
THE PERSPECTIVES OF SUSTAINABLE DEVELOPMENT OF SERBIA'S AGRICULTURE IN GLOBALIZED ENVIRONMENT

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ABSTRACT

This paper has a goal to point out causes and consequences of wrong agricultural policy in transitional period which caused that agriculture of Serbia suffers a huge damage which manifested itself through falling apart of big agricultural combinats, enterprises from food industry, agricultural cooperatives and small family farms. Big changes at the end of XX and at the beginning of XXI century reflect of agriculture, too, and demand a new conceptual approach to new situation. Authors of paper point out necessity of revitalization of cooperative system and other was of joining and connecting of agricultural producers, as well as need of bigger support to small family farms, by model in developed EU countries. On that way, agriculture of Serbia would successfully respond to complex requirements of globalized environment and turn its comparative advantages into competitive ones.

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Introduction

During the 1970s there was a decrease in mass production industry profitability, and therefore unemployment and inflation appeared as well as market saturation with the standardized products. Fiscal crisis hit numerous countries so the capital owners managed to undermine the system that imposed different limits to capital. Flexible production systems are developed, as well as specialization, intensified fragmentation of

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labor division and product differentiation. Industries became high technology, advanced products and financial service oriented. Companies reorganized, their headquarters remained in the developed countries, but the production was transferred to the countries with cheap labor.

The state becomes the strategic partner in the creation of globalization order and reorganizes territorial organization according to global economy requirements. Large cap remains the only important actor in the world scene: winners are rare in this system, while most of the world population falls into hopelessness and poverty. Sustainable development represents a harmonious relation between the economy and environment, which is a prerequisite for the preservation of natural resources on our planet for future generations. It is a tendency to create a better world through the balance of the economic and social factors with the environment protection.

Sustainable agriculture is based on technology usage for maximum production that tends to minimize the negative effects on natural and human resources at the same time, accepting the social cohesion. Serbia adopted the National Sustainable Development Strategy in 2008, where agriculture takes an important place. During the transition period Serbia lost agricultural development leaders: large agribusiness companies, food industry, agricultural cooperatives and smallholders also suffer the consequences of such agricultural policy. Therefore, it will be very difficult to renew and revitalize lost agricultural capacities in the future, taking into account low participation of agrarian budget in the total national budget, which has been about 4% in the recent years.

The aim of this paper is to point to the negative consequences of the policy conducted in the sector of agriculture during the transition period when all the leaders in agricultural development in Serbia virtually disappeared, as well as the necessity and opportunity for the revitalization of this sector in the complex environment under the pressure of further globalization process and sustainable development requirements based on market principle as well as environment protection principles and sustainable management of the natural resources. In addition to the existing comparative advantages, it is necessary to increase the competitiveness of the entire sector, renew agricultural cooperatives and stimulate small family agricultural households which will help achieve more balanced regional development.

Globalization process and its influence on agriculture

A crisis of fordism started in the 1970s, the Bretton Woods agreement failed, there was oil crisis and intensive economic competition from the newly developed countries. Mass production industry profits declined, unemployment, inflation as well as market saturation appeared. Technological changes and fiscal crisis in many countries also contributed to the big turn. This was the situation where labor movement was losing its power, and the bourgeoisie succeeded in undermining the system that imposed various restrictions on capital.

That was the time when flexible production systems started to develop, as well as

specialization, intensive labor fragmentation and product differentiation. Industries were becoming high technology, advanced production and financial service oriented. Companies reorganized, their headquarters remained in the developed countries, but the production was transferred to the cheap labor countries. Once strongly integrated companies with a large number of workers were converted into global networks with a multitude of supply and production units. Labor force was broken and scattered around the world, divided by ethnic, religious and language barriers. Metropolitan regions were situated in various national territories, separated from their national environment, and therefore the 'archipelago economy' was created (Samardžić, 2018).

International financial market deregulation and credit system that was created after the Brenton Wood agreement breakdown undermined the national demand management and monetary policy conduct by the state. National level became a 'geographical arena' within which global space was shaped and subordinated to capital accumulation needs, the territoriality no longer remained the basic organization principle. The state became a strategic partner in globalization order creation, it reorganized the organization of the territories according to global economy requirements, basically disassembling itself in the process.

