

## IMPLEMENTATION OF EU POLICIES OF RURAL DEVELOPMENT IN MUNICIPALITIES OF THE DANUBE REGION

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### Abstract

*Perspective for rural development of municipalities bordering the Danube River, lies in the possibilities for development of plant production, in the untouched nature and rich tourist offer. The strategic position of the municipality of Bač, Bačka Palanka and Apatin, which are covered by these work, is it of the great importance for the further development and attract investments that should affect on the strengthening of agriculture and economy of whole area. An orientation of small producers to the major markets will influence the search for smaller niches in which they will be able to assert themselves and develop their production and brand their products, whether in terms of the primary agricultural products or products from other sectors of agriculture. The review of EU Rural Development Policy (2001-2013), arising from CAP (Common Agricultural Policy), the manufacturers of this part of Serbia have a great chance to restore the primary crop and livestock production on normal economy flow. Development of production the safe health food origin while preserving the environment regroup the production resources of this part of Balkans, and will influence the development of navigable traffic and stronger connection with Europe.*

**Key words:** EU Rural Development Policy, restore the primary crop and livestock production, orientation of small producers to major markets.

### INTRODUCTION

In countries of European Union regulation of the rural development in order to develop agriculture as an very important industry. Using the knowledge gained using the CAP[8] in 2003 for period 2007-2013. Years made the three most important goals to be achieved by:

- increase the competitiveness of the agricultural sector;
- improvement of the environment and the state system through the support of agricultural management;
- improve the quality of life in rural areas and promoting diversification of economic activities.

Special emphasis is placed on rural development measures that include activation and use of: human resources, the food quality and international measure that will be used in all EU member states. Republic of Serbia, because of its favorable geographical position, unpolluted nature and possibilities for agricultural development, represent the region

grateful for starting the development. Considering the integration of which Serbia is striving, numerous laws will be customized just the laws applicable in the European Union. Since the regulation will be made, 70% will apply just to agriculture and improving the standard of the population living in rural areas of Serbia.

Rural areas are defined in Serbia as well as space, whose main physical and geographical characteristics using land to produce agricultural and forestry products. According to this definition, almost 70% of Serbia can be treated as a rural area, home to 43% of the population. Municipalities with a population density of 150 inhabitants per square kilometer, which has 130 Municipalities are considered rural. In rural areas of most natural resource land (agricultural land, forests, water) with a rich ecosystem and agrobiocenosis.

This work will be highlighted benefits of municipalities located in the Upper Danube, and which have potential application to

implement the rural development policy, a renewal of previously existing facilities. Municipalities that we will consider the Bač, Bačka Palanka and Apatin.

## MATERIAL AND METHOD

The municipalities are on the right bank of the Danube River, they are well correlated with larger markets, which can facilitate the distribution of manufactured products. On the other hand, natural beauty can be promoted as an attractive location for the development of quality tourism.

The Municipality of Bač is located on flatland terrain, which is crisscrossed by small streams in the temperate continental shelf. It spreads over 365 km<sup>2</sup>, includes six villages with a total of 14 150 inhabitants. Agricultural land covers 24 000 hectares, while forests cover 7,000 hectares. Basic economic activities are agriculture, food and trade industry. Many companies implement ISO standards in business. The industrial zone is spread around the main road M 18, between Subotica and Bačka Palanka and part of the regional road R-102, Novi Sad-Bač.

Bačka Palanka covers an area of 579 km<sup>2</sup> and includes 12 villages. According to preliminary census results from 2011. The Municipality has settled 55 361 inhabitants, has 46 000 hectares of arable land. Investment in agriculture and food industry gives the municipality the opportunity for development and expansion of existing capacity. Work zones north and south, the total area of 325 hectares, close to the main road M-7, May 25 Bridge and close to freight railroads, characterized this area as suitable for the implementation of rural development, but the industrial sector and restore the old route.

Apatin is a municipality in the western end of the AP Vojvodina, and covers an area of 333 km<sup>2</sup>. It belongs to a group of medium-sized provincial municipalities. In the municipality of Apatin live 28 654 inhabitants. Includes city Apatin and five villages. By the nineties the basis of economic development accounted for shipbuilding, metallurgy, wood processing, food processing, textiles, agriculture and tourism. In these sectors

employed more than 11,000 workers. Agricultural land covers 22 577 hectares and is an instrument for economic recovery of the municipality.

Regulation on those the European Union insists and that for which is assumed that they can turn to stakeholders or producers to rural development, as the first step requires the analysis of the current status of agriculture, ie. primary production.

Table 1. The land under the crop culture in ha

Bačka Palanka	Apatin	Bač			
48281	24479	26899	Agricultural land		
45145	20784	23971	total	fields and gardens	
24550	13843	7786	wheat		
15873	4387	15583	ind. plants		
2928	1478	335	vegetables		
1570	614	249	forage crops		
603	226	140	Orchards and vineyards		
1977	2230	2489	Meadows and pastures		

Source: National Bureau of Statistics. (2011). Municipalities and yearbooks.

