

ECONOMIC ASPECTS OF DEMOGRAPHIC TRENDS IN THE MUNICIPALITY OF TRGOVIŠTE

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Abstract: The paper is a result of the necessity to provide a review of the demographic changes of the border region in the South of the Republic of Serbia; more precisely, the changes in the municipality of Trgoviste whose social development during the 20th and at the beginning of the 21st century evolved in difficult social economic and historical conditions. Long-term demographic changes characterizing the mountain region of Pcinja led to a very unfavourable social development partially conditioned by a drastic reduction of the population at the end of the 20th and the beginning of the 21st century, emptying some rural areas as well as reducing the fertility potential of the entire region. The authors have analyzed the demographic problems in Trgoviste based on the statistical indicators of the Republic Institute for Statistics and empirical material from the field thus providing a special reference to the social development of Pcinja and a realistic assessment that the sustainability of life and work in the investigated area can only be ensured by investing in human resources and the exploitation of natural resources within the limits of sustainability. The authors' general opinion is that the importance of taking certain measures and the urgency of solving demographic problems in this border region by the relevant institutions and the country as a whole has to be kept in perspective so that this border region in the South of Serbia can become more demographically and socially vital.

Key words: demographic structure, households, statistics, social development, Trgoviste.

1. Introduction

While natural resources are objectively provided, the optimum usage of labour and expert potential (i.e. population) represents a subjective assumption of progress. The total resource of the population capable of working, qualified and professionally skilled is in essence the basic indicator

of the economic development of every society. The theoretical and practical experiences of highly developed countries clearly point to a conclusion that modernizing today's production comes from knowledge as an important strategic development resource. On the other hand, every environment is characterized by demographic specifics with either a positive or a negative effect. To be precise, on the territory of Serbia, beside the already known structures of the population, further important ones are ethnic composition, religion, health aspect, international relations, etc.

The importance of the population in the complex process of a country's economic development is multiple, complex and multidimensional. Any population with a range of its own specific characteristics (structures) is a product of the environment features which it is developing in; it is not a phenomenon which is developing outside social, economic, cultural, traditional and other influences of a given environment. The population and its structures are very significant for the volume, structure and the pace of the process of manufacturing, i.e. economic development. It is both the manufacturer and the consumer as it defines the scope and the structure of society's needs with its demographic, economic, social and other characteristics.

2. The globalization of demographic changes within the development strategy

Estimations indicate that 5 million people lived on Earth six thousand years B.C. A million years had to pass for the number to rise from two and a half million to 5 million. Almost eight thousand years later, around 1650 A.D., the population numbered 500 million. Two centuries had to pass for the number to double. Then (by 1930) the population doubled in 80 years. And today, only 37 years are needed for the population to double. Developing countries have made up almost 20% of the population growth percentage during the last few decades. (Golubović, 2004., p.56)

The population factor is always taken into account in every phase of formulating the strategy of economic development. The important ones are, above all, amplitude and dynamics of population, age and gender structure, regional distribution, migrations, ethnic composition, complete historical background, analysis of the populations' capability for labour, real employment, while types of information which are related to the health status

of the population, degree of urbanization, etc. are also important.(Stefanović, 1998.,p.45)

A particularly intensive relationship between social economic and demographic development has been established with the appearance of the industrial revolution. From then on, the overall production has increased and the population has changed radically. These radical changes emerge as a process of demographic transition in which mortality and birth rates decline leading to a new model of biological renewal of the human race. In addition, in this process of demographic transition, other population structures appear, such as biological, economic and social. These are important characteristics of the development of population and because of that the process of demographic transition is a reliable indicator of this development. Following the course of demographic transition, more precisely, its consequences on the size, the structure and the way of biological renewal of populations, actually implies following the development of population itself.

Modern industry is an extraordinary and unrepeatable event in our history and so is the population growth caused by this event. In the period after the industrial revolution, demographic changes came to terms. They became more landscape-oriented, clearer and easier to notice and follow. No other epoch in the economic history is similar to it. The improvement of human life and inventions in the area of medical sciences reduced mortality and extended human life so that population increased faster than it did before. At the same time, birth rates dropped, although a bit slower, and thus the way of reproduction of the population adjusted to the process of creating an industrialized society. Simultaneously, new demographic structures appeared, among which economic and social ones were compatible with those in economy.