The key idea of neoliberalism is that open, competitive and unregulated market free from all types of government intervention is the most optimal mechanism in economic development achievement. A decrease in corporate taxes is demanded as well as public sector privatization. The state intervenes on the supply side in the interest of globalization capital (it helps those selling, that is, the wealthy, not those buying), imposes market discipline on most of the population, grants numerous privileges to private companies. National legislation is restricted to national issues alone, while the international institutions such as IMF, the World Bank and others negotiate only with the executive authorities thus creating an alliance between the government and global corporate capital (Samardžić, 2018).

Only certain parts of the national economy and some regions are integrated into the global networks, those competitive in the world market. As a consequence, spatial differentiation appears within the national borders, increasing the differences in development between the regions integrated into the global processes and those not integrated, which remain on the margins. Local economies are unable to resist the crises in globalization order conditions, on the contrary, the countries should fit into the global space shaped by capitalism, decisively influencing their actions and determining their functions. Global order is disorganized in a controlled way in order to make the large cap the only significant actor in the world scene; there are few winners in this system, while most of the world population falls into hopelessness and poverty (Samardžić, 2018).

The great financial crisis of 2008 did not call into question the globalization order. The absence of regulation at the national and world level have caused the greatest economic crises in history, but the power relations have not changed. 'The cream' of the world bourgeoisie succeeded in mobilizing the national state capacities in order to

overcome the crisis, and then everything was the same. When the crisis broke out, the bourgeoisie reached out for the national state management capacities in order to temporarily suppress it, until a new and even greater crisis appeared.

Development of agriculture in modern environment is caused by natural, economic and political factors. The importance of agriculture is increased in the complete system of the national and international economic development, primarily due to the increasing numbers of human population that will be over 10 billion people at the end of this century according to United Nations estimates (UN, 2013). Modern world is faced with numerous problems such as: economic and financial crisis, population increase, inequality, poverty, terrorism, migrations, environmental problems, overindebtedness, unemployment, etc. Global environmental problems are caused by the economic development which influences the changes in climate, water cycle and biodiversity.

Specific features of agricultural production are great dependence on natural conditions, land, relief, climate, new technologies, etc, and all that lead to less or more fluctuations in annual production, greater business risk and income instability for agricultural producers. When we speak of the international market order in agriculture, globalization resulted in income reduction for farmers, increasing reliance on subsidies and huge profits for mediators controlling the market thus preventing any type of competition in favor of the producers (Sol, Ralston, 2011). High percentage of food production and other commodity industry is nowadays under the control of multinational companies. A lot of authors consider the industrialized agriculture the most destructive form of modern dumping because it undermines the farmers' ability in both production and consumer societies to earn enough to remain in business.

Nowadays, agriculture and food conglomerates organized as multinational companies or regional monopolies and oligopolies dominate the area of agriculture (as well as other industries). There is a convergence, that is, vertical integration where these organizations control the industry and eliminate competition because they determine all market aspects. The extended arm of these processes are large shopping malls that use 'social dumping' to eliminate retailer competition. This is the way to circumvent free market principles, and globalization period brings low economic growth rate and high unemployment rate.

The common European Union market includes both agriculture and trade in agricultural products. Agriculture represents the area closely related to the entire national economy in the EU member states. The EU common agricultural policy goals are: productivity increase in agriculture through technical development, agricultural production rationalization and optimal production factor usage, especially workforce; this is the way to provide the appropriate living standard for agricultural population, especially through salary increase for employees in agriculture; market stabilization, guarantees and provision of reasonable prices for consumers.

The concept of sustainable development in agriculture

Sustainable development represents harmonious relationship between economy and environment, which is a prerequisite for saving our planet's natural resources for future generations. It is a tendency to create a better world through the balance between the economic and social factors as well as environment protection. The constant aspiration for the economic growth puts a strong pressure on the environment with the possibility of causing negative consequences for the future of mankind. Therefore, the concept of sustainable development is introduced into all areas of human life, so world organizations, politicians, economists, various civil society organizations deal with these issues. According to such world tendencies, RS government adopted the National Sustainable Development Strategy in 2008.

All the countries are required to adjust their development to sustainable development principles and goals, new development strategies and policies that put long-term, complete and balanced needs and interests of the present and future generations first. The main aspects sustainable development concept is based on are even economic growth (economic aspect), social aspect and environment protection and preservation (environmental aspect). The starting point of sustainable development concept is based on development and environment interdependence, their mutual relations, as well as development policy and environment protection complementarity, respecting the environmental principles.

