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## **Local Initiatives for Rural Vitality and Social Inclusion: Some Experiences from Serbia**

### **Abstract**

The purpose of this paper is to identify the main problems related to the sustainable development of rural communities, as well as the possible solutions to overcome them. This paper uses an analytical and synthetic approach, method of comparison and analogy, and descriptive analysis. The starting point of the research is actually a brief overview of the current situation in rural Serbia, while the central part of the paper presents an analysis concerning the development of the rural economy in the representative villages of Grabovica and Ribare in the Republic of Serbia. Research results are given in the form of specific guidelines for a new approach to local rural development and strengthening the role and responsibilities of local government in the development process. The main conclusion that follows from the results of the research is that continued and constant work is needed in order to empower local communities to take responsibility for their own development, as well as to support local initiatives to this end.

**Keywords:** rural development, strategic priorities, local action groups, public-private partnership, rural community, social inclusion.

### **Introduction**

The approach issues and dilemmas on how to facilitate the development of rural areas, as well as how it should be dealt with both from the theoretical

and practical aspects are numerous. There are many different theories and models of rural development, as well as numerous development strategies, which systematize the individual scientific and practical approaches to rural development with a view to particular regional circumstances and available resources. In this regard, the prevailing opinion is that the problems of rural areas can be solved by applying an integrated approach. This approach makes it possible that the problems of rural areas are addressed in a sustainable and multisectoral manner, through the consideration of the environmental, economic, social, cultural and physical aspects in order to ensure the long-term prosperity of rural communities. Identification, assessment and reliance on the local development potential and community members are justified by the heterogeneity of the area and the influence of the multiple socio-economic changes, which link rural development to the process of globalization and integration into contemporary trends. A modern approach to rural development is based on the “bottom-up” initiatives that come from the local community and which are focused on strengthening the capacities of local stakeholders and collaboration with the public sector. The more developed rural area, the larger dependence of the success of the rural community on the local initiative. This dependence is even greater than dependence from the “top-down” initiative in cases where the central or regional authorities set development priorities in accordance within the local sustainable development strategy. The majority of rural areas in Serbia have adequate conditions for the successful implementation of the concept of integrated rural development; however, sectoral imbalances, lack of institutional infrastructure and entrepreneurial culture, have pushed many rural communities in Serbia into the background, as well as caused poverty and led to their social exclusion. Hence, by considering the position of EU in this respect, the integral rural development policy of Serbia has a wider scope to fulfill in the years to come: to contribute to economic growth and employment opportunities; improve the quality of life in rural areas, the entrepreneurship and knowledge; reduce environmental degradation. As there are no specific studies on the participation of the rural population, which are directly related to the resolving of specific problems of heterogeneous rural communities in Serbia, the intention of the authors is to point to the significant role of local actors in rural vitality and social inclusion by analyzing two representative villages belonging to the Moravica and Pomoravlje Districts.

## **Background of General Socio-economic Situation in Rural Areas and Rural Development Policy**

In accordance with the rural reality of the EU member states, the integral and differential goals of rural development were defined both at country and regional level through the LEADER program activities Sotte, F. (2001), Terluin, I.J. (2003), Hill, B. (2005), Casquilho, J. (2006), Njegovan, Z. and Crnokrak, N. (2012) etc. A key principle of this concept is the reliance on the local development potentials. The development strategy implemented by the rural community is realized through three models: (1) the development model, which focuses on the strengthening of the self-help capacity of local actors, Murray and Dunn (1995), “bottom-up” approach, Mannion, J. (1996), (2) the model of the potential of the immovable property in creating competitive advantages in the rural community, Bryden, J.M. (1998), according to which the economic development of rural areas depends on a combination of tangible and intangible assets, as well as the manner in which they are interrelated within a local context, (3) the model of community development through creative destruction, Mitchell, C.J.A. (1998), which assumes that the development of the traditional villages is based on mutual relations in terms of entrepreneurial initiative, commodification of the rural heritage of the destruction of the rural idyll. By comparing the results of the empirical and theoretical models of rural development, it was confirmed that the endogenous approach is dominant in practice, Bryden, J.M. (2000), as well as the mixed exogenous/endogenous development approach, Terluin, I.J., Post, J.H. (2001), which relates rural development to the process of globalization, mainly due to the rapid technological changes in the information and communication sector.