The last quarter of the 18th century was the beginning of the demographic transition and it first happened in the western European countries, then the USA and Japan. How long this population transition of the entire Earth will last is hard to say. That process depends on the advancement of industrialization in undeveloped areas. Herman Kahn, with the researchers from Hudson Institute, USA, says that the demographic transition of the world will last around 400 years and that it will end around the year 2175. (Kahn, 1982. .p. 28). According to them, it is a period of great transformation in which the world population will drastically increase, change the ways of its reproduction and form new structures.

It can be said with certainty that the demographic transformation of the world will be a long-term process with many uncertainties. Two centuries have already passed since the beginning of this process in the countries of the West and it cannot be said that it has been completed. Mortality rates have dropped in these countries and yet the reduction has been very slow so it is very likely that this process has been stabilized unlike the changes under the influence of the aging population. This is not the case with birth rates which are still dropping although having been part of the process for around 150 years. This tendency of birth rates is very typical and now it actually represents the basic characteristic of demographic transition. Dropping constantly, birth rates have already gone below mortality rates in some industrialized countries. This is a very steady movement and it is prominent enough to be taken as a reliable foundation for a new understanding of demographic transition. It is no longer reasonable to describe it as a process which has stabilized the biological reproduction of the population at low rates of birth and death. The nature and the real meaning of demographic transition should be investigated in a much wider context, which is related to the essential questions of survival and development of the industrial civilization. (Bošnjović, 1990, p.45)

3. The interdependence of demographic changes and economic development

There are more and more economists investigating the problems of population and are trying to explain the influence of the population on long-term economic movements, all within the boundaries of the theory of economic development. In these studies, the emphasis is on determining the connection between the quantitative and qualitative population development and the tempo of the economic development growth. This is of particular interest for undeveloped countries and developing countries characterized by a high population growth, insufficient economic accumulation and, most of all, an unequal regional development because of which their production can barely increase in proportion with the population growth which is why the national income growth and the population growth rates are identical. Therefore, the problem in these countries includes the matter of complete employment because in circumstances marked by a low labour force development, i.e. insufficient economic development, a great percentage of

the working population is unemployed. On the other hand, a limiting factor of economic and thus regional development as well as unemployment is the rather unfavourable qualification structure determined by a low level of education of the entire population, the lack of work habits and skills, a relatively low degree of technical skills and experience, especially when labour potential in villages is concerned.

Furthermore, the population is both a producer and as a consumer, which is not the case with other factors determining the scope and structure of national income. That is why population has a dual significance for the economy of a country. Population in the role of the producer (work potential) participates in the creation of a newly formed value, the national income. Namely, one part of the total population – the working population – along with the object of work and the tools used for it represents the basic element of material production and overall economic activities. In addition, the economic development, regional development and all social activities depend on the size of the working population which a country has at its disposal. Conversely, the involvement of the working population, i.e. working potential in the increase of income may not be equal during all the epochs of economic development. On a lower level of economic development, the working potential is the decisive factor that contributes to the increase of the national income. Later, on a higher level of development, the increase of income depends on other factors more whereas it depends less on the working potential, i.e. the professionals.

As a consumer, the population does not only participate in the final distribution of the national income (personal spending) but also stimulates the production with its demand, making certain requests concerning scope and quality, that is, it determines the limits of the internal market.

Another characteristic of population, which is connected to the character and level of economic development, is the natural population migration. Research from the last few decades has shown that with the rise of the level of economic development, the rate of population growth has dropped, which means that regions of a country with a higher level of economic development have a lower rate of population growth. A lower level of economic development is accompanied by a higher rate of population growth and a resulting agrarian overpopulation. A separate problem resulting from the population growth, i.e. its rate, is the relationship of this rate expressed as the difference between the birth and death rates towards each of

these two mentioned rates. Namely, countries with a high income per capita also have a high birth and death rate, which in turn conditions an unfavourable age structure, which negatively reflects on the economic development. However, this does not mean that in these countries a higher rate of population growth puts a lock on economic development, especially if it is considered as part of the long-term economic development. Quite on the contrary, in countries with a higher level of economic development, it is not just the birth rate that is low, but also the death rate also contributing to a favourable age structure, i.e. extending the work life of the working population. (Gligorijević, 2002, p.18).