Sustainable usage of natural resources in economy should enable the aggregate productivity of the factors used to surpass the losses due to resource exploitation, as well as their possible replacement with other resources due to the exhaustion (Goodstein, 2003). According to Giddens (2007), sustainable development implies that the growth relies on physical resource recycling, with minimal environment pollution, whereby the balance between economic and social goals, environmental protection and natural resources should be established.

The government of the Republic of Serbia adopted the National Sustainable Development Strategy for the period between 2008 and 2017. This strategy defines sustainable development as goal oriented, long-term, uninterrupted, comprehensive and synergetic process influencing all the aspects of life (economic, social, environmental and institutional) at all levels. The National Sustainable Development Strategy goal is to lead to the balance of the three pillars of sustainable development: sustainable economic growth with economic and technological development, sustainable development of the society based on the social balance and environment protection with the rational disposal of natural resources, connecting them into a unity supported by the appropriate institutional framework.

The basic sustainable development goals, according to the strategy, are the essential national economy transformation in the direction of strengthening the place and role of the most successful sectors, which means service and industry sector domination based on the innovative activities of entrepreneurial individuals and high investment

share provision in GDP distribution, primarily on the basis of the national savings increase. Also, the priority is the creation of modern and efficient educational system, that will be able to serve as a support of the future efficient and competitive economy based on knowledge as well as the implementation of the Program for innovative and entrepreneurial behavior encouragement, and entrepreneurial culture development among the wide layers of population.

The National Sustainable Development Strategy of the Republic of Serbia, defines, among others, competitive market economy development and balanced economic growth, infrastructure development and balanced regional development, as well as environment improvement and rational natural resource usage as the national priorities. European experiences show that environment protection does not contradict the economic growth and development because there is no healthy economy without healthy environment and vice versa.

Globalization is a set of political, social, cultural and economic factors. It led to global decision concentration in a few world centers as an irreversible social and economic process. This concentration of power disabled the balance of its economic influence. There is a disbalance in social and environment development as a result of the institutionally unprepared environment for the response to the above mentioned challenges, especially in the countries with the low level of awareness of environment protection and natural resource maintenance.

Agriculture development technologies at the end of the twentieth century supported the intensive way of production with natural resource excessive usage and neglect of basic environmental principles. Such resource management led to a lot of problems in environment pollution and the question of what we had to leave for the future generations. A possible alternative to this type of agriculture development is labeled as 'sustainable development' (Kovačević, Milić, 2010). The negative effects the conventional agriculture produced led to a number of alternative directions in future development of agriculture, so-called ecologic or organic production being one of them.

The characteristic of the conventional agriculture in the modern world is the usage of large quantities of fertilizers, pesticides, soil improvers, biostimulators, plant hormones and a number of other chemicals. Agro-technical measures are almost completely mechanized, and heavy machinery, which uses a lot of petroleum products, is used in soil processing. In addition to all that, there is a mandatory hybrid usage that provides high yields (Perković et al, 2017). Agricultural production, as it is now in the modern world, significantly endangers the environment. It is considered that agriculture, the changes with the aim of obtaining new arable land included, emits carbon-dioxide, methane and nitrogen suboxide, causing the greenhouse effect (Praća, et al, 2017).

Sustainable development is based on the usage of the technologies for simultaneous productivity maximization and negative effect minimization on natural (soil, water and biodiversity) and human resources (rural population and consumers). Sustainable agriculture accepts social cohesion with the aim of the most efficient resource usage.

Thus, for example, the priority of EU agriculture is sustainable agricultural and rural development which implies natural resource management and preservation, technology and institutional change direction in order to provide achievement and continuous satisfaction of needs for the present and future generations. It is consistent with the EU Strategy for sustainable growth and work places (Europe 2020, A strategy for smart, sustainable and inclusive growth).

When we speak of sustainable agriculture concept, we should always think of its long-term goal, which is to provide stable enough production of good-quality food and plant products for other technical purposes, with basic natural resource and energy preservation, environment protection, as well as simultaneous economic efficiency and individual and community standards improvement. Agricultural system sustainability must be based on smart renewable resource usage and/or resource regeneration. However, agriculture development technologies supported intensive development at all costs in the last decades, with excessive natural resources usage, neglecting much of the basic postulates of the environment.

It is necessary to reconsider the opinions on ecology and economy as opposed goals in order to achieve global sustainability in agriculture. Global reflections on the subject led to the first results related to agriculture, with the tendency to relieve the conventional production in the world and eliminate the negative effects through pointing to other alternatives based on biological, that is, ecological elements (Kovačević, 2010). Numerous changes at the end of the twentieth and the beginning of the twenty-first century also refer to agriculture, and require new concept approach in the new situation (Fransis, 1991).

