Geographic View of the Industry Northeastern Montenegro with Special Emphasis on Handicrafts

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Abstract: The paper presents a geographical view of the industry northeastern Montenegro. The aim of this paper is to highlight the development, deployment, structure of the industry and the impacts of industry on the environment. At the beginning of the nineties, Montenegro, like other socialist countries entered a period of transition. Begin the process of transition is associated with a number of negative effects, such as the decline in employment and output decline, with the increase of prices. Are industry has been blocked and moved his powerlessness logic. Handicraft activity characteristic of development that does not fit are needs of the population and economic development for diverse and quality products and services. One of the major needs of the transition is to discern the vision of the system pursued, and the choice of the privatization model, which leads to the realization of that vision. A chance to entrepreneurship in the region, it is the formation of small businesses, which are in the conditions of market economy, is gaining in importance. In fact, distinguished by a high degree of flexibility, it is easy to adapt to the changes and demands of the environment in which they are located. Secure for themselves not only survival, but also adequate growth and development, quality specialist, they are easier to manage, easier for them to achieve higher revenues, faster invest, easier to export, easier to innovate, they have an offensive entrepreneurial spirit, providing dynamic local development, both qualitative problem solving unemployment. However, a large number of regulations and obligations in small businesses suppressed private initiative.

Key words: Northeastern Montenegro, industry, environment, handicrafts.

Introduction

Northeastern Montenegro is a geographical unit which comprises 10.8% of the total area of Montenegro (13.812 km²), that is, living in the territory, 8.12% of the population compared to the total population of Montenegro in 2003 (673.094). Territory includes three
municipalities: Plav, Andrijevica and Berane, with an area of 1.486 km², which is by the census of 2003 year, 54,658 people lived or 36.8 in/km².

Montenegrin economy until 1989 is characterized by a very dynamic economic development and major structural changes. The development of the Montenegrin economy to this period took place in the Socialist Federal Republic of Yugoslavia on the principles of development of socialist self-management system, based on public ownership. In several decades of socialist self-management system would have been developed only some elements of a market economy. Competition in the market for goods and services was due to closure of the domestic economy to the world market, more or less confined. The labor market has not officially acknowledged for ideological reasons. The financial markets have reduced the banking system under government control and political factors. Corporate social property relations were economically and legally unclear. Companies are tolerated despite the existence of waste and mismanagement, because in turn provided artificial employment and addressing social problems within the company. Finally, the political system was controlled by a political party which led to complete domination of politics over economics. This system has been a major factor in creating an outdated and inflexible material structure of the economy where the economic inefficiency and extensive development was the main of feature (www.savjetzapprivatizaciju.me). At the beginning of the nineties, Montenegro, like other socialist countries entered a period of transition. Begin the process of transition is associated with a number of negative effects: the dissolution of the former Yugoslavia, the war in the region, the sanctions of the international community, the social and political changes, the deep economic crisis, military intervention, political developments, institutional crisis .... These processes have left a deep mark on the complete functioning of the economy and, consequently, to the problems of industry, environment, arts and crafts. Results of the survey were used to indicate the author of the development and deployment of industry, its structure, the impact of industry on the environment. At the end of the text is given a special emphasis on the trades region. In this article we will deal with factors limit the development of the industry, given that the topic of the subject matter was already the author of this article (see Rajović, 2007 and 2008).
Methodology

Objective of this study it was possible to realize the combined use of different research methods. The core of the methodological procedure used in this paper makes geographic (spatial) method. The coverage areas of research are municipal: Berane, Andrijevica and blue. Entire permeated through the text and the integrity of the method, thanks to which we are able to recognize, define and assess potential natural and socio-economic constraints settlement development. Is research results used to examine the author of the development, distribution and structure of the industry, and to provide an overview on the northeastern trades Montenegro? For data collection, involving the number of active employees in the industry in the region, we used the data of the Statistical Office of Montenegro. Is scientific explanation of terms, by two methods: analytic and synthetic. Analytical method, were considered certain economic and geographic dimensions of the case studies. Since work has essentially synthetic character, used the results published in the international literature. Among them, this time apostrophized Barbour (1970), Puga and Venables (1998), Fisman and Love (2003), Ho (2005).

Analysis and Discussion

In order to be objectively showing geographical view of is industry northeastern Montenegro needs to take into account the socio-economic state of the former Yugoslavia. In fact, after are Second World War and immediately after 1945. The entire territory of the former Yugoslavia, was organized almost the entire working population to rebuild basic capacity in the economy and solve the basic problem of housing. The focus of economic reconstruction, it was in the forefront of training roads, electricity and everything else, which was the basis for the initiation of other economic activities. Solving these, but there are some most essential needs for the reconstruction of production, the conditions for the initiation of organized trade and supply of the population in conditions of scarcity, the most basic food products. Underdeveloped and backward Yugoslav industry before World War II, and its devastation during the war, gave little opportunity for the economic development of the country immediately after the liberation. In addition, there were significant differences in the distribution of industry in some parts of the country. In fact, most industrial companies, located in the western and northern parts of the country, while in the evening
part of Yugoslav territory, industrial companies almost never happened (www.znaci.net). The low level of economic development of Montenegro within the former Yugoslavia is conditioned underdeveloped economy with technologically ill-equipped facilities. In Montenegro, the regional differences were evident. Significant natural resources it possessed, and still possesses northeastern Montenegro, which regarded as one of the rich in Africa, failed to separate from economic underdevelopment. In fact, in the period after II World War in northeastern Montenegro, started coming to the fore many business functions. Among them, she had a special place and industry.

