

## Some aspects of geographic view on economy: the case northeastern Montenegro

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### ABSTRACT

Text which follows represents geographical contribution to the study of the economy of northeastern Montenegro, on example of municipalities Berane, Andrijevica and Plav. Temporal frame for the study covers the period from prehistoric of our time. The focus of research directed on two sets of questions, it is on: the characteristics of economic development to the Second World War and on characteristics of the development of the economy after the Second World War. By the beginning World War II, analyzed the geographical space was one of the underdeveloped areas of Montenegro. Prevailing is mostly agricultural production. After the Second World War former Yugoslavia, in whose composition is entered and Montenegro, started is in process accelerated industrialization. High measure of job security prevented activity mechanism of competition and the market economy. There was no pressure on employed workers to increase efficiency, which led to such situations that for exercise same scale of production engaged considerably more workers than in the classical (an entrepreneurial) firms. The economic consequences were are expected: since the mid-of the seventies years ago the last century up to the complete collapse of the economic system at the end of the eighties years ago the last century, productivity Labour is mobiles falls while is hidden unemployment grew. Development problems and irrational economic system retain all the professional and scientific opinions, without the possibility of that the any particular conduct proceedings. I then, appearance and now we did not manage to elevate above observation. Therefore, thus conclude that is necessary develop a special economic innovative strategy for regional policy, adapted on the hilly-mountainous regions what, kind of is exactly and analyzed geo-space.

**Keywords:** Northeastern Montenegro; economy; development

### 1. INTRODUCTION

There are different definitions region depending on the goals research. Economists and geographers define the region as part of the territory one country, which is characterized by geographical comprehensiveness and economic homogeneity, regional division of labor and product orientation creates a about one or more industrial centers [1]. At the same time, the region is of sufficient size that the available natural resources and human potential, and that in the given socio-economic conditions, facilitate the creation of economic development and

specialization of the simultaneous development of complex production in that area [2]. In order to more easily understand, scope, and uneven economic development of Montenegro until the First World War, it is necessary to point out, the economic and socio-economic conditions. In fact, in Montenegro are ruled specific conditions of life, it is in terms of a tribal organization, She was living distinctive patriarchal way of life. Prior to the creation of the first Yugoslavia (1918), Montenegro is industry was underdeveloped country. About what indicated by the fact that is to 1918 had only 8 small enterprises, in the northeastern part of Montenegro, on case of municipalities Berane, Andrejevica and Plav is not existed nor one industrial company. Between the two world war Yugoslavia in whose the composition of the is entered Montenegro, is belonged in row of undeveloped European countries. Prevailing is mainly agricultural production. Development of the industry slow is progressed. The Second World War yet more degrade the economy of Montenegro.

Throughout second half of the twentieth century, in the former Yugoslavia, and within it and Montenegro any the current issue of regional development. Faster development of underdeveloped areas, more balanced territorial development are issues who are have held an important place in all planning and development documents. However, the nevertheless not reduce differences in levels of regional development in Montenegro (North -South). Differences are also evident within the region. All this encourages migration from underdeveloped areas in the industrial center and results in discharge area.

According to the Rajović and Bulatovic [3] depopulation in areas that include 85 out of 113 villages, or 72.81 % (1,082 km<sup>2</sup>), the total area of the northeastern part of Montenegro (1, 1486 km<sup>2</sup>), according to the census of 1971, lived 37.851 people (59.94 % of total population), while 2003 population of 9,578 (17.52 % of the total population). For example, depopulation pronounced in rural areas, which could not be that keep the population amounted to (index for the period 1971-2003, settlement: Kurikuće 28,8; Dulipolje 29,0; Seoca 30,0; Bastahe 38,5; Kralje 40,3; Gornja Ržanica 45,2 ...). Areas of population concentration recorded population growth, according to the census of 1971 they were living in 31,042 people (45.06 % of total population), while 2003, 45 080 people (82.47 % of the total population). A significant increase in the population during the period record settlement near Berana: Dolac (index 212, 5), Pešca (index 197, 9), Luge (index 150, 6), Beran Selo (index 162, 9), Lužac (index 107, 5)... According to Laurens and Cousseau [4], the basic characteristics of the site are of undeveloped, between other things, the following: demographic aging; migration of population to urban centers and economically developed; underdeveloped infrastructure - poor road network, problems with electricity, water supply network an underdeveloped ...; underdeveloped service industries-weak territorial coverage of health care facilities, schools, retail stores ...; high unemployment ...