A large number of negative changes in the environment is the result of human actions, therefore the last decades of the last century as well as the first decades of the new century are marked by various programs and activities in environment protection, reconstruction and improvement. Starting from the principle that the best environment protection policy is the one based on prevention, the activities of the experts in all areas of agricultural production must be directed towards finding rational solutions with the aim of preserving fertile soil capacity to produce necessary quantities of high health value food, simultaneously favorably influencing people, animal and plant life, soil, water and air.

Unlike the conventional, intensive agriculture period, the contemporary development moment in food production and natural resource management can be determined as multifunctional agricultural production with Precision Farming defined on one hand, and Low External Input/Low Input Sustainable Agriculture on the other, where Conservation Farming Systems and No-tillage System represent the most widely accepted way of alternative tillage, because of the energy efficiency and profitability above all, but also because of agroecosystem protection, preservation and improvement. The necessity for as healthy environment as possible led to numerous alternative directions of future agriculture development, integral agriculture and so-called ecological or organic production among them (Kovačević, 2010).

Current situation in agriculture in Serbia

The development of agriculture in Serbia is the result of the situation left after the post-war period and agricultural policy led at the time. Agrarian development was mostly based on the social sector, through agricultural cooperatives and large agribusiness companies. Agriculture was neglected during the whole post-war period in relation to other areas of the economy, especially through price disparities at the expense of agriculture which still remain to this day. Slower agriculture growth is also the result of the inconsistencies in development concept formulation and private sector neglect in the economic policy. We should still emphasize the importance of agriculture in the foreign trade balance of Serbia as well as total employment regardless of this situation, in view of the country's indebtedness problems as well as high unemployment rate (Aničić et al, 2016).

A lot of attention is paid to agriculture development in developed countries. For example, agriculture and food industry provide over 15 million work places in the EU, that is, 8.3% of all the people employed in the European Union. There is an average worth of 4% in so-called 'old' members (15 industrially developed countries of the Western Europe), while more than 12% of the total labor force works in agriculture and food industry in the 'new' EU members (Romania, Bulgaria, Slovakia, Hungary) (Vapa-Tankosić, Stojsavljević, 2014). The participation of agricultural production in the European countries GDP is 2-3%, but in the countries such as Bulgaria and Romania it can reach up to 10% of the national GDP. The total worth of production in the sector of agriculture is estimated at 635 billion euros in 2008 (the European Commission, 2012).

The agriculture is expected to be economic development carrier, increase gross domestic product and chief support of the total economic stability. This is all because it is the real economic area which directly carries almost 15, and indirectly even up to 40 percent of domestic product, while its participation in exports is 23 percent (Gulan, 2016). Thus, agriculture should not represent a symbol of poverty, but the country's wealth. This is the reason for agriculture encouragement in order to maximally valorize natural, human and processing capacities used only with the third of their possibilities. Therefore, it is necessary to connect small agricultural producers with the markets in such a way that they can generate higher income and other benefits (Zakić et al, 2014).

The most significant causes for slower agriculture growth compared to other industries are (Devetaković et al, 2009):

- Permanently unfavorable business conditions,
- Inconsistency in development concept formulation and implementation,
- Long-term application of restrictions, primarily for private property,
- Neglect of agriculture, especially private sector in the economic policy,
- Lack of consistent land policy,
- Slow irrigation and melioration inclusion.

The government and local institutions have not yet created an encouraging social and economic environment for rural and agriculture development, especially in certain poor regions of Serbia. There are still numerous weaknesses: unfavorable age structure, outdated mechanization, unregulated market and uncertain placement, undeveloped basic infrastructure, price disparities, etc. Small and medium enterprise and entrepreneurship development in agriculture can reduce the weaknesses to a great extent and turn them into development chances for our country, especially with the tendency of increased demand for organic produce in mind. Modern agriculture development requires knowledge and innovations in technology, institution, politics and organization areas (Asenso-Okyere, Davis, 2009).

Serbia's involvement in the international integration processes imposes the need for companies and other subjects in agricultural economy to create and perform knowledge transfer with the aim to build, preserve and strengthen the competitive advantage. It is only logical to approach the European business model, so three most important reform segments are defined in the Strategy for agriculture and rural development of the Republic of Serbia from 2014 to 2024: 1. Agricultural policy reform; 2. adoption and complete implementation of the legal framework and 3. institutional reforms. Knowledge as the source of innovations and successful adaptation to changes is the key determinant for successful dealing with competition, preservation of the existing and conquest of new markets (Vasiljević, Savić, 2014).