Development and Arrangement Industry

Until the end of World War II in northeastern Montenegro, there was not a single industrial facility. After are liberation of the country, created a new era in the industry, and therefore the economic development of the region. According Kićović (1995), newly built and planned industrial buildings based primarily on natural resources (wood, coal, water, marble ...).

Space-industrialization of is region under study, a specific character. This follows from the fact that the existence of industrial concentration largely aligned with the hierarchy in the network of municipalities. The largest concentration is in Berane. It much related to the main road and market position.

Industrial development center - Berane, went in several directions:

a) The development of building materials industry

Brick and tile factory "Rudeš" - the first industrial plant built in the region. Started production in 1946 until 1995 it was part of his company for the local industry, manufacturing and utilities "Impred". From tag operates as an independent company. In are late fifties and early sixties, with new investments increased capacity and product range. Initially produced bricks and roof tiles, and later due to poor quality tiles replaced the hollow - and special perforated bricks (blocks) (Boričić et al, 1967). At the end of the eighties, "Rudeš" reduced capacity, in early 1992, he found himself being wound up. According Kićović (1995), "open pit and plant are located near the main road, which is a good transport problem solved, but the appearance of the mine and the surrounding area was in poor condition, it is an ugly picture of pace," Rudeš gray "Berane and peripherals".

b) The development of rubber industry
The composition of the industrial complex, "Rudeš" built facility for retreading "Guming". It revised the annual 18,000 tires. Tires brought in by trucks from all over the former Yugoslavia. The problem of production for this plant occurs at are moment of separation from the system, "Tiger", which coincides with the breakup of the former Yugoslavia in 1992. Since then the market is limited and partly in Montenegro and several cities closer in Serbia (Novi Pazar, Prijepleje, Raška). Difficult economic position of the drive, is due to the inability or lack of supply of old truck group for processing, i.e., obsolescence of existing technology that is opening drive was intended for processing rubber wheels 20 inches in diameter, and early nineties have been used new tires diameter of 22.5 inches. In the mid nineties, Berane "Guming" found himself facing bankruptcy.

c) Development of the timber industry
Combine wood "Lim" began its operations in 1945 as a company for wood processing and building materials. In early 1962, during the "Lim" started working and plywood and fiberboard plant, whose production abolished at the end of the eighties? Combine eventually grew into an industrial enterprise for the processing of wood products. He did it despite the difficulties that still survive.

d) Industry leather
Leather Factory "Polimka" commenced operations as a small artisan workshop character, at the beginning of 1955. Since that was the only company for leather in Montenegro, at the beginning of the sixties, a completely new plant (Borićić et al, 1967). With its products, leather garments, known in the domestic and international markets. Also dealt with, the processing of large and small leather and wool. At the beginning of the nineties and "Polimka" enters into economic insolvency.

e) Pulp and paper industry
Factory sulphate pulp and paper formed the centerpiece largest in the region. With trial production capacity 33,000 tons of pulp and 30,000 tons of paper, began work in 1963. The factory built facility for production of wallpaper and flexible materials for the food industry. Produced are rag and other papers such as printing, Pella, cyclostyle, cartons, wrappers, paper laminates and cartons, packaging... In 1973 was reconstructed paper production, which led to disproportionate production capacity. Old equipment, poor work performance and other factors contributed to the factories with about 2000 employees stop working 1 April 1988. The transformation of ownership in a paper factory "Beranka" made in 1996. However, the economic insolvency was inevitable.
f) Coal production
Total coal reserves in Berane – Polica basin are 176,231,197 tons. It is widespread in all parts of Berane lowland (Budimlja, Petnjik, Zagorje, police, Beran Selo, Dolac). Excavation of coal in this basin began in the sixties of the last century in this district, "Budimlja" and completed in the late seventies, when I started investment in the construction of new coal mining district "Petnjik" to the 1981 it started production in the eponymous pit, where it is still made of coal exploitation. Coal production ranged from 10,000 in 1960 to 107,000 tons in 1989. In the same period, coal production has increased from 276,000 to 2.159 million tons, or 8.25% rate. Coal Mine "Ivangrad" did not escape the fate of the collapse of the economic giants in Yugoslavia. At are beginning of the nineties, sinking more and more into an uncertain economic future (www.mans.co.me).

Industrial buildings in the area are Andrijevica: "Soko Štark" - Belgrade, "Termovent" - Belgrade, "Stationery “- Andrijevica and fur and leather apparel "Polimka" - Berane.

a) Non-Metals industry
The municipality Andrijevica industrial firstborn was a non-metal industry - marble "Komovi". Marble exploitation began in 1964 and was hydropower, 10,000 tons of ground marble and 2,000 m2 of marble slabs. Marble reserves estimated at 5 million cubic meters (Lutovac, 1973). Industry and Mine marble "Komovi" ceased operations in 1987. It employed about 60 people.

b) Metal Processing Industry
Metal processing company presented "Termovent" - Belgrade. It founded in 1972 as a company that produces and assembles ventilation and air conditioning equipment. He is engaged in the production of metal pallets, air-conditioning and metal packaging. Factory "Termovent" was developed with the management activity: Combines aluminum - Podgorica, Ironworks in Nikšić, "Sartid" in Smederevo, "Termovent" in Sremska Mitrovica. It employed about 170 workers. At the beginning of the nineties and "Termovent" enters into economic insolvency.

c) Food industry
The company “Soko Štark” - Belgrade, represents food the industry. This company founded in 1977. It is producing Turkish delight, caramel, toffee and fudge. Annual production ranged from 400 to 1978 tons of candy, and in the 1010 tons in 1997, production was 1010 tons. Factory "Soko Štark" belonged to one of the rows in Montenegro in the nineties of the last century was characterized, in its successful operations and production. However, at the
beginning of the new millennium and Factory "Soko Štark" share the fate of industrial enterprises in northeastern Montenegro. It employed about 190 workers.