The key problem in this part of north-eastern Montenegro is poorly developed infrastructure. Infrastructure development is a prerequisite for companies investing in a particular territory. Balanced regional development should encourage better use of natural resources in this part of north-eastern Montenegro; it is primarily related on development of agriculture and tourism. In order to achieve the desired economic growth, alteration, renovation and improvement of the economy, it is necessary to appropriate and adequate conception of development strategies. Assessment of the state of the economy in this part of north-eastern Montenegro is a prerequisite for defining the goals of development, that fit in vision general progress and active involvement in the immediate surroundings and the broader regional European flows.

## 2. RESEARCH METHODOLOGY

The core methodological procedure that was used in this study is the geographic (spatial) method. Thus, the study of geographical method research was related to the characteristics of the development of the economy northeastern Montenegro [5]. Northeastern Montenegro is a geographic unit, which includes 10.8 % of the total area of Montenegro (13812 km<sup>2</sup>). It includes three municipalities: Plav, Andrejevica and Berane [6]. For of data collection pertaining to basic characteristics development of the economy up to World War II and characteristics of the development of the economy after the Second World War, we used the comparative method. Through the full text is Permeated the and method of integrity, thanks to which we are have managed to recognize, define and evaluate potential limitations to possible limitations of economic development. Historical method has provided us with possibility to reconstruct the chain characteristics of economic development from the earliest times until the beginning third millennium. For of data collection relating to of the economy activities, we used statistical method, i.e. the data the Statistical Office of Montenegro [7].

The research methodology is above all been based on the analysis of the existing literature on the economy of northeastern Montenegro. Of the existing literature was used both domestic, as well as published in the international literature. On this occasion of the international publications emphasize this: Hoover and Fisher [8], Amin [9], Dawkins [10], Kane [11], Tabellini [12], Goldstein and Drucker [13]. Were studied and written sources on the internet. In scientific explanation of terms, we applied the two methods: analytic and synthetic. Analytical methods were considered some of the dimensions research subject. Synthetic method – a whole, are interrelations between objects and suggested measures deriving there from [14,15].

## 3. ANALYSIS AND DISCUSSION

### 3. 1. Characteristics of the development of the economy up to World War II

Continuous, since prehistoric times to the present day, northeastern Montenegro, for example, the municipality Berane, Andrejevica and Plav was inhabited. The population is mainly of early development human society lived a nomadic that is, a semi-nomadic way of life [16]. According Lutovac [17] of this period are of particular significance is the material culture found in localities: Berankrš, Kremenštice, Ržanica. In localities: Gradac, Torovine and Rudeš discovered the material remains of the Illyrian, and the ruins of the monastery in Šudikova, was found is record of Celtic origin, which is kept in Polimlje Museum in Berane. Museum complex type "Museum Polimlje" which through its activities covers the municipalities of Berane, Andrejevica, Plav and Rožaje, possesses archaeological, historical and ethnological department. Is especially interesting archaeological department, which represents a single of the most valuable collections of Montenegro because it holds artifacts from the Mesolithic, 15,000 years before Christ, to Roman period and the Middle Age [18].

Otherwise, in the historical development of this part of north-eastern Montenegro, one can conclude several important socio-economic periods. The first period includes the earliest development of human society. On the territory of rural settlements Beran-village, cave Mina and the village lower Ržanica, it was found that the life of the Neolithic of man unfolded in the long run (this shows layers of material culture, which are like exhibits in the museum Polimlje). The second period covers the period from the middle of the first century, when the territory became part of the Roman Empire and its provinces "Dalmacija". In this province of slavery it

was very poorly developed, and the economy made up of old economic sectors: agriculture and livestock. Valley Berane is rich remains of material culture of the period, as shown locality: Lužac, Dolac and Budimlja. In Lužac was found the existence of a Roman of the military camp "Castrum" and Budimlja "Villa Rustica" which is in addition to luxury buildings, had a building to slaves. In the vicinity of Andrijevice, a large is number locations of roman colonies [18]. In is particular, the well preserved monument in the village Zabrdū, beneath Źoljevica.

The third period is the period of the medieval Serbian state. On the basis of written sources and remnants of material culture, it was found that in the seventh century established in "Budimljanska Źupa". From of XII century "Źupa Budimlja" becomes more significantly place in the socio-economic, administrative and transport development under consideration geo-space, especially in the spiritual life.