The data in Table 1 show that Serbia had foreign trade surplus in the complete period observed, and the amount ranges from 785 million euros in 2010 to 1624 million euros in 2016.

Table 1. Foreign trade commodity exchange of agriculture and food produce from 2010 to 2016 (millions of euros)

DESCRIPTION	2010	2011	2012	2013	2014	2015	2016
Agriculture exports	1.688	1.937	2.106	2.104	2.315	2.819	2.898
Agriculture imports	903	1.010	1.163	1.227	1.310	1.950	1.275
Surplus	785	927	943	877	1.005	869	1.624
Coverage of imports by exports (%)	186,9	191,8	181,1	171,5	176,6	144,5	227

Source: Statistical Office of the Republic of Serbia, 2018; Serbian Chamber of Commerce, 2018

There are great possibilities for export structure improvement in terms of higher final processing products participation with a higher added value in comparison to primary products. The characteristics of imports is frequent import of suspicious products with lower prices, although we have production surplus in our market (meat, milk, corn, certain vegetable products, etc).

Table 2. The most important export products of agricultural origin, January – December 2016

Products	Exports (tones)	Exports in billions of euros
Corn – the rest	2.277.008	336,6
Cigarettes containing tobacco	29.289	250,8
Raspberries, the rest	86.061	223,9
Wheat and share farming, the rest	917.828	131,8
Apples, fresh, the rest	220.348	113,9
White sugar	211.358	112,8
Sunflower oil, edible	72.410	62,2
Water, the rest	120.842	54,1
Smoking tobacco, the rest	4.474	48,0
Soybean oil, raw	66.393	46,0

Source: Serbian Chamber of Commerce, based on the Customs Bureau data 2018

The necessity for cooperative revitalization

Privatization process in the area of agriculture and agricultural cooperatives was not accompanied by the appropriate legislation, which led to further decline of large agricultural companies, leaders in production in pre-transition period. The situation is the same in agricultural cooperatives, where the legislation was late in comparison to other social development processes. The consequence of such economic policy was the collapse of the leaders in agricultural development with great negative results for agricultural households as well. Consequently, the policy of agriculture development in the future must rely on the solutions from the developed countries as well as the revitalization of cooperatives and other types of agricultural producer associations.

The implementation of the Ministry of Regional Development action '500 cooperatives in 500 villages' is in progress in Serbia, which represents a support program for equal regional development implementation in the Republic of Serbia by granting non-refundable incentives for newly founded and existing cooperatives. This project should amend for huge damage to all participants in agriculture (agricultural companies, cooperatives, food industry, especially individual agricultural households...) using irresponsible policy in the privatization process which brought them to the verge of existence and survival, ending in bankruptcy and liquidation process for many of them.

Even as far as the 1930s, the members of the cooperative in Sicevo put a slogan on their cooperative center which is still up-to-date today: 'Cooperative is a law of life and the complete progress is based on it.' A cooperative is expected to stop further fall in agricultural production and many other negative aspects present in the field of agriculture.

One of the greatest problems in agriculture is high presence of 'Grey economy' in agriculture produce turnover, which damages both the producers and the state. Due to the unorganized purchase of agricultural produce, the producers are forced to sell their produce to 'dealers' at very low prices, depriving the state of tax income on the

produce turnover. The return of agricultural produce turnover within the regular trade flows can be provided only if the government suppresses the 'Grey economy', and if the cooperatives take over their function of organization and turnover in agriculture.

Rural development is only possible in the modern world if there are such subjects in villages that can carry development, such as cooperatives, small and medium enterprises, and other forms of business associations and activities. These business subjects can hold back the critical intellectual mass in rural areas through the employment of young, highly professional personnel, providing the modern technology application at the same time, the influence on culture, education, sport, rural tourism and other forms of village life. Thus, cooperatives and other subjects mentioned could become the leaders in complete progress in agriculture and village life.

The project of cooperative return to business in agriculture is coordinated by the Cooperative Union of Serbia (www.zss.rs), offering expert and other help from the cooperative foundation to all other activities necessary for their successful business. The Union represents the cooperatives' interests before the government bodies and organizations, takes part in preparation and adoption of laws and other acts in the field of agricultural production, protects the interests of cooperatives and producers from processing industry monopoly, helps cooperatives in connections to financial institutions. This union also organizes symposiums, conferences and seminars in the field of agriculture and cooperatives, helps with marketing activities and other types of business in the field of cooperatives and agricultural producers.