d) Paper industry

“Paper products” represent the paper industry. Founded in 1984, the company employed about 40 workers. Engaged is production: telex and computer tapes, small packets (paper in small format) cartoons blocks, labels, calendars, notebooks and pads goods. Therefore, the plant included two production lines: a line of stationery and offset printing straight line. At are beginning of the nineties, and "Paper products" to enter into economic insolvency.

e) Industry leather

Leather industry is represented driven kid, fur and leather products "Polimka" - Berane. At the beginning of the eighties, the production has been limited to manual labor. Reconstruction and modernization of equipment brought to the annually processes 217,000 m² and 61,000 m² of small coarse skin. The facility made possible realization of leather gloves and sports equipment. It employed about 100 workers. At the beginning of the nineties and industrial plant, "Polimka" enters into economic insolvency.

Basin Plav-Gusinje has modest industrial facilities: FIC "Pine", "Lignoplast", "Termoplast" factory "Krinkl Yarns".

a) Wood industry

Forest-Industrial Complex "Pine" in the Plav Forest created the integration section "Visitor" and wood industrial company "Pine". The company is producing lumber and wood joinery elements. It employed about 140 workers. In the mid nineties, and "Forest-Industrial Complex Pine" enters into economic insolvency.

b) Metal processing industry

The company “Lignoplast” represents metal industry. It is producing “lignoplast” molded part (plate classroom and club tables, the backs and seats of chairs, baskets, grill ....). It employed about 170 workers. At the beginning of the nineties and "Lignoplast" enters into economic insolvency.

c) Chemical industry

The company “Termoplast” in Gusinje represents the chemical industry. Engaged in is production of plastics (for clothes hangers). It employed about 120 workers. At the beginning of the nineties "Termoplast" enters into economic insolvency.

d) Textile industry
Factory "Krinkl Yarns" has been producing finer fabrics and knitwear. Due to operating losses, which is partly a result of obsolete technologies, production discontinued in 1991? It employed about 70 workers.

Table 1 Number of active employees in the industry northeastern Montenegro in the period 1961-2003

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<td>GeoSpace</td>
<td>997</td>
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Source: Statistical Office of Montenegro. Census (relevant year), calculation of data by authors.

Expression is dynamics of industrial development and changes in the number of active employees. The largest active employment growth occurred in the period 1961 - 1971, when the number of employees in industry increased by 1244 employees, it is from 997 to 2241, or 44.49%. In the years that followed, this growth has increased in the period 1971 - 1981, however, in the period 1981-1991, the total number of active population employed in the industry in the region, has slightly decreased from 3184 to 3137 and the 47. However, the drastic decline in active employment in the industry in the region in 2003, markedly decreased compared to 1991 and from 3137 to 2065 on active employees or 1072. Therefore, the development of industry in the region after 2003, pointing out that "equilibrium model", based on the sale of the company and the outflow of capital, and its spillover into consumption, irreversibly depleted.

Nineties of the last century, represent an extremely complex period in the socio-economic life of the population of the Federal Republic of Yugoslavia (Serbia and Montenegro). The disintegration of the former Yugoslavia, the war in the region, the sanctions of the international community, the social and political changes, the deep economic crisis, military intervention, political developments, institutional crisis .... Feeling, above all, economic and existential insecurity are the main features of life during this period, both the individual and psychological new "(Tucović and Stevanović, 2007). Despite the formal existence of some market policies in the country, it is in the economic life are not respected. In practice, it dominated by legal uncertainty, mismanagement of contracts, inability to collect receivables (Madžar, 2000). These processes have left a deep mark on the complete functioning of the economy and, consequently, the problems of labor and employment.
According Stojanović (2005), economy in period 1990-2000 characterized by: a drastic decline in production and GDP, a high percentage of "gray economy" highly formal and hidden unemployment ravaged banking system, technological backwardness and economic isolation. The causes of mass unemployment in this period are as follows: a low level of economic activity, and the absence of new investment, globally speaking, and the absence of radical market reforms.

After 2000, as well as many other countries in transition and in the Federal Yugoslavia, economic model, according Dušanić (2011) was based on asset sales, debt, imports and consumption that inevitably produce deficits (foreign trade, budget ...). Low savings and high consumption and investment, high unemployment, lack of fundamental restructuring of the economy and ineffective corporate governance have prevented the expected long-term sustainable economic growth.

Thus, the concept of transition based on privatization and liberalization of the early nineties onwards, did not bring the expected results. The downfall of Berane industry started in the late eighties, when it came to closing the "pulp and paper" later "Beranka" and "New Beranka", which was the biggest economic giant in the region. Are factory privatized in 2004 and since been repeatedly moved to production, but it all ended up on trying. Industrial zone "Rudeš" is today, a group of dozens of abandoned factory halls, some of which been turned into scrap metal. There is no production in the coalmine "Ivangrad" as in IMG "Bricks". Neither are former leather factory drive "Polimka" not long ago published widely famous leather goods. Among settled collectives and found the factory for retreading "Gumig". Several agricultural cooperatives in Berane, no longer exist. The entire property JSC "Building" the door is in bankruptcy HTC Berane for many years, no one opens. In addition, "Obodov" drive Rudeš has long been out of order. The only bright spot is the factory "Polieks" with the Police, which produces explosive initiators, "Asphalt base" in Lower Ržanica, "shirt factory" Petnjica and FIC - "Polimlje", a company engaged in wood processing (www.beranetown.net).

