that the fading of a once settled view of the village illustrates well the deprivation process of villages: houses which had become inhabitable usually disappear within a couple of months. About 150 houses has vanished at Átány in the past decades this way.

Conclusions

It is hard to find the escape from the spiral generated by the problems of the above mentioned regional disparities. However it is also true that the low potential for development which is typical in case of peripheries can be improved, but for that a new approach on values must be taken. Its four elements as elaborated by G. Fekete (2006) are the followings:

- *Backwardness is a problem with cumulated causes, therefore it can only be resolved in a complex, harmonized manner.*

  A great example is the so-called anti children poverty program, which can only achieve its objective of preventing child poverty from reproducing, if it is accompanied by job creation and economic development.
- *A periphery is not a region that needs to be integrated and socially aided, it is the holder of values which can only be exploited with the help of central regions.*
- *When composing strategic objectives, instruments must be defined by considering the different characteristics of central and peripheral regions.*

The region of South-Heves is considered to be a disadvantageous region from both social and economic aspects, yet there is a huge potential. The current agriculture-related crisis definitely needs to be resolved (Kassai-Ritter 2011), traditions regarding crop and livestock production and the related processing and food-industries do exist, while the Tisza-lake also brings forward great touristic potentials to be exploited.

- *Players must be prepared on how to use these instruments, and how will they be able to generate themselves the processes leading towards change.*

The keyword therefore is making them able (Nagy-Káposzta, 2010), which means that even in these seceding regions, we have to find those capable professionals who are committed to the improvement of local societies, and also who are willing and able to stay and work there (Szarvák-Bogárdi, 2012).

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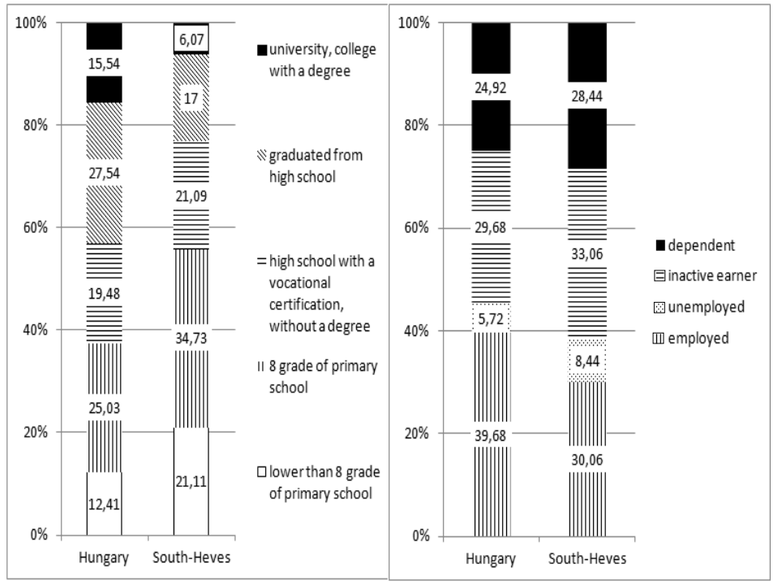

Source: KSH, Population census

Figure 3 – The population older than 7 years, by their highest level of educational attainment, and the economic activity of the population

becoming more and more urgent, and not only for easing the everyday lives of residents, but also in order to boost the tourism of the nearby Tisza-lake, as a distinct objective. However, dealing with the problems of public transportation is a more complex issue: since the service provider is profit-oriented, they are not quite expected to operate the lines pro bono. The interests of residents and businesses therefore are in conflict in many cases.

The *poor ability of the region to produce income* can be traced back to the lack of capital, and the low level of economic performance. The problem is caused by the fact that the capital necessary for inclusion cannot be generated locally. The narrow local market does not enable local entrepreneurs to operate a constant business. At the same time, external entrepreneurs also do not target the region, since they are repelled by the unskilled labour force, the poor infrastructural background, and the inadequate business environment. And even if they settle, they only drain out revenue, therefore they contribute to the generation of regional income only to a moderate extent. And the problem is not only with demand side. In backward regions, the economic-service supply of the region is generally below the required level. It also contributes to the streaming out of incomes generated in the region. The income-generating capacity of such regions, and the ability to retain the income with local purchases already make these regions unfit to receive external support. They lack the ability to enforce their interests regarding the acquiring of external sources, and the management able to utilize the sources in a reasonable manner is also poor and defective.

The lack of regional incomes also affects the other factors contributing to backwardness, and the vicious spiral goes on and on. (G. Fekete, 2006) Therefore it is necessary to encourage the chances and opportunities of launching/developing market-based enterprises. (Nagyné Molnár, 2007)

The *difficulties of satisfying necessities* origin from the low level of family incomes, and the poor quality of available services. There are quite alarming experiences regarding the provision of social allowances, which provides a solution only for a short-term. It creates a stalemate, since the mass of people being socialized this way will become less and less motivated to work. The *poor quality of available services* is caused by the moderate level of effective demand, which makes the provision of even basic services difficult. Furthermore the long distances, the low level of consumption, and the high specific costs escalate the prices. The population of the region has three options to choose from: either lower the level of needs, accept being self-sufficient and self-reliant from longer distances as well, or move away. (G. Fekete, 2006) The findings of the empiric research conducted within the high-school students of South-Heves in the autumn of 2013 also indicate that ambitious young people would rather leave. The intentions of the young people in the disadvantaged region of South-Heves to migrate inland or to abroad are significantly higher compared to the national average. It is most alarming that many sees international migration as the purpose of their lives. Nevertheless, in many cases its actual implementation is hindered by the lack of language knowledge and other existential reasons. The answers of respondents also brought light on the fact that even if they – who leave the country – return, they would not choose the region of South-Heves as their destination.

Environmental resources will only become valuable for the development of the region, when they are recognized, explored and utilized in a way that will help the region find the path of sustainable development.

On a related note, while the region of South-Heves is near to a touristic destination (Tisza-lake), a part of its natural resources is in constant erad-

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THE BARRIERS TO ECONOMIC DEVELOPMENT THROUGH THE EXAMPLE OF A HUNGARIAN INTERNAL PERIPHERY

Abstract
We are examining the symptoms and challenges of a declining region in Hungary (the internal periphery of South-Heves) in our study. We attempt to outline the complex set of problems resulting from a declining process that had been present for decades. Reflecting on population census and regional statistical data, and also on the findings of a questionnaire survey conducted on a sample of 500, we introduce the barriers to economic development present in these regions, the resolving of which is becoming more and more urgent.

Key words: backwards regions, barriers to economic development

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Discussion

South-Heves is a classic internal peripheral region in Hungary, located at the south of Heves county.

Since the region is a traditional agrarian region, in order to understand the depreciation of the region, it is necessary to get a clear picture on the reasons for the crisis of the agriculture of Hungary after the regime change, which is well demonstrated by the change in the structure of employment in the past sixty years (Figure 1).

Figure 1 demonstrates well the substantial transformation of the structure of employment that occurred in the past sixty years in Hungary. The tertiary sector has advanced, while at the same time agriculture fell significantly behind. The ratio of people employed in agriculture exceeded 50% in 1949, while by 2011 it dropped to one tenth of that proportion. Even if we take into account the probable changes of data collection methods in the past decades, there is an obvious tendency showing that the proportion of people employed in agriculture is decreasing significantly, while the ratio of people employed in the service sector has increased. The proportion of agriculture in employment accounted for 8% in 1995, while in 2010 it has dropped to a little more than its half, 4.5%.

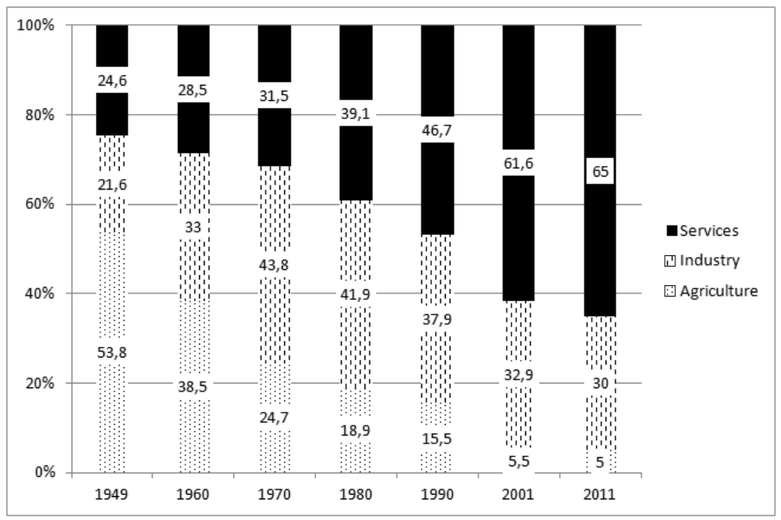
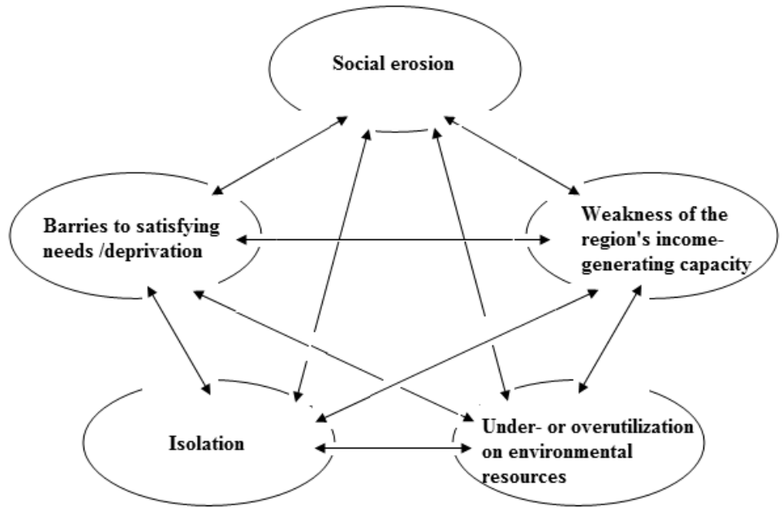


Figure 1 – Distribution of persons employed in the accumulated sectors of the national economy

Source: KSH (Hungarian Central Statistical Office), Population Census

Szretykó (2008, p. 6) says that "the sector has been set on an inappropriate path of development after the regime change". He believes that the major reasons are the recompensation triggered by politics, and the "determination of an agricultural model which has not been selected and qualified as an example with sufficient thoroughness" (Szretykó, 2008, p. 8). It has been further complicated by the privatisation of the food industry, the downgrading of processing industries, and the flooding of foreign products into the domestic market. These processes which have also strengthened each other's effects resulted in an enormous rate of unemployment in the years after the regime change, further accompanied with social and economic problems.



Source: Based on G. Fekete 2006, p. 56

Figure 2 – The factors of regional backwardness

According to G. Fekete Éva (2006, p. 56), the symptoms of a declining region can be defined as follows:

Besides the increasing number and deepening level of those "out of work", the greatest problems of backward regions include the dissatisfaction of internal needs, the breakdown of services, the decaying natural and cultural treasures, an increasing isolation, migration, the concentration of poverty, and the resulting conflicts (Figure 2). There is a lack of innovative skills, the ability to adapt to global trends, and of self-organization; and naturally infrastructural and financial conditions are also not present to an appropriate extent. The progression of the region is based on unutilized attributes of the local environment, certain local enterprises, and the (mostly unskilled) labour force excluded from the labour market. It is indeed true that the limited availability of financial and human resources significantly complicate the implementation of economic development measures which have to be taken in disadvantageous regions, however it is important to understand that unless these measures are implemented, further regions will be excluded from the "circulation" of the country. The termination and reversing of current processes is an urgent task, since these regions are already in the 24th hour. Apparently, the rural ghetto where poverty and misery reproduce themselves is extending, and considering the ever increasing social problems, the balanced economic development of the country is also hindered. All of it shall be presented below, through the example of South-Heves.

Results

The first essential element of regional backwardness is the erosion of the society. It is well demonstrated by the educational attainment and economic activity of the population of South-Heves (Figure 3.), and consequently, on the levels of their income, which significantly lag behind the national average data.

The high level of migration creates a contra-selected society in case of an increasing proportion of the region's settlements, with a high ratio of the elderly (pensioners), and also the Roma population, characterized by a younger age-structure. In regions such as South-Heves, ambitious young people see the way out in the direction of other regions, towns. Only the elderly will remain, and those groups of the younger population who had not felt the need to take control over their lives anyway. These societies are therefore characterized by an ageing population, or that of a younger age-structure, but with a high dependence on social allowances. The existence of ethnic-related troubles are also not rare in such villages. The increasing proportion of the Roma population is also common in these regions, as their low level of educational attainment already leaves them with a low position on the labour market. It is also well-demonstrated in South-Heves: the level of educational attainment and the economic activity of the Roma population living here is even lower than the average of this region. Practically, it is now the second generation growing up since the regime change, who had never witnessed their parents leaving for work in the morning, and whose performance within the education system does not meet the required levels, which further decrease their chances on becoming employed.

Regarding the problem of *isolation*, the region of South-Heves demonstrates well the process how regions with a high proportion of poor quality roads turn into peripheries. Furthermore, the bus connections as the major means of public transportation are also insufficient. The high costs of transportation make the work-related commuting of residents of villages at South-Heves difficult, as well as the access to various services. The repairing of roads is

Survey analysis of 19 from 45 nature reserves led to the conclusion whether to maintain the status of state nature reserves in these territories. Also all the monuments of nature were examined. From 66 monuments only 49 are required to preserve their status.

At present moment ecological tourism has a starting position, but the system of specially protected areas has a significant recreational and tourism potential. Stavropol Krai, being at the crossroads of Europe and Asia, between the East European Plain and the Caucasus range, is a unique place on the map of Russia with different types of natural environment, rich flora and fauna.

Each reserve and natural monument in terms of eco-tourism has great importance. Modern eco-tourism should be safe for the environment. The most promising branches of eco-tourism in Stavropol region are hiking, cycling.

Thus, such factors as environmental attractiveness, the preservation of local traditions and crafts, finally, the interaction of state and municipal institutions and private sector are essential for the ecotourism development.

Under these conditions it is possible an active development of ecotourism in Russia and in Stavropol Krai.

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Region. Similar tendencies are observed in many regions of the Russian Federation, especially in those which are as heavily involved with agricultural production as Stavropol. As Stavropol Region is mostly rural one, such environmental and attracting investment problems reflect on overall sustainability of economic development of the region, including its rural areas. In order to solve those problems the production, technological, social and economic modernization of environmental management are required to provide conditions for sustainable development of rural territories.

In order to strengthen the preconditions for sustainable rural development and utilise the existing competitive advantages in rural areas, the Government of the Russian Federation accepted the Federal Target Program “Sustainable Rural Development in 2014-2017 and for the period until 2020”. Among the prior directions of that Program, those currently applicable for the Stavropol Region are:

1. the satisfaction of needs of rural people, including young families and young specialists, in suitable dwellings;
2. the development of integrated facilities in rural settlements, and their social, transport and engineering infrastructure;
3. the stimulation of investment activity in the agricultural sector by creating favorable infrastructure conditions in rural areas;
4. the grant support for local initiatives coming from rural inhabitants.

Federal programs establish umbrella conditions, but ensuring sustainable rural development though the diversification of rural economics and the promotion of alternative sources of income and employment opportunities in rural territories are hardly possible without substantial support from the regional administration and federal government. That is especially demanded by small and medium enterprises, farms and rural households during their development stages. As for the regional government and separate local administrations, such support should be provided in the following ways:

1. free information, consultancy and extension services for rural people in business, finance, management, law, agriculture, social issues, etc;
2. favorable credit facilities available for rural inhabitants who are willing to start a business;
3. preferential tax treatment for small and medium agricultural enterprises, farms and rural households during their development stages;
4. development of rural infrastructure, including transport, communication, social and even entertainment facilities;
5. selection of local initiatives of high social and economic importance for the region and particular local society, their administrative and financial support.

Regional programs and territorial subprograms for sustainable development have already been accepted in the Stavropol Region, but their volumes are insufficient to ensure the complete structural reorganisation of regional economics and rural societies. For this reason, more attention should be paid to the discovery of internal potentials, and the search for “growth points” and local identities, which may increase the competitive advantage of rural communities and bring about new incomes, both from traditional activities and alternative sources.

Diversification of rural economics and expansion of income opportunities for rural inhabitants are the key tasks on the way to increasing the sustainability of rural areas in Russia. For rural territories, diversification means going above traditional agricultural activities, which is currently a vital necessity. [10]

The Stavropol Territory has a huge resource and investment potential. In recent years, the province has seen a steady growth in most major economic indicators. Stavropol among the top twenty regions of the country, actively engaged in innovation activities GRP growth rate outstrips the national average rate: up to 2012 – more than 440 billion Rubles with an increase of 5.6% compared to the previous year. Annual growth of investment exceeds 10%. But according to the date of Raexpert Agency about investment climate, the Stavropol Territory is in low potential – moderate risk (3B1) group (Table 1); it has maintained this position since 1998.

Table 1 –Top 10 Distribution of Russian regions by investment climate rating in 2012-2013

Maximum potential – minimum risk (1A)
the Moscow Region
Moscow city
St.Peterburg
the Krasnodar Territory
the Republic of Tatarstan
Average potential – minimum risk (2A)
the Belgorod Region
The Rostov Region
Low potential – minimum risk (3A)
the Voronezh Region
the Lipetsk Region
the Tambov Region
the Leningrad Region
….
Low potential – moderate risk (3B1)
the Stavropol Region

Source: http://www.raexpert.ru/

Stavropol fell under the Group IC5 (Average investment attractiveness – the second level, according to the data of the National Rating Agency (Table 2). More than half of all Russian regions (44 out of 80 of the subject under consideration in the study) have an «average» level of investment attractiveness (group IC4, IC5 and IC6).An encouraging fact is that many of these regions are reasonably good at the level of infrastructure development and the high quality of the institution-

al environment. Available infrastructure and business support institutions working now to help regions to create and develop new production, which in the medium term will seriously increase the production capacity and domestic market, i.e. which is to improve the region's position on all factors of investment attractiveness.. For integrated development of rural areas, it is necessary to take a series of measures to encourage investment in strengtheningof the tourism infrastructure.

Table 2 –Top-10 Rating of investment attractiveness of Russian regions

Group IC1 (High investment attractiveness – the first level
Moscow city
the Sakhalin Region
Group IC2 (High investment attractiveness – the second level
the Belgorod Region
the Moscow Region
the Republic of Tatarstan
St.Peterburg
the Tyumen Region
Group IC3 (High investment attractiveness – the third level
the Leningrad Region
the Krasnodar Territory
The Kaluga Region
...
Group IC5 (Average investment attractiveness – the second level
the Stavropol Region

Source: http://www.ra-natinal.ru/

The Stavropol Region is famous across Russia and worldwide for its unique resort potential, including its mineral waters, spa resorts and climate. According to the Rating of Russia's Regions on Life Quality by the Rating Agency "RIA Rating", Stavropol Region holds leading positions in the category "Environmental and Climatic Conditions" (Table 3). During 2012-2013 the region came up from 13th place to 4th place among 82 Russia's regions.

Among the apparent competitive advantages of the region, we emphasise its:

1. Favorable climatic conditions and diversity of picturesque landscapes;
2. Treatment resources (variety of mineral water springs, therapeutic muds);
3. Essential historical and cultural potential;
4. Transport accessibility (relative proximity to the most densely populated regions of Russia, development of air, railroad and highway connections);
5. Existence of advanced treatment and recovery technologies, balneotherapeutic research centres, specialised educational establishments and a number of highly-qualified specialists. [2]

As one of the most agriculturally developed regions in Russia, the Stavropol Region demonstrated positive dynamics in terms of its main economic indicators during 2003-2012. Growth rates were often above the national average. However, despite the general positive dynamics of GRP, a range of negative processes in the Stavropol Region have been observed, directly related to rural development:

1. declining population in rural areas (partial recovery is provided by migration inflows from neighbouring regions);
2. imbalance in structure of regional economics (prevalence of agriculture);
3. growing wealth disparity of population;
4. decreasing number and increasing average size of rural settlements.

Table 3 – Top-10 regions of Russia on quality of environmental and climatic life conditions in 2012-2013

Place	Region	Score	Air pollution in settlements, tons per 1 km2	Climate rating	Drinking water supply, %	Expenses on environmental protection, thousand Euro per 1 km2	Expenses on environmental protection, thousand Euro per capita	Rating position in 2012
1	Republic of Adygeya	78.0	76	90	96	45.9	0.8	1
2	Krasnodar Krai	73.2	113	90	96	48.3	0.7	2
3	Kursk Oblast	71.1	34	50	94	63.6	1.7	4
4	Stavropol Krai	70.2	138	90	98	39.3	0.9	13
5	Belgorod Oblast	69.4	77	50	88	274.3	4.8	5
6	Republic of Altay	68.8	20	50	99	1.8	0.8	6
7	Republic of Kalmykiya	68.3	58	70	80	3.5	0.9	8
8	Rostov Oblast	67.1	112	80	85	32.6	0.8	3
9	Republic of Kabardino-Balkariya	67.0	104	60	100	93.0	1.3	30
10	Penza Oblast	66.7	53	50	98	16.9	0.5	11

Source: http://www.riarating.ru/

preserved. [2] Unfortunately, in Russia mostly used outdated technology, not only in industry but also in agriculture and forestry.

One of the factors limiting the development of ecotourism is the high sensitivity of many Russian ecosystems to anthropogenic influences, their fragility, especially in areas with attractive wildlife or indigenous forms of economy. Development of ecotourism offers solutions to problems in providing jobs, stable high income, maintaining the integrity of wildlife in Russia.

One of the goals of ecotourism is to support protected areas, especially national parks and reserves. Factors hindering the development of ecotourism in Russia are: problems of legislative framework, lack of specialists in the field of ecotourism, as well as specialized tour operators, political and economic instability, expensive transport services, low level of service and service culture in general. [1, 3]

In the development of ecotourism may be found and accepted alternatives for sustainable development of the territory, based on protection and regionally – targeted management of natural landscapes, and not only their operation.

Ecotourism development leads to rationalization of nature and promotes the formation of resource policy in the region.

In the system of protected natural areas with national importance, national parks play a special role. In contrast to the reserves they are endowed not only environmental, but also recreational functions. This combination imposes certain restrictions on recreation facilities in national parks, contributes to the development of ecotourism. For the people of Europe and America the rest in national parks is one of the most popular types. In Russia tourists do not distinguish ecotourism from the usual outdoor activities.

As for the development of recreational component of the protected areas system in Russian Federation it needs to stimulate effective demand for health resorts of the Southern region of Russia. It is necessary to create a system that guarantees citizens prevention, treatment and stay in full and reliable performance in order to renew the resort areas.

One more important measure is to collect data on a single registry about resource potential of recreational facility, date availability, price offers. And also it needs to enter the voting for the best projects in the field of health – recreational enterprises in framework of industry standards in health care system.

In Stavropol region the particular attention is paid to the development of eco-tourism. Stavropol region is often called «Pearl of the South», «unique health resort» or «national treasure». Since ancient times it is known curative mineral waters of Pyatigorsk and Kislovodsk. Stavropol highlands are used for hiking, climbing, as well as ballooning, in particular the unique wind rose, ideal for hang gliding, paragliding and traveling on the balloons. You can easily say that Stavropol region is specifically designed for tourism both passive and active. It irresistibly leads here tens thousands of tourists from all Russia and many foreign countries.

The region has already developed three ecological routes for hiking. It also planned horse trails and programs for adventure tours in remote corners of nature. Eco-tourism, according to developers of routes gradually attached even lovers of extreme tourism.

For those travelers on a designated safe area provides an opportunity to drive two rider vehicles. Developers of environmental trails have already provided visitors the opportunity to try the race jeep in picturesque location on the border with Beshtaugorsky preserve.

The list of protected areas of regional significance in the Stavropol Territory in 2014 to the existing 45 state nature reserves and 66 natural monuments four protected areas are added. [1] «Manich Gudilo» and «Sotnikovskiy» – the fundamentally new nature reserves. Two others: «Soldatskaya and Malaya Polyana at Strizhament mountains» on the territory of Shpakovsky region and «Safonova dacha» in Georgievsky region are entered in the register of specially protected natural sites.

Strizhament Mountain is the highest point of Pre–Caucasus and all Russian plains; it is a unique natural complex. As geomorphologic object it is a benchmark to seismic and slip-off ancient landscape. On the southern side of the mountain beech forest is located. This type of trees gets a height of 30 meters and has an age of 100-150 years.

Reserve «Safonova Dacha» will be increased to 3342 hectares. This specially protected natural area is intended for preservation and reproduction of Maylily, which is included in the Red Book of the Stavropol Territory, and other herbs: yarrow, marjoram, St. John'swort, motherwort and elecampane. From wildlife in the reserve we can found brown hare, fox, wild boar, which also need to protect their environment. The reserve «Sotnikovskoe» is intended for the preservation rare and disappearing plants and animal species, including species which are valuable for economic, scientific and cultural relations. As for the lake «Manych Gudilo», it is an extremely rich ornithological complex. On the territory near the lake rare birds have nests, forming large colonies on the islands and coasts. In addition, during the fall and spring migrations hundreds thousands of migratory waterfowl and shorebirds stop here for the rest and feeding.

At present time the register of Protected Areas of Stavropol Territory includes 45 state nature reserves and 66 natural monuments. The most actual issue today is the conservation of forest and steppe areas. [1]

The authorities of the region conduct functional zoning; prepare proposals to take out from the owners and tenants lands included within the boundaries of nature reserves. In addition, regular comprehensive environmental survey of protected areas is conducted.