The opportunity to use these models in the Western Balkans and Serbia is particularly useful in the process of building more efficient rural development management models in line with European integration.

There are numerous reasons why rural development represents an important issue for the economy and society in Serbia. The rural areas – defined in compliance with the OECD standards of defining rural areas, account for 85% of the territory of Serbia with 55% of the country’s total population living in them and the population density of 63 inhabitants

per km<sup>2</sup>. The territory of Serbia is divided into 165 municipalities (that include 4,715 settlements) out of which 82.2% of municipalities, i.e. 130 municipalities (consisting of 3,904 settlements), are classified as rural municipalities. In the period from 1991–2002 (based on the Census data) the number of inhabitants in rural areas fell by 3.6%, moreover the number of people older than 65 years of age who inhabited rural areas is 22.4%. The unemployment rate is high (21%), and reflects the lack of employment opportunities. Both economic and social infrastructure are fragile, underdeveloped and they negatively influence the competitiveness of the rural areas. GDP per capita in rural areas amounts to 74% of the national average and approximately one million people are faced with a high poverty rate. Rural areas in Serbia can be divided into four homogeneous groups of municipalities in order to more easily identify specific strengths and weaknesses of these areas and develop appropriate strategies, policies and measures for their development within the framework of the Rural Development Strategy Plan. The mentioned groups are (MAFWM of the RS, 2009: 8–11):

- Region 1 – a highly productive agriculture and integrated economy – the region has favourable climatic conditions and good soil, as well as the appropriate structure of agricultural production, where activities including intensive use of capital are predominant compared to other rural areas in Serbia. Compared with other parts of Serbia, the region has significant human resources, pronounced entrepreneurship, a sufficiently diversified industrial sector and developed infrastructure.
- Region 2 – economic sectors typical for small urban areas, with the type of agriculture characterized by the extensive use of the workforce – this region includes the suburban settlements in the outskirts of urban centres and major cities. Taking into account the proximity of such regions to the market, the structure of agricultural production is primarily focused on intensive production.
- Region 3 – the industrial sectors focused on the use of natural resources, mainly mountainous areas – according to its geographic characteristics, this region is very heterogeneous, with an extremely unfavourable demographic structure, high unemployment rate and pronounced rural poverty.

- Region 4 – large tourist capacities and undeveloped agriculture – the region has the greatest potential for tourism and the highest share of the tertiary sector participation in the economic structure.

Depending on the types and structural features of the area, the following program and development strategies can be used (Vasilevska, Lj. and Ribar, M., 2007:203):

- complementary strategy – for consolidated rural areas, where the program activities have already given results;
- diversification and consolidation strategy – for underdeveloped rural areas, as a support to new product lines in the dominant development sector;
- recovery and renewal strategy – restructuring of rural areas and establishment of the basis for implementation of development strategy;
- rebalancing strategy – for rural areas characterized by social and spatial imbalances;
- promotion strategy – for rural areas with large structural and demographic problems identified in the early stages of program and planning activities.

According to the size of the estate, farms smaller than 3 hectares are dominant in Serbia (59%), while the farms with plot size totalling 1 hectare make up 27% of the total number of farm households. Farms with plot size totalling 3 to 5 hectares make up 18%, farms with plot size totalling from 5 to 8 hectares account for 13%, farms with plot size totalling 8–15 hectares make up 8% of the total number of farm households, while only 2% of farm households have more than 15 hectares (Statistical Yearbook of the Republic of Serbia, 2010: 222).