Unsuccessful privatization or bankruptcy characterized once very successful business and collectives in the municipality Andrijevica: "Soko Štark", "Termovent" list, leather factory "Polimka", "Stationery", Agricultural cooperatives "Vasojevka" agricultural cooperatives "Andrijevica" agricultural cooperatives "Konjuhe". Shut down the company and "Marble". This state of the economy has caused high unemployment that has caused major socio-
economic problems in the municipality. Intensification of socio-economic problems was reinforced "poor treatment of agriculture".

In the municipality of Plav companies that are the backbone of economic development, have experienced a failed privatization or are in bankruptcy: FIC "Pine", JSC "Alpet", JSC "Plav lake," agricultural cooperatives "Murina", Confection "Maxim" and the Murina, "Termoplast" from Gusinje, “Metal processing”. The sale of part of the assets of the Agricultural Cooperative "Blue" for the recovery of claims of creditors and employees (www.gusinje-foundation.org).

**Structure Industry**

The process of industrialization has become a major factor in the structural change in the economy of northeastern Montenegro. The industry is gradually changing, its share in the structure of the active employment and gross domestic product of the economy. The share of industry in structural active employment in the economy, in the period from 1961 - 2003 in the region has increased from 5.29% to 18.51%. The share of industry in value to our social product in the Republic in 1965 stood at 13.5% of Plav municipality, and the municipality of Berane and Andrijevica 42.9%, that in 2000 decrease in Berane at 28.2%, municipality Andrijevica municipality 8.7% in municipality Plav to 3.7%.

The spatial structure of the industry in Berane characterized by is high degree of concentration. In fact, only in Berane industrial center in 1961 was concentrated around 89.27% of jobs in the industry in the region. A smallish portion of the municipal centers in Plav balance active general industry employment in the region. That relationship took place in 2003. Specifically, Municipality Berane and Andrijevica the concentration of jobs in the industry in the region there were 83.20% of industrial workers in the municipality of Plav 16.18%. Expression of the spatial structure of the industry related to the degree of industrialization and the localities. Northeastern Montenegro industrialization level for 2003 amounted to 38 z employees active in the industry.

Former industrial structure northeastern of Montenegro did not give the best results in terms of capital accumulation and employment. Share of industry in total employment in the region by not exceeding the value of 35%, while the share of the income generated by national does not exceed 40%. It was an important indicator, but the eighties should change
its previous structure of industry, the accumulative oriented and labor-intensive industries. The new programs should seek to complete the technological-economic areas. Our research records, based on similar studies Pushka (1984 and *** ) identified several important regularities when it comes to industry of the region under consideration, such as:  

1. The smaller urban center of the municipality, the lower the number of employees in the industry,  
2. The smaller the number of employees in the industry, the predominant presence of small industries,  
3. What is a small industrial center, is more focused on its own raw materials,  
4. What is the recent industrial development, it is more based on local raw materials, and  
5. What is the center of a larger and older in industrial development; the industry is diverse and based on a number of factors locations.  

So, by branch of industry in the region, characterized by a relative and indented to the greatest extent the structure of the industrial city - Berane. In Berane represented industry building materials, rubber industry, wood, chemicals, leather industry and paper and coal production. In the present Andrijevica metal, leather industry, paper and food industries. In Plav are represented timber, chemical, metal and textile industries. Comparing the municipal center of the region, cannot be reliably determined, the size between the size of employment, capital intensity, technical equipment, and labor productivity. "In a debate about are theoretical and practical question whether the economical concentration of industry in a larger center or smaller? In support of the first alternative - concentration - goes mostly theory, which based, on is so-called extreme economies, and in favor of another - lack of concentration - goes harder on the negative impact of concentration and agglomeration efficiency of the industry, due to the increase in transportation, energy, material intensity and greater higher production" (Grčić and Grčić, 2002).

The solution of scientific problems requires consideration of research, not only in terms of economic effects of concentration, but also necessary to consider the full costs that must submitted with the development, modernization, and the functioning of the urban - industrial areas. It is not enough to limit the analysis only to manufacturing activity. The associated analysis of material production and services, can be determined in a complex
way of productivity, efficiency and profitability (socio-economic), urban concentration and industrial space - the structure of the region (Grčić and Grčić, 2002). Without going deeper into the theoretical considerations, we conclude that the process of industrialization in northeastern Montenegro, due to specific geographical conditions, has led to structural deformation and territorial disparities, which resulted in a polarization between:

1. Relatively developed municipalities Berane and underdeveloped municipalities Andrijevica and Plav,
2. The seats of municipalities and their hinterland,
3. Urban and rural areas and
4. Lower and higher regions are basins and mountains (see Rajović and Bulatović, 2013 a).

In the late twentieth century, socialism as a social system and economic model has ceased to be an alternative to the capitalist economic model. The main cause of his collapse was the inefficiency of the system and lack of motivation among workers. Direct state administration, then self, determined the economic history of Yugoslavia and northeastern Montenegro, after the Second World War. In such an economic system is not a clear and direct link between the results of the evaluation. Consequently, wages are completely alienated from the created value and achieved success. Such a situation has led to low motivation and low productivity. The actual situation not recognized, so he started the process of "socialization of losses". Consequently, wages are completely alienated from the created value and achieved success. Such a situation has led to low motivation and low productivity. The actual situation not recognized, so he started the process of "socialization of losses". At the beginning of the nineties, Montenegro, like other socialist countries entered a period of transition. Begin the process of transition is associated with a number of negative effects, such as the decline in employment and output decline, and with the increase in prices (Cvijanović et al, 2009). According Cvijanović et al (2009), one of the major needs of the transition is to discern the vision of the system pursued, and the choice of the privatization model, which leads to the realization of that vision. Previous experience shows that the best results were achieved economies that privatized in the selection of the model relied on a model acquisition by employees and strategic partners, sales models. The application of the above model leads
entrepreneurship and liberal capitalism. Finally, the transition should result in the following effects:

1. Dominant share of private ownership in the economic structure,
2. Developed and active financial markets, which are the "brains" of market economy,
3. Overcoming the "transition shock", which is an inevitable companion of reforms
4. Increase in savings and investment,
5. Hard budgetary constraints at the state level and at the level of companies and banks,
6. Price stability exchange rate and
7. Explicit and modified the tax system.