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PROSPECTS OF ECOLOGICAL TOURISM IN RUSSIA

The article investigates the state and prospects of ecological tourism development in Russia, legally existing national parks and nature reserves, areas of traditional, indigenous forms of farms which have great ecological and cultural value.

It is shown the main factors for the development of eco-tourism, identified the need for interaction between the government, municipal authorities and the private sector as a combination of the basic conditions for the active development of ecological tourism in Russia and in Stavropol region.

Key words: eco-tourism, nature rationalization, national parks, protected nature territory, services and trade.

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Nowadays the tourist industry is one of the most dynamic sectors of the world economy, has a stimulating effect on the development of key sectors such as agriculture, transport and communications, construction, consumer goods production, estimated by significant multiplier effect,acts as a catalyst of social and economic development, both directly and indirectly contributes to life quality [4].

In the eighties of the last century, one of the most popular types of travel becomes eco-tourism, the aim of which is to protect nature (for eco-tourism travelers use only environmentally clear transport, organize halts only in designated areas, gathering berries, accommodation is built only from harmless materials, medicinal plants are gathered in the allowed zones).

When creating ecological tourism product specialized enterprise:

- Commit themselves to the management of natural areas, wildlife management;
- Establish partnerships with local residents and protected areas;
- Seek to ensure that their business is to make a real contribution to wildlife conservation and development of local communities in the long term;
- Try to improve communication between locals and tourists. [3]

Ecological tourism in Russia in its organization makes its first steps. Traditionally, it is commonly performed in the territory of national parks and wildlife sanctuaries. Here are the most remarkable natural values; involvement to them attracts many tourists. But at the same time, tourism in these territories associated with crippling their flora and fauna, which is unacceptable from the perspective of nature conservation and preservation of its original biodiversity.

The development of tourism as one of the progressive sectors of economy stimulates creation of working places and small business development, redistribute resources among regions and areas, has a stimulating effect on economic sectors such as transport, communications, services, trade, construction, manufacturing, consumer goods. Also it is one of the promising areas of economic restructuring in Russian Federation. [5]

Ecotourism is rather unusual concept for the modern Russian market tourism industry; though abroad it is very popular and considered one of the most popular types of tourism. Eco-tourism is a journey to places with relatively wilderness nature with an aim to get an idea of natural, cultural and ethnographic peculiarities of this territory.

Ecological tours should be considered indispensable rest for people weary from the hustle and bustle of the modern city, striving for harmony and unity with nature.

Nature provides a great potential for the development of ecological tourism. In Russia the areas with traditional, indigenous forms of economy which are of great ecological and cultural value are

According to the RIA Rating, Stavropol held only 31st position among 82 regions of Russia on its level of quality of life (Table 4). During 2012–2013 the region came up from 37th place to 31st.

Since the overwhelming part of the region is rural, and most of the regional populations live in rural areas, such underdevelopment of territorial infrastructure is directly related to rural areas of Stavropol Region. Having unique environmental and resort potentials, Stavropol Region is not able to benefit from those competitive advantages fully. There is a paradox situation on the local labour market, when the labour surplus cannot cover the existing deficit of highly qualified specialists. The growth of population at an active working age in the Stavropol Region is faster than economic expansion rates, which increases unemployment in rural areas. High unemployment in rural areas of the Stavropol Region (over 30%) is worsened by a low level of income and wages, demographic aging and the migration of rural people to urban economic centers such as Stavropol City and Caucasus Mineral Waters.

The classification of rural districts of the Stavropol Region according to their level of social and economic development allowed us to assess their resource potentials and the character of their industrial, agricultural and rural development. Only a few rural districts utilise their limited resources in an effective manner and secure their sustainable development through diversified local industry and agriculture. Most of the districts have raw specialisation, lack resources and require support from regional and federal governments.

International experience shows that employment opportunities in rural areas are likely to shrink even further. Only the parallel development of the non-agricultural sector may bring about increasing employment in rural communities in Russia, improve the quality of life of rural inhabitants, provide them with alternative sources of income, and secure rural settlements.

According to our analysis, [2] one of the most perspective ways to ensure effective environmental management, investment and sustainable development of rural areas is rural tourism. Model of sustainable rural development by means of rural tourism should be based on resource-saving and environmental way of economic management. Achievement of compromise between qualitative and quantitative indicators of production and volumes of expended natural and energy resources is possible on a basis of environmentally economic system. Such system of adaptive landscape farming stipulates effective nature management and creates conditions for development of rural tourism through optimal land use, development of rural infrastructure, and rational management of agricultural production with due regard to environment conservancy.

However, issues of rational nature management are not widely implemented in agricultural production of Stavropol Region, which is common for the rest of the Russia's regions. Consequently, that reflects negatively on rural development in general and on rural tourism in particular. SWOT-analysis, conducted by Erokhin and Ivolga, demonstrated that the recreational complex of the Stavropol Region in many ways loses its position to its foreign competitors and some of Russia'sother regions [2].

Table 4 – Top-10 regions of Russia and position of Stavropol Region on level of quality of life in 2012–2013

Place	Region	Composite rating score	Rating score by group of indicators				
			Population's revenue level	Ecological and climate conditions	Development of the territory and the development of transport infrastructure	Level of economic development	Rating position in 2012
1	Moscow city	74.17	93.9	51.3	99.5	85.8	1
2	St.Peterburg	70.94	71.9	53.0	100.0	70.3	2
3	the Moscow Region	60.45	63.9	54.3	76.3	66.6	3
4	the Republic of Tatarstan	59.18	62.5	62.4	46.9	61.0	4
5	the Krasnodar Territory	57.59	46.1	73.2	51.9	52.5	5
6	the Belgorod Region	54.96	55.3	69.4	58.9	50.2	6
7	the Voronezh Region	52.78	47.5	64.1	49.5	48.0	9
8	Kursk Oblast	51.37	68.9	37.3	20.5	72.9	7
9	the Tyumen Region	51.17	64.7	39.5	17.7	68.8	8
10	The Nizhni Novgorod Region	50.93	51.6	63.3	45.9	55.1	12
...							
31	The Stavropol Territory	43.60	28.6	70.2	34.2	39.2	37

Source: http://www.riarating.ru/

This in turn decreases the probable economic effect of rural tourism and creates threats to its sustainable development in the future. The market for tourist services is being globalised, many artificial barriers being removed and new rules having been established since accession to World Trade Organization. Many regional tourist and recreational complexes are not ready for such radical changes. Rural areas are the most unprotected, since rural households are not deeply involved in domestic tourist services, do not produce commodities with high added value, high quality or competitiveness, and very much depend on domestic state support and rural state policies. However, the results of the SWOT-analysis led us to define the key success factors which may ensure the sustainable development of rural areas of the Stavropol Region by utilizing its tourist and recreational potential. [2]

Ensuring sustainable rural development by means of tourism is expected through:

1. Health and treatment tourism (balneological, climatic, ecological).
2. Sport tourism (Olympic Games, hiking, cycling, mountainous, and equine, paragliding).
3. Excursion tourism (cultural, national, ethnographic, photographic).
4. Rural tourism (educational and recreational, gastronomy tourism).

The implementation of such a multi-sided and complex project involves the completion of a range of tasks. Among the top-priority tasks, we emphasisethe development of theoretic and methodical issues of sustainable rural development by means of rural tourism; the assessment of the current and long-term sustainability of the economic development of rural territories in the Stavropol Region; the development of mechanisms for implementing the Strategy for sustainable rural development through particular kinds of tourism and action plansfor short-, medium- and long-term perspectives; the elaboration of social, economic, legal, administrative and managerial measures which drive the touristic and recreational complex of the Stavropol Region to a brand new qualitative level and provide complex sustainable solutionsthrough economic, social and environmental tasks along with the preservation of the natural resources and historical and cultural potential of the region.

The strategy for Social and Economic Development of the Stavropol Region until 2025 envisages growing numbers of incoming tourists, incomes from the regional budget and the creation of new workplaces. However, the most important thing is to increase the involvement of rural inhabitants in those new opportunities. The development of rural tourism may not only provide new employment opportunities and improve the quality of life of the rural population, but also revive depressive rural areas and increase agricultural production (especially in the districts of Agricultural, Agricultural-Raw and Raw Groups). An increasing in-flow of tourists will raise the demand for local high-qualityand ecologically sound products (at least foodstuffs, marketed as local and ecological), which will result in the consequent development of supply from domestic farmers and rural households.

Taking into account the unique resort resources of the Stavropol Region, we consider the development of the regional recreational sector as one of the tools with most perspective to provide alternative sources of income to rural people and to ensure the sustainability of rural areas. The key factors which may promote sustainability are health and treatment tourism in rural areas, excursion and ethnographical tourism, educational and recreational rural tourism, and gastronomy tourism. The most important expected effects from the development of rural tourism are the growing involvement of rural people in new employment opportunities, a better quality of life of rural population, increase of the region investment attractiveness, the development of rural areas, and the sustainable growth of agricultural production.

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pork import – 706 thousand tons by our own production of 934 thousand tons (43% of the market), butter import – 115 thousand tons by our own production of 213 thousand tons (35.1% of the market). Unlike tea, coffee, cocoa, citruses, spices and other foodstuff, which production in Russia is impossible or limited due to climatic conditions, these commodities' positions in principle can be covered by domestic agricultural producers – as it happened, for example, to fowl where the share of import deliveries was reduced from 47.4% in 2005 to 11.5% in 2012. In 2013 the growth of import of the fowl, which increased, is according to Minpromtorg of Russia, one and a half times. The Cancellation of embargo on fowl import from the USA became the reason. As a result the volume of import production grew from 11 to 14%[5].

We will notice that around the country regions this imbalance still bigger. For example, in Moscow the share of the import food reads off the scale for all 80%.

According to the data of the Federal Customs Service of the Russian Federation, in 2012 there was observed a booming increased over 10% annually, growth of import of cheeses and cottage cheese – 18.5%, and also cereals – 24.4%, including: barley – 37.8% and corn – 13.8% [6].

As a whole, following the results of 2012, with the share of Russia – 7.41% of the world import and 3.02% of the world export of the food with the population equaling to 2% of the population of the Earth.

All figures given above indicate both the considerable potential of agrarian production in our country, and the absolutely unsatisfactory nature of its use within operating option of dynamic model of ensuring its food security which is conditionally possible to designate as "oil in exchange of food".

Relevant requirements of food and national security of Russia can't recognize this option, especially as a short-term outlook as on the descending (crisis) site of the fifth Gas-turbine installations (GTI) there will be a depreciation of energy resources and growth of cost of foodstuff soon. It poses essential threat for the working model of providing Russia with the food, demanding essential and rapid growth of agricultural production – first of all in those spheres where dependence of our country on an external environment is critically high, namely – beef and pork, dairy products that, in turn, it is impossible without a sharp increase in production fodder and a foodgrain.

At the same time today the considerable part, by different estimates, from 40% to 45% of the domestic grain market, is under control of the foreign companies: Bunge Limited, Cargill Inc. Glencore Int. AG, Louis Dreyfus Group, Nestle S.A. and others.

The level of support of agrarian and industrial complex abroad (even in the CIS countries) and in Russia is incomparable:

- in the USA the state subsidies in agriculture account for 25 billion dollars a year
- in the countries of Europe – 60 billion dollars
- in Belarus – 1,5 billion dollars (on less than 6 million hectares of arable lands)
- in Russia – 1 billion dollars (on 117 million hectares of cultivated areas!)

According to experts of the UN ("The report on human development 2005", prepared by the Program of development of the UN), the WTO in the face of the richest countries, defining the situation in the organization, dictates to the majority of mankind "unfair rules of the game". "The governments of the developed countries don't miss an opportunity to emphasize advantages of the open market, equal opportunities for all and free trade. However the same governments build a set of protectionist barriers against developing countries. They spend billion dollars for agricultural subsidies [3].

Experts of the UN give the facts about subsidizing by Western countries the agriculture (they are trying to deny this rule for Russia and developing countries). According to the program of the European Union "Uniform agricultural policy", agricultural producers, making 2% of the population of Europe, are given 51 billion dollars. In the next dozen of years EU plans to compensate agricultural producers 52% of market prices.

Unlike Russia, the states of CIS protect interests of agricultural producers. Even on the former Soviet Union area the measures regulating the relationship of agricultural producers with monopolists are successfully applied. In Azerbaijan the price for fuels and lubricants for rural areas is 2 times smaller than the retail and 25% of the account part of the Azerbaijani budget goes to agricultural industry. The state regulation on these directions exists also in Belarus, in Ukraine where the state support of the producer of agricultural production is several times higher than in Russia [3].

In all developed countries there are laws on food security according to which all 100% of the basic food are made within the country by forces of their own producers, and for satisfaction of requirements for these types of the food any businessman has no right to import any kilogram of meat or grain.

The social and economic model realized today in Russia not only assigns to our country a role of the raw appendage with the lost opportunity to support itself independently and more or less full only thanks to the "oil in exchange for the food" mode, but also promotes the flux of all property capacities connected with the production of the food: lands, agricultural machinery, fertilizers and chemicals, agrotechnologies, etc. – under the control of large multinational corporations.

In these conditions to achieve the provision of food security and sustainable development of agro-industrial complex of the country is almost impossible.

To completely liquidate the threat to the food situation in the Russian Federation and to carry out a complex of the related problems, it is offered:

1. To change financial provision, including tax and credit, of agricultural production and

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MAJOR PROVISIONS OF THE WTO AGREEMENT ON AGRICULTURE AND PRACTICES OF ITS IMPLEMENTATION IN DEVELOPED AND DEVELOPING COUNTRIES

The paper aims at overview of the history and major contents of the Agreement on Agriculture of the World Trade Organization. Special attention is paid to implications of the Agreement for agricultural and trade policies in developed and developing countries, including Russia. The differential treatment that developing countries receive under the agreement is investigated. The paper provides a guide to using and interpreting the agreement, and examines to what extent full compliance with the agreement will affect existing agricultural policies in the developed and developing country contexts. Additionally, the paper highlights areas where developing country commitments are different from those of developed countries, and involves practical details of the Agreement, such as approaches to calculation of indicators and levels of state support of agriculture.

Key words: Agreement on Agriculture, developing countries, market access, domestic support commitments, export subsidies.

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The Agreement is likely to affect agricultural policies in developing countries in a number of ways. In the first instance, some areas of domestic agricultural policy and trade policy in developing countries will need to be modified in order to comply with the Agreement's provisions. It is these direct implications that will receive emphasis in the current chapter. The Agreement will also influence the agricultural policies of developing countries in a less direct way. This will occur, firstly, as a result of the Uruguay Round's impact upon the policies of the "rest of the world", particularly, those of the developed countries; and, secondly, as a result of the impact on world markets and world prices, that reforms in the policies of the rest of the world will have. In the long term, changes in world markets and prices will provide new opportunities, as well as certain costs, that agricultural policies of developing countries will have to respond to.

The major provisions of state regulation of domestic agriculture in relation to international rules are analyzed on the example of the Agreement on Agriculture of the World Trade Organization. Its clauses related to market access restrictions, domestic support, and export subsidies with differentiation on developed, developing and the least-developed countries are investigated with implementation of method of comparative analysis. Data for this research are derived from the official publications of the Food and Agriculture Organization of the United Nations (FAO) on the implications of the Uruguay Round Agreement on Agriculture for developing countries. The alternative sources are the USDA reports on agricultural policies in developed and developing countries, as well as researches on implications of WTO provisions on agricultural sector and rural policies, completed by international research teams.

The primary objective of the Agreement is to reform the principles of, and disciplines on, agricultural policy as well as to reduce the distortions in agricultural trade caused by agricultural protectionism and domestic support. These forces have become very strong in recent decades, as developed countries, in particular, have sought means of protecting their agricultural sectors from the implications of unfettered markets [4].

The purpose of the Agreement, then, is to curb the policies that have, on a global level, created distortion in agricultural production and trade. These policies can be divided into the following three categories:

1. market access restrictions;
2. domestic support;
3. export subsidies.

Market access provisions are an important element of the Agreement. These are designed to encourage the development of trade, and to ensure existing export markets are maintained. They oblige countries to provide «low» import tariffs for a fixed quota of imports. The maintenance of a positive price differential between the domestic market price and the world market price of farm commodities forces domestic consumers to pay higher prices for food commodities than they would in a more liberal marketing environment.

Market access provisions allow for the following:

1. Countries are, in the first instance, required to maintain current levels of access, for each individual product, where the current level is based upon the volume of imports during the base period (1986-1988).
2. Where the current level of imports is negligible, a minimum access should be established at not less than 3 percent of domestic consumption during the base period. This minimum level is to rise to 5 percent by the year 2000 in the case of developed countries, and by 2004 in the case of developing countries.
3. Restrictions on market access typically take the form of tariffs, variable levies, import quotas, and other non-tariff-barriers [4].

Domestic support policies include a variety of measures aimed at raising the income of producers and sustaining the profitability of domestic farming. Support may be provided in the form of direct payments, where there is a direct transfer of (usually) government money to producers [6]. It may be given through policies that intervene in the market, in order to raise the price of farm output, or reduce the price of the inputs. Or it may result from public provision of services aimed specifically at agricultural producers [5].

The policies that have the most distortionary effect on trade are those that provide farmers in the major producing regions of the world with a strong incentive to produce substantially more of a particular commodity than they would do without such policies [3]. Income support policies that supplement a farmer's income through direct payments, so as to provide him or her with a guaranteed minimum income, do not generally have this effect, especially in the short run [7].

The following policies frequently do have a distortionary effect are market price support, government intervention, deficiency payments, and input subsidies [4].

In developed countries, the above policies have had a dramatic effect on the volumes of domestic agricultural production, and in the EC and the USA, for example, they have helped generate large agricultural surpluses [11]. It is often argued that the increased volume of domestic production substitutes for imports in domestic markets, while the concomitant, and frequently subsidised, exports create "unfair" competition for producers elsewhere [1]. Policies that provide substantial support to domestic producers frequently result in the production of large domestic surpluses. For example, in many developed countries where the response in demand as a result of price and income changes is small, i.e. demand is price or income inelastic, the volume of a commodity produced by domestic farmers in response to price support, quickly outweighs the volume purchased by domestic consumers [8]. The problem then is how to dispose of such surpluses.

Where the domestic price of the commodity is higher than the world price of the commodity, the sale of surpluses on the world market can only occur at a loss unless the exporter is provided with a subsidy.

Such export subsidies have been typical of the path chosen by governments in their efforts to dispose of domestic surpluses. It is these subsidies that have facilitated the sale of large EC and US surpluses on the world market [11], causing the international prices of many agricultural commodities to be depressed and accentuating world price instability [5].

Before looking in more detail at the Provisions of the Agreement on Agriculture, it is useful to review the ways in which the provisions differ for developing and least developed countries compared to developed countries.

It is now commonly accepted that disciplines of the Uruguay Round Agreement, affecting as they do many previously unregulated areas, have introduced a vast array of obligations that did not previously exist. At the same time, it has been recognised that the ability to meet these new obligations varies considerably from one country to another, and that while full participation in the new commitments may be appropriate for the more developed countries, it may not be so for less developed countries.

As a result, many of the new agreements, including the Agreement on Agriculture, contain within them provisions that differentiate the rights and obligations of member countries, according to whether they are developed, developing or least-developed. In general, developed countries are expected to participate fully in the new disciplines, while for developing countries the commitments are less demanding [4].

The main elements of the Agreement's provisions on market access relate to tariffication, tariff reduction, minimum access commitments and a number of exemptions.

The obligation to convert NTBs into tariff equivalents applies to all member states, including developing and least-developed countries. This tariffication process involves converting the average rate of protection provided by NTBs during the base period (1986-1988), into a tariff equivalent, and thereby establishing a base rate of duty for each product covered by the agreement. For previously bound tariffs, that is those with an upper ceiling, the base rate of duty is determined by this previous bound level. For unbound tariffs the situation is slightly different. Where the product was already subject to a bound tariff during the base period, that bound rate, or the bound rate prevailing on 1 September 1986, (whichever is higher), acts as the base rate of duty. Developing countries which had unbound ordinary customs duties had the option of offering ceiling bindings on these products. A significant proportion followed this course of action [4].

duction had not been observed in Russia since 1946.

- The main indicator of food security – the production of grain per capita constitutes 57-60% in the developed countries such an indicator.
- The production of meat in Russia accounts for 50 kg/person (in due time in RSFSR – 75 kg/person, and the scientifically reasonable norms of consumption – about 80 kg/person).
- Dependence of Russia of import on meat – nearly 50%.
- Intensive slaughter of cattle, pigs and sheep proceeds. The number of cattle was reduced 2,2 times in comparison with 1990, pigs – 2.2 times, sheep and goats – 3.4 times.
- The Efficiency of animals became lower, than it was 20-30 years ago.
- The consumption level of the basic food the population of Russia, except potatoes, fell ranging between 30% to 60%.
- In comparison with biological norms, the deficiency on the most important groups of products – between 16% to 80%.
- The greatest reduction of consumption of Russians was the share of the most valuable products supporting proteins, fats and vitamins.
- Low-quality and genetically modified productions are delivered from abroad. It is use already led to poisonings and loss of health of the population [1].

The volume of the world market of agricultural production grows quickly. In 2001-2012 in current prices it had been increasing by 10.7% a year. The growth boomed approximately up to 3.4 times: from $551 billion to $1,857 trillion (9% of the world trade). However, nearly 2/3 of this growth is the share of rise in prices (on the average about 4-5% annually) and increase in currency exchange differences (2-3% a year). Thus the actual foodstuff occupies no more than 60% of this market: $1.083 trillion in 2012 – the rest is the share of commercial crops (including biofuel) and other agricultural raw materials [4].

During all this period of time the Russian Federation acted as a food netimporter, occupying in this sphere 4.5-5.2% of the world market with the following indicators.

Thus, for 2000-2012 our country consumed food costing nearly $215 billion.

It is impossible to call this sum "astronomical", however it is very essential – especially in comparison with the data of our own agricultural production of Russia.

However, the provided data don't consider shadow volumes of illegal import and export (smuggling, the dumping, forged deliveries according to feigned schemes of compensation of the VAT, not considered volumes of preferential and border trade, evasion from customs payment, etc.) to which share constitutes about a half of our food import and considerable part of our export.

Table 1 – The comparative analysis of export and import of foodstuff in the Russian Federation

Year	Food export, billion $ (% of total exports)	Food import, billion $ (% of total import)	Balance, billion $
2000	1,623 (1,6%)	7,384 (21,8%)	-5,761
2001	1,887 (1,9%)	9,205 (22,0%)	-7,318
2002	2,801 (2,6%)	10, 380 (22,5%)	-7,579
2003	3,411 (2,5%)	12,043 (21,0%)	-8,632
2004	3,292 (1,8%)	13,854 (18,3%)	-10,562
2005	4,492 (1,9%)	17,430 (17,7%)	-12,938
2006	5,514 (1,8%)	21,640 (15,7%)	-16,126
2007	9,090 (2,6%)	27,626 (13,8%)	-18,536
2008	9,278 (2,0%)	35,189 (13,2%)	-25,911
2009	9,967 (3,3%)	30,015 (17,9%)	-20,048
2010	9,365 (2,3%)	36,482 (15,9%)	-27,117
2011	11,964 (2,3%)	42,476 (13,9%)	-30,512
2012	16,343 (2,8%)	40,139 (11,9%)	-23,796
Sum-total			-214,836

Source: Federal State Statistics Service 2005-2012.

Table 2 – The comparative analysis of import of foodstuff and own agricultural production in the Russian Federation

Year	Food import, billion $	Own agricultural production of Russian Federation, billion $	Import share (% in domestic market)
2005	17,430	48,832	35,69 (28,21)
2006	21,640	57,762	37,46 (29,28)
2007	27,626	74,840	36,91 (29,59)
2008	35,189	99,047	35,52 (28,16)
2009	30,015	79,267	37,87 (30,22)
2010	36,482	85,137	42,85 (32,50)
2011	42,476	111,131	38,22 (29,99)
2012	40,139	102,685	39,09 (31,74)

Source: Federal State Statistics Service 2005-2012.

In this connection it is worth emphasizing that filling of the domestic market with foreign deliveries to 20% and it is considered to be a threshold level, critical for food independence, and consequently – for food security of the country as a whole.

However import deliveries of the food not only steadily occupy over a quarter of the national consumer market, but also show the considerable potential of growth in the case of changes of an environment of the world market adverse for the Russian economy. So, the increase in the share of food import in 2009-2010 (almost to a third of the national consumer market) became the result of the crisis of 2008-2009 during which the prices for hydrocarbonic raw materials fell considerably [2].

In its separate segments the imbalance is even more notable. So, the beef import in 2012 accounted for 611 thousand tons by our own production of 173 thousand tons (77.9% of the market), cheese import – 404.6 thousand tons by our own production of 392.9 thousand tons (50.7% of the market),

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Ivolga Ivan, Timofeeva Valeria

THE ANALYSIS OF THE MAIN TENDENCIES OF FOOD SECURITY IN THE RUSSIAN FEDERATION

In this article were analyzed the problems of ensuring food security of the mankind, especially in Russia. Besides, the historical aspects of food security in our country and the comparison of economic indicators with other countries were considered.

Key words: food security, food provision, export, import, production, disbalance.

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The concept of food security was for the first time formulated in the mid-seventies in relation to the paradoxical situation which had developed in the world when the absolute food overproduction began to be accompanied by its catastrophic shortage in a number of developing countries of "the third world", mass hunger and starvations of over ten thousands of people. For the first time the initial English term "food security" was put into broad practice in 1974 in Rome at the World Conference on Food Problems, organized by the Food and Agricultural Organization UN (FAO), it can be translated in both ways: as food security and as food provision.