The existing educational structure and the qualifications of the population should be considered as a limiting factor for the development of rural areas. The lack of young and qualified people is one of the main problems in the mountainous areas of Serbia, most of which have already passed beyond the critical point in terms of the biological reproduction of the population. Given the high proportion of mountainous areas in the total territory of the country, the rational use of their resources is of the highest importance in order to mitigate economic, environmental and social conflicts in the process of economic transition, and to apply modern concepts of development, which represent “a sustained and

sustainable process of economic, social, cultural and environmental change designed to enhance the long-term well-being of the whole community” (Moseley 2003:4). Also, a reformed EU rural development policy for the period 2007–2013 is related to economic, environmental and social elements of sustainable development. The main topics of the national rural development programs of the EU member countries are: modernization of agriculture; rural infrastructure development; population increase and maintenance at the local level; landscape protection and land conservation; diversification of rural economy and mitigation of rural areas’ isolation. A new feature for 2007 to 2013 is a greater emphasis on a coherent strategy for rural development across the EU as a whole. This is being achieved by implementing the National Strategy Plans which must be based on the EU Strategic Guidelines (EC, 2011).

The main strategic priorities and measures for achieving and fulfilling the rural development objectives in Serbia which are included in the Strategy Plan for rural development for the period 2009–2013 are (MAFWM of the RS, 2009:30):

- Priority Axes 1 – improving market efficiency and applying the EU standards;
- Priority Axes 2 – Preparation activities for application of agro-ecological measures and local rural development strategies;
- Priority Axes 3 – development of rural economy.

The ability to recognize development directions in the EU-27 is an important criterion for guiding the rural development of Serbia. It provides valuable guidelines on possible ways of implementing the process of reconstruction and development of rural areas, and information which indicates how to avoid the mistakes that other countries were making in their accession processes to the EU. In these processes, the solutions cannot be generalized and generated, since each area requires special considerations and specific solutions.

### **Research Methodology**

The subject of this research are local initiatives aimed at revitalizing Grabovica and Ribare villages in Serbia, which in terms of socio-economic development belong to different types of rural regions and reflect the reality of development gap and underdevelopment.

These villages are analyzed in order to identify problems that residents of these villages are facing in the process of integration into current socio-economic trends and to identify ways in which they, as well as the local and state institutions support the realization of this process.

For the purposes of this paper, the comparative analysis was applied in order to compare the following characteristics of the aforementioned villages:

- geographic, demographic, economic characteristics of the settlement, residential, cultural, educational and other characteristics of the village;
- initiatives of the villagers in relation to the revitalization and development of the village;
- the role of local self-government in the development programs and public-private partnerships.

The parameters used for the purposes of the comparative analysis are based on the collection of primary and secondary data by using surveys, structured interviews based on the survey questionnaires answered by the local community (target population were residents older than 18 years of age, while the average size of the sample was 100 respondents per village), community officials, internal data from local community office, the data of the Statistical Office of the Republic of Serbia and relevant websites.

## **Research Results**

Grabovica village belongs to the underdeveloped rural areas of the Moravica District and the residents of this village struggle through harsh living conditions. They are faced with numerous problems including unfavourable geographic location, poor and undeveloped economic, financial, social, cultural, educational and healthcare infrastructure, which should actually provide them with necessary services. The villagers of Grabovica are trying to break the vicious circle of underdevelopment by themselves, since they are aware of the fact that nobody else would do this on their behalf. The picture of the rural milieu is similar to the other hilly/mountainous villages in Serbia.

Village of Ribare, lowland village, which belongs to the Pomoravlje District, is considered as the developed rural area compared to other parts of central Serbia. This rural settlement has significant human

capital, considerable entrepreneurial spirit, diversified industry, developed infrastructure and favourable socio-economic indicators of overall development. Generally, in these types of rural areas in Serbia, self-governance of the local population is a key factor in planning development and an important factor in the building and strengthening of local action groups and public-private partnerships.