The current development programs are not sufficiently respected the specific geographical conditions and a constellation of factors territorial development in the region. Development problems and irrational economic system kept all professional and scientific narratives, without the possibility of any immediate action to implement. The economy has been blocked and moved its logic cannot. Then, and seems now, we were not able to rise above statement. "It is therefore concluded that it is necessary to develop a specific strategy for innovative regional policy, adapted to the hilly and mountainous regions"(Grčić, 1991).

Industry Impact on the Environment

The process of industrialization has led to many positive changes in the society northeastern Montenegro. Thanks to the development of the industry, there has been a changes economic structure and socio-economic structure of the population, a large number of employees, and increase in living standards.... Due to increased standards of living and the growing needs of the people. To meet these needs, people forced to use, all the modern techniques and technology. This meant greater use of non-renewable natural resources and environmental pollution intensive. On environmental issues, long time no talk. Only with the advent of the economic crisis of the eighties, more and more attention directed to the protection of the environment.

When mid-sixties are began operations "pulp and paper" and the capacity of other industrial facilities, Berane perceived socio - economic transformation and climate. The pulp factories and other industrial facilities: wastewater, gases, ash, steam and other
chemical substances, heavily polluting are environment. The results indicate a change in climate, and thereby safely and on living in it (Kićović, 1995). By pollution Berane, lowland contributed to the inadequate location of industrial facilities, in particular the "pulp and paper". Specifically, this industrial facility located in is district windy valley Berane. Thus, the time for the temperature inversion above the industrial zones created by the dome, full of particles that changing times, the wind disperses the precipitation falls on the ground. Vertical mixing of the air became more difficult, and the smoke from factory chimneys lower, usually deposited to a certain height. Above the highest chimney "pulp and paper" (96 m) drained weight is not rare, pierced ground inversion layer created by the dome above the upper limit of cold air. From the dome of smoke created horizon is the result of the spread by the wind. The smoke mixed with water drops, which created "lake" of cold air in the area, Berane lowland (Lutovac, 1973). The sun's rays usually not managed to penetrate about 350 m thick layer of fog and reach the earth's surface, and the temperature inversion lasted for several days. Given that they made mostly during the peak times of objects firing, in this fog tucked valley constantly flew in fumes and other commercial organizations, institutions as well as motor vehicles. In such circumstances, the smog created (Lutovac, 1973).

The influence and effect of air pollution on humans, plant and animal life, as well as material goods was very high. Thus, the Institute of Hygiene, Faculty of Medicine in Belgrade noted in workers 'pulp and paper' present: chlorine poisoning, damage to the eyelids liver, lung, kidney and bronchus. A health service data in Berane showed that the expressed air pollution number of patients with acute and chronic damage to the respiratory tract and bronchus increasing. As a result air pollution can be used and examples of dead birds, mostly sparrows, within "pulp and paper" (Lutovac, 1973).

Preservation of natural resources (water) probably is the responsibility of those in your area are may be affected by the decisions. Industrial facilities which man creates may be the biggest polluter's values of some sites. Let us show the example of the river Lim. Throughout northeastern Montenegro, Lim grouped in 1963 to lead the first category. Opening of the "pulp and paper", Lim has become the most polluted rivers Montenegro. "Pulp and paper" was a major consumer of water in Lima for your needs and taking the one m³ of water per second. More often than not they maximum procedures and wastewater intake were higher, which characterized by the wastewater would be burdened variety materials (organic and mineral). The presence of organic sulfur compounds and are lowest
concentration giving a distinctive and unpleasant smell. The content of soluble lignite product gave a dark color wastewater that was inevitable and the most established on in Lima. The wastewater "pulp and paper" was sodium hydroxide, sodium sulfite, sodium carbonate, live... Regardless of the treatment of flotation systems in wastewater plants paper, they could care be found: kaolin, aluminum sulfate .... and cellulose fibers (Boričić et al, 1982).

To protect Lima "pulp and paper" for the collection of wastewater carried out by a separate sewage system, that is, did the cascade aeration, sedimentation precipitator and dry deposition fields for flotation products. However, the predicted sedimentation basin for wastewater treatment and disposal of sludge held irregularly since the beginning of "pulp and paper factories," so that their operation would reduce to a minimum (Ţunić, 1978).

Thus, the relation between economic activity and environmental protection in the Federal Republic of Yugoslavia from mid to late twentieth century does not deviate from the general, global, laws in this area. Therefore, in northeastern Montenegro, we can distinguish three stages, during which they created three "layers" environmental damage. These are: (1) phase of socialist industrialization, began the reconstruction period after the Second World War and lasted until the fall of the Socialist Federal Republic of Yugoslavia. Most of the damage to the environment, developed at this stage, now manifested in the form of funds of pollution stocks. It is the problem of the so-called a Environmental legacy or historical pollution, especially in the delicate conditions of restructuring and privatization of formerly state-owned enterprises, (2) stage, since 1991 covers the period since the collapse of the Socialist Federal Republic of Yugoslavia and the wars in the region, the military intervention. This is the time of the dissolution Yugoslav markets, international sanctions, severe political and economic abuse, and one of the biggest hyperinflation in world history. For this phase characterized by the drastic deterioration of economic efficiency, particularly efficiency in is use of natural resources. Because of overutilization of technical and natural capital, poor or no maintenance of purification systems, general economic destruction of flourishing economy and the destruction of the ground of the legal system created enormous damage, typical for most countries in transition. When we talk about the consequences of such a situation the environmental medium, shall not be accepted thoughtless conclusion that owing to the economic depression, the environment spontaneously repaired. This is fundamentally flawed image is obtained by applying an inadequate indicator of ecological conditions, many of which are really pointing to positive change, such as an absolute
reduction of emissions of greenhouse gases from industry, transport, and reducing chemical pollution of waterways. However, when the data broadcast polluted compared with the level of output, given the overwhelming picture that suggests the inevitability of drastic environmental degradation, when the economic activity normalized.