This fact dictates and construction of monasteries "Đurđevi Stupovi". This monastery in 1219, they became the seat of the Diocese. The parish Budimlja there was two of the medieval town of: Gradac and Bihor city [19]. According to the Rome Charter from the XIII century, in the village of Christmas, was located Grace hill, where in the Middle Ages existed fortress, which had a strategic importance at a crossroads Road along the Lim river and its tributaries Zlorečica. These roads are part of the main road between the old Raška and Zeta. Numerous medium lasting centuries monuments: the founding charter, acts, annals, records, recorded a larger number of villages that there are still the in the background Andrijevice and which are undoubtedly older of her. According to the Rome Charter of from the XIII century; Komski space and the respective areas were given to Rastko Nemanjić and descendants Miroslav Nemanjić, and his son Andrew, Duke Zahumlje raised in its fame in the church Medjurečju, (now old Andrijevice). Church Andrijevena had is workshop carved character [20].

In the era of Nemanjića valleys around the lake and down the valley Lima to Andrijevice, was named the parish Plav. In charters Nemanjić rulers is written that this parish, primarily made up of monastic Mētos (estates), and that it was more than 30 churches. King Milutin and Emperor Dusan, besides a large number of villages, they gave these monasteries, the exclusive right of fishing on Lake Plav. So they formed around the lake fishing villages, known as Fishermen. Fishermen and the city makes today's Plav. In the charter of Emperor Dušan, mentions the village Pulav, so that is one of the assumptions that hence the name Plav.

Baraktarević [21] suggests that the charter of Dečani, residents who inhabited the monastery many fiefs, were required to meet certain monasteries to work obligations, or to give a contribution in kind and money. It is interesting to note that Climent referring Dečani Monastery coupler in cheese, wool and livestock. Apart from agriculture, here it was present and mining. Resembles, this old mine shafts above Vusanje, near Gusinja, who can now be identified. We can also mention the village Konjuhe, in whose surrounding infrastructure offers Srebrenica, which led us to believe that here, was, mine [20].

The next period is the period Turkish rule. Budimlja parish becomes the Sultan property I was given the name "Haas" and has an autonomous administration. In 1862 Avin Hussein Pasha, built a military fort on Jasikovac which are foundations were laid for today's urban settlement Berane. From the initial military fort and town, its Berane throughout history, gradually evolved into the city settlement. After the Congress of Berlin in 1878, the settlement grew into an important economic and cultural center of the northeastern Montenegro. Upon the arrival of the Turkish Empire was built and the town of Plav, with high walls, where they mostly lived age and byes. In one document dated from the second half of XIX century [19,22], it is stated that Gusinje (settlement which belongs to the municipality of Plav) borough, situated at the bottom of the mountain, beautiful and rich, larger and more advanced than the Plav. Gusinje is represent a caravan station, a place for holiday travelers, gradually grew into towns,

inhabited by merchants and craftsmen, as byes, mullahs and "čivčije". Marketplace is had 46 stores, more than 40 craft shops, who are on the ground receiving horses and cattle, and the upper floor guest and wayfarers.

During the Turkish rule, most settlements the observed geo-space was converted into residents in "čipčije" beys Plav-Gusinje. Economic system "čipčija" in this part of northeastern Montenegro was not strictly derived, nor could develop as the plains to the east and in the center Balkan Peninsula.

Smashed type of village houses with disrupted by land clearing, cattle breeding population of occupation, land configuration and other conditions adversely affected the implementation of the said system. But in addition, life of the population here he was difficult. The population is initially bound to give a quarter of their annual getaways agricultural products, and later when the Turks lost revenue Vasojevici, they were made even more pressure, and they were forced to give some time and half their income [23]. How population was in constant conflict with the Turks, they would rather betray livestock; such farmers able are almost always removed with their movable property in front of the Turkish invasion. Livestock breeding at the time proved to safer occupation for survival, but earth-operation. Mountains with meadows and pastures, scarcity of land, patriarchal way of life and other conditions have made livestock for a long time remain the main economic component of this part of north-eastern Montenegro.