**Table 1.** Comparative analysis of the basic characteristics of the villages

	<b>GRABOVICA</b>	<b>RIBARE</b>
<b>1. MAIN CHARACTERISTICS</b>		
<b>Geographic and socio-economic structure</b>	<ul style="list-style-type: none"> <li>• total area of the village is about 1324 hectares</li> <li>• hilly/mountainous village</li> <li>• number of inhabitants: 443</li> <li>• number of households: 150</li> <li>• ethnic structure: 99.8% Serbian nationality</li> <li>• 18.1% of working population is employed in agriculture, while 48.2% are employed in processing industry</li> <li>• average age of population: 43.6 years of age</li> <li>• insufficiently diversified economic structure</li> <li>• insufficiently developed businesses and services</li> </ul>	<ul style="list-style-type: none"> <li>• total area of the village is about 1200 hectares</li> <li>• lowland village</li> <li>• number of inhabitants: 3701</li> <li>• number of households: 1042</li> <li>• ethnic structure: 99.3% are Serbs (other ethnic groups are Montenegrins, Croatians and Macedonians)</li> <li>• 12.8% of working population are employed in agriculture while 43.8% are employed in processing industry</li> <li>• Average age of population: 38.6 years of age</li> <li>• diversified economic structure, SMEs (small and medium enterprises)</li> <li>• new rural businesses and services</li> </ul>
<b>State of agriculture</b>	<ul style="list-style-type: none"> <li>• low productivity level</li> <li>• average size of farms: less than 3 ha</li> <li>• insufficient farming equipment, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• high productivity level</li> <li>• average size of farms 3 ha</li> <li>• sufficient farming equipment, etc.</li> </ul>

Table 1. Comparative analysis... (continuation)

	GRABOVICA	RIBARE
<b>Rural infrastructure</b>	<ul style="list-style-type: none"> <li>underdeveloped, poor (physical, economic and social)</li> </ul>	<ul style="list-style-type: none"> <li>sufficiently developed rural infrastructure</li> </ul>
<b>2. DEVELOPMENT POTENTIAL</b>		
<b>Human capital</b>	<ul style="list-style-type: none"> <li>low level of local potential and education</li> </ul>	<ul style="list-style-type: none"> <li>sufficient level of local potential and insufficient education</li> </ul>
<b>Production connectivity</b>	<ul style="list-style-type: none"> <li>undeveloped partnerships</li> <li>slow progress in establishing groups and associations of producers</li> </ul>	<ul style="list-style-type: none"> <li>insufficient established partnerships</li> <li>insufficient networking of institutions that work on common projects</li> </ul>
<b>Local self-government</b>	<ul style="list-style-type: none"> <li>insufficiently developed local action groups (LAGs)</li> <li>insufficient autonomy in terms of finances and competences</li> <li>insufficient implementation of the bottom-up approach</li> <li>low financial capacity of the local community</li> </ul>	<ul style="list-style-type: none"> <li>insufficiently developed local action groups (LAGs)</li> <li>innovative and efficient local entrepreneurs and local administration</li> <li>donations and pilot projects</li> </ul>
<b>3. RURAL DEVELOPMENT PRIORITIES</b>		
<b>Main objectives</b>	<ul style="list-style-type: none"> <li>diversification of economic activities</li> <li>productivity growth</li> <li>development of infrastructure, institutional and organizational strengthening of all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>agricultural competitiveness</li> <li>environmental protection</li> <li>multifunctionality</li> </ul>
<b>Strategies</b>	<ul style="list-style-type: none"> <li>increase in employment level and new business opportunities</li> </ul>	<ul style="list-style-type: none"> <li>focus on the competences of the local self - governments through mobilization of local resources</li> </ul>

**Table 1.** Comparative analysis... (continuation)

	<b>GRABOVICA</b>	<b>RIBARE</b>
	<ul style="list-style-type: none"> <li>• mobilization of local resources</li> <li>• strategies for recovery and reconstruction</li> <li>• lifelong learning</li> <li>• better funding and financial support</li> </ul>	<ul style="list-style-type: none"> <li>• development of local service providers and private-public partnerships, by implementing complementary strategy</li> <li>• lifelong learning</li> <li>• better funding and financial support</li> </ul>

Source: own research, 2012.