Agriculture plays an important role in the overall economic development, especially in rural areas of municipalities. Plant production is very common, with prospects to expand and mobilize a lot of manpower. The structure of plant production is largest surface area occupied by fields and gardens, where most sowing are wheat and crops for industrial use. The need to produce safe food in the world is an important issue for decades, as the reduction of the areas are unpolluted natural resources and the growing population. In the Republic of Serbia, because Bač, Bačka Palanka and Apatin be taken as a starting point for the development of the region, which has much to offer.

The municipalities of Bač, Bačka Palanka and Apatin fall into the first region of the cluster analysis and are characterized by favorable soil and climatic conditions and the corresponding structure dominated by agricultural activities with intensive use of capital. Human capital is highly developed, it

is enough diversified industrial sector with well-developed physical and economic infrastructure.

For rural development of some area it is necessary to include an active population as a factor of development. According to data from 2002., the agricultural population accounted for 20.87% of total active population in Apatin. In the municipality of Bačka Palanka agricultural population made up 23.23%, and the municipality of Bač, only 2987 inhabitants engaged in agriculture, accounting for 18.4% of the total population (Census 2002. years).

As one of the parameters of the competitiveness of an economy we can observe the development of the transport system. Municipalities that focus on the adaptation phenomenon of globalization, which will be connected to rural regions with large urban markets, focusing on the creation of a satisfactory transport system capacity and functionality. Bač has a relatively favorable traffic-communicative and strategic position. Border municipality that has a close and potentially easier access to Pan-European Corridors X and Vc, as well as Corridor VII-Danube river, is very attractive for investment, both large and small manufacturers. A good network of highways and regional roads with all major processing and shopping centers further facilitate the distribution of manufactured products of primary production. In the area of Bačka Palanka, there are three forms of transport: road, rail and water. The least used form of transport is water, because the only dock capable of goods for certain structures. A good road network is relieved by building bypass, while rail traffic in the category of low utilization and no greater importance in performing the transportation. Traffic structure is of great importance for the development of Apatin, which although situated on the border, near the Danube, has built no national time of the first order. The conclusion is that there are significantly fewer Apatin main roads, but it can be assumed that the problems will be resolved in part when it completed the construction arm of Vc on the corridor (Budapest-Ploče).

The municipality of Bač, the data analysis SBRA<sup>1</sup> is characterized by a low-economic activity. Most existing companies belong to trade (37 companies and 21 legal entities), agriculture (28 registered companies and 16 legal entities), industry (all species) - was registered in 36 firms and 27 legal entities. Many companies have gone through the process of privatization: Sugar factory-South-Bačka, agricultural company - Labudnjača, Vlajska; and Agrobačka, Bač, etc.. Observed by sectors, the largest number of registered entrepreneurs in trade and catering. Although Bač significant part as a pillar of the agricultural production is extremely small number of entrepreneurs registered their actions in the field of primary processing of cereals, milk, meat, fruits, vegetables and the like. It is in this business segment diversification of the rural population, including especially the development of tourism and the supply of food through the tourist service - would have to "look" and the key guidelines and further development of entrepreneurship in the municipality.

In Bačka Palanka was registered in 1700 commercial registers, in order of production, and non-productive activities. In this area, operates a large number of companies from the region, which encourages collaboration on projects of vital importance (usually in terms of tourism). Work in agricultural production is very low, although there are sufficient human resources and natural resources. Sintelon ad, Fruktus, Dunavprevoz, Radun groups, etc., are just some of the companies that are doing well in this area.

The basis for economic development of Apatin is proximity of the Danube River and the border crossing to Croatia. It used to be industrially developed areas, where they operated brewery, The Shipyard, Apatex and many others. According to data from the period 2000-2005. years, one of the most commonly studied parameters of development of the entity's national income. Then he received as a result of the national income Opšrine was greater than the national average. The structure forming the largest share of

<sup>1</sup> Serbian Business Registers Agency

national income has mining, industry, then agriculture and fisheries, and other activities have less involvement in its formation. The share of agriculture in the income of the Municipality in the last observed year (2005.) Is 18.07% which is higher than the level of the Republic, where agriculture accounts for 16.99%. The Municipality has achieved a significant increase in the share of this activity (with 6.48% how much is in 2003. year).

Based on the data available, we can conclude that the favorable geographical position of all three municipalities affected by its current and potential investments both domestic and foreign investors, the agriculture of the large domestic and foreign markets lower (economic niches suitable capacity). Natural beauty and historical legacy of Bač (Bač fortress, Turkish bath, Bođani Monastery, etc.) may be an attractive tourist offer. Beauty of Bačka Palanka, like the nature park "Jegrička" Danube River, the lake "Trivaja" and "Bager", the special nature reserve "Karadorđevo" and "Bagremara" can be used for special promotions and including this site on the tourist map of Europe. The development of tourism of Apatin relies on the Danube River near the thermal springs and healing waters (Junaković Spa). The plan is to develop cycling as a form of active tourism.

