Abstract

Economic development generally speaking should enable sustained economic growth. When we talk about the steady growth it is necessary to mention that he cannot be based on excessive use or abuse the use of natural resources. In this paper the author wants to emphasize the importance of economic development, long-term stable and sustainable growth is a priority of every company that goes through a transition period. The Great Depression was in the thirties of the 20th century and during that time the world faced a major financial problem, today the world is going through a similar period. The basis of sustainable development is in the basic economic principles, that is. Principle of simple and expanded reproduction and all that is spent must be reimbursed and that is to provide new value.

Keywords: Economic growth and sustainable development, Economics, Crisis

1. Introduction

Priority of every company should be long-term sustainable and stable growth. What is the best way to achieve this goal is to be determined through a series of economic policy instruments, one of which is the use of an optimum combination of domestic and foreign investment and public investment. If we
consider the macroeconomic indicators, it shows us the last few years to notice a slight increase in the rate of economic growth. Requirements of sustainable development can be found in the basic economic principles and the principle of simple and expanded reproduction of principle. All are made in the economic activities must be offset with this, should provide a new value or income. (Duric & Uremović, 2010)

If, however, observed historical flow can be seen that there are events that fundamentally alter the world order. So at the time of the French Revolution, Europe was faced with the changes that have been thoroughly enforcing the views of the former, leading to the rapid development of new ideas. In a later encounter with a delivery period of time "Great Depression" that contributed to the collapse of the Weimar Republic, there is a change in foreign policy, there is a significant strengthening of the U.S. or the USSR. Victory of Communist Party of China 1949th marked a completely different foreign and domestic policy of the country. The disintegration of the Warsaw Pact, the unification of Germany and largely dismantling of the USSR, the pacification of the Russian Federation, have created conditions for the emergence of a uni-polar global order, the duration of which is highly uncertain. (Nikolic & Petrovic, 2011)

2. Production

Production is the creation of a product through one or more processes in order to sell a product. Production can take place in private homes, in small workshops or large factories. During the manufacturing process to hire labor and means of production in order to obtain the finished product. To say that the production is a perpetual process of cutting, shaping and refining is done by a man with a aim to provide the material conditions of life. It is important to note that production is not only the relationship between man and nature. He is also the relationship between producers whose economic connection is realized by adjusting the appropriation of nature and needs of the people.

Let us remember that Karl Marx said: "The production people do not only affect the nature, but also with each other."

3. Indicators underdevelopment

One of the indicators of underdevelopment was to measure the share of the primary sector of the economy in the entire production; it is considered that the
percentage should be about 1%. However, while other indicators of economic underdevelopment is if we look at the economy from the standpoint of industry participation in the overall economy of the country, the minimum rate or percentage should be somewhere around 20% or so. If we observe the inner image of Serbian industry, we will see that this percentage ranges around 20% of production, and that he was going to produce food and beverages, 18% wood processing, which is 40-odd percent of total industrial production. These data show that our industry is completely powerless.

4. Competitiveness Index

Last thirty years, competitiveness is one of the most analyzed economic variables. If the competition looks at the macroeconomic level is defined as the ability of a country that in a short term to faster economic growth compared to other countries, which will lead to the adjustment of import - export and vice versa, and international trade. The global financial crisis has taken its toll on the European economy is evident in recent years in certain countries, such as: Ireland, Spain, Greece, Portugal and Italy.

The situation with large economies of China and India exhibit a sign of economic stagnation it is hard to guess which region or economic segment that will be the engine of economic growth in the next phase of the economic cycle.

According to the Global Economic Forum Competitiveness Index is a set of institutions, the implementation of the policy and the factors that determine the level of productivity in the country.