Now using the term of "food security", as a rule, it is understood the provision of all people and social groups of the population this or that country of the world with physical and economic access to safe, sufficient in the quantitative and qualitative relation food necessary for maintaining active and healthy life.

Despite the set of the scientific researches which have appeared since then and the political declarations devoted to this problem, including the Rome Declaration on the world food security of 1996, the situation continues to remain intense in "a malnutrition and hunger zone". Following the results of 2012, according to data of the World food program of the UN, there are about 925 million people who do not receive food, sufficient for providing a healthy lifestyle, that is every seventh person on Earth goes to bed hungry (a source: press release of FAO, 2012). Thus more than a half of the starving population: about 578 million people – live in Asia and the Pacific region. In the countries of Africa about a quarter of all starving in the world live.

Thus, problems of ensuring food security of the mankind as a whole have carried and carry generally not physical, but social and economic character. It is proved also by the fact that in "a hunger zone" earlier periodically quite safe countries in this relation appear – for example, the population of Russia and other "Post-Soviet" states from among the former republics of the USSR (Ukraine, Kazakhstan, etc.) in the 90th endured catastrophic decrease in the level of food security. So, in climatic conditions of Russia for which it is a physiologically reasonable norm of food constitutes 3000-3200 kcal for a person daily, the average caloric content decreased from 3300 kcal in 1990 to 2200 kcal in 2003, the consumption of meat and meat products during 1990-2001 decreased up to 75 to 48 kg a year per capita, and in 2013 it is even less – 46 kg, fish and fish products – decreased from 20 to 10 kg, milk and dairy products – from 370 to 221 kg.

The Soviet agro-industrial complex was so mighty that it was capable even in the days of the hardest war to support the people and army in spite of the fact that the main farmlands were occupied by the enemy.

After the war the USSR was the first of all countries which cancelled a rationing system. In the Soviet Union the problem of food security had been actively solved since 1965 and as a whole had disappeared by 1980. In 1990 Russia made over 800 kg of grain per capita (the European countries of 450-480 kg). Since 1992 the state ceased to help the village, directing equipment, fertilizers, paying the adequate price for agricultural production. The agrarian and industrial complex failed. Russia lost food security (more than 40% of the food are imported at critical value – 20%). Russia stopped being the self-sufficient country annually, buying abroad the food for the huge sum of-12 billion dollars[1].

The results of an agrarian reform in Russia (since 1991 to the present time):

– Agro-industrial production fell to 40-50%. Such a sharp recession of agricultural pro-

The idea behind converting non-tariff barriers to trade into tariff equivalents, suggests that tariffication (as opposed to tariff reduction) should not have any immediate effect upon absolute levels of protection, since the rationale behind tariffication is to convert NTBs into a tariff that provides an equivalent level of protection to that existing by virtue of NTBs. However, in so far as the levels of protection provided during the base period (1986-1988) (for which the tariff equivalents have been calculated) differ from those actually prevailing during the period immediately prior to the start of the implementation period in 1995, tariffication could, in theory, have had an immediate effect upon levels of protection at the beginning of the implementation period [4].

The bound rate of duty is listed in the Country Schedules in an adjacent column to the base rate of duty. This the level at which the final tariff for a particular product should be bound. It is, in other words, the maximum tariff that may be applied from the point of time at which it comes into effect. Least-developed countries are not required to cut the base rate of duty, hence, their bound rates need not be less than the base rate for any given product. For those developing countries that offered ceiling bindings, there is no obligation to reduce them.

Minimum access opportunities shall be implemented on the basis of a tariff quota at a low or nominal rate according to the Most Favoured Nation (MFN) principle. The volume of domestic consumption, to which minimum access volumes are related, is defined as the volume consumed during the base period 1986-1988 [4].

The domestic support commitments are, in general, far less demanding on the agricultural policies of developing countries, than they are on those of developed countries. This is because developing country agricultural policies have on the whole tended to tax the agricultural sector, rather than support it; and the Agreement recognises that agricultural support policies in developing countries are often justified on the basis of their being part of the broader economic development agenda.

Two important exemptions from domestic support reduction commitments for developing countries are provided in Article 6 paragraph 2 of the Agreement:

– investment subsidies which are generally available to agriculture;
– agricultural input subsidies generally available to low-income or resource-poor producers [5].

Thus, domestic support meeting these criteria shall not be required to be included in the calculation of the current AMS. Least-developed countries, on the other hand, are exempt from all domestic support reduction commitments, but may not exceed the Total AMS as established for the base period (1986-1988) [4].

There are certain exemptions from AMS commitments, referred to by the Agreement as "green box" measures. Those are measures that have no, or at most minimal, trade-distorting effects or effects on production; provided through a publicly-funded government not involving transfers from consumers; and do not have the effect of providing price support to producers. The following measures may be related to "green box":

1. General services – programmes that provide services or benefits to agriculture or the rural community, but which do not involve direct payments to producers or processors
2. Public stockholding for food security purposes – expenditures (or revenues forgone) in relation to the accumulation and holding of stocks of products which form an integral part of a food security programme identified in national legislation.
3. Domestic food aid – Policies aimed at providing domestic food aid to vulnerable sections of the community.
4. Direct payments to producers – provided that they "have no, or at most minimal, trade-distorting effects or effects on production" and "provided that the size of such payments, in a given year, is not related to the type or volume of production undertaken by the producer in any year after the base year; the prices, domestic or international of any production undertaken after the base year; the factors of production employed in any year after the base year".

Other exemptions include the "de minimis" and "blue box" provisions, "De minimis" offers policy makers additional room for manoeuvre. Where the AMS for a particular product constitutes less than 10 percent (5 percent for developed countries) of the total value of production of that commodity, the de minimis clause exempts that support from inclusion in the calculation of the Total AMS. This exemption also applies to non-product specific support [3].

The "blue box" provision exempts direct payments made in conjunction with production limiting programmes, is of direct relevance to developed countries, (e.g. EU and US set-aside payments), but is of much less concern to developing countries where production limiting programmes are not at all widespread [11].

As with domestic support commitments, the commitments on export subsidies have been introduced into the Agreement principally in response to developed country policies. Export subsidies have been a major component of agricultural policies in the EU and the USA, but have not, on the whole, played a very important role in developing countries. Export subsidies include:

1. direct subsidies to firms, industries, producers of agricultural products, cooperatives, contingent on export performance;
2. sale or disposal for export by governments or their agencies of non-commercial stocks of agricultural products at a price lower than

the comparable price charged for a like product to buyers in the domestic market;
3. payments on the export of an agricultural product that are financed by virtue of governmental action, whether or not a charge on the public account is involved, including payments that are financed from the proceeds of a levy imposed on the agricultural product concerned, or on an agricultural product from which the exported product is derived;
4. provision of subsidies to reduce the costs of marketing exports of agricultural products (other than widely available export promotions and advisory services) including handling, upgrading and other processing costs, and the costs of international transport and freight;
5. internal transport and freight charges on export shipments, provided or mandated by governments, on terms more favourable than for domestic shipments.

Consequently, the Agreement's export subsidy commitments do not have major policy implications for developing countries. Developing countries receive some temporary and limited exemptions with regards to the export subsidies outlined above. Specifically they are permitted, during the implementation period only, to encourage exports with subsidies aimed at reducing the cost of marketing, processing and transport, provided they are not applied in a manner which would circumvent reduction commitments.

Developing countries have limited capabilities to provide the sufficient support of their domestic farmers. Involvement into the international trade integration forces developing countries to open their domestic markets for foreign agricultural and food commodities. Effective protection of domestic farmers in developing countries is impeded by the low import tariffs, which facilitate an easier market access for foreign agricultural and food commodities and lead to reduction of domestic production [3].

The vital issue for developing countries is how to secure the sustainable development of national agriculture and agribusiness in the conditions of a growing market openness and liberalization of agricultural trade, taking into consideration the incomparably lower financial capabilities [3]. Our research shows that developing countries would be able to ensure the sustainable development of agricultural production and trade by introduction of the following measures: state support of import substitution agricultural production; provision of environmental safety of domestic food and agricultural commodities; agricultural and food export increase once the domestic is saturated; logistical costs saving; optimization of all factors that affect the competitiveness of domestic agricultural and food commodities in compliance with rational geographic distribution and specialization of agricultural production [10].

International economic relations keep growing actively, especially in the certain regions and between them. There is an opinion that such a rapid growth of regionalization can discourage and decelerate globalization [9, 10]. However, proceeding from the assumption that international economy would grow into the single market of goods, services, capital, labour and information, we can alternatively consider the modern regionalization as an in-bound movement to globalization. Development of polycentricism and new production and trade centers, alternative to EU and USA, is the key factor of the long-term sustainable development of the global agricultural market and balance of the whole global trading system [10].

Export policies in developing countries have generally concentrated more on export restraints, than on export subsidies. The Agreement introduces restrictions on the use of export restraints, where such restraints relate to foodstuffs. However, these restrictions do not apply to developing countries unless they are "net exporters" of the particular foodstuff in question. At the same time, no definition is offered as to what a "net exporter" of a particular foodstuff might be in these circumstances.

The Agreement disciplines on Export Prohibitions and Restrictions are found in Article 12. For those countries, including developing countries, that are net exporters of a particular foodstuff, the following provisions apply to their use of export restraints:

– the country instituting the export prohibition or restriction must give "due consideration" to the effects of such prohibition or restriction on importing countries' food security;
– before any country institutes an export prohibition or restriction, it must give notice in writing, as far in advance as possible, to the Committee on Agriculture, giving information regarding the nature and the duration of the restraint. Additionally, the country must provide this information to any other member country with an interest in the outcome and which requests prior discussion [4].

The Agreement allows for sanctions by other member countries if these two conditions are not adhered to. It does not, however, suggest what these sanctions should be [5].

Agreement on Agriculture differentiates the rights and obligations of member countries, according to whether they are developed, developing or least-developed. In general, developed countries are expected to participate fully in the new disciplines, while for developing countries the commitments are less demanding [4]. According to its recent accession to WTO Russia will ensure the necessary level of transparency of its foreign trade and agricultural policies. All general legally enforceable enactments regulating trade will have to be published in the official sources and will not come into action until their official publication. Besides, at the development of the normative acts Russia will provide to all involved parties the possibility to present their comments and suggestions during the reasonable period of time to the drafts of such acts until their final approval. This will ensure the certain level of predictability of the legal environment in the country [2].

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New legislation has a potential for improvement of the current entrepreneurial environment state and for making business easier in the Slovak Republic as well as in the European Union for the Slovak entrepreneurs.

Conclusions

The entrepreneurial environment is strongly affected by stability and efficiency of legislation. Suitable legislation conditions are basic for good entrepreneurial environment and for support of entrepreneurial activities. The Central Europe States are facing the pressure on public and private law systems and legislation change in compliance with the new economic and social requirements. Although, the influence of the European Union Law shall not be forgotten. The Slovak Republic is still using dualistic model of the private law system. Separated legislation provisions within civil law and commercial law are causing many problems with the applications of parallel contractual provision based on the Slovak Civil Code and on the Slovak Commercial Code. As we remarked, the main change is characterised by creation of uniformed codex of private law with one catalogue of law of obligations and with incorporation of individual labour law and with changes within others partial legal fields. Poland is still using dualistic version of private law system, but Hungary and the Czech Republic processed more within re-codification and their new legislation has just came into legal force. The new legislation introduced many legal changes and new legal institute. However, there appeared application problems with new provisions. There occurred question, whether the legislation changes are planned well and on right time (which is still under the influences of economic crises). The evaluation of the Slovak entrepreneurial environment quality by entrepreneurs showed just medium level of quality. It means that there are required changes for improvement of the current state and legislation change could be one of the possibilities with its potential.

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rigidly related branches of national economy (production of agricultural machinery, mineral fertilizers, agrochemicals, etc.) in root.
2. To toughen requirements to quality of the imported food, in particular, to the contents of harmful and hazardous to a human health chemical and biogenetic components. To limit the volumes and to enter quotas of import and production of genetically modified products in Russia, having leveled the overestimated agrotechnical regulations and requirements imposed on domestic agricultural producers, with applied international standards.
3. To develop agrarian infrastructure (gasification, electrification, the sewerage, storages, refinery capacities, roads, etc.) priority rates and in national scale.
4. To develop an adequate and surpassing the world level standard and legal, scientific-technological, financial, information and personnel support of the domestic agro-industrial complex for the purpose of transition to the innovative model of the guaranteed insurance of food security.

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IMPORTANCE OF BIOREGIONS IN SUSTAINABLE DEVELOPMENT [1]

Significance of bioregion in sustainable development of local communities, regions and countries is remarkable. In Republic of Serbia bioregion doesn't have strictly boundaries and it represents strategically important natural resource of plant and animal species. Natural parks are most important bioregions in Serbia, they cover only 5% of total area of country, but they are extremely important for future sustainable development. They are genetically very rich and in some part of it's possible to organize the agricultural production, what makes these areas vulnerable if that production is not controlled or organic. On the light of global changes on the territory of Serbia must be loaded significant effort for prevention and environmental protection of bioregion in order to preserve the genetic potential; stopping the pollution and strategic planning for future generations. It must be used is sight all good and bad things of human influence and find the way that with good agricultural practice and environmental protection provide good quality of life.

Key words: bioregions, sustainable development, genetic potentials

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Discussion

Sustainable development represents development which satisfies needs of presents without compromising the ability of future generations to satisfy their own needs. Sustainable development implies balance between resources and capability of renewal of natural resources. Standpoint of sustainable development can be resolved on three main dimensions: *ecological, economic and social sustainability.*

Ecologic dimension of sustainable development is important part of macroeconomic policy of every country. The effective management of sustainable development at a global level requires a quality system for collecting and analysing data in the field of environmental protection and management of limited natural resources. Namely, it is necessary to quantify the amount of available natural resources, but also to monitor their level of endangerment. In addition, for the purpose of sustainable development is extremely important to ensure fair presentation of data on pollution and scarcity of resources *(Milićet al., 2012).*

Environmental protection of natural resources represents important issue in every country, because natural resources are limited and ecological situation is not such bright. Water pollution, soil and air pollution are noticeable and they manifest the influence on quality of life. One of the most important impacts of ecologic changes is observed in agriculture. Improvement of agricultural production depends of genetic resources of plants and animal, applied new technologic of breeding, managing with natural resources, etc.

Conservation of environmental and genetic resources in agriculture represents turn point of development the agricultural productions on territory of local communities, because based on it later can be expected growth and development of sustainable production. In correlation with that, besides using the principals of sustainable development, it is useful to use the term – *bioregionalism*, as well as biodiversity (*Jovanović, Vučković, 2013*).

Bioregionalism can be observed as subspecies of regionalism [1], which borders are determined by natural borders of ecosystem. Title derives from Greek word *bios*- life and Latin word *lagere* – space on which should rule (life territory – place defined by live forms which inhabit it).

[1] Paper is part of project III 46006 – Sustainable agriculture and rural development in function of achieving strategic goals of Republic of Serbia within Danube regiona, funded by Ministry of Education, Science and Technical Development of Republic of Serbia. Project period 2011–2014.

[1] Regionalism is conceptually above notion which defined bioregionalism and etymologically derives from latin word legere – space on which slould rule. Region represent homogeneous space (on the basis of physical-geographical, historical-ciltural, economic and/or political criteria) in relation to the parent entity, with the remark that one region can territorially include more countries.

tic by introducing of new legal institutes (for example: agricultural tenure), changes in commercial companies legislation and associated institutes, all along the lines of the Austrian legal provision. The new Czech Civil Code makes a fundamental shift into Czech legal and social environment. Entrepreneurship and society is facing to the greatest legal changes (J. Duda, 2014) They still do not know what will be the impact of the new private law system, but there are application and interpretative problems. Such changes are affecting overall the entrepreneurial and social environment and trade conditions. The legal changes of the civil and commercial law will influence the Slovak legal practice sooner or later. There is a question what will be the impact de lege ferenda. Based on the research [2] conducted by Department of Law (Faculty of European Studies and Regional Development, SUA), we introduce the legislation dynamic evaluation within the following questions:

- evaluate the legislation change flexibility,
- evaluate the adaptability of license business personnel on the legislation change and
- evaluate the legislation change difficulty.

Table 1 – Evaluation of legislation dynamics in Slovakia by the Licence Business Offices personnel (State administration in the field of small trade business), % of respondents:

Level of evaluation	Legislation change flexibility	Adaptability of license business personnel on the legislation change	Legislation change difficulty
Very low 1	0,84 %	0,00 %	0,00 %
Low 2	8,86 %	1,23 %	1,25 %
Medium 3	52,74 %	13,17 %	25,83 %
Rather high 4	27,85 %	53,91 %	41,25 %
High 5	9,70 %	31,69 %	31,67 %
Sum	100,00 %	100,00 %	100,00 %
Middle value	3,37	4,16	4,03

Source: own processing, 2014

Previous table showed the results of Licence Business Offices personnel assessment. The results shows, there is evaluation of legislation change flexibility only on medium level (3) and rather high difficulty of legislation changes (4). The competences of Licence Business Office serve for support of starting the licence business and advisory for the entrepreneurs. Knowledge within legislation and its application related to the entrepreneurs is substantial and significant part of the entrepreneurial support. If skilled staff evaluates legislation change difficulties as rather high, are the entrepreneurs able to implement legislation changes effectively? Following table shows the assessment of the Slovak entrepreneurial environment quality by entrepreneurs.

[2] Research was focused on the evaluation of effectiveness and quality within state administration performance in the field of licence business (small trade business). The questionnaires were distributed in Slovakia for entrepreneurs and Licence Business Offices personnel (return rate was 84,6 % from 5160 questionnaires for entrepreneurs and 76,98 % from 317 questionnaires for Licence Business Offices personnel. Likert scale was used for the evaluation.

As we can see, the result of assessment is only on the level 2,79. It means low quality of the Slovak entrepreneurial quality (almost 3). We can share opinion that concrete measures should be realized for the improvement of the Slovak entrepreneurial environment including changes in legislation in order to make it more effective.

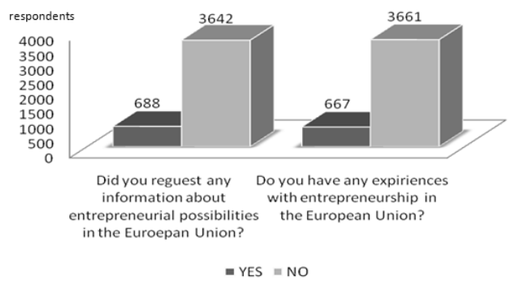
Table 2 – Evaluation of the Slovak entrepreneurial environment quality by entrepreneurs, % of respondents:

Level of evaluation	Quality of the Slovak entrepreneurial environment
Very low 1	9,24 %
Low 2	29,15 %
Medium 3	42,12 %
Rather high 4	12,39 %
High 5	7,10 %
Sum	100,00 %
Middle value	2,79

Source: own processing, 2014

Next part shows the Slovak awareness perspectives focusing on entrepreneurial activities in the European Union and dissemination of information on entrepreneurial conditions in the European Union. The European Union Law is very important part of legal provisions imposed on member states of the EU beside to the national law systems.

As we remarked before, one part of the re-codification process in the Slovak republic is focused on more efficient transposition of the European directives and unification of legal conditions in the European Union. As the figure 2 shows only small part of all responded entrepreneurs have experiences with entrepreneurial activities in the European Union (out of the Slovak Republic) and only small part of the Slovak responded entrepreneurs is requiring the information about the possibilities to run a business in the European Union.



Source: own processing, 2014

Figure 2 – Assessment of the Slovak awareness perspectives within entrepreneurial opportunities in the European Union

the topic of new legal tendencies, we are having in mind new unification and re-codification of civil and commercial law with respective parts of family law or intellectual property rights and introduction of new legal institutes. The Slovak Republic adopted legal intention of new private law codification, however the Czech Republic stepped further and new re-codification of law already come into legal force. (Czech Ministry of justice, 2014) Sectorial approach to the re-codification of private law has been interrupted (J. Lazar, Head of Civil Code re-codification commission) and the states of Central Europe started to work on unification of private law system at the national level within to the European Union Law. Dualistic model of civil and commercial law is replaced by monistic model with the exclusion of Corporate Law. Parallel model of civil and commercial code causes unbalanced relation between civil law and commercial law (Legislation intention of the Slovak Ministry of justice, 2009). The question that is arising from the current changes and future plans, is what will be the impact of new legal tendencies on the quality of entrepreneurial environment.

Results

The Slovak private law system is represented by the Civil Code (the Act No. 40/1964 Coll. as amended), the Commercial Code (the Act No. 513/1991 Coll. as amended), the Act on Family (the Act No. 36/2005 Coll. as amended), Labour Code (the Act No. 341/2011 Coll. as amended) the Act on international private and procedural law (the Act No. 97/1963 Coll. as amended) and other legal norms of intellectual property right, the European legal acts with requirement of transposition to the Slovak legal order (directives) and others. Current legislation within civil law and commercial law is characteristic by duplicate legal content (duplicate legislation) (within law of obligations, liability, time limitation and the whole set of the others). There is no reason for duplicate legislation in that field. Conversely, there are problems and difficulties in application practice with the subsidiarity of the Slovak Civil Code (lex generallis) to the Slovak Commercial Code (lex specialis). (Legislation intention of the Slovak Ministry of justice, 2009) In causes of practice, the question of legal relation regulated by the civil or commercial law is arising. The same case and application irregularities are arising within the subsidiarity of the Slovak Labour Code (lex specialis) to the Slovak Civil Code (lex generallis). Therefore, as noted there is a space for speculations and legal uncertainty within legal relations. The new re-codification tendencies should solve the irregularities within the private law system. However what will be the level of entrepreneurs' and citizens' adaptation on the new legal conditions? Is there a right time for the legal changes in the time period after economic crisis? Last but not least, there is a question what will be the level of court's adaptation and court's ability to interpret the new legislation.

As a part of the European Union and under the impact of the European Union Law, there is not conceptual approach to the transposition of European directives. (Legislation intention of the Slovak Ministry of justice, 2009)

In the next part, we would like to point out the most important planned changes in the Slovak Republic and demonstrate those changes and legal institutes within Czech recasted private law system. The Slovak re-codification commission is working with two conceptual models:

- monistic conception (civil and commercial law within the one code, integration of contractual law – law of obligations)
- dualistic conception (individual civil law and individual commercial law)

Monistic approach of private law re-codification in Slovakia assumes one code with exclusion of business companies' legislation, cooperatives, competition law, intellectual property law, individual labour law [1], international private law. The main purpose of the new planned codex of private law is to create a unified system of contractual law (law of obligations). There will be no modification of fundamental legal principles in private law. The legislation intention of new legislation proposal contains statement that the original Slovak Civil Code was not and could not become fundamental and integrating private law codex. As mentioned in the legislation intention, original Slovak Civil Code is imperfect and incomplete legislative instrument despite all of the amendments.

European integration process and increasing of globalization caused fade-over trade and non-trade activities and application problem within the Slovak Republic practice. (J. Lazar) The main part of justification is based on the attitude that the new private law should integrate civil and commercial law (with exclusion of the corporate law, currently modified within the Slovak commercial law) and uniform corpus of treaties (contacts) should create. This is a really short outline of future plans and legal changes planned in the Slovak Republic. The dualistic model of private law is still remaining in Poland, but Hungary and the Czech Republic are a bit further with re-codification of private law system compared to the Slovakia. The new Hungarian Civil Code will enter into force as the most important law governing the financial and personal relations of companies and persons. The new code, with an increased commercial emphasis, incorporates the results of legal developments of the past decades and adapts to the economic needs of our times. The new code takes into account the rules that have crystallized in trading in Hungary and it has European legislation in its sights as well. The new act comes with several new, and completely or substantially reformed legal structures. (Dentons, 2014) The Austrian Civil Code contains partial sum of private law with many legal topics. (HU, 2014) The new Czech Civil Code, the Act on Business Companies and the Act on International Private Law come to the legal force since 01.01.2014. The main changes are characteris-

[1] Collective labour law will be a part of the new re-codificated version of the Slovak Civil Code (general Codex of the private law)

Bioregionalism represents the way of development and organization of society life which relies on natural characteristics of place, i.e. bioregion (*Puđak, 2010*). Bioregions strive to ecologic, economic and cultural self-sufficiency, so they interact with other (bio) regions in the surrounding, which in itself is considerate to natural environment (water, land, air, climate) and who its ecosystems do not consumed across their upper limits (*Sale, 2000*). Borders of bioregions are not determine based on administrative borders, but natural characteristics and borders of ecosystem, which are not clear, but gradually flow from one to another (*Puđak, 2010*).

Those are areas of exceptional natural, cultural and historical importance with preserved or only slightly changed autochthonous nature, large biological diversity, endemic, relict plant and animal species, preserved autochthonous ecosystems, geological, geomorphological and hydrologic specificities, as well and significant culturally-historical monuments and ethnological values (*Amidžic et. al, 2007).*

Results

Republic of Serbia as well all Balkan Peninsula are characterised with magnificent richness and diversity. Serbia covers only 2.1% of European continent and it is home for 44.200 plant, animal and fungi taxon. Based on fact that many groups of organisms are not enough explored, it is assumed than in Serbia lives around 60.000 taxon.

Biggest part of biodiversity in Serbia is contained in frame of protected natural areas, especially protected areas.Protected areas (bioregions) cover around 5% of the territory of Serbia. The Law on the Protection of the Nature defines these categories of protected areas: Strict Nature Reserve (4), Special Nature Reserve (18), National Park (5), Natural Monument (289), Protected Habitat, Landscape of Outstanding Features (11), Nature Park (12).

National parks in Serbia areĐerdap, Kopaonik, Tara, Šara Mountain, Fruška Gora. They are home for numerous species important for environment and it is under the influence of human activity. These National parks are spread on 159.009 ha of total territory of Republic of Serbia. They represent a source of genetic diversity and that is important part of sustainable development of this regions and local communities, which are part of some of this protected areas.