### **Detailed Explanation of the Results**

Improvement of the rural economy in Serbia requires strengthening of the local self-governments' capacities in terms of program and project implementation and creation of the decentralized support system for rural development through the establishment of local partnerships and cooperation at all levels. A clearer picture of the initiatives of the rural communities aimed at their own development, as well as leading local actors and local self-governments in terms of the sustainability of rural areas is acquired through a comparative analysis of the current state of affairs in these rural areas.

#### ***Geographic and Demographic Characteristics of the Villages Grabovica and Ribare***

Grabovica is a village in the municipality of Gornji Milanovac which belongs to the Moravica District, central Serbia. The total area of the village is about 1324 hectares, and its altitude is from 400 to 752 m, which classifies this village as a scattered hilly/mountainous village. The climate is continental with very cold and snowy winters and moderately warm summers. The human settlement has always been located at this site; however, it is not mentioned in the old Turkish records and in the Census

from 1467. Only later, in 1718, the Austro-Hungarian Census mentions the village of Grabovica (*Municipal Assembly of Gornji Milanovac*, 2011).

Ribare is a village characterized by a compact settlement of houses, situated in a plain, on the left bank of the Morava River. It is also the largest village of the municipality of Jagodina. The total area of the village is about 1200 hectares. The name of the village is believed to be linked with the fishermen and fishing on the Morava River and its tributary the Lugomir River. The scarce written records show that about 400 years ago, there was a village Staro Selo in this area, which consisted of 7 cottages (Website of the village Ribare, 2011).

From the comparison of Census results from 1948 to 2002, we can note the population decrease in Grabovica. According to unofficial results of the Census from 2011, 443 people are currently living in this village, i.e., 54 people less than in 2002 – according to the Census data from that year (index 89.3). Concerning the gender structure, 51% of the inhabitants in the village of Grabovica are women and 49% men. Regarding the age structure of the population, over 60% of villagers are older than 50. The largest number of households have 2–5 members, although there is a significant number of single person households (29 households), while 16 households have 6–9 members. There are 110 single men and women in the village. Residents of this village have mostly completed the basic level of education, i.e. primary school (72%), 25.4% of the villagers have a high school diploma (secondary education), while 2.6% of villagers have a university degree.

The number of inhabitants of Ribare village has been increasing, as well as the number of households. According to the 2002 census data, the average household consisted of 3.34 people. Most households consisted of four people (24%), while only a few households consisted of more than 6 people (3%). Single-person households made up 15% of the total number of households. Adults make up about 70% of the population. The median age of the population is 38.6 years (37.6 for men and 39.5 for women). The gender ratio is 49% men and 51% women (data of SORS, 2010). According to the local community records and the preliminary results of the 2011 census, in Ribare 3701 people live in 1042 households. However, about 30 families live in the city but they also run their households in the village.

**Table 2.** Number of inhabitants and households

Year	Village of Grabovica		Village of Ribare	
	Number of inhabitants	Number of households	Number of inhabitants	Number of households
1948	875	172	2239	443
1953	890	188	2295	484
1961	897	235	2308	537
1971	623	173	2515	629
1981	578	156	2976	784
1991	523	158	3259	845
2002	497	152	3482	993
2011	443	150	3701	1042

Source: SORS data, per year.

### ***Economic Characteristics of the Villages and Employment Structure***

The population of the village of Grabovica is primarily engaged in cattle breeding, crop growing and fruit production. Most of the households are engaged in mixed production, while only 20 are registered farmers. Land parcels are small (less than 3 ha) and fragmented, however farmers are well equipped with agricultural machinery. There are no cooperatives or farmers' associations in the village, but there is organized milk collection, as well as selling of raspberries and blackberries, which are the only products for market sale. Other products are grown or harvested for personal use or consumption, and the surplus of livestock is placed on the market in Gornji Milanovac and the nearby towns and cities. The village has a significant potential for rural tourism, but only one rural household is involved in this business activity. Out of the total number of the employed persons (193), only one person works in the village (runs a convenience store), while everyone else works in Gornji Milanovac. Many villagers, who used to work in companies in Gornji Milanovac, lost their jobs, therefore the social circumstances are very difficult because of the large number of unemployed persons and pensioners (about 52%).