The correlation between population and economic development is seen in the fact that population growth and its age structure basically determine the total work potential, whilst the tempo and course of development affect the scope of utilization of the work age population causing appropriate economic and social changes in the population structure. The age structure of the population is closely related to the process of population reproduction and is especially important for the forming of the labour force as well as for the relationship between the active and the dependent population.

Changes in the economic social structure of the population in recent years have born the mark of economic processes that have been in development at that time. Some of the most important changes in the economic structure of the population have been the absolute and relative decrease of agricultural population and the transfer of agricultural to the non-agricultural population. The speed of this process represents an important indicator of the level and tempo of economic development of a certain region. If the tempo of economic development is more intense, so will the increase in participation of the agricultural in the total population be faster, i.e. the migration of population from the village to the city, i.e. from the primary to the secondary and tertiary sector, will be faster.

Namely, the great migration of the population from the village to the city and the inability of economy to absorb the given corpus of the working population have caused an extremely increased rate of population migrations. The demographic emigrations out of rural, mountainous and border regions on one hand, and the excessive concentration of people in large city centres on the other hand, have a multiple negative effect on the overall economic development.

The historical aspect of the process of population development shows several stages of development characterized by certain relationships between the components of natural population changes (birth and death rate), the specific development trends of these components and the adequate changes in various society structures. One of the dominant modern theories which show population development as a development process with conditioned stages and developing closely related to the stages of social economic development is the theory of demographic transition. This theory is based on two important premises:

a) That it is a historical process under the direct influence of the factor of social economic development,

b) That the demographic transition includes changes in the birth rate, death rate and natural growth as well as changes in demographic and economic social structures of society.

Beside economic changes, as the basic and leading factor of transformations, demographic transitions can enter the maturity zone much earlier than there might be the real conditions for it. It is a sort of phenomenon that is characteristic for the model of rapid social economic development. Demographic and social processes, though depending on economic transformations, still gain great intensity and a sort of personal turbulence which drives them constantly forward. A discrepancy appears between the progress of material production forces on one side and social and demographic transitions on the other. The model of rapid social economic transformations always leads to this type of situation, i.e. from an intensive to an anticipated demographic transition. Great caution is necessary in order to avoid the imbalance between developed social and demographic structures and less developed natural basics of not just a country, but its regions as well. (Bošnjović, 1990., p.93).

It is not difficult to prove the anticipative course of demographic transition, or in other words, its faster movement in comparison to the economic development, if by that we start from the growth of population, as a reliable indicator. It represents a general expression of important demographic changes and it is under the direct influence of social and economic factors. The relationship between the death and the birth rate as related to the level of economic development also confirms that demographic transitions have an anticipatory character.

The transformation of the distinctive population structures also confirms that the demographic transition has an anticipative course. In this respect, three structures are significant: the agricultural and the non-agricultural population, the rural and the urban population and the educated population. During demographic transitions, these structures change significantly. They are also directly related to economic development and are conditioned by it, but they have a reversed influence as well. As a rule, the growth of the agricultural, the urban and the educated population depends on the growth of work productivity. In turn, these categories affect the further progress of work productivity.

The anticipative demographic transition is not an occurrence that should just be acknowledged and then left alone to proceed following its own course. It is neither neutral nor innocent and it is more than just an amazing event. When it occurs, it brings along certain risks. This is understandable because the anticipative demographic transition is a product of an abnormal relation from which unavoidable adverse consequences arise. Another serious consequence is when the relationship between the economic development and the process of population transformation is disturbed.

4. Demographic changes in Trgoviste

4.1 About Trgoviste

The municipality of Trgoviste, an area of 370 km², is located in the Southeast of the Republic of Serbia, among the municipalities of Bosilegrad, Vranje and Bujanovac and rather close to the border with Macedonia. The region is a typical rural and mountainous terrain surrounded by mountains and highlands. These are: Bela Voda, Dukat, Cupino brdo, Kozjak, etc. The ratio between the lowest and highest altitude is 520 m – 1,828 m (the difference is 1,308 m). The terrain, ground structure, and the mixed Aegean-Vardar and continental mountain climate have influenced the various flora and fauna. The centre of the municipality, the small town of Trgoviste, is located on the confluence of the rivers Tripusnica, Kozjedolska and Lesnicka, producing the river Pcinja that flows into the river Vardar. Its coordinates are 43° 33' N and 22° 17' S. According to the last 2011-census, the population is 5,226. In the close vicinity of Trgoviste, there are some monumental shapes of rock mass, probably unique on the territory of Serbia and even in the