According to Hanemann (1991) and Udovički & Radosavljevic (2006), when it comes to protecting the environment and lives of privatization is needed at the national level systematically and simultaneously solve three important issues, which are: (1) the division of responsibility for historical pollution and implementation of recovery from the damage caused to the environment. In this way the problem been solved with potential investors for inherited environmental damage in the past, (2) increase the legal security, administrative and judicial enforcement of legal and economic measures for environmental protection and use of natural resources, (3) These measures should be implemented regardless of whether the pollutants are privately or publicly owned. This would create conditions to attract quality investors and makes are shift toward speculative capital, (4) systematic investment in IT infrastructure management and related environmental and prioritization. This is one way to build a more attractive investment climate and increase the competitiveness of local products in foreign markets.

Respect for the environment, landscape and tradition in are construction of commercial and other facilities with a carefully selected and applied measures of protection. The types of investments in the precious quality of the later purpose of the studied region, which later returned in the form of environmental protection values and visual qualities of space (see Rajović, 2007 a, b; Rajović and Bulatović, 2008; Rajović and Bulatović, 2009).

**Handicrafts**

Chronologically speaking population activity northeastern of Montenegro, from its origins to the present, manifested through the primary activity, which at the time were taking place while the backbone of the region, and that the logical sequence and circumstances relied on each other, changing relationships among people, bringing spirit of development and progress. Analysis of the primary tasks of the population of the region, there is a certain regularity in the alternation of interest and the existence of a specific sequence or chain business, which by its elements and their relations distinctive and special. Thus, the prevailing interest in the chain appeared various crafts.
According to the scant information Savić (1929) in the region, "a blacksmith, "tufegdzija", "čarudzija", "tenderdžija", "rabadžija", "dzambasa", "ćurčija", "mutabdzija" and "potter". Development of handicrafts was due to the presence of the necessary raw materials required for processing, which suited the needs of the population. Therefore, they were represented crafts and livestock farming needed wood, blacksmiths, "kačarski"... "It was from time immemorial forcing younger children to perish craft" (Kanc, 1986). Some trades executed for the whole village. Thus, Plav and Plav always had: blacksmith, wheelwright, maestro of the only chains, the leading designers of stones, "asurdţije"...

As the artisans at the same time were farmers and ranchers, they knew plenty of tools and devices for home use. For this craft did not need special education. "My father taught the son or grandson grandfather." Thus, the "time created craft industries, often naive or semi-skilled craftsmen who were able to produce not only practical things, but they also shape the works of art" (Vlahović, 1999).

According Vešović (1935), nearly every individual in the harsh conditions of life and away from needed services has to know to make pan washing machine, handcart, circle of bread, sleds, the development of the weavers, the cradle... It is worth noting that the population of the region, mainly earning "master icing" the woodwork and "handmade with" sewing your own cloth goods, but they are excellent craftsmen for the construction of various wooden tableware and other items: pelvic mixing bread containers for milk, wagon (wooden plates), buckets, beds, chests, tubs, chairs, farming supplies, copies, various cabinets, hat stands ..... Nearly today in the region, has a self-taught expert to build a variety: agricultural tools, cradles, fiddle...

The construction of facilities useful to the life and work of the people has always been an important activity in the region. It contained within itself all the elements of craft (and a good knowledge of construction materials will be built), and elements of art, applied and immediate. Feeling creative man checks northeastern Montenegro struggle with the challenge of space and materials, and of pleasure mastered and articulated object space, one of the constructions seem beautiful human activities. It is in this business, as a logical extension of industrial development, were destined residents of the region. This activity is their specificity, because icing master the woodwork over the years, become a symbol by which people identify themselves from it. Be sure to have a voice like that of themselves masters - builders of the considered region, we obtain a pronounced build quality jobs that have worked for periods throughout the northeastern Montenegro, but still.
The structure and development of handicrafts changed in conjunction with changes way of land, clothing, food, construction, some have died off, and some modernized. Craft of pottery is one of the oldest. The region has sites: prehistoric, roman and medieval pottery. The liberation of the region from the Turkish government, the competition begins for the products of local artisans, thereby changing the very artisans of the region, is becoming better and better master artisans. Contributes to improvement of are craft and trade. It has the feature of distribution network, which used to supply craft products of the town and its surroundings (Lutovac, 1973). Many of the old trades in slightly modified form developed for artistic excellence in quality (as can best be seen by the manual labor of sewing and construction), while others have disappeared under competition. Setbacks are “tufegdžija”, and “abadžija“, “rabadžija”, while the importance of getting: blacksmith, locksmith, a tinsmith, shoemaker. It is interesting to note that the first photographic shop in Berane appeared around 1900. Residents of the region are, however, before these actions met with photography. In fact, from time to time, the region was a military photographer came from Podgorica.