Citing the state on the territory of these municipalities, we get clear goals that they can fulfill in order to strengthen the economy, with special reference to agriculture.

## RESULTS AND DISCUSSIONS

According to the policy practiced by the European Union, in terms of rural development of entire regions and municipality in its territory, the region of Bačka in Vojvodina can be concluded that the natural resources, land and unpolluted water, the population of developed infrastructure and a good basis for further development.

The analysis shows that municipalities have included the potential for development in all directions, especially towards agriculture and tourism. Since the area under crops, particularly cereals and industrial crops,

creates conditions for producing high quality food. It can be distributed on a large domestic market, such as Belgrade, Novi Sad, Subotica, a corridor through which pass through these regions and in western Europe. Measures of rural policy, which states that there must be help rural communities in order to increase the competitiveness of agriculture and farmers, will greatly facilitate their integration and creating a market where you will be able to sell the products obtained. Special emphasis will be placed on the production of local products, whether they are primary agricultural products or products to the food industry or other industries. Recovery of agricultural activities, can be expected and the development industry, which may not be competitive as an industry from the developed countries, but it will be sufficient for domestic needs. Strict adherence to the propositions in the rural policy, create conditions for reducing unemployment and mobilizing all the structure, and to prevent migration tendencies that accompany all rural areas in Serbia.

Investment in training for new techniques and rural crafts, modernization of buildings and machinery, helping farmers to meet demanding EU standards, are just some of the active topics on which to work in the future in which the producers on the territory of these municipalities have the opportunity to meet. With all this, and will be required in the field of improving the quality of products and in marketing quality products.

The potential for crop production in Bač, Bačka Palanka and Apatin are evident, and they will condition the renewal and further development of processing industries.

One of the requirements of a package of measures for rural development is to encourage the development of tourism, for which this whole region has potential. Hydrotomall water, spa tourism has a long tradition, the flat region with a few special nature reserves (Karadorđevo and Bagremara) and a myriad of plant and animal species are the basis for the development of tourism. So far, this region was highly sought after, but after further development and investment complement their offer with quality and

sufficient capacity, excellent service and offering local health food store.

Promotion of local products of the food industry, especially meat products will have a chance, because the products are labeled with geographical indications of origin have a health certificate for their safety and the manufacturers will be able to sell their products in an exclusive series, since it is known that this method does not involve massive production but one that is organized on the farms. Manufacturers will be able to connect into useful groups to protect their product and gradually expand the scope of production according to the standards.

## CONCLUSION

The municipalities of Bač, Bačka Palanka and Apatin are characterized by a specific and very favorable geographical position on the right bank of the Danube in the region of the Upper Danube in Vojvodina. Positioning the municipality causes a good relationship with the largest domestic markets, and the ability to connect to the markets of Western Europe all modes of transport: road, river and rail. As a large border settlements have easy access to the Pan-European Corridors X and Vc, as well as corridor VII-Danube river, which may be involved in inter-chain store and transport goods of all kinds.

The municipalities of Bač, Backa Palanka and Apatin fall into the first region of the cluster analysis, namely the level of rural development as part of the Danube region have natural resources, most notably: high-value farmland, great wealth in the ground and running water, oil and gas, mineral and medicinal waters. The region is depleted forest vegetation. It is represented by intensive agriculture, especially vegetable production, but the general feature is that individual farmers are not sufficiently organized. Consequently, the implementation of rural development is possible.

Agriculture is one of the most important branches of economic activity, including agricultural land covers more than half of the total area the municipality. The crop structure leading wheat and industrial plants, while not

insignificant percentage of orchards and vineyards. The potential for production (3.5 t / ha of wheat, 4 t / ha of corn, etc..) make future production, which could be higher, given that manufacturers perform reorientation in the way of production. As the majority of EU rural development regulation applies just to agriculture, it is a great opportunity for safe food production, which has a high nutritive value for humans and animals. Manufacture of food products, namely meat, with a geographical indication of origin may be another mode of production which is directed to a small niche of consumers.

A special feature of this region is the river Danube. Besides being a very important road for the flow of river traffic, and a very attractive location, with the other natural beauties of this region can affect the development of tourism. The development of tourism, spa tourism, active tourism, rural tourism, may be another way for the popularization of rural population and reducing migration from villages to cities.

Based on the data and the many advantages of the region we studied, we conclude that The municipalities of Bač, Backa Palanka and Apatin corresponding regions in which could be applied to all regulations for rural development by the European Union to exploit the territory of its members.

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