According Jovičević [24] since there was not enough food to feed livestock during the winter (the present meadow the majority were forested), farmers are with their cattle go on winter vacation in Serbia and Bosnia. It was the host who have had the 200-300 sheep, and who is had 50 sheep was poor. According Knežević [23] the final liberation from Turkish rule, arises a new period of economic development in this part of northeastern Montenegro. Disappearance of feudalism, estates beys belonged to those who were covered. Livestock breeding begins to decline, and farming takes a growing toll. It was due to the abolition of the Turkish dues decomposition of cooperatives and individual households to create families, increased population growth and increasing demands for agrarian products. Arable land expanded by deforestation. When more space for not deforestation and the population rose sharply, then people turn to the intensification of agriculture by artificial irrigation, fertilization and crop selection. The deficit in grain production, thus still could not catch up. An interesting fact stated by Group [19] and indicates that at this time a special role performed, the transfer of goods from the horses: Skadar, Kotor and Podgorica for Peć, Đakovica, Prizren... and conversely. And as described by the political and economic situation in this part of north-eastern Montenegro M.Đ. Miličević: "The Prince Danilo neither been with Montenegro neither the Turks. They lived in tribal full freedom, or rather willful.

The Abbot "Đurđevi Stupovi" Mojsije and duke the Simo Lakičević the Konjuhe when they were alive, have a government of the people, but otherwise everything depended on the strength of the tribe (brotherhood) and the courageous hand [17]. Between the two worldwide wars (1918-1941) there are significant changes in the way cultivation and ways of livestock production. Farmers who during the war were in captivity in Austria, Germany and Hungary, were introduced to a new way of farming, with livestock, noble species of livestock, new way of feeding cattle... For soil tillage, instead of the wooden plow is used plow - "locust" and plow - "rotator" (plow). Significant changes have occurred, and in sowing and threshing grain. Seed grain before harvest stands, and to separate grain from chaff used "Windmills". For are transport of agricultural products instead of wooden carts to benefit from the cars of iron. The main field crops are corn and wheat in the lower and rye, barley and potatoes in the higher parts of the northeastern part of Montenegro. Vegetable production in the valley of Lima, spread to

other parts of the mountainous region. The increasing importance given to fruit crops: apples, plums, pears and various types of wild fruits: wild pear, wild apple, wild plum, wild cherry, wild cherry, hawthorn, fiddle ... [26].

The structure of livestock between the two world wars, there was no significant change; grown cattle and pigs in the river valleys, and sheep and goats in mountainous areas. Agrarian overpopulation, the dissolution of patriarchal cooperatives, divisions and plowing of rural pasture, leading to an increase of arable land on the one hand, and the reduction of forest and grass areas on the other. The decline of land suitable for cattle grazing resulted in a greater production of forage, particularly alfalfa, fodder beet and buckshot. "For nutrition pigs in are sub-crop corn, planted pumpkins and pigs to feed and potatoes" [27]. More intensive are production of clover leading to occurrence of livestock manure.

In order to more easily understand, scope, and uneven economic development of Montenegro to the First World War, it is necessary to point out, on the economic and socio-economic conditions. In fact, Montenegro became a state in 1878 independently. Ruled by the specific conditions of life, it is in terms of a tribal organization, Montenegro lived distinctive patriarchal way of life. Development of the industry has been slow. Foreign capitalists dictated the terms. Prior to the creation of the first Yugoslavia (1918), Montenegro was industrially underdeveloped. About what is indicated by the fact that until 1918 had only 8 small enterprises, and the north-eastern part of Montenegro, in the case of municipalities Berane, Andrejevica and Plav there was no industrial enterprises. Between the two worldwide War II, Yugoslavia whose composition was and Montenegro, fell into the underdeveloped European countries.

Prevailing is mostly agricultural production. Agricultural yields per hectare were small, and the total production was insufficient to meet the needs of the local population. Development of the industry slowly progressed. World War II is even more degrading the economy of Montenegro. Material damage never compensated [28].

### **3. 2. Characteristics of economic development after World War II**

Very bad state of development of the economy of this part of northeastern Montenegro, already before the Second World War, after its completion, is even worse. Discussed geo-space during the war infested and devastated both in spiritually and in material terms. Casualties are enormous, and residential and communal objects damaged. The road is network in disabled for normal exploitation. Livestock was almost completely destroyed. Economic development after World War II is characterized by three periods of economic development: a period of renewal, the period of construction and construction planning process. The goal strengthening economic and defense capability of the country strengthen the economy, raising living standards, eliminating the differences between developed and undeveloped areas. Thus, in the early post-war years it is obvious been the implementation of Soviet-style five-year plan for reconstruction through massive volunteer work. The village is the electrified and developed heavy industry. Economy was organized as a socialist economy: factories were nationalized, and the workers were entitled to a portion of their profits. Private craft shop could employ up to 4 people per owner. The land was partially nationalized. Farmers are able to own their own land up to 10 hectares per person, while the surplus of agricultural land came under the ownership of cooperatives, agricultural enterprises and local communities. They could buy and sell land, and give it to people in a full lease.