Characteristics of selected activities and places emphasis on inhabitants of is region. Given the global scope of the prevailing social relations in which life in northeastern Montenegro changed and adapted to the conditions. It is inevitable to analyze any aspect of life in the region studied, observed overlapping activities (agriculture and handicrafts, handicrafts and trade).

After II World War craft, activity is structurally changed and adapted to new needs. Therefore, a trade earlier lost importance, and some came more prominent.

In addition, there appeared a new craft as a side effect of modern urbanization. Therefore in 1969 the region was 92 trades: tailors (10), carpenters (8), confectioners (13), Locksmiths (1), shop for processing wool (1), the act of painting clothes (2), barbers-hairdresser (16), blacksmiths (1) photographers (2), watchmakers (2), painters (2), shoemakers (9), the act of cutting glass (1), timber cutters (1), automobile repair shops (2), the action of electricity (2), butchers (4), bakery (6). Number of craft shops in 1994 shows that the most numerous were: taxis (76), followed by the barbers - hairdressers (22), dessert (15), butchers (9), tailors (6), an automobile repair shop (6), photographers(5), shoemakers (5), bakers (4), Tire (4), photocopiers (4), carpenters (3), electricians (3), locksmiths (2), the act of painting clothes
(2), watchmakers (2), operations for cutting glass (2), timber cutters (2), jewelers (2), optometrists (2) and actions for shaping stone (1)\(^1\).

Of particular concern is the lack of statistical data relating to the realized GDP of the craft services and actual investment in the craft. However, regardless of these shortcomings, the existing artisanal capacities, in terms of technical equipment and personnel structures do not meet the needs of economic development and population of the region. According to Kasalica (1998) when it comes to trades in the region, it is important to overcome the existing shortage of capacity in the provision of technical services (repair cars and parts for cars, water-plumbing, electrical), which are important for the maintenance of motor vehicles and industrial facilities. In other words, they must base on modern economic set all the craft services, which will serve both population and traffic, but also serve all socio-economic activities in the considered region. These are, among others: beauticians, stage-masker, pedicure-manicure, wood, leather, bookkeeping, graphic, companies piss, computer, advertising, translation, projected, economic-financial, upholstery, refurbishment, modeling...

Are large number of regulations and obligations in small businesses stifling private initiative? Not to market economies, many obstacles arise, and their decisions municipalities within the region, should contribute to simplification of procedures in obtaining licenses, contracting organization. The General Association of personal labor and funds belonging to citizens, particularly returnees from abroad, that their production was based on the local labor force, which would significantly alleviate the economic situation, to expedite the emancipation and progress in the general region (Karić, 1987). "The competition would take place, liquidated underground economy, a largely meet the many social, economic needs especially in scarce and imported products" (Rožić, 1987).

Small production unit’s economies could constitute a natural factor that has considered the region, through:

1. Revitalization of rural households as small livestock-farming units with traditional content,
2. Revitalization of rural pasture that might get production and tourist facilities,
3. Valorization of small streams in energy use,

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\(^1\) Due to the lack of official statistics and disorderly municipal statistical documentation for the period after the Second World War, we used data Knežević (1979), Kićović (1995) and reports on the work of the Secretariat of Economy of the Municipal Berane, Andrijevica and Plav.
4. Valuation of small streams for fish farming in ponds and
5. Flow through various forms of small exclusive tourist (Group of authors, 1994).

Carefully deserve special production units would based on processing of materials that are found in the region such as wood, wool, leather, berries, medicinal plants, gravel, sand, lime, decorative stone... These vital statistics combined with agricultural interest. Let us mention plants carpet the Trpezi, as well as organized knitting sweaters in the Haremi with an annual volume of 25,000 units.

Based on the above listed natural and manmade resources and infrastructure can realize following small production units:

1. Mini production line of potato chips,
2. Mini production line of potato puree,
3. Mini production line jams from the continental and berries,
4. Mini sausage production lines,
5. Mini production line for tea,
6. Mini plants for the processing of medicinal herbs - Extraction,
7. Mini dryer for drying fruits, vegetables and berries,
8. Mini plants for the production of alcohol drinking (plum, apple, pear, wild fruits ...),
9. Mini production line of paper products and
10. Mini line for briquetting of waste in is timber industry (Group of authors, 1994).

Table 2 Number of registered enterprises by sectors in the Region in 2003

<table>
<thead>
<tr>
<th>Activities</th>
<th>Regions</th>
</tr>
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<tbody>
<tr>
<td>Production</td>
<td>106</td>
</tr>
<tr>
<td>Trade</td>
<td>494</td>
</tr>
<tr>
<td>Services</td>
<td>385</td>
</tr>
<tr>
<td>Agricultural</td>
<td>29</td>
</tr>
<tr>
<td>Construction</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,028</strong></td>
</tr>
</tbody>
</table>


Number of registered enterprises in northeastern Montenegro by sectors in 2003, shows that the largest companies in the sector: Trade (494), followed by services (385),
manufacturing (106), agriculture (29) and construction (14). It comes to small businesses, and it is precisely in the conditions of market economy, while they have a minor role compared to the big companies and their impact on the growth and development of the economy as a whole, however, is gaining in importance. In fact, small businesses characterized by a high degree of flexibility, can easily adapt to changes and demands of the environment in which they are located, secure for themselves not only survival, but also adequate growth and development, better quality and specialization, as opposed to large and medium-sized enterprises in the region, the fate that befell the economic insolvency. Of course, small businesses more easily managed, and have fewer overhead costs. These companies can help you get more revenue, faster, investing, exporting easier, easier to innovate, they have an offensive entrepreneurial spirit, providing the dynamics of local development, is also better to solve the problem of unemployment.