**Table 3.** Population by activity

Activity	% of inhabitants	
	Village of Grabovica	Village of Ribare
Agriculture, hunting and forestry	18.1	12.8
Crafts and industry	48.2	43.8
Trade	7.2	13.8
Healthcare and education	4.1	9.0
Administration	2.6	2.5
Traffic, hospitality industry and construction	11.9	10.9
Other	7.9	7.2
Total	100.0	100.0

Source: Data provided by local communities Grabovica and Ribare, 2011.

The residents of the village of Ribare are mainly engaged in livestock breeding and crop growing. However, there is a great diversification of other activities. Local people estimate that the village has about 700 unemployed persons seeking jobs, and about 500 persons were made redundant (they used to work for companies that went bankrupt). The number of people working abroad is about 200, and there are no returnees. The number of people who were engaged in other business activities, but have started to practice agriculture is about 200, as well as the number of season workers.

### ***Quality of Infrastructure***

As far as the road network density and the quality of roads are concerned, Grabovica is underdeveloped, because all local roads are non-asphalt roads, except for the road that connects the village with Gornji Milanovac (built in 1974). The nearest bus stop is located 6 km from Grabovica village. Telecommunication network is very poor, the signal strength is weak. There is no post office in the village; the municipality built an automatic telephone exchange and mobile phone tower in 2002. In terms of housing and utility infrastructure, it should be noted that there is a spatial plan

of the village and the process of legalization of houses has started. There are 14 holiday houses in the village, as well as 5 abandoned houses. The electrification of the village was completely finished in 1961, but it did not include streetlights. The villagers use their own wells or springs and at the end of 2011 the majority of households were connected to the public water supply network. An increasing number of households is connected to city water. A container for waste disposal is placed in the centre of the village, but only a small number of people use it for waste disposal. Most people dispose of waste at illegal landfills or dumping sites in the wild and uninhabited mountainous part of the village. We would like to mention that there is no school in the village, no library, no sports facilities, no health clinic, no pharmacy, no veterinary clinic, no repair shop for agricultural machinery and motor vehicles or any other services, raw material suppliers, etc. The villagers must travel to Gornji Milanovac in order to obtain necessary goods and services.

Ribare throughout its history had continuous socio-economic growth, however, each stage of development was accompanied by specific problems, and thus the co-operatives faced certain problems in the process of their development. Currently nine business organizations operate in Ribare and they are involved in food production, production of construction materials, transport and hospitality industry. There are also 10 convenient stores in the village. Residents of the village Ribare can have their agricultural machinery and household appliances repaired in the village, and can also use the services provided by hairdressers, car mechanics, car-body mechanics, welders, lathe operators, etc. The village also has an adequately equipped and properly staffed veterinary station (since 1970), agricultural pharmacy (since 2006), pharmacy and ambulatory care clinic with one full-time employed doctor. The difference between the urban and rural areas has been slowly disappearing due to a large number of small craft workshops and services, specialized repair shops, proximity and connection to the city. Thus, young people decide to remain in the village, which is extremely important for the further development of the village. An old 6 km long unpaved country road runs through the village of Ribare, as well as a 20 km long paved road built in 1970, which connects the village with the regional road Jagodina-Svilajnac. There is not a bus station in the village; however, there are 5 bus stops and the residents are satisfied with the public transport system. Ribare was completely electrified in 1958.