In **National park Đerdap** is located 11.00 taxon of vascular plants (about 30% of the total flora of Serbia) where they stand tertiary relicts dendroflora: *Coryluscolurna L.* (cat hazel), *Celtisaustralis L.* (hackberry), *Juglansregia* L. (walnut), *Syringa vulgaris* (lilac), *Taxusbaccata L.* (yew), *Fraxinusornus L*. (ash) *Ilex aquifolium L.* (holly). *These types together with Fagussylvatica L*. (beech), *Quercuspetraea* (Matt.) Liebl. (sessile oak), *Quercuscerris L.* (oak) and *Quercusfarnetto Ten*. (Sladun) form a mixed forest communities.Also, it was recorded a total 150 species of birds, 57 species of fish, 49 species of mammals, including 6 species of bats, of which there are 3 types of the European red list and 17 species of rodents.

In **National park Šara** covers about 56% of the flora of Serbia. Special value consists of 20 local endemic species, among which are: yarrow King Alexander (*Achillea Alexandriregis)*, Sharplanina saffron (*Crocus scardicus*) Derfelerovapetoprsnica (*Potentilladoerfleri*) and violet *Violagrisebachiana* and *Viola dukadjinica*. It is present numerous relict and endemic-relict species such as Balkan diaskorea (*Dioscoreabalcanica*), Serbian ramonda (*Ramondaserbica*),ramonda Queen Natalija (*Ramondanathaliae*), Bark Pine (*Pinus peace*), bark pine (*Pinusheldreichii*), etc. Here live 147 species of butterflies, over 200 registered bird species and 32 species of mammal.

On the territory of **National park Fruška Gora** grows about 1,000 species of vascular plants, and the total number in the entire area of Fruska up is 1.450 taxon which makes up more than 1/3 of the total flora of Serbia. Also, there you can find 10 fish species, 13 amphibian species, 11 reptile species, 200 bird species and 60 mammal species.

National park Tara is the most important because of forest communities, because 70% of total area covers forest ecosystems. There live 171 species of mosses, 30 species of ferns, 7 species of gymnosperm, 950 Angiosperms, a total of over 1100 species, which is 1/3 of the total flora of Serbia. Also you can find 115 butterfly species, 27 fish species, 12 amphibian species, 12 reptile species, 170 bird species and 51 mammal species.

Based on previous research it was found that the area of **Kopaonik** live 219 species, 120 species of lichens, 350 species of algae, 150 species of moss, and even 1600 species of vascular plants, 14 species of amphibians, 13 species of reptiles, 148 species of birds and 60 species of mammals.

No matter of this fact, in protected areas can find lots of problem caused by human activities. It comes to flooding habitats of plants, those influences led to a change in the composition of forest communities, and to the disappearance of a large number of plant species. This situation is not good for sustainable development, because there comer to irreversible lusts of genetic resources, decrease in quality of soil, climate changes.

There must be used all knowledge that we have to prevent future loss of resources in bioregions, new models of production end environmental protection according to all Strategies of environmental protection and Sustainable development.

Conclusion

Republic of Serbia includes the most important bioregion in world, because those bioregions are home for some endemic plant and animal species. Bioregion in Serbia includes several protected areas of different category, from which most important for this research, are National park. There are five National parks which surround the territory of 159.009 ha of total territory of Republic of Serbia. They are source of genetic diversity, pillar of sustainable development and basis for agricultural production in protected areas.

Because of human influence in bioregions we can find lots of problems: pollution of soil, water, air,

flooding habitats of plants, changing of forest communities and loss of valuable genetic resources.

Only with using the instruments of sustainable development, different strategies of sustainable development; raising awareness of environmental protection and reduction of pollution: with using new technologies of production we can secure stopping of degradation process in bioregions.

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THROUGH THE LEGAL DYNAMICS TO THE ENTREPRENEURIAL ENVIRONMENT STABILITY IN CENTRAL EUROPE

The entrepreneurial environment plays an important role within the development of entrepreneurship. Effective and stable legislation is one of the significant determinants for the quality of entrepreneurial environment. However the legislation should reflect current global and European tendencies. The Slovak entrepreneurs evaluated the quality of the Slovak entrepreneurial environment as medium and the employees of the Licence Business Offices evaluated legislation change difficulties as rather high. This means that the legislation change should be made just in necessary scope and in suitable form within respecting requirements of the international or European cooperation. Public law is changing by Europeanization. Administrative Law must be more flexible to the concept of,,Global Administrative Law". Private law systems in the Central Europe are under the pressure and therefore the states are creating new models of private law codex. In general, they intend to unify civil law and commercial law into one private law codex on national level while respecting the European Union Law. The paper deals with the new legal tendencies in the Central Europe states and with current legislation intentions.

Key words: Legal stability, entrepreneurial environment, legal changes

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Discussion

Stability and efficiency of the legal orders has undoubtedly primary impact on the quality of entrepreneurial environment. Entrepreneurial holdings, companies and SMEs (Small and Medium sized Enterprises) are influencing the economic dynamics and quality of life in general. According to the Model Declaration of the European Union relating to the SMEs, there is 99 % SMEs of all enterprises and SMEs provide around 75 million jobs. Legal stability and legal protection of entrepreneurs plays a important role within support of entrepreneurial environment quality and for improvement of standards of life. The Slovak Business Agency presents the principles of entrepreneurial support which should be reflected in political and legal measures. Effective legal environment and public administration bodies are able to respond to the entrepreneurial needs that are priority ones. In that place we have to mention the reform tendencies within public administration systems and certain changes for entrepreneurs, employment services and access to the agenda performance. Administrative Law must respect the globalization and international integration and accept the requirement coming out from the European Union, the European Administrative space as well as from the new developed conception of the Global Administrative Law. It is a brave line of law cooperation, but the international community try to seek a model of unified administrative procedures. The concept is based on the common regulations of "international public acting". The entrepreneurial space of international community had been opened and that is the reason for unified administrative rules in some cases. On other hand, there is a pressure on private law systems. Private law systems must reflect new social and economic conditions and requirements as well as the Europeanization of law. If we discuss

Source: europe.eu

Figure 1 – Map of the Europe

Many agricultural manufacturers try to compensate a lack of humus in the soil by means of increase of mineral fertilizers. But it doesn't bring success. It is accompanied by negative consequences. The majority of mineral fertilizers are characterized by physiological acidity. In a consequence of that their entering into soil the excessive quantity of mineral fertilizers can be a reason of development of soil acidifying.

Last decades in the farms of Belgorod region the chemically-technologic intensive system of agriculture received wide expansion. It helped to reach some successes in agricultural production and increase productivity of agricultural crops. All it has been reached at the expense of introduction alternative technology, use of high-efficiency techniques, high-yielding grades and hybrids.

At the same time these indicators are accompanied by the big expenses of work, energy, finances. Energy charge is increase on unit of a gain of agricultural production. Addition capital investments pay off with smaller efficiency. As a result of the industrial approach to agriculture and wide introduction of high cost intensive systems of agriculture the agro biological principle of wildlife management as the major factor of energy and resource saving is lost.

The problem of rational use, protection and improvement of soil resources, especially in favorable for development of agriculture regions what the area concerns, is a problem of vital importance for present and in particular for future generation of people.

Process of dehumification arable horizon has amplified last decade in connection with infringement of crop rotations, share increase cultivated crops, shortfall of organic into soils.

According to inspection, changes of the maintenance and stocks of humus in arable horizons of all types of soils are revealed. On various types of soils there were sharp losses of humus and as a whole is lost more than 10 million tons humus.

For last 20 years entering of organic fertilizers cut down from 8 million tons to 3.6 million in 2010 year. The areas under long-term grasses were also reduced.

Apparently from the above-stated, after the centuries-old constant deterioration of fundamental soil resources expressed in loss of fertility, it is necessary to pass in plant growing production to biological system of agriculture as the major technological innovation.

Indicators

To describe the nowadays situation in agriculture of Belgorod region and make an evaluation of manure transportation we used the data of State Statistic Committee of Belgorod region on the following indicators:

- manure supply and demand in districts of the Belgorod region;
- distance between the districts;
- cost of transporting 1 tone of manure per 1 km.

Data and method

In addition, to achieve effective and efficient waste management of livestock enterprises, the plan for dealing with nutrients and organic wastes is required.

The regulatory document must identify:

- crop which will be made manure;
- applying norms of manure;
- measures to prevent spills and odour problems.

Taking this into account and analysis of scientific literature to develop the plan for the management of nutrients and organic wastes we need to conduct following measures:

- to study manure for the content and amount of nutrients;
- to analyse the soil under the proposed plantings in order to determine the need for soil nutrients. The basic test is to determine the content of phosphorus, potassium, and magnesium oxide, as well as the pH of the soil on an area of 10 hectares each;
- to estimate the residual nitrogen from the previous dressing of crops;
- to define the methods and timing of manure applying. When choosing a method of manure application (direct watering, irrigation, bunker machine) it should be taken into account the following factors: the type of manure, the available funds, and the amount contributed by the manure, soil density, the area for manure applying;
- to define areas for manure applying and rates. Manure should be applied to the fields with the lowest nutrient content. In this case, the absorption of nutrients is faster and the risk of environmental pollution is reduced. Factors that should be taken into account when determining the applying rates of manure include the absorptive capacity of the soil and the need for nitrogen, potassium, carbon and phosphorus. Rotation of crops can maintain a balance of nutrients in the soil and crops to ensure receipt of the appropriate number of nutrients;
- to determine the type of fertilizer that should be made in addition to manure. In some cases, you should consider the possibility of making a fertilizer to the manure. This provides flexibility in manure in the spring weather;
- to carry out inspection facilities and equipment necessary to manure, so that the crops had been made under the allotted amount of nutrients. In assessing the existing facilities should take into account the volume of manure with different densities (liquid and solid fractions of manure) and the corresponding need for transport;
- to use all manure produced on livestock sector;
- to take into account factors such as soil erosion, surface runoff to prevent pollution of surface and groundwater. In addition to the traditional methods of preservation of the environment the distance from the site of manure to water bodies should be taken into account. As a rule, is not recommended to

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MANAGEMENT CHALLENGES ON FAMILY FARMS IN REPUBLIC OF SERBIA[1]

In actual business conditions, owners of family farms have to be not only producers, but also successful managers. They have to provide a market for their products, take care about registration of their holdings and to ensure procurement of state subsidies. For receiving of subsidies, primary condition for family farms is that they are registered.

Main goal of paper is to point out to the level of farmers' education in the Republic of Serbia, as well as to show the subsidy system and procedures of their getting.It was found that the level of education of the most of farmers is very low, while on the other hand complete system of subsidies in agriculture is very complex. That makes achievement of the right for financial support, to managers of family farms, very difficult, and without adequate subsidies business activities of many family farms will be jeopardized.

Key words: subsidies, management, family farms, agricultural production.

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Discussion

The current business and entrepreneurship methods in agricultural production in Serbia demand a new approach in farm management and its organization. Until the 90-ies of the last century agricultural producers on family farms had no problem to sell agricultural products as existed guaranteed prices and high level of certainty in realization of all quantities of produced products. Later, when economic crisis emerged, and when established locations for repurchase of agricultural products started to close, family agricultural holdings were faced the serious problems related to market contraction, expressed variation of prices and uncertain payment of sold goods. So, farmers ability in most transition countries to realize, interpret and respond to emerging situations, in the context of production risks, is crucial competitive advantage of human capital (Njegovan et al., 2012).

In order to use any kind of financial support from the Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia, owners of the family farms have to be registered in the register of agricultural holdings, what in fact classified them from a start as managers. Within the frame of agricultural policy the Ministry establishes a number of regulations which regulate mentioned area and provide additional financial resources for support of development of all lines of agriculture. To obtain the right to use certain financial incentives agricultural producers should follow the determined deadlines (time table of subsidies), as well as to timely submit all required documentation (eligibility to use the funds). Importance of mentioned financial assets (wideness of their influence on farm activities and business results improvement) is the best illustrated by the fact that investments in agricultural holdings turned to livestock production would not be economically justified without the subsidies provided by the Ministry of Agriculture (Ivanović, 2013).

All mentioned problems led to situation that owners of agricultural holdings have to adjust to new business conditions by adoption of characteristics that are required of contemporary managers. As managers today have to be more innovative and

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must have good ability for organization, the question is whether this is possible with majority of family farms owners/members, regarding their age and level of education. According to the Census of Agriculture, which was conducted in the Republic of Serbia during the 2012, the average age of the carrier of agricultural holding is 59 years, while the average size of used agricultural land per farm is 5,4 hectares.

Results

After data analysis related to the level of qualifications of the managers on the farm it comes to the conclusion that the largest group of them (around 60%) has only agricultural experience gained from practice.Related to this fact, Njegovan et al. (2012) define entrepreneurial capacity of farmers as ability to avoid business risks in agricultural production, explaining that in Serbian conditions it is usually aftermath of experience, knowledge and skills gained through a working activities (learning by doing).

Confirmation of previously mentioned is that only 30,34% managers have a certain high school diploma (that is not agricultural), and 5,01% of them finished college or university that is not related to agriculture. Education in the field of agriculture possesses a very small percentage of farm managers. Secondary agricultural school were finished 2,55% and agricultural college or faculty graduated 1,42% of them. One part of the managers (0,68%) were completed some courses connected to agriculture (Table 1).

Table 1 – Managers at holdings in Republic of Serbia

Annual Work Unit			293 997
Managers	Total		631 552
	Females		100 168
	Males		531 384
	Level of qualifications	Only practical agricultural experience	378 940
		Agriculturalcourses	4 270
		Secondary agricultural school	16 120
		Other secondary school	191 591
		College or faculty of agriculture	8 992
		Other college or faculty	31 639
	Attended to agriculture related trainings in 2012.		20 211

Source: Census of Agriculture 2012, Agriculture in the Republic of Serbia, Statistical Office of the Republic of Serbia, Belgrade, 2013.

Such courses, in other words trainings, are very rare, and procedures and results of some agricultural producers training that have been implemented during the period 2006 – 2008 were presented by Subić et al. (2009). Those were special educational projects, and they were concentrated onto three topics: farm management, support to rural development and improvement of small farms. Further, problems of knowledge dissemination in Serbian agriculture were discussed in detail by Čikić and Petrović (2013).Also, the role and importance of agricultural extension services and significance of the knowledge and innovation diffusion, as well as empower of producers for better engagement in current farming were pointed out by Čikić et al. (2010).

Beside mentioned, unfortunately there is no clear institutional strategy which would define curricula and bring closer formal education with the real market needs in agriculture. So, secondary and tertiary educational institutions oriented to agriculture are strongly advised to implement subjects like management, trade and marketing, as well as to refresh environmental courses with actual knowledge in IT and social sciences (Zubović et al., 2009).

One of possible solutions was proposed by the Serbian Academy of Sciences and Arts (2009), which states:"Since Serbia has a geographically well-distributed network of secondary agricultural schools, association of rural primary schools and regional agricultural high schools would be a powerful instrument of rural development.If agricultural faculties will get the role of consultants and mentors of mentioned associations, then such associations of primary schools and secondary agricultural schools could become a serious mechanism for introduction of innovation within the villages' development and reconstruction."Of course, it must not be ignored the importance of agricultural extension service in farmers education.

Due to high average age and low level of education of the carrier of family agricultural holding, there is the question of possibility for their adjustment to new business conditions. It should have in mind the request for annual process of farm registration, as well as monitoring of number of regulations focused on subsidies. In that sense certain level of education and skills is required (e.g. internet literacy).

In order to develop agricultural production on family farms Ministry of Agriculture, Forestry and water management of the Republic of Serbia adopted a number of agricultural policy measures. For use of Ministry's incentives individual agricultural producers have to meet certain requirements. These conditions are determined by the Law of incentives in agriculture and rural development, which was adopted by the Assembly of the Republic of Serbia on 30th January 2013, where the right on incentives have farms and family agricultural holdings that are registered within the register of agricultural holdings in accordance to the Law on Agriculture, then local governments and other persons and organizations.

Some of the subsidies which are the mostly used by family farms in 2012, before the establishment of mentioned Law, may be divided into:Subsidies for plant production; Subsidies for livestock production;Incentives to investments through the subsidization of part of interest on loans related to agriculture production.

According to actual Law of incentives in agriculture and rural development, financial support is divided into the next groups:Direct payments; Incentives to rural development measures;Special subsidies.

The basic infringements at entering of organic fertilizers are connected with overdose which can lead to accumulation of mineral nitrogen in the soil and plants in superfluous quantities. The regular overdose at entering of pig-breeding drains in the long term can lead to the salinification of soils, especially in east districts of Belgorod region, and to the water pollution. At untimely seal of pig-breeding drains into the soil a considerable quantity of ammonia and other gaseous products are vapored and it became the cause of fair discontent of countrymen.

To avoid these problems it is necessary to adhere strictly to the developed regulations of organic fertilizers use. According to this rules agrochemical service analyses all organic fertilizers before their entering into the soil and is rated entering doses, taking into account fertility of a concrete tract of land and requirements of an agricultural crop (table 1).

Table 1 – The maintenance of organic substance, nitrogen, phosphorus and potassium in various organic fertilizers, kg/t

Kind of organic fertilizers	Mois-ture,%	Organ-icsub-stance	N	Limits of the main-tenance of nitrogen	P2O5	K2O
Manure drains	97.5	17.7	2.8	0.8-5.5	1.5	1.7
Chicken manure	37.0	520	24.4	6.3-43	21.4	22.2
Cattle manure	77.3	200	8.1	3.9-16.7	2.3	5.0

Sours: http://belg.gks.ru

The given regulations are expedient for confirming in region governmental order, and for their nonfulfillment it is advisably to establish administrative responsibility. The control for execution of these regulations is assigned to the protection soils department. Most effective control for entering of organic fertilizers is possible with use of the satellite navigation system.

The legislation of the Russian Federation is not clearly defined regulatory goals in a number of hectares for livestock enterprises of the complex. It is estimated that on the average in Belgorod region on 1 hectare of the farm field is 0.9 livestock units, which corresponds to world standards.

In order to develop biodynamic farming in the region, promote the interest of agricultural producers in the use of liquid manure (pig waste), the Government of Belgorod region agreed to establish a grant from the regional budget to agricultural organizations and peasant farmers in the liquid organic fertilizer (pig effluent) used in agriculture area, the rate of 60 rubles (over 1.6 euro) per cubic meter, introduced into the soil. If the amount of organic fertilizer application rate does not correspond to calculated taking into account soil fertility, organic fertilizer subsidy made in this field will not be paid. Subsidies paid during the reporting month for work performed under the act confirming the application of organic fertilizers in accordance with the above requirements.

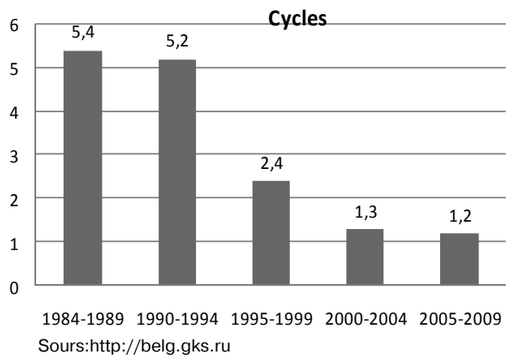
There is the problem connected not only with the organization of manure gathering, but also manure transportation in those districts of Belgorod region where their shortage is observed. It is necessary not to forget that the use of organic fertilizers should be ecologically and economically expedient.

Scientists and whole world practice recognized for a long time that without use of organic fertilizers economically expedient conducting agricultural production simply isn't possible. Entering of organic fertilizers under crops in the agricultural organizations of the Belgorod region is presented in table 2 and figure 2.

Table 2 – Entering of organic fertilizers under crops in the agricultural organizations of Belgorod region

Factor	Years					2010 to 2006, %
	2006	2007	2008	2009	2010	
Entering of organic fertiliz-ers: All, thou-sand tons	926.6	911.8	1297.8	1663	1550.1	623.5
On one hectare of crops, tons	0.9	0.9	1.2	1.5	1.4	0.5
including on crops: cereals (without maize)	1.1	1.1	1.3	1.2	1.1	0
white beet (factory)	3.1	2.9	2.4	3.8	3.1	0
sunflower	0.2	–	0.1	–	0.4	0.2
vegeta-bles	–	–	0.3	–	–	–
feed crops	0.2	0.4	0.7	0.8	1.7	1.5

Sours: http://belg.gks.ru



Sours:http://belg.gks.ru

Figure 2. Dynamics of organic fertilizers (manure) in the Belgorod region, thousand tons

As practice confirms it is necessary to support the optimum maintenance of humus in soil, because if there is the humus decrease the soil fertility and productivity of agricultural crops decrease too.

In the conditions of a large concentration of livestock there is a problem how to use manure. So in one way it can be used as organic fertilizer (Ceotto, 2005; Dietz and Hoodervorst, 1991). But in the other hand, the livestock wastes are considered to be also as a potential source of contamination of soil, surface water and groundwater, air and as a result to do damage to human health (Jongbloed and Lenis, 1998; Van den Brandt and Smit, 1998; Oenema, 2004).

Therefore in modern world the major role is given to environmental protection policy. The main policy instrument to control manure use is financial instrument, such as subsidies for effective manure use and also taxes and penalty for environmental damage (Frank, 1991; Araji, 2004).

There are two main factors of manure use. The first factor is the nutrient content of manure and the other one is manure transportation (Ronald, 2012). These two factors are directly connected. The manure demand depends from the nutrient concentration of manure and soil productivity. Than the question about manure transportation comes by itself (Paudel, 2009; Eli, 2004).

Introduction

The ecological and sustainable agriculture provides accumulation of the vegetative rests (i.e. organic substance) in the form of straw, manure, green manure on a soil surface. It will promote liquidation of erosive processes, the best physical condition of soils and water balance. In due course it will reduce the contamination of fields weed vegetation, lower disease of agricultural crops, also change number of harmful insects and lead to reduction of power inputs.

Change of system of relations of production in agriculture of the Belgorod region provides changes in systems of farming which cannot be uniform any more. They assume variety of technological elements, narrow specializations as the structure of areas under crops which in certain degree forms agriculture systems is defined now not by the control system instruction but by the market, economy specialization, presence and animal industries level.

New systems of agriculture should consider the present condition of economy of all kinds of the property, to be more flexible, multiple, considering not only soil-climatic, economic, but also social conditions of managing.

The decision of the ripened problem in sphere of agriculture of the Belgorod region demands effective mechanisms and methods.

But it is necessary to remember that application of all kinds of fertilizers should be carried out on a scientific basis, taking into account biological features of cultural plants, environmental conditions, fertility of soil and other actions.

Preservation of soil fertility is a problem which demands the complex decision. Therefore, planning agrochemical actions, agricultural commodity producers should understand that it is necessary for soil to return all nutrients after reception of agricultural crops.

Belgorod Region

Belgorod Region is one of the most agrarian regions of Russia.

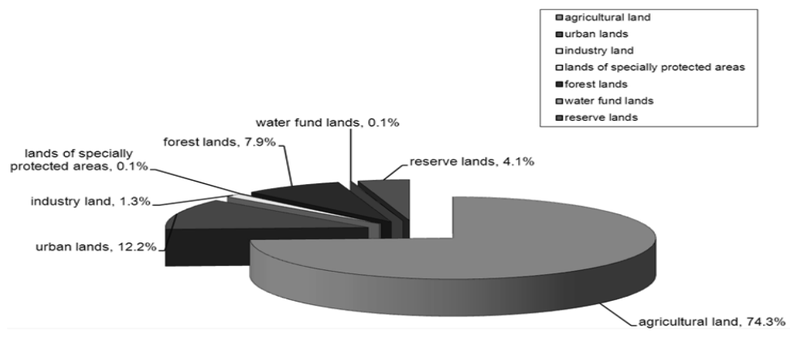
The land fund of Belgorod region on the 1st of January 2011 is equal to 2713.4 thousand hectares (fig. 1) [1].

The most part of the agricultural land belongs to the farmland and exist 1831.3 thousand hectare (90.8%), the woodland which are not entering into wood fund exist 67.9 thousand hectare (3.3%). The part of the land occupied with water objects, including bogs, exists 33.3 thousand hectare (1.7%), roads – 17.4 thousand hectare (0.9%), constructions – 10.4 thousand hectare (0.5%), the disturbed land – 0.3 thousand hectare (0.1%), the other land – 34.7 thousand hectare (1.7%).

In the farm land structure a field occupies 1651.9 thousand hectare (77.1%). Natural meadowlands – hayfields occupy 55.7 thousand hectare (2.6%), grassland (pastures) – 399.6 thousand hectare (18.7%). 74.3% of these lands are situated on the territory belongs to the agricultural land. Longstanding plantations make 34.1 thousand hectare (2.6%). 68.9% from longstanding plantations are situated on the agricultural land.

For the last five years the total area of users of these lands has decreased for 73.1 thousand in hectare. The reason is withdrawal of the land of the general joint property in a fund of the land redistribution and the termination of industrial activity of many agricultural enterprises.

In Belgorod region fundamental role belongs to ecologization of the agricultural production. So, the growth of organic waste from animal husbandry enterprises and farms is expected, and as a result there will be an additional soil loading. Manure utilization should be economically reasonable and safe for ecosystems.



Sours:http://belg.gks.ru

Figure 1. The structure of land found of Belgorod Region on the 1st of January 2011

In accordance to Law, family agricultural holdings are also divided into the group of commercial and non-commercial, and mentioned financial support are primarily focused to commercial family agricultural holdings, while the subsidies for farms that are not market oriented propose the Minister of agriculture.