Also this index is interpreted as indicator likelihood that the country is able to have sustainable economic growth. Index is a composite score including 12 "pillars" of competitiveness index: Pillar 1 - Institutions; Pillar 2 - Infrastructure; Pillar 3 - Macroeconomic Environment; Pillar 4 - Health and Education; Pillar 5 - Higher education and professional training; Pillar 6 - The efficiency of markets for goods, Pillar 7 - Labor Market Efficiency; Pillar 8 - The development of financial markets; Pillar 9-Technological readiness; 10 Pillar - Market Size, Pillar 11 - Business Sophistication, Pillar 12 - Innovation. (Milojevic, 2012)

5. Gross domestic product (GDP)
Gross domestic product is the methodology of the 1993 year is called a system of national accounts is defined as the value of all the activities of all production of goods and services, which means that in addition to the value of production of material goods and material services take into account any other services be it on banking, financial, health care, social security. This definition is also in line with the European System of National Accounts 1995.

There are two ways to measure GDP. Nominal GDP is expressed in current prices, and the real constant (not changing) prices (IE prices in the given year), real GDP growth, which actually expresses the growth of the physical volume of production. Suppose the following example, the price of this compared to last year increased by 25%. Our nominal GDP this year (at current prices) is 7 billion marks, while real GDP is only 5.6 billion marks. To get real GDP, nominal GDP must share price index, known as the deflator. Here it seemed $\frac{7}{1.25} = 5.6$. The physical volume of production or real GDP grew by 0.6 billion, not 2 billion. (Milojevic A., Principles of Economics, 2002)

**Figure 1 - GDP per capita (constant U.S. dollars of 2000 y.)**


6. Production in times of crisis

If we look at the year comes to a conclusion that it stores and related services represent a significant economic activity than does the industry.
Recently, the Agency for Statistics of B&H made official data on gross domestic product (GDP) for 2011. Retail reportedly earned more than hospitality, mining and manufacturing together. Transport, storage and communication have a higher GDP compared to the construction and mining speaking together. Banks, micro finance organizations and exchange has a larger (GDP) compared to the power and utility networks together.

What you need to ask yourself is why very little invested in agriculture is, we all know that our agricultural industry is only 10% of GDP, while the European norms, that percentage should be at least 30%.

According to the report of the Statistical Office of the Republic of Serbian gross domestic product (GDP) in the first quarter of this year recorded a GDP growth compared to the first quarter of 2011 by 0.9%.

The announcement represents a deepening crisis of 2011, which means that, the crisis of our domestic product and is not so: import crisis. First of all, we meet with slowly running out of money situation, this situation is because we do not manufacture. Sell a basis for the creation of money, when it comes to sales, it is evident that in the RS or sold almost all have failed because of poorly organized privatization.

On the other hand, instead of new debt, we repayment obligations on loans, the foundation needs to change the economic system, the state should return to center, free markets, partly aside, and go into the creation of large enterprises as the main pillars of economic development. Misconceptions about our development opportunity in small and medium-sized enterprises, and without major, will disappear. Only when there are large, then we can tie them small and medium-sized enterprises. (A. Milojevic, 2011)

It is evident that in 2012 the situation has not improved at all, but there is a slight stagnation.

7. Sustainable development RS

According to the trade development strategy up to 2015 g. powerful demonstration effects to which He has led large global economic and financial crisis, we can expect in the future. To the Republic of Serbian managed to achieve economic growth is necessary to do the following steps: first and
foremost is to create a business environment, the advantage of our republic is reflected in the following:

- We have a large number of natural resources that are unused with women;
- Favorable geographical position;
- Very close to the EU;
- Private sector development;

In addition to the strategy states that the Republic of Serbian is a range of options that should only timely and properly used, they refer to:

- Commitment to European integration;
- Commitment to membership in the WTO;
- involved in the transport and flow;
- utilization of manufacturing capacity;
- exploiting the benefits that provides CEFTA agreement (Trade Development Strategy of the Republic of Serbian to 2015, 2009);

8. Conclusion

The conclusion is that for successful economic development and rapid exit from the crisis, it should be as soon as possible to start production in all segments of society in which productive way, and increase exports of manufactured products, which is the only and best solution to the emerging problems in which we today. While the concept of sustainable development does not fully take hold until you get out of a major crisis in which we now all we can ask ourselves how we, whether we act as individuals or groups can give contribute to sustainable economic development?

Reference


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Ključne reči: privredni rast i razvoj, ekonomija, kriza