The village has 105 streets with designated street names and has street lighting. 10% of households are connected to gas supply network. It is important to point out that the village has an organized waste collection and disposal service, i.e. waste is collected and transported from the village to the city landfill, and thanks to the efforts of local government, every household has a garbage bin. In the period from 2006–2010, many households were connected to the city water supply network, while other households have their own wells equipped with water pumps. In the centre of Ribare there is a park and local residents, local community's office and local government tend the park themselves. A Cultural Centre (as well as the Village Hall) was completely renovated in 2007, and now it hosts concerts, seminars, forums and celebration of the village patron saint's day. People hire the Cultural Centre premises for weddings, birthdays, graduation and similar celebrations. In addition, there are sports and cultural clubs and associations in the village: a Pigeon Breeders Club, Dog Breeders Club and an Association of Nurserymen. The oldest residents (pensioners) also have their own premises in the renovated building of the Cultural Centre. The kindergarten in Ribare was opened in 1980. The village also has one elementary school. The elementary school consisted of three school buildings. In 2012, a new school building with classrooms, offices, laboratories and workshops was built. Over 1000 pupils attend this school, of whom 770 pupils in Ribare. The school has a library, as well as a school kitchen and dining room. The school also has a fenced schoolyard with outdoor sports facilities for football, handball, basketball and volleyball (Website of the village Ribare, 2011).

### ***Active Participation of Local People and Municipality***

Successful local community development requires continuous work including strengthening and supporting the local initiatives and empowering local people to take responsibility for the development of their community. The state institutions that should be supporting the achievement of the vision of the rural economy and society in which there is a sustainable community with a demographic balance, satisfactory income and current living standards do not adequately support greater involvement of the

inhabitants of the village of Grabovica to improve their living conditions. Nevertheless, initiatives and self-organization of the villagers largely facilitates their living. They used their own resources and labour to build a road, which runs through the village, as well as access roads to their fields. Every year the villagers organize voluntary “work action” to maintain this road. In addition, the villagers invested 30% of their own resources for the construction of water supply network. They help each other with agricultural work and they jointly maintain wells and village drinking fountains. They won litigation and thanks to the final decision issued by the Court, they managed to regain the Old Village Hall in which they plan to gather, socialize and nurture old traditional values. Due to the unfavourable age structure, there is a growing need for health care, thus residents are actively engaged in opening a health clinic, as well as providing regular visits of experts that assist the villagers to adequately protect their animals and crops. Some households are in the process of preparations for getting involved in rural tourism, and are working hard to protect and preserve the environment. According to the conducted research, the villagers point out that today they live a little bit worse than they used to ten years ago, and that they are facing unemployment and poverty. They must sell their products at lower prices, which negatively affects their social status. They expect more support from the local government and the state in terms of creating favourable conditions for rural entrepreneurship and expect them to allocate sufficient resources for the rural development. They believe in their values and unity, they want to actively participate in decision-making processes related to rural development and demand to have equal access to education and vocational training. They want a better quality of life, which each citizen of modern Serbia is entitled to. They want to live in modern and developed rural areas and are confident that they will achieve this with greater support and organization of all relevant institutions. The development of micro and small family run businesses belonging to the food industry represents an excellent opportunity for the intensification of agriculture, farms, professionalization of agricultural occupations, and diversification of the rural economy (Vujicic, M. et al, 2006:153).

In the village of Ribare, a Local Community Office has been established in order to assist the villagers. According to the conducted research, the population of this village also points out that their living standard is lower than it used to be ten years ago, although the village is more developed than

its neighbouring villages. The residents of the village are of the opinion that the biggest problems are: low purchase prices of agricultural products, lack of education and information, unemployment, lack of financial resources and insufficient support from the state concerning rural development and agriculture. Most residents of the village consider that the most important goals achieved in cooperation with state institutions and local self-government are: electrification, excellent telecommunication network, socio-cultural development of the village, preserved local tradition and customs; development of sports activities; reconstruction of primary school buildings and the kindergarten; renovation of the Cultural Centre and the Village hall, paving of the streets; connection to the public water supply network; connection to the gas supply system; opening of small and medium enterprises. Here is an example of successful pig breeding in the village Ribare. Marija Nisovic (44), divorced her husband and, at the same time, lost her job in the local mill Zitomlin in Jagodina. Marija and her two daughters decided to return to the village where her parents lived. Today, in this village, Marija is one of the most successful entrepreneurs in pig breeding, because from 2008 she used loans from AgroInvest (founded by World Vision International, WA, USA) – a microfinance institution that serves the financial needs of the rural population and micro-enterprises, and provides consultancy services for rural households, aimed to support economic development in rural areas (AIH, 2011).