Until recently, it thought to have great company main driver of regional development. Over time, it became clear, especially after the collapse of the industrialization process in the former Yugoslavia, the early nineties, the big companies cannot do it well to cope with the ever-increasing problems that await them in all turbulent environment. It is these reasons they moved the center of gravity interest and regional development in small and medium-sized enterprises, in which the objective include many small creative project, in different locations and with less capital. Thus, the chance of northeastern Montenegro is located in the formation of small and medium-sized enterprises, which should be based economic needs of the region and the environment.

According to Nugent and Yhee (2002), small exhibit a much higher degree of vitality. This feature is most evident in the time of economic crisis, and just then the big companies, troubled, lay off workers, reduce the volume of production... Small and medium-owned enterprises are easier adapting requirements of the environment in which they live and work, providing a profitable business herself. In addition, your prior management fair game based on market demand, and demand presented based on the most orders, which necessarily requires the specialization of these companies in the area, primarily labor, engineering, technology, and labor cases that used in the process production. With small and medium-sized, enterprises are more manageable, given to the fact that they have fewer workers, less complication organizational structure, less-developed technique and technology.... Operating costs, mainly controlled by the person who manages the company and of course make sure that the level and extent of costs without compromising the
expected level of difference between incomes and implemented of expenditures, reported in profit. One of are important characteristics of small and medium-sized companies that show great ability to generate revenue, which is particularly evident if they develop cooperative relationships with large systems, using their advantages. Investing in these companies made possible in two ways, from their own sources and from borrowings. Also small and medium enterprises are much easier time, which sell their products in foreign markets. Known for their extremely high level of innovation, and demonstrate the presence of a high degree of entrepreneurial spirit.

CONCLUSION

Our research evidence pointed to the forefront, concluding several important conclusions:

1. Population northeastern Montenegro immediately after the Second World War was predominantly agrarian occupations. In the years that followed in the region have started to come to the fore many business functions. Among them, they had special place processes of industrialization, urbanization and land reclamation. Here are some demographic indicators, to support this. Specifically, are share of the active population by sectors in 1961 the number of the active population in the primary sector accounted for 66.69%, 14.42% in the secondary, tertiary 3.54% in outside activities and unfamiliar 7.68% and 7.67% social activities in the total number of active population. The overall socio-economic development has a direct impact on the level of development of the secondary and tertiary sectors and social activities in 2003. This confirmed by the following data. Specifically, in 2003 the total number of active population in the primary sector accounted for 13.78%, 27.80% in the secondary, tertiary 19.82% in unknown outside activities and their participation was found 11.63%, in the social services sector 24.88% and working abroad in one year stay active 2.08% in the total active population(Rajović and Bulatović,2013 b). "This is a classic example of the phenomenon that is essentially invisible to many workforces that was not enough, or just a little employed in agriculture in rural areas. The rapid development of industry, now at the beginning of this development and went to activate it, and it was evident in its reduction to the village, and the concentration in the city "(Jaćimović, 1982/83).
2. Industry northeastern Montenegro to be beginning of is nineties characterized by a very dynamic development and major structural changes. Development of the industry by this time carried on the principles of development of socialist self-management. Industrial enterprises tolerated, despite the existence of waste and mismanagement. This system has been a major factor in creating an outdated and inflexible industrial structure material, which is inefficient economy, was the main feature.

3. At the beginning of the nineties, Montenegro, like other socialist countries entered a period of transition. Begin the process of transition is associated with a number of negative effects: the dissolution of the former Yugoslavia, the war in the region, the sanctions of the international community, the social and political changes, deep economic crisis, military intervention, political developments, institutional crisis .... These processes have left a deep mark on the complete functioning of the economy and, consequently, the collapse of the industry. The only bright spot in the region is the company "Polieks", "Asphalt base", "Shirt Factory" and FIC - "Polimlje".

4. The problem of environmental pollution, long times no talk. Only with the advent of the economic crisis of the early eighties, more and more attention directed to the protection of the environment. As the industry gained in importance in the region, and so the negative processes in the environment and complexity the complicated, as we have shown changes in the city's micro-climate the example and influence of Berane wastewater "pulp and paper" in Berane the river Lim. Today it is clear that the contemporary environmental crisis caused by economic development, specifically responsible for her social factors, especially the impact of the system of tangible value (Hillman, 1981). There is also aggressive character of industrial culture (Feletar, 1988). So many authors in the world warn that environmental problems can solve only as a civilization and cultural problems and tasks (Markl, 1986).

5. Construct activity characteristic of development that does not fit the needs of the population and economic development for diverse and quality products and services. Of particular concern is the lack of statistical data relating to the realized GDP of the craft services and actual investment in the handicraft. Are large number of regulations and obligations in small businesses stifling private initiative? Small production units economies in the region, it is based on a natural factor that has reviewed northeastern Montenegro. Carefully deserve special production units
would base on processing of materials: wood, wool, leather, berries, medicinal plants, gravel, sand, lime, decorative stone... (see Rajović, 2013). Not only that, thanks to the geological structure of the valley Berane there are significant reserves of brown coal and lignite (total reserves are 176,231,197 tons). Program development and production of coal in the valley Berane would cause intense regrouping and integration of industrial enterprises and caused the need for capacity expansion (Beran Village, Dolac). In the region, appear to ore metals: lead, zinc, copper, iron and pyrite. From non-metallic mineral resources, occupy their presence and reservoir construction materials: gravel sand and decorative stone (see Rajović and Bulatović, 2013 c).

The current development programs are not sufficiently respected the specific geographical conditions and a constellation of factors territorial development in the region. Development problems and irrational economic system kept all professional and scientific narratives, without the possibility of any immediate action to implement. The industry has been blocked and moved its logic cannot. Then, and seems now, we were not able to rise above statement.

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