In the field of livestock production the most important are direct payments, as through the premiums from mentioned group domestic livestock producers usually gain the most significant incomes. Direct payments include: premiums, incentives for production, regresses and credit support.

The premium includes the premium for cow's, sheep's and goat's milk, with the proviso that there is a limitation related to delivered quantities of cow's milk (minimal quantity of delivered milk has to be 3,000 litres per quarter in order to be eligible for a premium).

Production incentives are mostly given for livestock and crop production, but below are listed the incentives that are used by most family farms, such are:Subsidy for quality breeding dairy cows;Subsidy for quality breeding sheep, goats and sows;Subsidy for bullocks and pigs fattening;Subsidy for lambs fattening;Subsidies in poultry production – for parental chickens and parental turkeys, etc.

Regresses for crop and livestock production are also of great importance for business of average holding. As more important may be noted regresses that are realized per hectare of sown surfaces (for fuel, fertilizers and seed). Also, it can be realized incentives, or regress for crops and animal insurance in the amount of 40% of the paid insurance premium.

In group of measures focused on livestock production within the rural development the mostly are used: incentives to investments in agriculture for improvement of competitiveness and required quality standard achievement and subsidies for preservation of animal genetic resources. Mentioned incentives are given in certain percent of total value of particular measure, but it amounted at least 30%.

Ministry of agriculture has been provided also incentives for holdings engaged into the organic production (vegetable or livestock).

Although within the list of special subsidies in livestock production there are a number of measures, next can be expressed as the most important: Selection, production and use of the quality breeding animals;Control of the animal productivity;Examination of transfer of characteristics to progeny of quality breeding animals;Control propagation of domestic animals, conduction of parental record, etc.

Husbandries in Serbia, due to unsafe realization of products and constantly unpredictable price changes, mostly are not specialized (they are diversified), so like that use a number of subsidies, what requires a significant engagement in process of obtaining of all the necessary documentation and other obligations related to right to use subsidies. For example, in order to be eligible for incentives in bullocks fattening submission of Request to the Ministry is required. Beside filled Request, it is also submitted a copy of cattle's passport and extract from the farm registration record, as well as document about the number of animals on the farm gained from the Central database on animal identification, issued by authorized veterinary organizations. Then, the user of mentioned incentive for the cattle delivered to the slaughterhouse has to submit a copy of receipts issued by slaughterhouse, as well as a copy of the certificate of animal health, stamped by the authorised veterinary inspector. In case when animals are exported, user should submit a copy of international veterinary certificate and a list of animals that are exported with their identification number, signed by the competent veterinary inspector, as well as the copy of the unique custom record. In order to be eligible for other incentives, it is also, as in mentioned example required a bunch of documents. However, due to the great importance of resources that are obtained through state subsidies for farm activities, there is a necessity for use of mentioned measures and in accordance with that manager's adjustment to the new way of working and farm organizations.

Conclusion

Analysis showed very low level of farmer's education in Serbia. As support to this fact it could be said that 60% of the managers of agricultural holdings hasgained its knowledge about agriculture only from practice.On the other hand, there is a complex system of subsidies for agriculture, as well as complicated procedures for their obtaining. It is clear that at the majority of farmers appeared lack of knowledge related to farm management in the contemporary business environment.Important role in increasing of farmers education level have agricultural extension service (whose work has to be additionally improved), secondary agricultural schools and agricultural faculties.

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MANURE PROBLEM IN AGRICULTURE OF BELGOROD REGION, RUSSIA

Belgorod Region is one of the most agrarian regions of Russia, where fundamental role belongs to ecologization of the agricultural production. There are a lot of livestock enterprises and farms. That is why the manure problem is very important. There is the problem connected not only with the organisation of manure gathering, but also manure transportation in those districts of Belgorod region where their shortage is observed. It is necessary not to forget that the use of organic fertilizers should be ecologically and economically expedient.

The aim of our study is to find the shortest way of manure transportation with minimum cost.

Key words: organic fertilizer, manure, minimal cost, GAMS, Belgorod region.

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Literature review

The problem of economic management and protection of land is timely not only for individual countries, but also for the entire world community, which makes this problem a global one. According to the legislation of Russia Federation, the possession, use, disposal of land and other natural resources are jointly administered by the Russian Federation and its subjects. That is why in addition to national, regional level of economic protection of agricultural land should be provided (Bryzhko, 2003).

Consequently, it is necessary to classify the event of economic protection of agricultural land in the following levels (Bryzhko, 2004):

– global, which represents a significant problem worldwide for all countries in the world;
– national, which solves the problem of protection of agricultural land by economic means within a single state – the Russian Federation;
– regional, which reflects the particular qualities of measures for economic protection of land in certain regions of the Russian Federation;
– municipal, which reflects the importance of the problem for the individual administrative-territorial formations (districts).

Therefore in modern society the problem of making agriculture in our word ecological is very important.

Ecologization is a process of consistent introduction of ideas of nature conservation and environmental sustainability in the field of legislation, administration, development, technology, economics, education, etc. This process includes not only the introduction of resource-saving technologies, water treatment systems, the principle of “polluter pays”, but above all, knowing about the end of our planet and ecological space followed by environmental disaster and question of human existence (Zakharova, 2007).

Even in the 60-70 years various forms of alternative agriculture (organic, ecological, biodynamic, and biological) started to develop. This form suggest a complete or almost complete abandonment of industrial fertilizers and chemicals (Kiryushin, 1996).

In most Western countries, alternative agriculture names of “the survival of agriculture.” In 1972 in France the International Federation of Organic Agriculture Movements (IFOAM) was established. The main objectives of this organization are: to preserve and improve soil fertility, environmental protection, energy saving irreplaceable resources, improvement of product quality, high quality production, as well as ensuring the sustainability of agro ecosystems (Chernikov, 2000).

Unfortunately, today in the world there is no uniform international standards for organic production. Organic certification of agricultural products is carried out according to the country of an organic market.

The basic idea used in organic farming is the idea of a closed cycle in the economy, which represents an environmental and economic principles. For example, an organic fertilizer taken from animal husbandry must be the basis for maintaining soil fertility and to provide plant nutrients (Lysenko, 2008).

Table 3 – Agricultural land use categories to Belgrade

Municipalities Belgrade	Agricultural land by categories of use (ha)							
	Farmland					Grass-lands	Fish farms	Swamps and marshes
	Total	Plowed fields and Garden	Orchards	Vine-yards	Meadows			
Barajevo	14,727	12,326	1,031	31	1,339	436	-	-
Voždovac	8,479	6,498	638	107	1,236	908	-	2
Grocka	19,935	13,849	3,339	1,569	1,178	911	-	125
Zvezdara	1,608	1,423	116	44	25	185	-	-
Zemun	9,557	8,838	113	89	517	96	-	137
Lazarevac	21,706	17,042	1,865	63	2,736	1,504	-	12
Mladenovac	26,172	20,469	2,502	649	2,552	1,136	8	1
Novi Beograd	1,351	1,281	38	1	31	101	-	7
Obrenovac	29,210	27,059	1,353	30	768	1,225	-	245
Palilula	28,405	26,835	214	103	1,253	1,265	293	2,256
Rakovica	982	871	67	4	40	270	-	11
Sopot	18,962	15,080	1,888	137	1,857	758	-	1
Surčin	20,664	29,652	153	87	770	803	143	243
Čukarica	7,438	6,754	345	57	282	729	-	121
Beograd	209,196	177,977	13,662	2,973	14,584	10,327	444	3,161

Source: [4]

Agricultural land is a dynamic category that depends on several factors, among which are: pornographic, geological substrate composition, configuration, and anthropogenic factors such as the intensity of the treatment and fertilization. Each of these factors is expressed in varying degrees in each of the 14 urban municipalities with agricultural production, and each of these municipalities with the observed aspect has its own characteristics. At the city level the largest share by category of use of agricultural land with fields and gardens.

On a broader territory of Belgrade dominate certain soil types with their subtypes and varieties. The shallowest area (Regosols and rankers) are present in the areas of the municipality of Zemun and Sopot, Renzino in Rakovici, Mladenovcu, Sopot and Grockoj, chernozem in Zemun and Palililuli, eutric cambisol in Zemun, Novi Beograd, and Grockoj Voždovcu, then smonica in the municipalities Mladenovac, Sopot and Grocka, pseudoglej and luvisol Lazarevac and partly Obrenovac alluvial deposits in New Belgrade and Grockoj and refulisani sand in New Belgrade.

Conclusion

In addition, initiatives at the city level must be consistent with the environmental policies at the national and regional level. The large numbers of measures, that have been cited, have to be as possible prospect of sustainable development in Belgrade due to a variety of climate change in the long period of time the quality of life and environmental health. Key factors in the rational using water were to establish strict compliance planning discipline in building settlements and all other systems that are built in river corridors, protection of sources of regional and local water supply, and the design of structures for flood control as adaptive structures. Preserving space necessary for the construction of reservoirs and small reservoirs is the best form of purposeful planning area to maintain water regimes. The accumulation of various degrees of regulation, disorganized and irregular water flows are transformed into a controlled water management regimes.

Bearing in mind the potential for agricultural development, as well as a great market absorption capacity of these products, the industry is in Belgrade, in the future, must be given much more attention. The overall long-term goal of agricultural development in Belgrade focused on the use and protection of agricultural land. It establishes a harmonious connection of production, economic, environmental, landscape and socio-cultural functions of agricultural land and rural area as a whole, along with the gradual but constant improvement of the financial position of farmers and increasing the standard and quality of living in the countryside.

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apply the liquid fraction of manure into the soil at a distance of less than 10 meters, and the solid fraction – less than 5 meters from water bodies.

The leaders of agricultural enterprises should implement production control and monitoring of soil and environmental conditions in accordance with the applicable environmental and health legislation. The annual maximum application rate of nitrogen in the soil with manure runoff by 1 ha of crop rotation shall not exceed 200 kg.

The use of organic fertilizers (manure) must be environmentally and economically feasible. It is therefore necessary to calculate the turnover of organic fertilizers, depending on production and needs of districts of Belgorod region. We have solved the problem of optimal plan of transportation of organic fertilizers from livestock activities between the districts of the region using GAMS program.

This program solves the problem of "optimization of transportation," which is a linear programming problem. Thus, it is important to answer the economic question: what is the amount of organic fertilizer, how and for what districts transport it to minimize the cost?

To solve this problem we need to know manure supply and demand in districts (table 3) and the distance between the districts of Belgorod region (Table 4).

The average cost of transporting 1 tone of manure per 1 km is 0.063 rubles.

Table 3 – The organic fertilizers in 2011 year

Districts of Belgorod region	Expected quantity of manure in 2011, thousand tons SUPPLY	Necessary quantity of manure in 2011, thousand tons DEMAND
Belgorodsky	545.1	895.2
Starooskolsky	431	289.2
Alekseevsky	693	754.8
Borisovsky	278	141.6
Valuyksky	193.6	392.4
Veydelevsky	179.6	159.6
Volokonovsky	475	621.6
Grayvoronsky	297.3	114
Gubkinsky	402.2	151.2
Ivnyansky	595	178.8
Korochansky	570	464.4
Krasnoyaruzhsky	271.3	474
Krasnogvardesky	528	159.6
Krasnensky	44	69.6
Novooskolsky	291.9	1142.4
Prohorovsky	605	181.2
Rakitnsky	595	537,6
Rovenskoy	379	159.6
Chernyansky	310	93,6
Shebekinsky	948.4	1695.6
Yakovlevsky	496	268.8
All	9128.4	8313.6

Sours: http://belg.gks.ru

Table 4 – The average distance between districts of Belgorod region, km.

	Belgorodsky	Starooskolsky	Alekseevsky	Borisovsky	Valujksky	Vejdelevsky	Volokonovsky	Grayvoronsky	Gubkinsky	Ivnyansky	Korochansky	Krasnoyaruzhsky	Krasnogvardesky	Krasnensky	Novooskolsky	Prohorovsky	Rakitnsky	Rovenskoy	Chernyansky	Shebekinsky	Yakovlevsky
Belgorodsky	42	180	200	70	160	195	130	82	144	83	80	90	160	198	134	84	74	253	145	66	52
Starooskolsky	180	40	140	214	159	172	118	250	70	176	112	246	178	168	74	118	200	195	42	138	164
Alekseevsky	200	140	30	260	90	64	90	280	168	258	155	268	40	62	88	110	259	70	98	160	202
Borisovsky	70	214	260	30	200	240	170	34	146	64	103	60	226	240	182	95	40	286	178	108	82
Valujksky	160	159	90	200	35	50	44	200	162	210	130	246	70	120	84	168	220	86	110	108	178
Vejdelevsky	195	172	64	240	50	30	76	246	196	262	176	280	90	122	80	226	263	41	142	152	224
Volokonovsky	130	118	90	170	44	76	30	189	118	178	90	214	50	96	44	130	186	109	79	70	154
Grayvoronsky	82	250	280	34	200	246	189	20	188	88	144	46	236	271	216	131	58	317	223	138	84
Gubkinsky	144	70	168	146	162	196	118	188	38	110	64	173	134	116	86	56	144	221	62	116	100
Ivnyansky	73	176	258	64	210	262	178	88	110	20	85	60	220	228	176	56	33	308	158	130	34
Korochansky	80	112	155	103	130	176	90	144	64	85	33	150	125	122	80	82	116	202	78	79	64
Krasnoyaruzhsky	90	243	268	60	246	280	214	46	173	60	150	20	226	283	224	122	36	330	225	156	84
Krasnogvardesky	160	178	40	226	70	90	50	236	134	220	125	226	35	60	52	168	240	88	74	118	80
Krasnensky	198	168	62	240	120	122	96	271	116	228	122	283	60	22	50	162	248	130	56	138	188
Novooskolsky	134	74	88	182	84	80	44	216	86	176	80	224	52	50	30	116	192	132	34	84	142
Prohorovsky	84	118	110	95	168	226	130	131	56	56	82	122	168	162	116	27	86	244	100	78	37
Rakitnsky	74	200	259	40	220	263	186	58	144	33	116	36	240	248	192	86	20	306	190	127	48
Rovenskoy	253	195	70	286	86	41	109	317	221	308	202	330	88	130	132	244	306	28	160	186	258
Chernyansky	145	42	98	178	110	142	79	223	62	158	78	225	74	56	34	100	190	160	31	98	140
Shebekinsky	66	138	160	108	108	152	70	138	116	130	79	156	118	138	84	78	127	186	98	35	78
Yakovlevsky	52	164	202	82	178	224	154	84	100	34	64	84	80	188	142	37	48	258	140	78	33

Sours: http://belg.gks.ru

The results of manure transportation

Scientists around the world recognized that without the use of organic fertilizers cost-effectiveness of agricultural production is impossible. We carried out the analysis of physic and chemical parameters of manure as organic fertilizer for the farmland of Belgorod region. In terms of concentration of farm animals in a limited area, liquid manure can be a potential source of land damage. Therefore, we studied 50 samples of liquid pig manure taken from specialized pig farms such as JSC "Kryukovsky pig farm", LLC "Strigunovsky pig farm", LLC "Nikitovsky pig farm", LLC "Kolomytsevsky pig farm" in testing aboratory of Belgorod State Agricultural Academy. The results showed that manure in terms of quality and safety correspondthe requirements of "Veterinary-sanitary regulations on the use of livestock wastewater for irrigation and fertilization of grassland," and can be used as organic fertilizers, without prejudice to the environment.

Application of fertilizers is an important condition for improving crop yields and characterized by high economic efficiency. We know that through the use of manure there are ¾ crop growth.

But there is the problem of manure transportation. The proposed model of manure transportation is intended to address the problem of minimizing the cost of transportation of organic fertilizers to meet the essential needs of areas, given the available amount of organic fertilizer (table 5, figure 3).

Analyzing received data from table 5 we can make the following conclusions. For the Belgorod region is necessary to transport 138.2thousand tons from Borisovskyand496thousand tons from Yakovlevsky districts. For needs satisfaction of the Alekseevsky district it should be transported 21.2 thousand tons of manure from Krasnoyaruzhsky and 40.6 thousand tons from Rovensky district; of Borisovsky – 1.8 thousand tons from Graivoronsky district. For Valuisky district it should be transported 179.6 thousand tons from Veidelevskyand19.2 thousand tons from Rovenskoy regions. It is need to transport 146.6 thousand tons of manure from Krasnogvardeisky to Volokonovsky district. To satisfy the needs of organic fertilizers in Krasnoyaruzhsky district the transportation of 145.3 thousand tons from Volokonovsky district and 57.4 thousand tons from Rakityansky district is required. For Krasnensky district it is necessary to transport 25.6 required tons from Krasnogvardeisky district, for Novooskolsky – 48.2 thousand tons from Starooskolsky, 251 thousand tons from Gubkiskiy, 66.3 thousand tons from Korochansky, 175 thousand tons from Krasnogvardeisky and 310 thousand tons from Shebekinsky district.

To satisfy demand in Chernyansky district it is necessary to transport 93.6 thousand tons of manure from Starooskolsky district. For needs satisfaction of Shebekinsky district it is necessary is transport 284.1 thousand tons from Belgorod region, 39.3 thousand tons from Korochansky, 423.8 thousand tons from Prohorovsky district. It is need to transport 268.8 thousand tons of manure from Ivnyansky district to Yakovlevsky district.

Our calculations showed that the total cost of transportation will be equal 23.2 million rubles (0.6 million euro).

Table 5 – Optimal model of manure transportation in Belgorod region, thousand tones

	Belgorodsky	Starooskolsky	Alekseevsky	Borisovsky	Valujksky	Vejdelevsky	Volokonovsky	Grayvoronsky	Gubkinsky	Ivnyansky	Korochansky	Krasnoyaruzhsky	Krasnogvardesky	Krasnensky	Novooskolsky	Prohorovsky	Rakitnsky	Rovenskoy	Chernyansky	Shebekinsky	Yakovlevsky
Belgorodsky	261.8																			284.1	
Starooskolsky		289.2													48.2				93.6		
Alekseevsky			693																		
Borisovsky	138.2			139.8																	
Valujksky					193.6																
Vejdelevsky					179.6																
Volokonovsky							475														
Grayvoronsky				1.8				150.2				145.3									
Gubkinsky									151.2						251						
Ivnyansky										326.2											268.8
Korochansky											464.4				66.3					39.3	
Krasnoyaruzh-sky												271.3									
Krasnogvard-esky			21.2				146.6						159.6	25.6	175						
Krasnensky														44							
Novooskolsky															291.9						
Prohorovsky																181.2				423.8	
Rakitnsky												57.4					537.6				
Rovenskoy			40.6		19.2	159.6												159.6			
Chernyansky																					
Shebekinsky															310					948.4	
Yakovlevsky	496																				

Sours: own calculations

proximately 1,780 km^2, about 55 % of the territory. A particular problem is the streams that are relocated more densely populated areas. The Groundwater in the area of Belgrade is very unevenly distributed. They are found mainly in the northern part, the areas around the rivers Sava and Danube part. Total gross potential volumes of groundwater in alluvial environments are estimated at 5.7 m^3/s.

From the standpoint of water supply city for the future are important sources of groundwater in the general area of the macro-region, and outside the wider area of Belgrade. From these sources, it is especially important Machva, where primary aquifer to represent gravel deposits. In the southern Srem are significant groundwater in river and lake and river gravel and sandy-gravel deposits. It is particularly important source Jarak-Klenak-Crop. The sources in the wider area of Belgrade area will have increasing importance in the future in order to improve the water regime.

In Belgrade there are five water treatment plants and to'' White water'','' Novi Beograd'','' Bežanija'','' Makis'' and'' Vinca''. The capacity of these plants is 8,000 l/s. Values capacity water treatment plant are given in Table 2.

Table 2 – The value of the capacity of water treatment plants in the area of Belgrade

Facility	Projected capacity (l/s)	The current operating capacity (l/s)
Bele Vode	1,100	950
Banovo Brdo	4,200	2,800
Bežanija	3,200	2,700
Makiš	2,000	2,000
Vinča	80	60
TOTAL:	10,500	8,510

Source: [7]

In order for rational use of water and prevent its pollution, effective and reasonable measures are: Introduction of measuring information and control system for monitoring the behavior of water management systems in real time flow measurement in all major branches of the system, measuring the pressure in all control relevant nodes; Restoration system in order to reduce losses in the conduits and in the network; Increasing volumes of the reservoir (at least 300-400 L / user) and their corresponding spatial distribution in the system, the introduction of standards that have long been applied in the world, and direct application in the design of new and rehabilitation existing housing.

It should be noted that a key condition for rational use of water, without which one cannot achieve the establishment of real economic price of water. This cost involves settling all expenses of simple reproduction-water production, costs of source protection, all maintenance costs, as well as parts of extended playback costs relating to research activities, planning expansion of the system, such ideals needed for their own participation to keep up capital markets to finance work on the preservation and expansion of water supply capacity.

Potentials and possibilities of agricultural in the area of Belgrade – The importance of agriculture as the basis of agro-industrial complex as a whole, changing depending on the overall development of the productive forces. Agriculture former Yugoslavia was significantly lower agro-technical and economic – organization level compared to agriculture in developed countries of the then Europe.

The major part of agricultural production, about 70 % was used for the nutrition of numerous agricultural populations, so the Marketability of production was low, and the cash income of farmers is extremely modest. Underdeveloped domestic market and low purchasing power of a relatively small number of workers and the urban population were the main cause of the slow development of agriculture at that time. The City of Belgrade is in this respect a major role, particularly the development of a giant like the PKB

The process of industrialization has played a significant role in reducing the agricultural population. Legality of economic development is reflected in the fact that agriculture is losing its relative importance compared to other industries. Check-agricultural population from agriculture, and accelerate the pace of departure were largely related difference of economic development of villages and towns and the social position of farmers and workers in other industries. The highest mobility of the population was in the least developed municipalities. The neighborhoods in the city it is mainly commuting.

Reducing the number of agricultural population, particularly active, leading to a more productive and rational agricultural production. Generally speaking, the agricultural population remains a significant factor in the overall development. This movement contributes more abolishing the difference between city and country, and provides a more even distribution of productive forces personnel work within the national territory.

City of Belgrade, the region also has a significant land potential of 223.128 ha of agricultural land, which makes up 69.10 % of the total territory of Belgrade (Table 3). Four municipalities in terms of agricultural land and leading to the: Palilula (14.4 %), Beograd (13.7 %), Mladenovac (12.2 %) and Lazarevac (10.4 %).

On the territory of agriculture, hunting and forestry also achieves less participation in the formation of gross domestic product from 6.2 %, the same as in 2008, was significantly reduced to 3.2 % in the 2013th year. Today, in the municipality of Belgrade have over 567 thousand households. Although the territory of the city has relatively large areas of fertile agricultural land and favorable natural conditions for agriculture, very small percentage of the population compared to the total (2.3 %), which deals exclusively with this type of production.

PWMC "Beogradvode", in addition to protection from the harmful effects, and has the following functions: management of water resources exploitation and use of water, maintenance of built and inbuilt banks of the Sava and Danube rivers, use of water for agriculture, protection from contamination, construction of water projects; extraction of sand and gravel, rough construction works and civil engineering works, including specialized works, pipelines and the like.

Hydrological heterogeneity of the area is given in Table 1, where one can see the basic data for key rivers in the area branch of Belgrade and its surroundings. In fact, this zone is characterized by very sparse amount of water that is generated on their territory. Tran boundary waters of the Danube and Sava rivers, at an average annual income of more than 210x109 m^3, is a very important resource, but a resource that is both in quantity and quality of out of control, they relativism its usefulness.

Table 1 – Catchment area and average flow in the rivers in the area of Belgrade and relevant hydrologic environment

River	Water measuring stations	Catchment area (km^2)	The average flow (m^3/s)
Danube	Pancevo	525,009	5,222
Sava	Sremska Mitrovica	87,966	1,533
Tisa	Novi Becej	145,415	766
Tamis	Tomasevac	9,717	46.4
Kolubara	Drazevac	3,588	20.8
Kolubara	Beli Brod	1,869	16.1
Ljig	Bogovađa	679	4.7
Tamnava	Koceljeva	209	1.09
Ub	Ub	214	1.01
Large Lug	Mladenovac	122	0.38
Peštan	Zaoke	125	0.73
Paljuvi	Viš Kladnica	74	0.26
Onjeg	V.S. Brana	22	0.16

Source: [6]

Looking from the hydrological and hydrographic point of view, the area of Belgrade was very heterogeneous. Its northern part of the cross-sections and to the east and the west, the Danube and the Sava, a major European river, while the southern part of the area, in terms of the Kolubara and Big Meadows. Municipalities Mladenovac, Sopot, Barajevo and Lazarevac have very small amount water, so it is necessary to bring the side of the water supply for the village. Even Grocka, located near the Danube, they will have in the future to satisfy their needs by bringing water from the pipeline Makiš-Mladenovac, because its own sources very modest and unsatisfactory quality. All this points is to modest water potentials.

From the point of view of further use of water resources due to climate change, especially the bit mode low water. They are extremely unfavorable to all internal waterways Belgrade area. Streams are very uneven, in all rivers, including the Danube and Sava rivers. Save streams in the interval from 200 m^3 /s to 6,600 m^3 /s. In the critical months, streams Sava insufficient for all water management and environmental needs.

This is very unfavorable and in terms of the exploitation of Belgrade sources, especially from the point of view of work upstream power plant near Belgrade, working with flow-through cooling systems. In a worse regime wastewater due to climate change, but also because of the increasing abstraction of the planned Basin upstream states in Serbia, causing very serious consequences for the capital-important systems Belgrade – Belgrade waterworks, power plants in Obrenovac and water quality in the Lake.