Improvement of rural economy in Serbia requires strengthening of the local self-government capacity to implement the programs and projects in the field of rural development. The complexity of the liabilities, powers and limitations of the local authorities in Serbia are regulated by the Law on Local Self-Government (Official Gazette of RS, No. 129/2007), which is currently being amended. The insufficient autonomy of local self-governments, primarily in the field of finances and autonomy in terms of the powers of the local self-governments, as well as the insufficient information available to the local actors regarding the defining of the development policies, are the reasons why the “bottom-up” approach is still inadequately implemented in Serbia. Particularly in those areas that are economically underdeveloped or devastated, the mechanism of “participatory redistribution” doesn’t have primacy and is difficult to establish. In practice, the rural population is involved in these processes through their representatives, who are often physically distant from the

community they represent. This is particularly evident when it comes to the participation of citizens in law and policy making regarding the rural development at national and regional level. In the majority of rural communities, it is their inhabitants who initiate the addressing of the issues which are of interest to local development and they are also those who initiate social programs in order to utilize the available funds. It is important to note that although many non-governmental organizations and associations declare themselves as the drivers of rural development, few have implemented specific projects in these villages. The citizens' low levels of knowledge, information and awareness on their own rights and responsibilities of the government, lack of decentralization, low financial capacities of local self-government are often seen as a cause of the current state of rural development (Bogdanov, N., 2011:30). In this respect, the concept of rural economy is reduced to the exploitation of natural resources, while innovative solutions regarding the defining of development policies are often disregarded.

### Conclusion

Recognition and evaluation of human, economic and environmental resources at the local level, as the key factors of development, contribute to the diversification of the rural economy and increase the welfare of rural communities. Today, local communities are required to be active in relation to global processes. Thus, they are emerging as strategic groups ready to support the development transformation, bearers of changes and carriers of new approaches concerning the integration into modern trends. Exciting new opportunities for self-management in rural communities, in particular, give a strong impetus to the social and territorial cohesion, enabling the rural population to live in dignity and take an active part in society.

Rural development is considered as a country's priority in many strategic documents and the necessity to involve all key stakeholders in this process and the importance of their cooperation at the national, regional and local level in compliance with the Strategy Europe 2020 is acknowledged. However, the development of rural communities is far from the proclaimed policy and strategy, which points to the necessity of implementing a new approach to local rural development policy.

The research conducted in the village Grabovica near Gornji Milanovac confirmed that infrastructure development is an important prerequisite for economic diversification and socio-cultural development, which should in turn provide a better standard of living. It is therefore necessary to accelerate the process of strengthening the role and responsibilities of local government for rural development and poverty reduction, in order to enable that rural people fulfill their basic needs. It is necessary to encourage rural entrepreneurship and help farmers to organize themselves concerning their common interests and goals, and guide them towards the most efficient use of resources. Strategies for recovery and reconstruction, as well as the diversification and consolidation, can be applied in this village, with a pronounced support and interaction of local actors and the general environment.

As far as the village Ribare is concerned it is necessary to implement certain measures and activities in order to intensify the rural development, although this village is actually one of the most developed villages in the Pomoravlje District. First of all, we are referring to the initiatives that were launched in the village, but were not implemented due to lack of funds. For such consolidated rural areas, where there are already results of the implemented program activities, it is possible to apply the complementary strategy, as a means of achieving sustainable integrated rural development.

The future of both villages, according to their residents, depends on their own ambition, self-organization and local initiatives, greater participation of residents of the villages in making decisions that are important for rural development, involvement of village representatives in local government and interaction with other stakeholders who represent the interests of the village, state policy and the possibility of using EU pre-accession funds for rural development (IPA). The development of strong rural communities and associations which will be enable local people to create development programs at the local level, as well as the formation of local agencies, which would provide necessary services, together with the active participation of local people, are very important for the efficient development of rural communities. However, one should not forget the importance of interaction, because rural vitality is composed of economic, social and cultural dimensions that are all included in the rural development process.

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