The state is included in the process of accelerated industrialization, which was often accompanied by forcing rural people to work in factories. This system of "instant" industrialization, had the effect of unqualified and / or low-skilled labor force, which rules very

low-quality products, the capacities were the only partially used [29]. Economic development due to industrialization and urbanization has been accompanied by abandonment of agriculture. Active population employment in agriculture decreased from 66.69 % in 1961 to 14.08 % in the 2003. According Rajović [30,31], in the construction of industrial facilities in northeastern Montenegro, mainly related to urban areas, many villages in their catchment area, especially those located further away from them, and that traffic poorly connected with them, were beyond the scope of the impact of industry on their transformation in socio-economically significant settlement.

Areas of industrialization have a special character. This follows from the fact that the concentration of industrial installation is largely aligned with a hierarchical network of municipalities. The largest concentration is in municipality Berane. This is in the main much related to traffic situation and the market [32]. Manufactory brick and tile "Rudes" - the first industrial facility was built in the region. It started production in 1946. The composition of the industrial complex "Rudeš" built facility to retreading "Guming". Combine the timber industry "Lim" began operating in 1945 as a company for wood processing and building materials. In early 1962 during the "Lim" started are its work and factory plywood and hardboard. Leather Factory "Polimka" began to work as a small artisan workshop character at the beginning of 1955. Manufactory pulp and paper occupied a central place in the region.

The factory built a plant for production of wallpaper and flexible materials for the food industry. Mining of coal in the basin Berane, began the sixties in this district "Budimlja" was completed in the seventies the last century, when the investment began in the construction of new mines in this district, "Petnjik" to 1981 and began production in the eponymous pit, where it has performed mining of coal [33]. The municipality Andrijevića industry debut was a non-metal industry - marble "Komovi", began work in 1964. The company "Termovet" was founded in 1972. Manufactory "Soko Stark" started to work in 1977. Paper Industry "paper products," was founded in 1984. Leather industry is represented by drive children, fur and leather products "Polimka" - Berane. Basin Plav-Gusinje possesses modest industrial facilities: "Bor", "Lignoplast", "Termoplast" and a factory "Krinkl Yarns" [33]. Allegations made here another interesting fact that the Communist Party was organized in all enterprises and most influential workers were mostly members of the party, so that the directors of the company mainly appointed only with the consent of the Party.

According to Rueschemeyer [34], in 1950 Yugoslav BDP was 22 in Europe. With the exception of recession in mid-sixties the last century, the economy of the country has made rapid progress. Due to Yugoslavia's neutrality and leading role in the Non-Aligned Movement, Yugoslav companies exported to Western and Eastern markets. In 1965 was introduced new dinar. According to Lampe et al [35], previous dinar traded at the exchange rate of the U.S. dollar 1:700, replaced with a new, traded 1:12, 5 to the U.S. dollar. However, economic reform (since 1965.), encourage economic activity is rational, that is, total labor supply is not able to absorb companies are relatively expensive capital decide to capital-intensive technology [36]. According to Lebowitz [37] self-governing company not dismissed workers, but also not opened many working places. Why? Because are they performed intensive capital investment. The workers came from rural to urban areas, attracted by higher wages, but they could not find job. In front of a situation like this, they began to immigrate to Western Europe [38].

Tomaš [39] and Milanović [40] indicating that the system is self-managing socialism, which was formally established in mid-seventies year the last century, affirmed the concept of "pooling of labor". High job security undermined the action mechanism of market competition and duress. There was no pressure on the workforce is to increase efficiency, which has led to the realization that for the same volume of production workers hired far more than in a

traditional (entrepreneurial) firms. The economic consequences were to be expected: since the mid-seventies last century up to total collapse of the economic system, early nineties the last century, labor productivity has been declining, and hidden unemployment is rising.