Belgrade water supply consists of six major subsystems: central, Srem, Žarkovački, Mladenovac, Banat and Vinca. It has five manufacturing persecution in which water is purified – Makis, Bela Voda, Centar Hill, Bežanija and Vince, and from there taken to the distribution center. The distribution center is divided into five elevation zones, with 27 pumping stations and facilities in 7 and 20 in the system. Due to lack of investment in the development of the Belgrade water supply especially in the last decade, the previously very reliable waterworks system to begin to emerge problem in functioning.

Belgrade has insufficient capacity of the reservoir, only 30 % of the daily water consumption. In recent terms, even greater importance is the building of new capacity tank, so that their total volume increases minimum of 50 % of the maximum daily consumption. Indicative timetable of the planned capacity of the reservoir consists of : main (15,000 m^3/s), Pioneer (20,000 m^3/s), Mokroluška Hill (20,000 m^3/s), Topčiderska Star (10,000 m^3/s), vestal (10,000 m^3/s), Višnjica (10.000 m^3/s), Gradac (5,000 m^3/s), Lipovica (1,500 m^3/s) and Guncati (500 m^3/s).

The balance of supply with water 60 % take up groundwater, which is abstracted from about 50 tubular and about 100 wells in the horizontal drains, while 40 % of surface water is abstracted from the Sava Lake, which is the most important source of Belgrade [5]. The designed capacity of the plant for the treatment of groundwater (Bele Vode, Centar Hill and Bežanija) are approximately 8 m^3/s, operating capacity is about 6.8 m^3/s, while the actual production of 5.3 m^3/s.

The total capacity of the plant for the purification of river water – Makis Lakes, White Water, Vinca, are about 3.6 m^3/s, while the actual production of about 3.4 m^3/s. Real production capacity of all generating capacity is about 8.7 m^3/s, which becomes insufficient to seasonal periods of high consumption.

The territory of Belgrade cuts and about 160 small streams, some of which are significant: Topčiderska River, River Train, Mokroluški Potok, Gročić, Bolečica, etc. Watercourses include ap-

Sours: own calculations

Figure 3 – Manure transportation in Belgorod region, thousand tons

Conclusion.

One of the agricultural problems in Belgorod region is manure problem, because in some districts of region its less and in other it is more manure. So the decision is to transport from on district to another with minimum cost.

The results of our research shows that we need 28.2 million rubles to transport 8 313.6 thousand tons of manure.

We offer the following recommendations for the use of manure:

1. To take into account the problem of manure transportation and to find the shortest way and minimal cost according to manure supply and demand in different districts in region.
2. Be sure to carry out calculations of livestock at livestock enterprises – acceptable in terms of agricultural land, sufficient for the manure into the soil in the appropriate proportions.
3. The properties of produced manure, its quantity and storage period must be taken into account. In accordance with the methods of optimal control of a term manure storage must be at least 6-8 months.
4. To carry out calculations of livestock at livestock enterprises acceptable in terms of agricultural land, sufficient for the manure into the soil in the appropriate proportions. Regularly making the calculation of the balance of nutrients to the soil in the fields of livestock waste management systems that need to avoid “over-fertilization” of the soil.
5. In most livestock enterprises there is no regular monitoring of atmospheric air, soil, groundwater quality and surface water. It is recommended to develop and implement a system for monitoring the status of these components of the environment. This will facilitate accurate assessment of the existing problems, determine their causes and developing measures to reduce pollution, minimize or eliminate adverse impacts.

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Sredojević Zorica, Kljajić Nataša, Arsić Slavica

RESOURCES OF WATER AND AGRICULTURAL POTENTIAL IN FUNCTION OF SUSTAINABLE DEVELOPMENT OF BELGRADE

The Belgrade area is very rich in natural and man-made resources and a number of cultural heritages. The main value of this area is its geo-strategic and strategic-economic status. It is because of these values the Belgrade area; the main goal of the present study is to analyze its infrastructure of water and the potential for agricultural production, in order for sustainable development.

Key words: infrastructure of water, agricultural potential, Belgrade, sustainability

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Introduction

Thematic area of sustainable development and climate change are very complex area. Their treatment requires the engagement of a wide range of researchers – hydrologists, geologists, meteorologists, medicine, sociologists, economists and others. This complex and interdisciplinary approach should be applied at all levels, from local to global. That is why more and more about the sustainable use of natural resources. The need for rational use of natural resources is the subject of interest to the scientific and professional community, but since the late 19th century [1]. They are essential for the functioning of the economy and prepare. Rational use of resources can bring great economic opportunities, improve productivity, reduce costs and increase competitiveness. Natural resources include raw materials such as fuels, minerals and metals, but also food, soil, water, air, biomass and ecosystems. Therefore, the main objective of this paper is to analyze the situation and develop a network of water management in the area of Belgrade with the aim of sustainable development.

Materials and Methods

For the study in this paper you used as sources of information sites important institutions of the Water City Hall, publications, legal documents of the Republic of Serbia. Data are given in kind and value and the amount shown in tables. The research results are presented using absolute and relative econometric indicators. For the study in this paper you used as sources of information sites important institutions of the Water City Hall, publications, legal documents of the Republic of Serbia. Data are given in kind and value and the amount shown in tables. The research results are presented using absolute and relative econometric indicators.

Results and Discussion

Wider Belgrade area covers an area of 322.286 ha (narrower portion of which 35,996 km), administrative, and make it 17 municipalities. Through this area, the Danube flows through 60 miles of the Ancients Banovci to Grocke and Sava, a distance of 30 km upstream of the confluence Obrenovca. Length of river banks Belgrade is 200 km [4].

In this area there are 16 river islands, of which the most famous Ada Ciganlia and the Great War Island. At Belgrade and its surroundings annual rainfall is average of 669.5 mm of rainfall. In the area of water, global changes are reflected in the change of the regime of precipitation and runoff.

In all strategic documents related to the Belgrade area treated integrally: a key resource for development, as a resource and a biotope that should be protected from destruction by the parameters of quality and quantity, as well as the environment that creates an ambient framework for the development of the city is unique in the world, and as destructive element of which must be protected and urban infrastructure systems and agricultural land.

At the level of Belgrade, protection of sources of water supply is done through projects and plans for spatial planning and achieving them.

organizations, as well as some educational institutions with different size and number of employees.

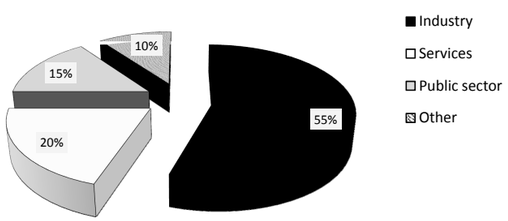
The questionnaire contains 23 questions concerning the organization and functions within it.Four questions are devoted to personal attitudes of the respondents, as well for giving specific comments and recommendations on the survey.

Prepared questionnaires were forwarded electronically to the email addresses of the sample organizations.

Based on the data collected and completed questionnaires there was initiated the analysis of results, most of which are displayed using histograms and pies, while some are due to the complexity of presentation elaborated only in the text form.

Results and Discussion

As noted in the methodology section the survey was conducted on a sample of different types of organisations operating in Serbia. Distribution of organisations by type is shown on Figure 1.

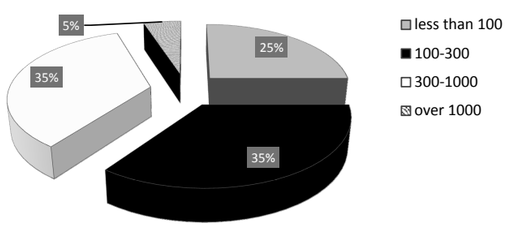


Source: Accoralng to authors survey.

Figure 1 – Type of surveyed organisations

As seen on Figure 1 the largest number of organisations is from the Industry sector (55%), while service organisations represent 20%. Public sector is represented by 10% of the companies and finally other types of organisations represent 10% of the sample.

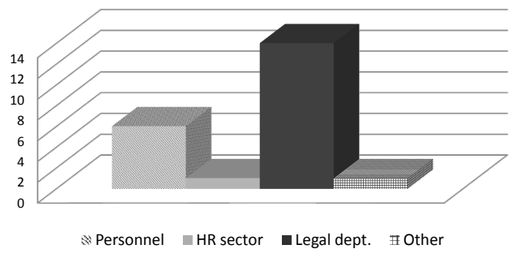
The size of surveyed organisations in terms of the number of employees is shown in Figure 2. The organizations employing 100-300 persons are the most common in the sample, which is followed by the organizations that have 300-1000 employees. It is inevitable to note that these are organizations with a large number of people, which implies the existence of the need to take care of them through developed HR sector, which is a complex activity.



Source: Accoralng to authors survey.

Figure 2 – Company size

Different types of activities performed in surveyed organisations are shown in Figure 3.

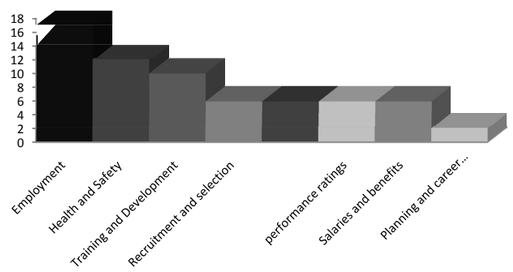


Source: Accoralng to authors survey.

Figure 3 – Implementation of HRM functions

The activities of human resource management within the organisation are most commonly allocated in the legal and personnel department. That certainly leads to the fact that not all necessary activities related to HRM are implemented. Such activities need to treat employees as the essence and the centre of all processes in the organization who are one of the key factors in the survival of the changing market. That is resulting with appropriate HR activities to be almost ignored.

After defining which departments are devoted to accomplishment of HR activities, it was necessary to determine which types of activities are performed and which are the most common. Results are shown in Figure 4.



Source: Accoralng to authors survey.

Figure 4 – The most common HR procedures

High share in appointment of Legal department to performing HR activities significantly affected the distribution of HR activities. Therefore the outcome resulting from data in Figure 3 is that the most common HR activities are employment, health and safety issues at work. Given that the majority of companies were surveyed in the industry sector, issue of health and safety are inevitable factor. Other HR activities concerning employees are far below to what one modern organization should have and which involve performance assessment, rewarding, training, recruitment and selection, career management, etc.

Finally we can observe the structure of employees in the departments which are assigned to perform HR procedures (Figure 5).

Another outcome of legal department allocation to HR activities is the most common profession in

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Trukhachev Vladimir, Leshcheva Marina

SUSTAINABLE DEVELOPMENT OF AGRARIAN SECTOR OF REGIONAL AGRO-INDUSTRIAL COMPLEX

The analysis of dynamics and current state of agriculture of Stavropol Territory is given. The factors constraining its development are revealed. Sources of financing of investments are determined. The conclusion is drawn on need of diversification of economy of branch on the basis of an integrated approach to the solution of production and infrastructure problems. The directions of the prime appendix of efforts are defined.

Key words: Stavropol region, agriculture, gross production, reproduction rates, investment, financing, imbalances, sales, profitability

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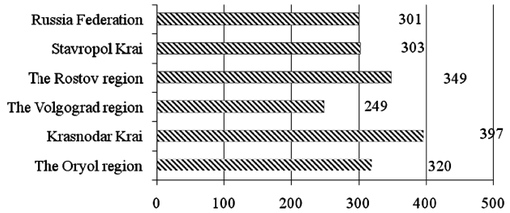
Agrarian sphere of AIC is the leading sector of Stavropol Territory economy. Agriculture produces 10 % of the gross regional product, accumulates 13 % of total investment, and plays an important social role, providing employment for 17 % of the regional population. With a considerable economic potential, the region has opportunities for solving not only regional but also the general federal task of food supplying. Stavropol Territory produces 9 % of grain, 6 % of sunflower, 5 % of sugar beet; it takes 2nd place in the country for the production of wool. Nevertheless, the potential of the region as an agricultural products producer is not implemented fully. In some sectors animal breeding has not reached the pre-reform level yet; crop production is also unsustainable; the pace of agricultural development in Stavropol Territory in a long and short term is below the average Russian rates and it is also below the level of development of Krasnodar Territory and Rostov Territory, which have the similar bioclimatic conditions. So the urgent research is connected with identifying opportunities to improve the sustainability and scaling up of production industry.

The aim of the study is to analyze the regional agriculture status, to identify the factors hindering its development and to determine areas of further growth from the standpoint of the best use of available reserves.

Conditions, materials and methods. The research was carried out on the basis of dialectical, abstract, logical, comparative methods using factor, extensive statistical information analysis. Gross output value of agriculture products in the Stavropol Territory in 2013 amounted to 124.8 billion rubles, it was increased in relation to 2008 in 48.4 billion rubles. Level of productivity in the industry also tends to increase, and corresponds to the average for Russia, but does not reach the level of this indicator in the regions with a comparable value bioclimatic potential (Figure 1).



Surce: calculated by: Regions of Russia. Socio-economic indicators. 2012: Stat. / Rosstat. – M., 2012. – 990 p.) [1].

Figure 1 – Production of gross agricultural output per person employed in industry average for 2010–2012., thous. / Pers. in the comparable prices of 2007

This growth indicator is caused mainly by influence of the price factor. The value of gross agricultural output per person employed in the industry (with the current prices of corresponding years) increased by 33.5 % while the rate of growth of labor productivity in comparable prices is only 9 % (Table 1).

The average wage is 13.9 thousand rubles; it is 76 % of the average in the region. Its motivational component is insufficient. Productivity growth is also constrained by technical and technological backwardness industry as despite an increase in the capital value indicators and production fund infrastructure, power- labor remains almost unchanged, and energy infrastructure production is declined (Table 2).

Annually load of arable land per one physical tractor increases. Level of depreciation over the last five years has increased from 33 to 40 %. Thus, the actual production process of technical equipment on average in the region is not improving.

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ANALYSING DEVELOPMENT OF HRM PRACTICES IN SERBIA[1]

In recent past capital and added value formation were relying mostly to money and material resources. However in today's developed organizations human resources represent major source of capital and added value. Employees, their development and job satisfaction are becoming a major tool for generating competitive advantage in highly competitive global market. The result of such changes is development of human resource management as a new philosophy and management practice. The goal of this paper is to evaluate the level of development of such HR practices in Serbia, and to confirm that there are significant opportunities for improvements. We have determined which most common HR practices are and which departments and what profession of employees are devoted for its implementation. Our conclusion is that in Serbia HR practices are far behind what current practice in developed countries is, and that it is necessary to devote a lot of attention to educating company management on the importance of HR practices for building competitiveness on the market.

Key words: HR Management, HR Development, Organisations

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Introduction

In contemporary macroeconomic environment investing in its employees is the most cost-effective investment that a progressive company can conduct (Nica, 2012). Employees are seen as the initiators of the ideas and visionswhich guide a company through the "maze" towards achieving it strategic goals. The benefits that people can contribute to the whole community and especially to the organization are inevitably beyond the contribution of technology, computerization and the Internet (Boudreau,Ramstad, 2013). What can one organization differ from the others are its employees. The way employees are treated createsspecific organizational culture and unifies them into one micro-community (Torrington et al., 2004).

Therefore the tasks of human resource sectors is generated the goals set to them which include: selection and development of required human resources; evaluation of employees in accordance with results; setting good relationships within the company;an improving productivity, quality and service(Armstrong, 2012).

However, there are companies that even today still do not observe human factor as the most important factor in achieving success in the changing markets. In Serbian market, general practice of human resource management is underdeveloped and there exist several reasons to resentment for its introduction(Ignjatijević et al., 2012). Such a climate does not allow for the strategy to be implemented properly as part of the whole organization's culture towards its path of achieving its goals.

The goal of this paper is to evaluate the level of development of HR practices in Serbia, and to confirm that there are significant opportunities for improvements.

In the first section of the paper is presented the methodology of research. In the second we will present the results and discuss on what are the important issues affecting HR practices in Serbia. Finally the paper ends with some conclusions and recommendations.

Methodology

In this paper research methodology is based on the survey conducted among companies in Republic of Serbia. The questionnaire was composed primarily based on the indicators of HRM development practices (VemićĐurković, 2007).

The total number of organizations that are included in the sample in this study was 180. The sample was drawn using the principles of proper distribution of companies across the country employing over 50 employees. The total number of responses received was 120.

Organizations surveyed are engaged in various business sectors: industry, public sector, service

[1] The paper presents the results of a study conducted as part of the projects 179001 and 46006 funded by the Ministry of Education, Science and Technological Development of the Republic of Serbia. Initial version of the paper is presented at the VII International Scientific-Practical Conference: Modern Problems of National Economic Development, organized by the STGAU, 13-14th March, 2014, Stavropol, Russian Federation.

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Table 1 – Level of labor productivity in agriculture of Stavropol Region

Indicators	2008	2009	2010	2011	2012	2012 to 2008, %
Gross agricultural output in the prices of corresponding years per person employed in the industry, thous. / pers.	355.9	317.1	383.5	480.6	475.3	133.5
Gross agricultural output in the comparable 2007 year prices per person employed in the industry, thous. / pers.	280.9	257.8	292.8	309.3	307.4	109.4
Wages in agriculture in %, the average in the region	74.7	74.9	77.8	81.4	75.9	X
Nominal wage in the agricultural organizations, rub.	8304	9470	10857	12693	13992	168.5

Source: Stavropol region in figures, 2013 Short statistical compilation / territorial body of the Federal State Statistics Service of the Stavropol Region – 2013 – 225 p. [2]

Table 2 – Infrastructure of essential agricultural organizations of the Stavropol Territory

Indicators	2008	2009	2010	2011	2012	2012 to 2008, %
Value of fixed assets, mln.	31149	33618	37100	45716	52091	167,2
Depreciation, %	33.4	37.2	39.7	38.3	39.6	X
Capital-labor ratio, thous.	370.0	417.5	439.4	556.3	660.0	178.4
Fund infrastructure on 100 hectares of farmland, thous.	538.2	580.9	641.1	790.0	900.2	167.3
Energy capacity per employee, hp	65.3	69.4	66.9	65.7	67.0	102.6
Energy capacity accounts for 100 hectares of arable land	198	193	189	186	187	94.4
Number of tractors per 1,000 hectares of arable land, units.	5.0	4.8	4.7	4.1	4.0	80.0
Arable land load per physical tractor, ha	197	207	213	245	252	127.9

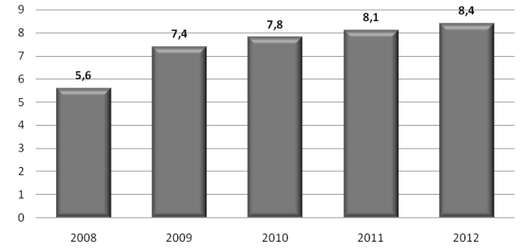
Source: Agriculture in the Stavropol region 2005 – 2011 / Statistical compilation / / territorial body of Federal State Statistics Service of the Stavropol Region. – 2012. – 65 p. [3]

Most agricultural machines have low technical and operational parameters andare characterized as insufficiently reliable and ineffective; only 30 % of the machines can be attributed to modern resource.

Low level of agricultural enterprises' technical equipment leads to frequent repair of machines and tractors, untimely and poor conduct seasonal agricultural work, non-compliance with technology and ultimately to the loss of crops. Furthermore, the use in agriculture and physically obsolete equipment greatly increases the labor and energy costs, leads to increased production costs and reduced financial results, reduces the attractiveness of the industry for young mechanics. Using an outdated technology and equipment, eliminates the possibility of the development of innovative production technologies. The consequence of old technology usage is low specific gravity depreciation costs (Figure 2).

Their share in the structure of production costs of agricultural organizations is 5 to 8 % (while the best farms' indicator is twofold more). Low values for depreciation costs indicate that the technique is worn out; depreciation is not charged on it. As a result of the sinking fund does not perform its main function it does not accumulate the funds needed to restore the instruments of labor to their end of usage.

Material and technical base of the industry, the level of its technology act as constraints on the development and implementation of innovative modernization of the agricultural sector of the region.



Source: Federal State statistics Service of the Stavropol Territory

Figure 2 – Dynamics of depreciation cost share in production costs of organizations in Stavropol Territory, % [4].

Nevertheless, agricultural organizations of the region are focused mainly on the financing of investment activity. In 2012, the sources of investments financing in fixed capital to the share of equity was 54.4 %. Among the borrowed funds there are investment bank loans (25 %) and loans from other organizations (17.8 %). The role of budgetary allocations is low and does not exceed 0.7 %, only 0.4 % is from investors' funds.

With the chosen investment strategy theagricultural organizations of the region emptive self-financing is especially important to increase revenue and retained earnings.

Financial result of the agricultural organizations of the Stavropol Territory is profit. Only 8 % of households in the province in 2012 were unprofitable. Allearningshavesteadilyincreased (Table 4).

Table 3 – Sources of financing investment in fixed assets of the agricultural organizations of the Stavropol Territory, %.

Indicators	2008	2009	2010	2011	2012
Investments in fixed assets – total	100.0	100.0	100.0	100.0	100.0
Among them are:					
own funds	34.5	25.4	22.1	40.2	54.4
among them: profit	25.2	15.3	13.9	27.9	38.1
depreciation	10.5	5.1	5.8	8.6	11.9
others					
borrowed funds	65.5	74.6	77.9	59.8	45.6
among them:					
Investment bank loans	40.9	20.9	30.7	37.9	25.0
Borrowings from other organizations	8.6	44.2	46.0	18.3	17.8
budget	0.3	0.2	0.1	0.4	0.7
funds	15.4	7.9	0.04	0.1	0.4
investors' funds	0.4	1.4	1.1	3.0	1.7

Source: Federal State statistics Service of the Stavropol Territory

Table 4 – Financial results of the agricultural organizations of the Stavropol Territory

Indicators	2008	2009	2010	2011	2012	2012 to 2008, %
Gain from the sale, mln. rub.	39775.6	39845.5	46677.0	56775.1	59142.7	148.7
Cost of sales, mln. rub	31328.4	35347.3	38954.0	45822.4	48275.9	154.1
Operating profit, mln. rub.	8447.2	4498.2	7722.9	10952.7	10866.8	128.6
Subsidies from the budgets of all levels, mln. rub.	2847.5	2916.9	3061.8	3116.1	3671.8	128.9
Share in the cost of subsidies, %	9.1	8.3	7.9	6.8	7.6	x
Profit before tax, mln. rub.	7264.4	3548.3	5797.8	8810.3	9265.8	127.6
Net income, mln. rub.	7063.1	3118.3	5597.8	8960.6	9008.8	127.5
Net profit margin, %						x
– including subsidies	22.5	8.8	14.4	19.6	18.7	x
– excluding subsidies	13.9	0.6	6.2	12.8	11.1	x
Share of profitable organizations, %	89	82	93	93	92	x

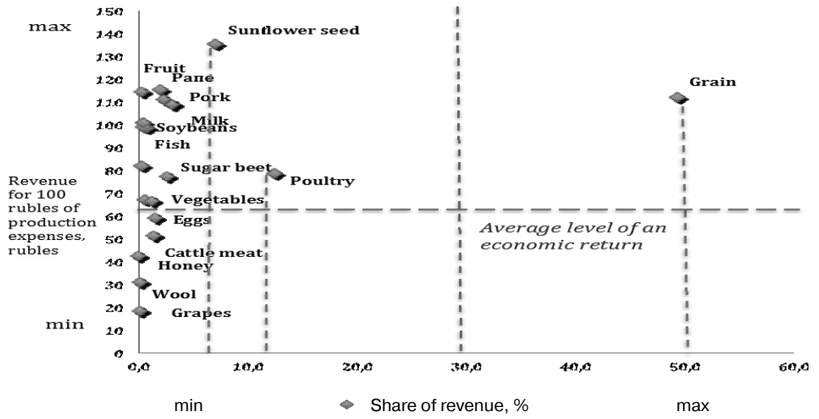
Source: Federal State statistics Service of the Stavropol Territory

However, the cost of production is growing faster. Increase of production cost for five years was 54.1 %, while net profit increased by 27.5 %. The result is a downward trend in profitability. During the reporting period profitability, net profit margin decreased from 22.5 to 18.7 %. Current level of profitability is not sufficient for self-financing of expanded reproduction.

Key features of agrarian products producers' development are in increasing of their revenue through the increase in revenue from sales of products. It is, in turn, is determined by a set of industries and their profitability.

Distribution of sectors of agriculture's share in the structure of commodity production and the amount of revenue per 100 rubles of cost characterizes the agrarian economy of the Stavropol Territory economy as several major industries. Grain production generates 50 %, poultry production 13 %, sunflower production 7 % of revenue [5]. Number of industries (production of fruit, canola, milk, soy, sugar beets, vegetables and greenhouse), despite the high and acceptable level of income per ruble of production costs has had limited development (Figure 3).

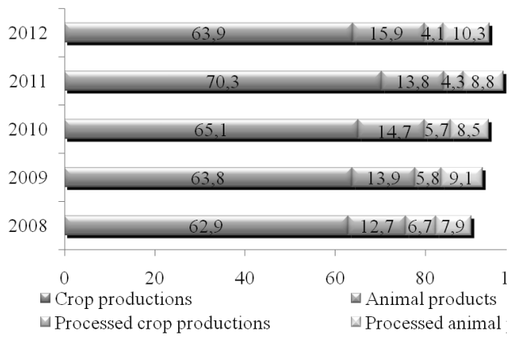
The industry's economy is differentiated poorly, it depends on a small number of the most important sub-sectors, among which the main place is occupied by the production of grain, poultry and sunflower. At the current level of development and the competitiveness of these industries, agriculture is not able to provide a high level of wages and employment of the rural population. It requires the elimination of the existing structural imbalances in the industry through diversification, the development of additional, auxiliary and niche productions, while maintaining a leadership role for traditional agriculture edge industries and increases their level of intensity. An important role in this problem solving is to play an active promotion of entrepreneurship, development of small and medium-sized businesses [6].