Balkans and Europe as they resemble Džavolja Varoš by their shape. This place is known as „Vražji kamen“ and on its peak, the Church of Virgin Mary is located, which dates back to the 14th century. Of special significance is also the vicinity of the Prohor Pčinjski monastery with its religious and memorial significance. The municipality of Trgoviste is connected to the Corridor X by the regional road R-125 which goes down the valley of the river Pcinja towards Bosilegrad. Near Trgoviste, the regional road R-238 branches and goes towards Kriva Palanka (FYROM) where no border crossing point has been opened yet.

The municipality of Trgoviste is located in the Southeast of the Republic of Serbia in the Pcinja District. It borders the municipalities of Bosilegrad, Vranje and Bujanovac and with the country of Macedonia in the length of 47 km.

The road network of the municipality of Trgoviste includes 455 km of roads out of which only 51 km is paved, thus being modern. There are no highways, regional roads include only 87 km of the entire length out of which only a bit more than a half are paved and the local roads include 368 km with only 4 km of modern roads. It is easy to conclude that the qualitative dimension of the road infrastructure is far below the level of the one in Serbia and below the level of the district.

Otherwise, out of the entire road network of Serbia, Trgoviste constitutes only one percent and the roads of the district a bit more than 16%. In the structure of roads of the municipality itself, even 81% belongs to local roads (most of all the districts in eastern and south-eastern Serbia), and then 19% to the regional roads, whilst there are no highways. Of all the roads only 11% are modern. Also, in the road network of the district, paved roads of the municipality of Trgoviste constitute 5.5%, regional 15%, and the local 18%.

The administrative, cultural and economic centre of the municipality is the small town of Trgoviste. It is located on the confluence of the rivers Tripusnica, Kozjedolska and Lesnicka, producing the river Pcinja, which flows into the river Vardar.

The municipality Trgoviste belongs to the group of the 40 least developed municipalities in the Republic of Serbia. It is away from the main railway and road traffic and it is characterized by a high rate of depopulation. The municipality is connected to Corridor 10 via regional roads which lead through the municipalities of Bosilegrad and Kriva Palanka (the border crossing has still not been opened).

4.2. A review of indicators pointing at the development of demographic changes

Demographic changes in Trgoviste have occurred simultaneously with the demographic changes in the surrounding area, now labelled as the Pcinja District, but also with many other populated regions in Serbia, especially the ones close to borders with other countries. (Veselinović, 2010.,p.293). Thus in 1948, Serbia had 6,527,573 inhabitants, the Pcinja district 209,232 of which 15,368 people were living in Trgoviste. A total of 3.2% of the entire Serbian population was living in the Pcinja District of which a total of 7.3% in Trgoviste. According to the 2011-census, 7,120,660 people were living in Serbia, which is 593,087 people, or 9.1% more than in 1948. However, in comparison to other census years, except in 1953, the number of inhabitants decreased. In the Pcinja District, there are 157,717 people, i.e. 2.23%, that is fewer, and in Trgoviste there are 5,145 people or 3.2%, which is more than half as many as in 1948. An obvious conclusion to be derived from this is that negative demographic changes (migrations, low or negative birth rates, higher death rates, demographic emigration, fewer marriages, more divorces, etc.) have been prominent in this area.(Petrović, 2012, p.261). In the district, there are 65 people per square kilometre whereas in Trgoviste there are only 15. It can easily be concluded what the consequences to the economic development, the security, the border cooperation as well as other issues are. Already the census in 1961 indicated that the population rate was dropping and this trend has been persistent until today. Therefore, the number of people living in Trgoviste, in the period from 1948 to 2011, has dropped to 10,223 people, or 66%, at an annual rate of 1.73, which means that 173 people vanished per year. On the other hand, the Pcinja District has been marked by some positive changes due to the fact that it is close to Vranje, Bujanovac and Presevo. When observing the movements of people in a mass of 1000 inhabitants in the period from 1948 to 2002, an increase of 3.2% can be noticed in the Pcinja district and a decrease of 5.9% in Trgoviste. In other words, the demographic changes are ominous.