According to Lebowitz [37], here we have one of the most important problems of management in the former Yugoslavia is not solved: the inability to eliminate inequality. One consequence of this unresolved situation, reflected in the fact that the workers are the poorest sectors tended increasing their income, more than the circumstances that justified the enterprise. But in this case, as the company could finance the poorest? Only through are bank loans. The poorest companies are financing their investments and bank loans that turned into one of the sources of inflation. All this has caused serious problems: unemployment, inequality, inflation...

"The disintegration of the former Yugoslavia, war in the region, the sanctions of the international community, social and political changes, the deep economic crisis, military intervention, political situation, the crisis of institutions ... Feeling, above all, economic and existential insecurity are the main features of life in the nineties of the last century, both on the individual and on a psychological level "[41].

The concept of transition-based to liberalization and privatization in 2000, not issued expected results. The slow and poorly executed privatization process, caused to Berane economic development found at the very bottom in Montenegro, although once on that basis held third place, right after Podgorica and Nikšić. The collapse of the economy Berane, began at the end eighties year the last century, when were closed "pulp and paper" later "Beranka" and "New Beranka". The factory was privatized in 2004 and since then has repeatedly moving to production, but it all ended up on trying. Industrial zone "Rudeš" a group to dozens of abandoned factory halls, some of which are already been converted into scrap metal. No production in the coal mine "Ivangrad" as in IMG "Bricks". Neither the former leather factory drive "Polimka" has long do not go very famous leather goods. Among liquidated collectives and found the factory for retreading "Gumig". Several agricultural cooperatives in Berane, no longer exist.

All assets of JSC "Building a" is bankrupt. Doors HTC Berane for many years, no one opens. And "Obodov" propulsion the Rudeš has long been out of use. The only bright spot is the factory "Polieks" with the Police, which manufactures of explosives and the initial funds. In addition is to "Polieks" and several small private companies in Berane still works. Among them is the "asphalt base" in Lower Ržanica, "Shirt Factory" Petnjica and SIP - "Polimlje", a company engaged in wood processing [42]. In the municipality of Plav companies that made up the backbone of the development, have experienced a failed privatization or are in bankruptcy: "Bor", "Alpet", "Plav Lake," Agricultural Cooperative "Murina" Confection "Maxim" from Murano and "Termoplast" from Gusinja, the metal processing industry - "Metaloprerađa". In the course the sale of the property agricultural Cooperative "Plav" for collection claims employees and creditors [43]. A similar phenomenon we note and territory municipal Andrijevića. Unsuccessful privatization or bankruptcy, characterized formerly a successful economic collectives: "Soko Štark", "Termovent", propulsion leather factory "Polimka", "Paper products", Agricultural cooperatives "Vasojevka", Agricultural cooperatives "Andrijevića", Agricultural cooperatives "Konjuhe". Extinguished is and the company "Marble". Intensification of socio-economic problems was additionally emphasized "Bad location" Agriculture [44-46].

In this place we confirm clearly defined attitude Grčić [47] which suggests that developmental problems and irrational economic system retain all the professional and scientific opinions, without opportunities that the any who concrete action is implemented.

Then, and it seems now, we were not able to rise above statement. Therefore, the leads to the conclusion that it is necessary develop a special economic strategy for the innovative regional policy, adapted to the hilly - mountainous regions such as is exactly considered geo-space.

#### 4. INSTEAD OF CONCLUSION

Our research records, pointed out to the foreground several important observations:

1. On the territory of the northeastern of Montenegro, based on examples from Berane, Andrejevica and Plav is insufficient attention has been paid to the problems of agricultural development, particularly questions choice of optimum production structure,
2. So far method of forest (small plots, old processing, uncoordinated production structure ...) is not in function agricultural development. Greater appreciation of agriculture as a primary activity, can be comparative advantage advantages observed area,
3. The most important and most urgent of measures would be routing of agricultural producers, to the catchall exceed to a specific specialized type of production. Since, of geographical, traditional and other conditions, the population of this part of northeastern Montenegro should first gently, and then more too direct on cattle breeding as a primary business.

Considering the results that we have obtained in the study [48], it appears that plant production is used to meet the needs of the household. A smaller part of is intended for market. Livestock production is oriented towards obtaining meat and milk, with the fact that sheep breeding prevails over breeding cattle. Growing other types of livestock gets almost negligible amount of product, and they do not have a more important role in livestock production observed geo-space [49].