Source: Federal State statistics Service of the Stavropol Territory

Figure 3 – Distribution of agricultural sectors by share of revenue and return on production costs

The analysis revealed that most of the agricultural production is sold outside the region mainly as a raw material for further processing, and in the harvest season they also have at low prices. There is no opportunity to supply agricultural regional networks of good quality products at fair prices. As a result, a significant part of the added value of agricultural production is transferred to other market entities. Only a small share of crops and livestock products are sold in processed form (Figure 4).



Source: Federal State statistics Service of the Stavropol Territory

Figure 4 – The structure of revenues from the sale of agricultural organizations own production, %

The share of crop production which was sold in processed form is from 4 to 6.7 %, and processed animal products are from 7.9 to 10.3 %. On-farm processing of products is represented byproduction of different assortment of food, mainly the production of bread, cereals, vegetable oil, whole milk, meat and sausages. Significant part of this was produced for own consumption and sold in canteens and workers organizations at cost. Many small shops are using outdated equipment and technology; in addition, small amounts of production and lack of marketing reduce the effectiveness of on-farm processing. Nevertheless, in 2012 sales of products in processed form provided sales profitability of the industry average of 9-10 %. In some farms it is much higher.

Processing in the field of production is economically beneficial as it allows an efficient use of all manufactured products and to draw it into the trade to meet local demand, as well as it allows additional value-added focus in the hands of agricultural producers. However, the region is underdeveloped in logistics services sector and there is no supply of quality warehouse space, which prevents the development of agricultural raw materials. Lack of storage space and the lack of warehouses that provide custodial services in the cities of the region, puts manufacturers faced with the need to carry out projects for the construction of storage facilities for their own needs, which is effective only for single farms and significantly increases the cost of production.

In order to make full usage of the raw capabilities of large and small producers, as well as overcoming a local monopoly in the field of processing, processing and infrastructure facilities should be developed for cooperation and integration base. Perspective area is creation a two-tier logistics infrastructure for storage, processing, marketing and transportation of agricultural products, combining large logistics centers and agricultural supply and marketing cooperatives in the field of production of raw materials [7].

There is a need to develop currently undervalued "niche" sectors contributing saturate the market, increase employment, increase profitability of agricultural producers. The experience of individual households shows that the region may be successfully launched in production of flowers, herbs, turkey, rabbit, farming products, goat and fish, etc.

At the same time, it is impossible to reach a significant increase, improve product quality without technological re-equipment, innovative modernization of the specialization of the region. Entering into new markets will contribute to the construction of facilities for deep processing of agricultural products. To accelerate the solution of these problems is necessary to attract strategic investors.

UDC 502.1(1-22)=111

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METHODOLOGY OF FORECASTING AND PLANNING OF ENVIRONMENTAL ACTIVITIES IN RURAL AREAS

The article presents the study results of the forecasting and planning tools of environmental activities in rural areas. The methodological basis for these activities has been developed.

Key words: forecasting, planning, rural areas, methodology, sustainable development, environmental activities.

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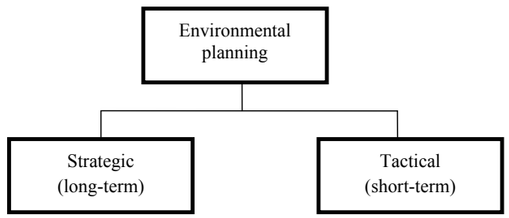
Planning of environmental management in rural territories. For any business activity careful planning is essential for success. Planning of rational environmental management is establishment of the optimal rates and proportions between the individual relatively isolated components of the process: between rates of use, protection and restoration of natural resources (Environmental regulations and laws..., 2012).

The purpose of planning is to satisfy the needs for natural resources, properties and qualities of the natural objects while preserving and increasing the natural resource potential of the area.

The objective of our research was to develop the methodology of forecasting and planning of environmental activities in rural areas and creation of theoretical basis for implementation of these processes.

The necessary condition of realization of the plan targets is their legal and regulatory support, bearing in mind the principle of rigour, obligation of obedience of the law and regulations in environmental management, commitment to technological and labour discipline.

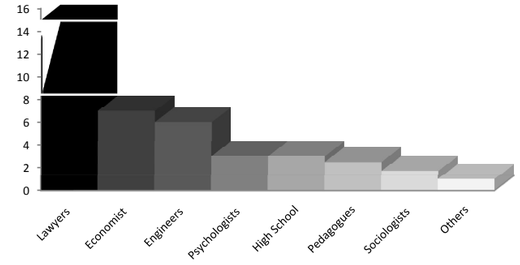
Admitting the need of a systematic, continuous planning of environmental management, we face the need of isolation of immensity of the process, bearing in mind the strategic and tactical planning (Fig. 1). Strategic planning is related to the fact that the planning of environmental management includes the need of taking into account possible long-term effects, and they cannot be simply «dismissed». For example, the humanity «understands» the risk of the greenhouse effect, increasing the «ozone holes», the risk of reduction of forest cover on the planet, pollution of the oceans, etc. This is conditioned by the fact that their consequences will impact for a very long time (as long as nature will not «cure itself» or people will not help...) and they cannot be abolished or fixed in the terms defined by a generation.



Source: author's research

Figure 1 – Types of environmental planning

that department are lawyers that mediate between employees and employers. They are followed by the economists and engineers.If we recall the HR as primarily soft skill activity according to Japanese management principles, it can be noticed that those who can perform such activities like sociologists, psychologists, pedagogues are minority in employment in observed organizations. That does not comply with the need in organisation to provide activities of actively communicating with employees and enabling them to feel as part of the organization, as opposed to just being there for the sake of mere survival.



Source: Accoralng to authors survey.

Figure 5 – Structure of employees in HR departments

It can be clearly seen that the results just pursue towards the conclusion that in Serbian organizations HR activities are conducted within the legal services without precise direction ofwhich are the key HR activities.It is unnecessary to talk about most common activities of HR, because it from what was presented previously it can be seen that proceduresthat one HR department should be dealt with are least developed, with planning and career management being almost neglected, while the issues of establishment and breach of employmentand health and safety figure as major activities.

Conclusion

The problem of human resources management can be observed from different perspectives, depending on the objectives of the research and the variables that are included. Management of human resources in Serbia lags behind the knowledge and practice of it in developed countries.Recently there is progressively introduced a different approach towards employees, primarily in the sphere of business, but probably it will be necessary a lot of time to harmonize international experienceswith psycho-social specificities of Serbian working population.Complex socio-political and economic situation in Serbia in recent decades, in some sense can be observed as a challenge for adjustment and application of contemporary approaches to employees within the working environment.

It is obvious that in surveyed organizations legal departments along with personnel departments, which mainly deal with legal and administrative issues related to employment. In somerarecases-it can be noted an increase ininterestsfor satisfaction of employees' needs.Other organizations base their relationwith employeesmainly on the employment issues and wages.

During the survey in certain companiesinterviewees even raised the question about the meaning of HR, which indicates that this activity is still not developed in its true form. That can signal to a problem of poor interest for innovation.Insufficient knowledge of what human resource management can provide to one organization is real obstacle, which is not unbeatable, but it needs a lot of time and effortsto overcome it.

Establishment of HR sectors in Serbian companies has just recently begun. According to research it is estimated that less than one in ten companies have established a HR department. It is especially tempting that the majority of companies do not have a personnel service department set up, therefore the issues related to human resources are to be solved by legal departments.

Activities from the field of HR in most companies are limited to questions of labour relations, health and safety, while less than a quarter of observed companies are actively engaged in activities related to recruitment, selection and career development, as an essential parts in development of associates that can take an active part in company development.

Insight of the gap between the real goals of HRand what are the current situation and the level of development in observed organisations opens a wide range of opportunities for action and dissemination of knowledge about benefits that HR practice brings to organizations.

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ENVIRONMENTAL PROTECTION EXPENDITURE: EU AND UKRAINE

The main aim of the paper is to analyze and evaluate system of environmental protection financing in Ukraine, studying the experience of EU countries. Environmental protection expenditure gives an idea about what funds, directly or indirectly spent each sector for environmental protection. Efficiency of financing environmental activities, estimated quantitative impact of financing environmental activities on reducing pollution.

"We have read the science. Global warming is real, and we are a prime cause. We have heard the warnings. Unless we act, now, we face serious consequences. Largely lost in the debate is the good news: We can do something – more easily, and at far less cost, than most of us imagine.

In this, it helps to have a vision of how the future might look if we succeed. That is not merely a cleaner, healthier, more secure world for all. Handled correctly, our fight against global warming could set the stage for an eco-friendly transformation of the global economy – one that spurs growth and development rather than crimps it, as many nations fear.

We have witnessed three economic transformations in the past century. First came the Industrial Revolution, then the technology revolution, then our modern era of globalization. We stand at the threshold of another great change: the age of green economics. (Ban Ki-moon, 2007)"

Key words: Environmental protection expenditure, financing.

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Nowadays, the protection of the environment is integrated into all policy fields with the general aim of reaching sustainable development. Clean air, water and soils, healthy ecosystems and rich biodiversity are vital for human life, and thus it is not surprising that our societies devote large amounts of money to curbing pollution and preserving a healthy environment.

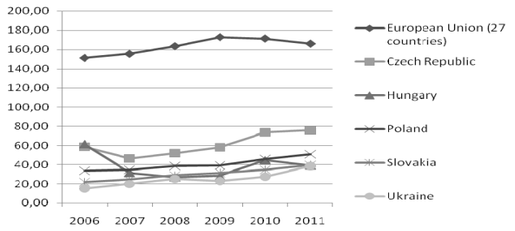
Environmental protection expenditure (EPE) is the money spent on activities directly aimed at the prevention, reduction and elimination of pollution resulting from the production or consumption of goods and services. These are, for example, waste disposal activities and wastewater treatment activities, as well as activities aimed at noise abatement and air pollution control. Environmental protection expenditure does not directly take into account the expenditure for the sustainable management of natural resources.

All economic sectors, businesses in agriculture, industry and services as well as the public sector and households spend some money on reducing, preventing and eliminating their pressures on the environment. For instance, both businesses and households pay to safely dispose of waste, production activities spend money to mitigate the polluting effects of production processes and governments pay to provide environmental public goods, such as the basic levels of sanitation required to safeguard health.

This paper provides details on the expenditure carried out by three sectors: public sector, private and public specialised producers and industry. These sectors account for most of the environmental expenditure. The public sector includes mainly central, regional and local public administration. Specialised producers are public or private businesses that provide environmental services, such as waste or wastewater management, as their principal output. Industry includes all activities in mining and quarrying, manufacturing and electricity, gas, and water supply sectors. Apart from legislative and regulatory tasks, the public sector monitors environmental performance, provides grants and subsidies to encourage environmentally sensitive behaviour and funds research and development activities.

The analysis of expenditure on environmental protection has a strategic interest. For example, it allows the evaluation of the positioning of environmental policies already in place with respect to reference models such as the 'polluter pays' principle. For example, the growth of government-supported environmental expenditure can indicate a situation in which the government, rather than polluters, increasingly intervenes in the environment, and is therefore often indicative of a reality in which this principle is insufficiently applied.

At the same time, a low level of expenditure does not necessarily mean that a country is not effectively protecting its environment. In fact, the indicator tends to emphasise clean-up costs at the expense of cost reductions which could be due to reduced emissions or more effective protection measures. Environmental expenditure may be broken down in



Source: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-32-10-283/EN/KS-32-10-283-EN.PDF and http://ukrstat.gov.ua/operativ/operativ2012/ns_rik/analit/arhiv.htm

Figure 5 – Environmental protection expenditure – indicators: Euro per capita

Environmental protection expenditure measures are all actions and activities that are aimed at the prevention, reduction and elimination of pollution, as well as any other degradation of the environment. Thus it is an indicator of the commitment of society to protect the environment. Three sectors – the public sector, private and public specialised producers and industry – account for most of the environmental expenditure. In 2011, the expenditure for protecting the environment in the EU-27 by these three sectors was equal to 2.26% of GDP. In the EU-27 in 2011, most of the money spent by the public sector went towards providing waste management services and services in the noncore domains. The EPE of specialised producers was mainly directed towards waste and wastewater management activities. Industrial EPE in most European countries was evenly distributed among environmental domains. For many years, European statistical services have collected data on air pollution, energy, water consumption, wastewater and solid waste and on their management, in addition to environmental data of an economic nature, as environmental expenditure. The links between all these data enable policymakers to consider the environmental impacts of economic activities (resource consumption, air or water pollution, waste production) and to assess the actions (investments, technologies, expenditure) carried out to limit the causes and risks of pollution. Eurostat has worked towards systematising the gathering of environmental statistics about the activities of all economic sectors within the EU. These statistics are used to assess the effectiveness of new regulations and policies. The second use of these statistics is for the analysis of the links between the pressures on the environment and the structure of the economy. Harmonised, comparable and comprehensive statistics about environmental expenditure and the sectors funding that expenditure should help to improve policy-makers' decisions.

Thus it should be noted that the volumes of contamination in countries which were selected for comparison reduce on a background of the increase of GDP that can testify to more effective use of financial resources for protection of the environment. GDP is the basic factor of possible increase of volumes of contamination. In Ukraine vice versa, together with the increase of volumes of financial resources on protection of the environment the volumes of contamination grow.

The above-mentioned proves: 1) in the considered countries of EU reducing of volumes of contamination of the environment is observed, and in Ukraine there is an increase; 2) relative value and absolute sum of expenses on protection of the environment grows in all the analysed countries; 3) despite the prevailing relative share of expenses on protection of the environment in attitude to GDP in Ukraine, the noted expenses in an absolute sum per capita are the smallest, it can testify to potential increase of such expenses.

On a background of the increase of volumes of contamination in Ukraine during an analysed period there is an increase of sum of expenses on protection of the environment, it can testify, on the one hand, about insufficiency of sum of financing, on the other hand, about inefficiency of such financing.

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Table 1 – Dynamics of capital investments and current costs on protection and rational use of natural resources according to directions of nature protection activity

	2006	2007	2008	2009	2010	2011
Capital investments and current costs – total	7366.6	9691.0	12176.0	11073.5	13128.0	18490.5
Including						
protection of atmospheric air and climate	1589.3	2521.2	2826.3	2309.0	2454.7	4011.0
cleaning of reverse waters	3376.0	3904.8	4917.1	5189.0	5770.1	6109.7
handling the wastes	1669.7	2157.2	2738.2	2328.3	3075.2	5049.8
protection and rehabilitation of soil, underground and surface waters	400.6	615.4	1074.6	641.6	796.2	1231.9
reduction of noise and oscillation influence (except for measures for labour protection)	47.6	76.7	89.6	25.9	11.2	70.8
maintenance of bio variety and habitat	97.4	139.6	210.4	225.9	255.9	347.3
radiation safety (except for measures for prevention accidents and catastrophes)	52.3	73.4	82.8	101.9	459.4	1347.0
research works in nature protection direction	18.4	38.0	50.6	57.1	65.3	61.4
other directions of nature protection activity	115.3	164.7	186.4	194.8	240.0	261.6

Source: http://ukrstat.gov.ua/operativ/operativ2012/ns_rik/analit/arhiv.htm

The state should raise the investment component in the environmental expenditures because maintenance of such a high level of deterioration requires high operating costs, and their efficiency remains low (Kholod M., 2010).

One of the sources financing environment protection is ecological payments. During 2011 the enterprises, organizations, establishments were charged ecological payments for contamination of natural environment, violation of nature protection legislation in a total amount of 1825.6 million hrn., of them 71.8% (1310.9 million hrn.) is an ecological tax for emissions in the atmosphere from stationary and movable sources, 25% (455.4 mln hrn) are collections for placing of wastes and 3.2% (59.2 million hrn.) is an ecological tax for the upcasts of contaminants into the water objects. Lawsuits as for reimbursement of losses and expenses, caused as a result of violation of nature protection legislation, and fines for administrative crimes in the field of nature protection amount 6.4% (118.3 million hrn.) respectively.

The volumes of provided ecological payments are 10 times smaller than expenses on protection and support of the environment. It can prove the present potential to the increase of ecological payments both in absolute and in relative expression in the structure of earnings of the state budget. Such increase is possible due to transferring of the tax burden from labour and capital on ecological taxation which will assist in strengthening of ecological function of taxes.

The increase of sum of financing of expenses on the protection of the environment cannot testify to their sufficiency, that is why we will compare the volumes of the noted expenses to data of some countries of EU, namely Poland, Czech Republic, Slovakia, Hungary and EU on the whole.

Current expenditure for environmental protection include payments to keep environmental departments running, staff costs and other costs for daily activities within the domain of environment.

In of order to compare expenditure in different European countries as well as over time, EPE can be expressed in euro per capita (Figure 4) and as a percentage of GDP (Figure 5). When expressed as a share of GDP, EPE is an indicator of the total resources a sector devoted to protecting the environment.

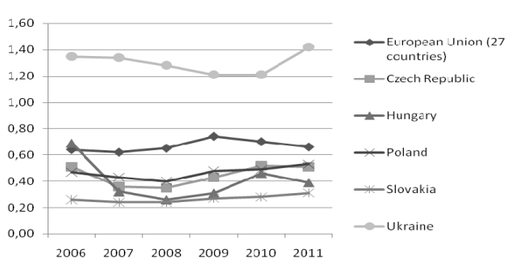

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Figure 4 – Environmental protection expenditure – indicators: % of GDP

Comparing of share of charges on protection of the environment in GDP testifies to its considerable advantage in Ukraine in comparing to all other countries (1.2-1.4%). The smallest share of expenses on protection of the environment is observed in Slovakia (0.2-0.3%). The middle level of expenses on protection of the environment in EU presents 0.6-0.7% during an analyzed period which is the greater index than in the studied countries of EU.

Examining the sums of expenses on protection of the environment in a calculation per capita, it is possible to witness a reverse situation than in % to GDP. So, an index of Ukraine is the smallest among all the studied countries (about 40 Euro per capita in 2011). The highest index of expenses per capita among the considered countries is in Czech Republic – 75 Euros in 2011. But a sum of the noted expenses is considerably higher on the average in the countries of EU and presents 166 Euros in 2011.

order to analyse its main components. Total EPE is the sum of investments and current expenditure for industry and specialised production sectors, and the sum of investments, current expenditure and subsidies/transfers in the public sector.

Current expenditure includes recurrent spending or, in other words, spending on items that are consumed and only last a limited period of time. These are items that are used up in the process of providing a good or service. Current expenditure would include wages, salaries and expenditure on consumables. Investments are tangible fixed assets created to protect the environment from harmful impacts occurring during the production process. Examples of investments from the waste management sector are storage facilities and collecting points, separation plants and shredders and crushers. Environmental expenditure can also be classified according to which environmental domain is the objective of the expenditure: protection of ambient air and climate (air protection thereafter), wastewater management, waste management, protection and remediation of soil, groundwater and surface water, noise and vibration abatement, protection of biodiversity and landscapes, protection against radiation, research and development and other environmental protection activities. Air, wastewater and waste are often referred to as the core domains. The other environmental domains are grouped as the non-core domains.

Today of humanity critically faces the problem of overcoming the consequences of pollution of environment.

Like any other country, Ukraine didn't avoid this problem. Problems with the state of environment arose as a result of activities both inside the country and beyond its borders. For this reason, the state is forced to carry out financing of measures on the removal of negative consequences for environment inflicted not only in the country but also abroad.

In the past, comprehensive environmental management has often been seen as a priority of the international donor community. Developing countries rightly claimed that development was the first priority and that during this process part of the protection of the environment should be paid for by the international community.

Developed countries spend between 3% and 5% of their GNP on environmental management. In many developing countries this percentage is less than 1%. Moving from 1% to 3% cannot been done overnight, and a systematic process needs to be put in place that gradually, perhaps taking 10-15 years, will introduce the necessary institutional, regulatory, legal, and market based changes that will enable countries to cater for their own environment management needs. The question is how should the international community help countries achieve this transition? The climate change challenge offers us the opportunity to do it. The cost to set up such a regime is modest compared with the costs that will be incurred if we continue to lack such an improved environment finance management system by 2020 (5).

Protection of environment, the rational use of natural resources, providing of ecological safety of activities of man is an integral condition of steady economic and social development of Ukraine. The analysis of dynamics of absolute and computer-integrated indexes of the technogenic loading on environment testifies that the ecological situation in a natural environment, as vitally important environment for existence of man, remains difficult enough.

Financial support for environmental activities as established by law sources and financing forms of environmental protection (Veklich O., 2009).

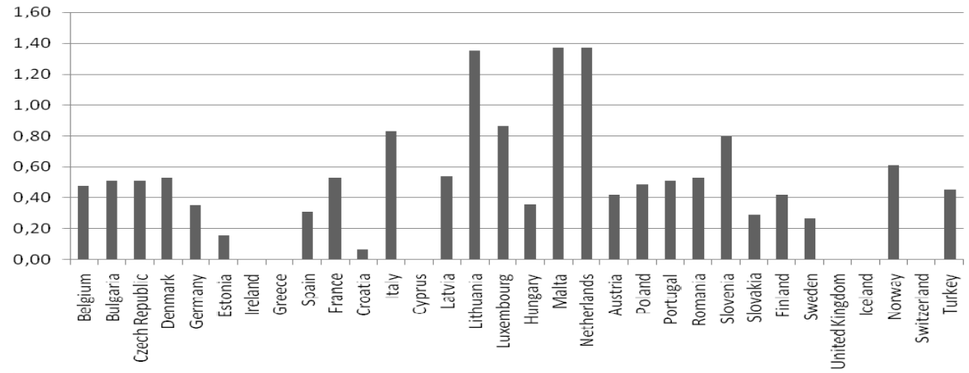
In recent years, fiscal measures have been recognized as one of the primary tools in this economic strategy. Because most countries at first heavily relied on direct regulation and only recently have begun to adopt economic measures on a broad scale, it will be useful to recapitulate the strengths and weaknesses of direct regulation as background for our consideration of fiscal measures for environmental policy (Sanford E. Gaines, Richard A. Westin, 1991).

In order to compare expenditure in the different European countries as well as over time, EPE can be expressed in euro per capita and as a percentage of GDP (or gross value added – GVA— when discussing EPE in the industrial sector). When expressed as a share of GDP, EPE is an indicator of the total resources a sector is devoting to protecting the environment. In most European countries, the public sector spent between 0.2 and 0.6% of GDP in 2010 in terms of environmental protection investments and current expenditure. The Netherlands, in 2010, devoted almost 1.4% of its GDP, while in the same year Croatia allocated only 0.07% of its GDP (Figure 1).

The share of investments in 'total current expenditure + investments' in most of the new Member States is well above the 25% EU-27 average (Figure 2). This is probably due to the high level of expenditure in fixed assets needed to start off activities required by the more stringent EU environmental legislations. For EFTA countries and Turkey, the share of investments in 'total investments + current expenditure' is more or less close to the EU-27 average, while in Croatia it is over 95%.

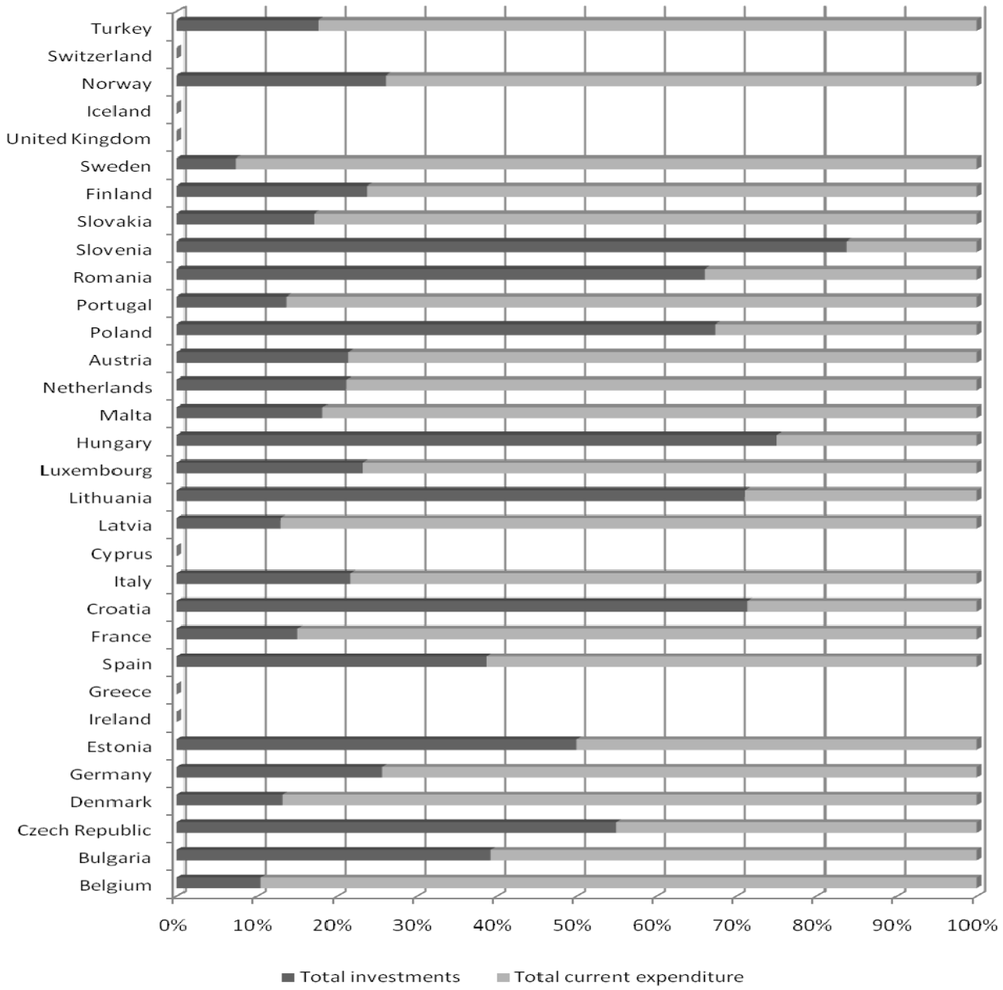
Wastewater treatment and waste management are generally the main domains in which the public sector spends. However, according to Figure 2, some countries' public sectors spent the most in other domains. This is the case, for example, in Spain, where the public sector principally spent on the protection of biodiversity and other environmental domains.