Important business improvement in the field of agriculture is also expected from the National cooperative information system implementation. In fact, the international organizations ICA – the International Cooperative Association and ILO – the International Labor Organization at the United Nations have insisted on information system implementation since 2005; so-called horizontal and vertical systems practically connect cooperative unions to cooperatives, and to the agricultural households through them, which will enable production monitoring and its conditions until final realization on one hand; on the other hand, the connection will take the direction of the Serbian Cooperative Union and Serbian Chamber of Commerce, government and other subjects relevant for agriculture and cooperatives (ministries, statistics, banks, academic and professional organizations and institutions).

The role of small family agricultural households in sustainable development of agriculture

Sustainable agriculture is an important segment of the complete rural area development, developed through the establishment and development of the competitive types of production and agricultural households, agricultural land and environment protection and preservation, as well as integration into the goals of local community total development. In the Republic of Serbia, in most local communities sustainable development implies restructuring and diversification of the existing agricultural production and agricultural

households, with the aim of the harmonization with the EU standards, produce and productivity quality increase, competition development and qualifications for the performance at the open (global) market in the EU accession process.

This process also involves the following goals and tasks based on the practice of the EU member countries:

- development of specialized, competitive and long-term sustainable households;
- creation of conditions for household maintenance of as much small and mixed households as possible, through modernization or new product orientation and activities with better conditions in local community, creating increased new value (diversification);
- organization and development of new forms of local producer connection and joint performance for local produce joint production and placement purposes (local trademarks development).

The achievement of such goals implies active local government engagement that should design and offer specific programs and solutions to local producers, to design and encourage activities connected to local potential involvement, to develop stimulative business environment, connection and partnership among development leaders on the launch and successful realization line for sustainable development project realization. In this case, the role of local economic development office and agricultural professional services created at local government level in Serbia is very important.

Small family agricultural households have a very important social, economic, ecological and cultural role around the world. As a separate sector, these households are the largest employer in the world, and they provide more than 80% of the world food in terms of value (Đurić, 2017). At the EU level, family households have a wide range of positive features, such as relations to the basic family values, relations to entrepreneurial skills, management, risk management, individual achievements, business transfer from one generation to another, tradition, experience, etc. Family households are better adjusted to technology changes, economic changes, social and political conditions. They do not take high amounts in credits and they keep debts at reasonable levels compared to the property they own (Darnhofer, 2010).

Small family households should use their development chance in perspective through vertical associations of small family households (producer connection to the market) and horizontal (mutual connections among the producers), as well as financing possibility through IPARD – the Instrument for Pre-Accession Assistance for Rural Development; this instrument will help the implementation of the common EU agricultural policy in Serbia. Also, IPARD II measures for 2014 – 2020 program will be implemented in two stages, and they are:

Stage one: investments in households' physical property; investments in processing and marketing of agricultural and fishing produce; investment in activity diversification and business development in households; technical help;

Stage two: local action strategy preparation and implementation – LEADER approach; agri-environmental measures – organic agriculture.

Conclusion

Agriculture of Serbia lost, in transitional period, main development bearers: large agricultural combinats, food industry factories and farmer's cooperatives. Consequently, small family farms found themselves in a difficult economic position. In accordance with mentioned, authors of paper give recommendations and guidelines to people in charge of agricultural policy for achieving sustainable development of this economic branch in future. The paper emphasizes significance that agricultural production has for country's foreign-trade balance, unemployment reduction and a more even regional development. What is suggested is a timely reaction of responsible institutions to challenges and fast changes in globalized environment, in order to valorize in the best way comparative advantages that agriculture of Serbia has.

In front of Serbia there is a complex task of development of sustainable agriculture which implies restructuring and diversification of current agricultural production, reconstruction of cooperatives and small agricultural farms, in order to increase products' quality, develop competitiveness and prepare for appearance on a global market. Unfavorable circumstance is a low participation of agriculture in national overall national budget which is, during last years, around 4%. On the other hand, there are positive signals of development such as bigger financial (and non-financial) support to small family farms and their education in order to develop an entrepreneurial way of thinking. According to authors of this paper, campaign "500 cooperatives in 500 villages" is particularly important, because it will significantly contribute to a more even development of country and stop unfavorable migrations from villages to cities or abroad.

Conflict of interests

The authors declare no conflict of interest.

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