As far as the components and the typology of population growth are concerned, the entire post-war period is characterized by a low or negative population growth and a prominent migration movement. (Djordjević, 2011, p.417). In the period from 1963 to 2002, in the Pcinja District, different directions of demographic movements were realized. An increase of

population growth by 30 thousand people, but a negative migration total of about 90 thousand people can be noticed. The birth rate is a dominant component of population growth in the municipalities of Bujanovac, Vranje and Presevo while in Vladicin Han, Surdulica, Bosilegrad and Trgoviste it is the migration total. Only in the period from 1991 to 2002, the population rate in Trgoviste decreased by 748 inhabitants, a total of 89 based on the death rate and 659 based on migrations. Similarly, in the period from 1963 to 2002, the population rate in Trgoviste decreased by 7,636 inhabitants despite the birth rate totalling 2,479 people because migrations resulted in 10,115 people leaving the town.

Similar to these changes, the population density in Trgoviste in 1948 was 42 and in 2002 it was only 17 people per square kilometre. In 1965, this number was 59; therefore, more positive. (Krstić, 2007, p.234).

In border regions that are not developed, as is the case with Trgoviste, an important indicator of demographic changes is the agricultural population density. On a territory of one hundred hectares of agricultural territory in 1971, there were 35.7 people (65.5 in the District), in 1991 there were only 9.1 (27.4 in the District) and in 2002 there were only a modest and dangerously few of 6 people and 12.8 in the District. If only fertile soil is taken as an important condition for the agricultural development of the area, these figures are as follows: 108.4 in Trgoviste, 134 in the District, in 1991, 48.7 and 82.9 respectively, and in 2002, an extremely negative trend can be noticed in Trgoviste.

The number of children born alive is a vital demographic parameter of every nation, city and inhabited area. Thus in 1963, in the Pcinja District, 5,380 children were born of which only 448 in Trgoviste, marking a modest 8.3 %. In 2001, in Trgoviste, only 56 children, or 1.6 % were born as opposed to 3,588 in the District. During the entire period, the negative demographic trend in Trgoviste was being increased, i.e. it was much more intense than in other inhabited areas not only in the Pcinja District, but also beyond. Today the situation is even worse. However, an interesting fact to mention is that the death rate in Trgoviste in 1963 was 32.0 whereas in the District it was 24.0. In 2001, this relationship was drastically changed with 7.9 in Trgoviste and 13.8 in the District.

When observing the aspect of fertility, thanks to Bujanovac and Presevo, the Pcinja District does not have such a negative tendency as it is the case in Trgoviste. Thus in 1971, a fertility rate of 2.83 in the District and in

2002 a rate of 2.34 could be marked. This same indicator during the same period in Trgoviste is 2.62 and 1.57 respectively. On the other hand, the reproduction rate of the inhabitants in the same period was 130.4 % and 111.4 %, while in Trgoviste it was only 120.7 % and 74.8 %.

As expected, the negative image of demographic changes is further enhanced due to the death rate. In 1963, in the Republic of Serbia, it was 9.0, in the district 9.2 and in Trgoviste 10.1. In 2001, in Serbia, this rate was 13.1, in the District 9.6 and in Trgoviste even 11.6. The most frequent cause of death were cardio-vascular and various oncology diseases. The death rate of new-borns was also higher in these regions so that there is a double negative trend – fewer children were born, while more of those that were born died.

The presented indicator of demographic changes, the birth rate, also indicates a deep concern for the demographic future of this area. Without people any story about a future development is pointless. Thus in 1963, the birth rate was 10.2 per mill in Serbia, 14.8 in the Pcinja District and 21.9 in Trgoviste. In 2001, this indicator was -3.3 per mill in Serbia, a growth of 4.2 in the District (due to Bujanovac, Presevo and Vranje) and -3.5 in Trgoviste. An interesting fact to point out is that during this period, all other districts in Southeast Serbia marked a negative birth rate (the Districts Nis, Toplica, Jablanica and Pirot).

The nationality structure in 1961 in Trgoviste was 99.6 % of Serbs (69.5 % in the District) and in 2002, it was 98.5 % of Serbs (64.6 % in the District). The other two large nationalities participating in the national structure are Bulgarians and Albanians.