Several countries, like Italy, Cyprus and Spain, classified a relevant part of their general government expenditures as 'other': this includes general environmental administration and management, education, training and information for the environment as well as activities leading to indivisible expenditure and activities not classified elsewhere. Another interesting trend can be seen in Croatia, where more than 95% of the public sector's investments and current expenditure were devoted to soil and groundwater protection.



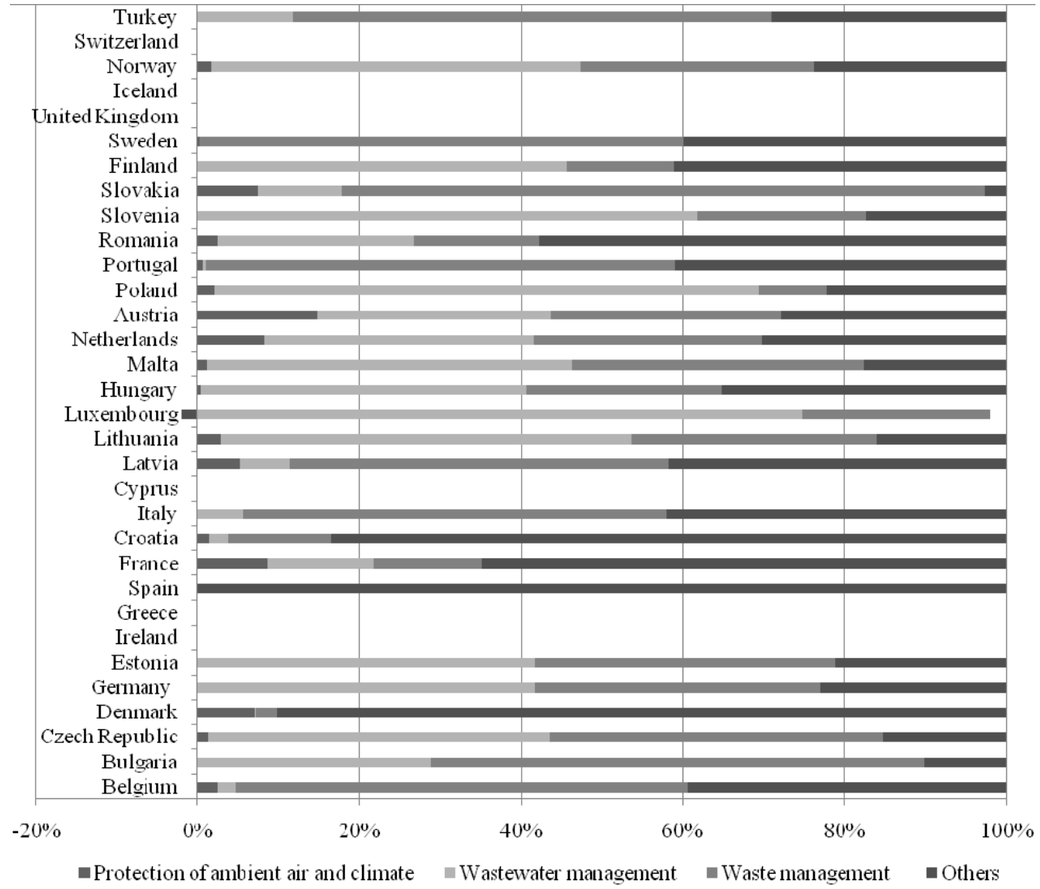
Source: Eurostat (env_ac_exp1)

Figure 1 – Public sector investments and current expenditure for environmental protection, 2010 (% of GDP)



Source: Eurostat (env_ac_exp1)

Figure 2 – Public sector environmental protection investments and current expenditure, 2010 (% of total investments and current expenditure)



Source: Eurostat (env_ac_exp1)

Figure 3 – Public sector investments and current expenditure by environmental domain, 2010, share of total domains

Environmental conditions get worse from year to year in Ukraine.

In a calculation per one square kilometre of territory of country there are 11 ton of the contaminants thrown out in the atmosphere and 22 thousand tons of wastes. There is a permanent increase of volumes of pollution in absolute numbers.

The important problem of the use of money on the protection of the environment is absence of feed-back, insufficient control of its use.

In Ukraine financing of the programs of protection and rational use is carried out as capital investments and current costs, their volumes are presented in a Table1.

Analyzing charges on the protection of natural environment, their absolute increase should be noted. As in 2011 they amounted 18490.5 million hrn., the increase is more than in 2.5 times in comparison with 2006 (7366.6 million hrn.).

It is necessary to notice that the principal cost items on the protection of natural environment in Ukraine (as in 2011) are: protection of atmospheric air and climate (21.7%); cleaning of reverse waters (33%); handling wastes (27.3%); protection and rehabilitation of soil, underground and surface waters (6.7%); other nature protection activity (1.4%).

18.4 billion hryvnas was spent on the protection of natural environment by enterprises, organizations and establishments during 2011, of which 65% (12.0 bln hrn) are current costs on nature protection, related to exploitation and maintenance of facilities of the nature protection importance, 32% (6.0 bln hrn) – investments in the fixed assets directed on building and reconstruction of nature protection objects, acquisition of equipment for implementation of measures of ecological direction and 3% (0.8 bln hrn) are costs on major repairs of nature protection equipment. On the cost of funds of State and local budgets 9.81% of capital investments were developed and 13.93% of current costs were carried out, and the basic source of financing costs on environment protection, as in previous years, were the personal funds of enterprises – 66% and 86% respectively.

Tactical planning is more immediate and brief, and its results can be found quickly, and this type/stage of planning is a constituent element of the strategic planning, supplements, helps to implement it. Since the separation is rather arbitrary, it is necessary to admit their interrelation and interdependence. It must be noted that tactical planning is more suitable for «securing funds» to achieve the goals.

From our point of view, a summary of the scheme of environmental planning for rural areas is as follows:

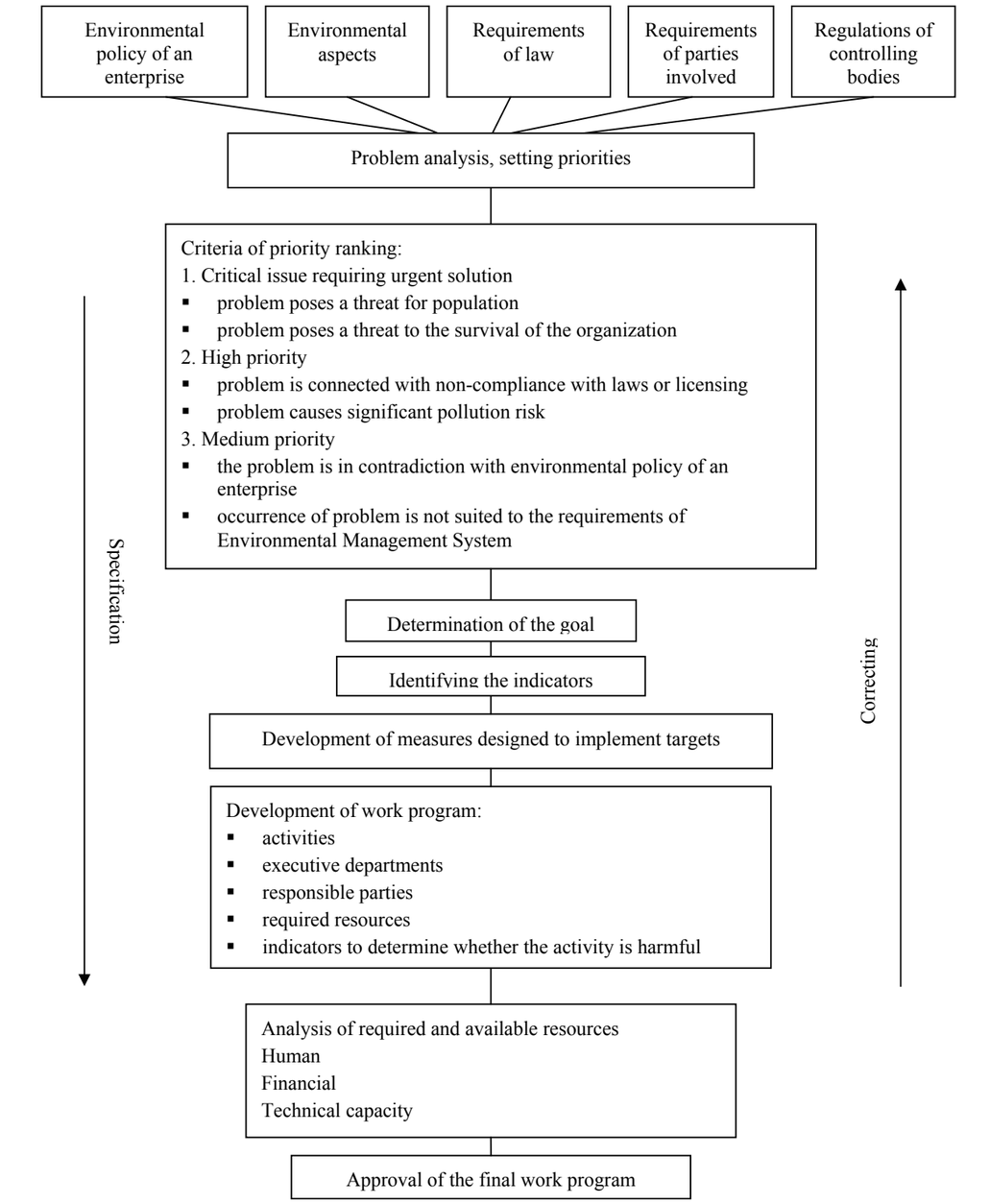
1. Initial Environmental Assessment: involves the assessment of the initial situation, in the course of which four directions are studied: the identification of environmental aspects, assessment of the probability of emergencies and their consequences for the environment and the local population, and analysis of legal requirements and other regulatory requirements, which environmental protection activity must comply with; assessment of the present environmental management practices in similar areas (its strengths and weaknesses) and procedures for environmental management.
2. Assessment of environmental aspects – elements of the organization, its products or services that can interact with the environment. Environmental aspects are emissions to the air, discharges to the water, discharges to the land, the use of raw materials and natural resources, local environmental issues. For a more comprehensive definition of environmental aspects, we recommend the following approach: to choose meaningful ones from the list of selected aspects – those that have a major negative impact on the environment. For this purpose it is necessary to establish criteria for determining significant environmental aspects, to determine the significance, to draw up a register of significant environmental aspects. For this the following factors may be considered: the scale and severity of the impact, probability of occurrence of an event, duration of impact, the legislation, the complexity of measuring the impact, existing customer expectations. Effective work to assess the environmental aspects and impacts will help to control the impact of an organization on the environment.
3. The next stage is the identification and analysis of the requirements of legal acts and other documents that are relevant to the identified environmental aspects. These requirements should include the requirements of national legislation and international agreements; requirements of state and regional regulations, requirements of local authorities, other requirements (agreements with community organizations, agreements with customers, the voluntary codes fixed by practice).
4. During the development of the plan of environment protection activities it is necessary to define environmental objectives, which take into account the legal requirements, significant environmental aspects, technological and financial resources, and the demands of stakeholders. Typically, goals and objectives should be fixed for long-term planning period (3 – 5 years), but as an objective may be set for a shorter period. The developed goal should be environmentally significant, i.e. should be primarily set in relation to the impact on the environment and / or the priority environmental issues. Achievement of the goal is assessed using indicators, for which specific time limits are established.

   Development of environmental objectives and goals are interrelated. Thus, the environmental goals are set with account abilities of regional and local authorities to achieve them – that is, taking into account the capacity of individual enterprises and institutions, the impact of measures that can be taken for the control of certain aspects. It is advisable to formulate environmental objectives as requirements. Meeting these requirements will guarantee the achievement of the objectives.
5. After the development of all the above mentioned activities it is necessary to make a program to achieve environmental objectives and goals for assessing the availability of the required resources, the implementation of the program, coordination of activities, their necessity and sufficiency. This should take into account the restrictions, significant risks, the planned and most likely future changes in order to adequately and promptly response to changes of the situation during the implementation of plans. At the development stage of the program it is important to carefully assess the efficiency and effectiveness of planned activities and to revise or eliminate those that are not coincident with methods and plans of work, or will not contribute to an increase of the planned environmental performance. The entire stage of environmental planning is schematically shown in Figure 2.

Thus, the proposed scheme of planning of environment protection activities in rural areas is based on the principles of environmental management planning for the individual enterprise. In our opinion, this approach will facilitate the development of current programs for conservation of natural resource potential and the sustainable development of rural areas.

Prognostics of environmental management in rural territories. Prognostics is a set of methods that allow within a phenomenon or a process to make certain judgments about its future development on the basis of retrospective analysis of external and internal relations, inherent in the objects, as well as their likely changes.

An environmental prognostic is prediction of possible behaviour of natural systems, determined by natural processes and human impact on them:



Source: author's research

Figure 2 – Scheme of planning of environment protection activities in rural territories

Prognostics of environmental management on coverage, scale of phenomena refers to complex forecasts, as the problem of environmental management is interdisciplinary, interregional and universal.

A prognostic of environmental management includes private forecasts: by industry, by individual industries, by the use of certain resources, and even by certain properties of resources.

Because of the objective nature of the complexity prognostics of environmental management must include possibilities of national use and high potential efficiency of integrated use of natural resources, facilities.

Total 75,128 working areas were assessed. At this land evaluation stage in the region passports of the evaluated area are to be used. Each of these areas has its own unique addresses, it takes not more than 0.5 minutes to find it. Passport of evaluated area has the following content:

1. Address.
2. Special information. Uniqueness.
3. Soils of a plot.
4. Degree of development of negative processes.
5. Humus content.
6. Availability of soil nutrients.
7. Integrated index of soil fertility.
8. Use of the area (annual monitoring).
   8.1. Cultivated crop.
   8.2. Performance.
   8.3. Using technology.
   8.4. Costs.
9. Designed cadastral value.

The main problem of creating and recording passport of the area is to find and analyze the information required. Recently, the Ministry of Agriculture of the Russian Federation enhances attention to the problems of soil conservation and sustainable use of agricultural land. Minister of Agriculture signed the Order of May 24th, 2011 № 135 on the establishment of "Russian Center for State monitoring of agricultural land" based on federal Agrochemical Service. Now they define the goals and aims of the center. We hope that the certification of areas will be one of the main activities, and in five years the cadastral valuation of agricultural land will be performed by the specialists of this organization, using the scientific achievements and human potential of the Department of Land Management and Real Estate Cadastre of the Faculty of Agronomy of the Stavropol Agricultural University.

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To be more objective prognostics of environmental management evidently must be based on objective economic laws operating in the society.

Main principles of prognostics of environmental management:

1. System principle. Principle of systematicity involves continuity of prognostics in time and space based on the analysis, consideration of the factors that determine the environmental development. Systematicity involves interconnection and interdependence of: the methods, hierarchical levels, phasing, sequence, and precedence.
2. The principle of objectivity, scientific validity.
3. The principle of matching, confirmation, adequacy: the coincidence of theoretical models (simulation) with the practical phenomena.
4. Variance, alternative. For example, even in the process of drafting of the environmental impact assessment (EIA), projects and reports usually require an alternative variant of proposed solutions, and expected consequences.

Alternative options will exclude the error in forecast and increase the probability of selected, expected phenomena, results. In assessing the actuality of alternatives balance calculations on alternatives (of course, taking into account the restrictions, criteria) will help.

Consideration of concepts (categories) of prognostics principles is directly related to the concept, category of «approach» to prognostics.

The following approaches can be distinguished:

- historical, where historical stage of phenomenon or prognostics development is assessed;
- integrated approach;
- system approach;
- structural approach.

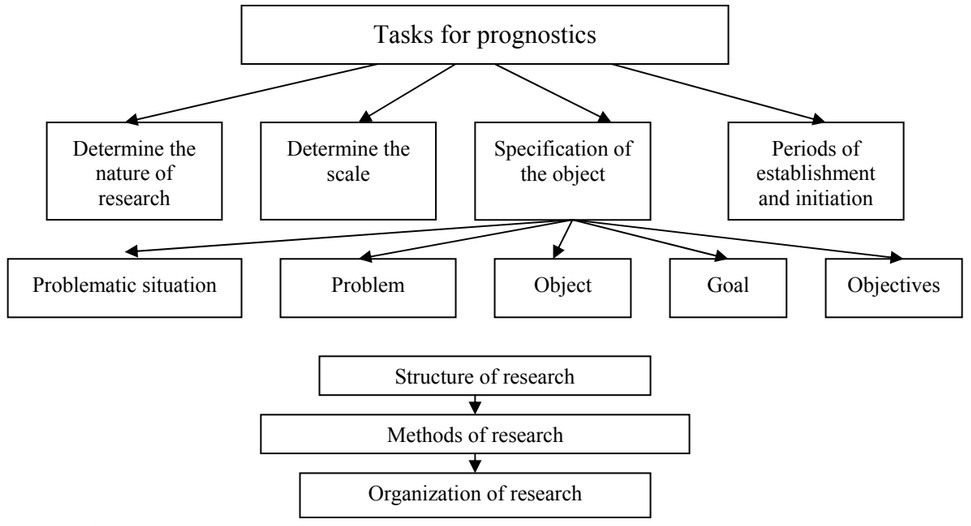
In many respects forecasting is preceded by information base. It includes:

- forecasting experience (the basis for the expert prognostics);
- extrapolation of already available and potential information to predict (as a trend was identified based on the study of the previous events);
- models, which are based on normative parameters of possible predictive effects.

Conclusions:

Thus, reaction of predictions, prognostics results can be used in the following areas, for the following purposes:

- substantiation, scientific analysis of perspective directions, long-term environmental management programs;
- establishment of objective relations in social and economic development and meeting the needs the natural resources;
- study (by environmental factors) of alternatives of social and economic development;
- substantiation of prospective use of natural resource potential of rural areas.



Source: author's research

Figure 3 – Scheme of organization of prognostics of environmental management

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**Podkolzin Oleg, Zhihareva Marina,
Odintsov Stanislav, Perov Alexander, Khalin Igor**

PASSPORT OF THE EVALUATED AREA AS A BASIS OF THE IMPROVEMENT OF THE STATE EVALUATION OF AGRICULTURAL LAND

This article considers the mechanism of improvement of the cadastre evaluation of agricultural lands through the method of the creation of a passport of the evaluated areas, which will allow to introduce innovative regional systems of agricultural land management.

Key words: passport of the evaluated area; state cadastre valuation; agricultural land.

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In the Russian Federation in 2011 launched III Round of cadastral land valuation for agricultural purposes. Realization of this evaluation is due to several reasons. First of all, five-year term expired in the previous survey round maximum allowable use of performance evaluation without updating them. For many reasons, the cadastral value of the land for the last period for various reasons has become not reflect actual performance, use of land resources in agricultural production.

Guidelines for state cadastral valuation of agricultural land, approved by Order Ministry of Economic Development of Russia – 4 July 2005 number 145 had some significant drawbacks. Implementing them some questions arose, answers to which are not received until the present time.

Thus, to determine the cadastral value of land in the regions of the Russian Federation for some reason the estimated productivity was determined based on the actual yield for 1966-1998, and the products evaluated in prices prevailing in 1999, an average of natural economic region. There was no clear justification for a more than doubling increasing of the agricultural land cadastral value in the Stavropol region (Table 1), and other regions of the Russian Federation, the more that the estimated productivity, expressed in quintals of feed units per unit area increased slightly.

It was difficult to explain the changes in the cost of one quintal of fodder units. In 2000 this value in the North Caucasus region was 115.7 rubles / c. f.u. varying from 90.6 to 156.2 rubles / c. f. u.. is, in 2006, the base cost of one quintal of fodder units rose to 243.1 rubles / c. f. u. [2], and in 2012 increased to 318.4 rubles / c f. u.

Large number of issues connected to the basic indicators of cadastral valuation of agricultural land disputes the certainty of the results obtained. It was a difficult task for assessors to convince land users and land owners of objectiveness and fairness of cadastral valuation of a land plot. The next round of cadastral valuation is carried out according to the new instructional guidelines for state cadastral valuation of agricultural land that was approved by the order of Ministry of Economic development of Russia № 445 of 20.09.2010. These instructional guidelines solve the questions arisen and set a number of novations.

Instead of a two-stage work organization: region of the Russian Federation – land plot, one-step approach was proposed – only land plot.

Statistical data on crop yields in recent years and cost for cultivation were proposed to replace with the regulatory indicators of productivity and standard costs based on checklists. Crop rotation should also be considered when determining the total production yield per hectare of farmland of particular land plot.

Table 1 – State cadastral valuation of agricultural land of Stavropol region

Name of administrative districts	Cadastral value, 2001, USD/ha	Cadastral value, 2006, USD/ha	Cadastral value, 2012, USD/ha
Alexandrovsky	27463	57900	62600
Andropovsky	19621	37200	56400
Apanasenkovsky	5461	11000	43900
Arzgirsky	9792	20000	50800
Blagodarnensky	23232	47700	63100
Budennovsky	22813	49300	64200
Georgevsky	32518	32518	65200
Grachevsky	24582	70600	58500
Izobilnenskiy	35723	78500	73000
Ipatovskiy	19001	36000	65000
Kirovskiy	32767	66900	64600
Kochubeyvskiy	21870	42800	59800
Krasnogvardeyskiy	33889	70500	65900
Kurskhiy	12484	26900	51600
Levokumsky	7104	13400	45400
Mineralovodsky	26171	55400	66700
Neftekumsky	1958	3200	44000
Novoalexandrovsky	48673	99500	79100
Novoselytcskiy	28059	59000	61300
Petrovsky	23765	50300	57700
Predgorniy	20095	34900	61300
Sovetskiy	24824	53800	69300
Stepnovsky	18195	36500	66900
Trunovsky	26743	66300	56200
Turkmensky	11537	23200	65900
Shpakovsky	18631	35500	52400
Total in region:	19892	42500	58300

Source: Stavropol region. Orders on approval of the results of the state cadastral valuation of agricultural land in the Stavropol Territory: Ministry of Property Relations Stavr. Territory. December 25, 2012 № 202 / / Laws and other legal acts Stavrop. krai. – 2013. – № 8. – St. 10231

New guidelines do not provide accounting absolute land rent, and hence no minimum cadastral value of land. Valuation of land plot location was also excluded. The technology of valuation work was changed: there will be no special software; the guidelines also do not set the structure of the evaluation report, in our opinion, this reduces the value of the guidance.

Unfortunately, in our opinion, during practical implementation many questions on search and use of reliable information for determination of regulatory rate of efficiency and standard costs on soil contours of land plot will arise again as agricultural production is carried on working areas or fields. The data of productivity and costs obtained from research on different soils and the one that could be used as normative definitely will not correspond to a particular land parcel [4], [1].

Besides fiscal functions the cadastral valuation of agricultural lands should stimulate their efficient and sustainable use. Therefore, it is necessary to consider the level and prospects of intensification of production for the next five years when calculating regulatory rate of efficiency and costs, which is not easy to do within soil contour of a land plot, especially if it consists of a small number of evaluated areas. Reliable indicators for assessing farmland are required for land owners, land users, land tenants, on the one hand, and for state and municipal governments to establish fair land relations and conduct effective land and tax policy on the other hand.

In our opinion, as long as there is no established and implemented system of cadastral valuation of each area it would be impossible to achieve reliable results of cadastral valuation of land.

Are there real conditions for creation of such system in Russia now? Experience of the Stavropol region for the certification of agricultural land indicates that the fourth stage of cadastral assessment could be carried out using the passport of evaluated area in five years. The “evaluated area” means a part of agricultural land with natural and (or) artificial boundaries and that is used as a unit in fieldwork.

The third tour of cadastral assessment of agricultural land in the Stavropol region was carried out on the large territory taking into account the high diversity of soil covering. According to data for 01.01.2011 agricultural land has a territory of 5,66 million ha, including 3,93 million ha of cultivated fields, 1,59 million ha of grazing lands, 0,10 million ha of hayfields, 0,03 million ha of perennial plantings and 0,01 million ha of layland; the total area of agricultural land is equal to 6,1 million ha. The soil covering has diverse types caused by complicated natural and climate conditions and relief (Table 2).

Table 2 – Soil covering in the Stavropol region

Type of soil	Area	
	thousand ha	%
Leached chernozem (typical)	55,5	0,9
Calcareous chernozem (ordinary)	1257,7	19,8
Alkaline chernozem	405,7	6,4
Southern chernozem	658,5	10,4
Dark brown calcareous	1115,2	17,6
Dark brown alkaline	155,4	2,4
Brown calcareous	316,6	5,0
Brown alkaline	735,4	11,6
Light brown calcareous	246,7	3,9
Light brown alkaline	162,5	2,5
Alkali	474,3	7,5
Pand	240,1	3,8
Meadow	111,9	1,8
Floodplain	363,1	5,7
Salt marsh	43,6	0,7
Total	6342,2	100,0

Source: Podkolzin O.A. State and protection of agro-ecosystems from chemical pollution in the Central Caucasus. Monograph. Stavropol: Publishing and printing center «Paragraph», 2009. – 352.