If we look now to the narrower part of economic activity, they will see the following:

1. That craft activity in the examined geo-space, does not have feature of development that to fit the needs the local population and economic development for a variety of quality products and services.
2. That the trade capacity is not brought to up to the required level of development. Flying in a trade store employees of the municipality Andrijevica and Plav 1.3 workers, and Berane 1.5. Number of people per a shop, ranged from 82 in Berane, 180 in Andrijevica, to 254 in Plav. Number of people per a shop, ranged from 82 in Berane, 180 in Andrijevica, to 254 in Plav. Therefore, in new conditions of market economy, trade are spatially not fit the formation economic offers [50].
3. In conception of development must proceed from the values of traditional architecture. What is still being has planned and built, should carry hallmark of sites, because otherwise the space around Montenegro without character resemble one to another. If the weather is such, that has to think of rationality and a small investment, and in order to provide more, better example of the construction of our ancestors none. They are per subtle sense know how to merge exceptional functionality, to achieve the remarkable constructive interventions, while still achieving that captivates design of the does not injure the environment.

Previous development of and the rising trend in traffic clearly to the forefront a few of evident problems:

1. First, the total length of the highway lines is 111 km, and regional 67 km and 250 km locally categorized, which indicates that the road network insufficiently developed,
2. Second, the total length of main and regional roads with asphalt driveway technical requirements which corresponding to the standards a modern transport infrastructure for now partially meets the road route Berane – Andrijevica,
3. Third, it is the density of modern traffic (main and regional) within the framework the observed geo space, also insufficiently expressed because amounts to 1.78 km per 10000 inhabitants.

In order to natural resources in tourism, could be valorized, above all, there must be an adequate material basis as economic and organizational expression of its tourist potential. Therefore, the detailed analysis of the aforementioned basics occurred to results that, among other things, indicate:

1. That examined geo-space is almost unnoticed participation accommodation units - i.e.- participation which is 0.5 % of the total number of beds of Montenegro,
2. The coefficient tourist functionalities is 1.25 beds per 1000 population,
3. To developing receptive basics in this part of northeastern Montenegro, favoring objects that engagement in the process of construction the largest investment resources (hotels as representational of classical catering units participating in the total number of beds with 85.64 %, and complementary units together 14.36 %), and
4. Year of 1977 in the observed geo-space was visited by 22211 tourists. The average stay was 1.71 days. Largest number of tourists recorded in 1986 years 77572 of tourists the stay of 3.37 days. These data clearly show that the low tourist visiting the region can operate with greater profit inasmuch before the organization tourism and maintenance of facilities is very expensive.

Objective limits for industrial development are as follows: traffic isolation, structural imbalances and lack of skilled labor. The process of industrialization in this part of north-eastern Montenegro led to structural deformation and territorial disproportions which resulted in a polarization between:

1. Insufficiently developed municipalities Berane and underdeveloped municipalities Andrijevice and Plav,
2. Urban and rural areas,
3. Lower and higher space valley and mountains.

The economic-geographical analysis is not always easy to distinguish how many missed opportunities to have are share objectively present limited conditions (mountains in the considered geo-space), and how much they have to attributed to insufficient or inadequate economic organization and incomplete information. Previous programs of economic development have not respected the specific geographical conditions; therefore they could not give satisfactory results.

According Mrdaković - Cvetković [51] real gross domestic product in Serbia and Montenegro in 2004 was at about 55 % of gross domestic product in 1989, these points to the fact that the production far below production levels in 1989. According to the Economic Survey of Europe's real gross domestic product in Serbia and Montenegro in 2004 was lower by 46.3 % than in 1989. Fragmentation of the economic system, structural changes in the economy with a reorientation of planning to market economy, bi political changes, events of the war, were reflected in the economic growth of the countries in transition. Economic trends in the world causing deep social changes in the national economy, especially if a small economy such

as Montenegro [51]. To achieve the desired economic growth, change, renewal and improvement of the economy, it is necessary to corresponding and adequate conception of development strategies. Assessment of the state of the economy of northeastern Montenegro prerequisite for defining the goals of development, that fit into the overall vision of progress and active involvement in the immediate environment and the wider global trends.

Finally, the economic problems of northeastern Montenegro, in the example municipalities Berana, Andrijevice and Blue should be viewed realistic without excessive optimistic, still less pessimism. The process of general and qualitative transformation observed geo-space will be relatively very slow and long-term. Should therefore be work at it patiently, but persistently and continuously?

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