The activity rate of the population in 1961 was 45.1 % and in 2002 it was 53.9 %, which follows the decreasing population rate. Furthermore, the activity rate of males was 56.9 % and in 2002 it was 58.7 % whereas the activity rate of females was 34 % and 48.6 % respectively. As far as the sector of different businesses is concerned, during this period, more than 90 % of the inhabitants were involved in the primary industrial sector (much more than in the district) while in 2002, the involvement was more than a third (much less than in the District). During this year, the secondary sector is more prominent.

A very important aspect of this area is the deagrarianization, i.e. agrarian population transforming into non-agrarian. In 1961, the agricultural population in the Republic of Serbia amounted to 56.1 %, in the Pcinja District 67.1 % and in Trgoviste 85.1 %. Many years later, in 2002, the

agricultural population amounted to 10.4 % in the Republic, 9.9 % in the District and 19.8 % in Trgoviste. Furthermore, it should be pointed out that the dynamics of the process of deagrarization differed in the various periods from census to census as well as in the areas of the Pcinja District and the populated parts of Trgoviste. Similarly, it should be noted that this process had a decisive influence on the developmental trends in the entire region.

Without any further analysis, it should be pointed out that the percentage of illiterate people in Trgoviste decreased from 44.1 % in 1961 to 11.8 % in 2002. However, today, just as earlier, the largest number of illiterate people can be found in the age group ranging from 35 to 64 years. On the other hand, the participation of inhabitants with a higher education degree was increased from 0.5 % in 1981 to 1.3 % in 2002. In the Republic of Serbia and the Pcinja District, this percentage is considerably higher. Yet it should not be forgotten, that mainly younger and more educated people left Trgoviste.

A very interesting rate can be noticed in the employment dynamics in this area. In 1963, the number of employed people was 306 in Trgoviste and in 2001 it was 1784. But when this indicator of economic development is observed in a mass of 1000 people, the number of employed was 22 whereas in 2002 it was increased to 251. At the same time, this number was 165 in the Republic and 83 in the District, while 246 and 202 in 2002 respectively. This is much more than in the previous case. This is one of the rare examples of a positive demographic development. However, it is a result of a negative trend in the total number of inhabitants, migrations, changes in the demographic structure, etc. As far as the sector of employment is concerned, the employment rate was higher in the primary sector in this period than in the secondary sector. Nevertheless, it has to be pointed out that the number in the tertiary sector is respectable. An interesting fact is that the number of employed people in the industrial and the private sector was growing. The number of employed women increased from a modest 6.3 % in 1961 to 48.5 % in 2001. However, unemployment can be noticed as well but it is much more prominent in Trgoviste. In 2002, 91 in 1000 people were unemployed, which is lower than in the Republic. Still, the category of first-employment seekers is dominant whereby the number of people with higher education degrees and qualifications is increased in the unemployment structure.

4.3. The current demographic situation in Trgoviste (Field research conducted in 2015)

During the last ten years, 280 babies were born in Trgoviste, 397 people died, 212 marriages were contracted, and 22 were divorced. Only in 2012, 23 babies were born, but 29 people died. These data also indicate that the negative demographic movement in this area continues.

Data collected in 2012 indicate that the population structure includes 350 people up to 15 years old and 320 from 15 to 28 years old. This clearly indicates a negative trend in the population structure as far as age is concerned. The number of single people up to 20 years is 480, and from 20 to 39 years it is 450, while the number of singles above 40 is 100. These data once again confirm the relatively gloomy prognosis of the demographic future in this area. On the other hand, the number of those widowed by the age of 39 is 120 and of those widowed after the age of 40 is 1000. The average age in the villages is 60; the number of adults is 1150 whereas there are 46 children at pre-school age.

As far as the education structure is concerned, it should be noted that 300 people have finished only 4 years of elementary school, 250 a complete elementary school education, 280 two or three years of secondary education, 140 a complete secondary education, 45 a higher education and 35 a university education. This is one of the rare indicators that the negative demographic trends can be stopped if migrations are prevented. As far as the professional structure is concerned, it should be pointed out that there are 10 teachers, 15 educators, 8 doctors, 15 lawyers, 5 agricultural professionals, 1 veterinarian, and 26 other types of professionals, 33 technicians and nurses as well as 107 people of various other technical professions. Another type of professional structure indicates that there are 480 farmers in Trgoviste, 280 agricultural workers, 150 industrial workers, 27 administrative workers and 10 workers in the restaurant business.

On 25 August 2012, the total number of unemployed people was 1104. 450 among them have completed the first level of education (elementary school), 20 the second level (second year of secondary school), 372 the third (third year of secondary school), 223 the fourth (complete secondary education), 30 the sixth (higher education) and 12 the seventh level of education (university degree). 980 people are employed in the public sector and 150 in the private sector. 400 people are employed in the industrial

sector. The number of people with benefits and social aid is 84, while 200 people are using the national kitchen. 262 are receiving aid from the Red Cross. The negative consequences of the transition have not missed Trgoviste so that 320 people have been laid off. The most prominent number of dependants can be found in the structure of housewives and students at elementary, secondary and tertiary level. A total of 180 are incapable of employment.

The industrial activities mainly present in Trgoviste include work in the agricultural sector so that it can be said that almost all the inhabitants in one way or the other are engaged in agriculture. In Trgoviste, 8 people are employed in the sector of hunting and forestry, 120 in the mining industry, 60 in the processing industry, 500 in the construction business, 100 in the trading sector, 2 in the area of auto mechanics, 18 in the hotel and restaurant business, 4 in transport, 180 in the administration and defence system, 80 in the health sector and 20 people are abroad. It should be noted that in the structure of the non-agricultural population, 380 people are permanently employed, 500 people have their own incomes, 150 people are dependants and 100 people have returned from a foreign country. As far as the unemployed are concerned, 15 people have a university degree, 18 a higher education degree, 400 a secondary education degree and 280 an elementary education degree. Also interesting is the structure of retired people. 280 people receive a pension in the agricultural sector, 450 people in the social sector, 600 people in the industrial sector and 35 people receive a foreign pension.

The structure of employed people according to their employment status can be described as follows: 980 people work in the public sector, 18 people own their own private companies, 120 people are employed in the private sector and 400 people are individual agricultural workers. As far as the economic status of employed people is concerned, 780 people are employees, 18 people are employers, 120 people work in their own companies and 680 people have no incomes. The average personal income of the active population is 27,000.00 Dinars.

As far as the structure of households is concerned, 20 households are agricultural, 120 are mixed and 360 are non-agricultural. On the other hand, there are 300 households with only one member, 10 households with couples without children, 300 households with one family, 60 households with two families and 40 households with three or more families. As far as the size of

the households is concerned, 300 households consist of only one member, 310 of two members, 80 of three members, 10 of four members and 10 of five members. These facts also illustrate the difficult demographic situation in Trgoviste. Obviously, households with only one member or two members make up the majority. What is more, the members of these households are rather old. Furthermore, it is very indicative that 100 households do not own any land, 38 households own up to half a hectare of land, 30 households own 0.5 to 3 hectares of land and 10 households own 3 to 5 hectares of land.

These statistic indicators illustrate that there are many problems to be solved in the demographic sphere of Trgoviste. However, only a few factors indicate improvement which is why this border area is categorized as one that needs the help of the state in order to mitigate the effects of these problems at least to some extent.(Petrović, 2012, p.256.).

5. Conclusion

A more and more common belief is that the efficiency of economic development may not be based on devices, but on the working (human) potential. People with good skills can accomplish more successful results even with modest resources assuming that they are motivated and stimulated. However, a precondition is that proper management of resources instead of people is introduced. A real escape from inherited obstacles, alienation in the work process, misconceptions and manipulation, various types of addiction, political volunteering, scientific confrontation, one-sided professional tyranny and organized lack of knowledge is possible only in a democratic and economically developed society.

Creative human forces have always managed to channel processes of economic development via knowledge developing thus themselves as well. Already in ancient Greece, in the framework of philosophy, man was in the centre of attention (this was the time when the following saying of Protagoras' was coined – “Man is the measure of all things”), man's health was taken care of (Hippocrates' medicine) and especially the defence and protection of people was developed (Pericles' strategy). (Brekić, 1983, p.118). Other democratic civilizations have been announcing and developing human virtues until today. Therefore, the level of manifold development of working people – resources, has become a decisive factor and determining element of economic development.

As far as Trgoviste is concerned, the above mentioned speaks in favour of the thesis that the regional development of Serbia is a priority in economic political orientation because a large territory will lose its population as the most important factor of industrial activity. This will most certainly have a certain impact on the development of the Pcinja District. Therefore, not only the security aspect but natural resources as well should be taken into account as they represent a solid assumption that a certain economic development may be realized in this area.

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