

ECOLOGICAL CONSULTING AS A FACTOR OF INTEGRAL LOCAL DEVELOPMENT¹

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Abstract

New methods of investments decision-making require establishing a network between economic, social and ecological criteria of resources allocation. Using the consulting, which respects a situational approach in the paper, can make a balance between economic efficiency, socially responsible business and organic production standards. Development of consulting services in the field of the environment protection and organic production has been under the influence of Serbia accessing the European Union. Approaching this market imposes stricter business conditions, which reflect in tougher competition and numerous regulations in the field of the environment protection, protection of producers and consumers, etc. Previous experiences point out to a fact that some sectors represent potential winners after the EU accession. The potential winners are: tourism, transport, construction, financial services and consulting services in the field of the environment protection. Traditional processing industry needs modernization and introduction to a marketing logic. The consulting services, connected to ecology and the environment requirements are relatively new, but there considers that in the future, this segment of consulting services market, will have a greater significance.

Key words: *ecological management consulting, quality standards, consultants, organic production, sustainable development.*

¹ The paper represents a part of the research at the project III - 46006 – Sustainable agriculture and rural development in terms of the Republic of Serbia strategic goals' realization within the Danube region, funded by the Ministry of Education, Science and Technological Development of the RS.

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Introduction

The consulting represents a specific activity of helping the companies' managers to solve the problems in business for which they have not enough expertness, knowledge and experiences. In modern market economies, and especially those in which aspire to build the market mechanisms, the consulting is a result of a need for adequate and timely information, as a key factor of business success. Domestic companies have done business in non-market conditions and had not made professional and dynamic managers, who manage the changes successfully. Necessity of overall transformation requires knowing the specific activities and interventions, which are a catalyst of building the efficient companies of market economy (Mihailovic, 2007).

In agro-business sector, the consulting represents one of the most important factors of business modernization. In support of this statement should state a confirmed fact that investments in the consulting (and agricultural researches) bring around 40% of an average rate of earnings, which is "much more than other investments in agricultural development" (Van den Ban and Hawkins, 1996). The consulting services market research in Serbia has determined that there is significant demand for the consulting services in agro-complex, in the field of production standardization (Mihailovic, 2011). In accordance with the companies' needs in agro-complex of Serbia, it is useful to formulate some directives for a consultant's selection in this field, and especially for realization of quality management system in the organic food production.

In implementation of the quality management system, some of the companies in agro-complex of Serbia decide to depend on their own personnel, but some of them use the external consultants' services. Selecting a consultant is very important for an organization, while there should provide that a resulting system of the quality management should be capable to fulfil all goals, which the organization had planned in the best and the most efficient way. Even when use the consultants' services for the quality management system, inclusion and devotion of the organization's top management are key factors for realization of the quality management system.

This international standard was dedicated to providing instructions regarding the factors that should be considered, when chooses a consultant for the quality management system. It can be used by the organizations for the quality management system in selecting a consultant capable to fulfil their special needs, expectations and goals, while realizing the quality management system. It could be also used by: a) consultants for the quality management system, as the instructions for consulting on the quality management system, and b) consulting organizations, for a consultant's selection for the quality management system (Directives for a consultant's selection for the quality management system and his services use, 2005).

Concept and types of ecological consulting

Ecological factor gets its significance, which creates a demand for special consulting services regarding projection and installing of equipment for reduction/elimination of pollution. The investments value on the global ecological market has increased from 379 milliard USD in 1995, to 518 milliard USD in 2000 (Jankovic, 2006, pp. 581-588). At the same time, it is important to emphasize also the existence of increasing specialization of consultants for specific fields. Aiming to fulfil the organic production standards, it is necessary that consultants have new highly-specialized knowledge. The consultants' specialization (so called. SMS – Subject Matter Specialist) means knowing well the specific fields, like socio-economic consulting, ecological consulting, as well as getting to know with new regulations and standards in the EU.

Consequentially, the assumption of successful consulting is continual education of consultants and exchange of business experience and innovations, through consulting associations. In regard to it is also the existence of development strategic planning and connecting to AKIS (Agricultural Knowledge and Information System) and different centres for consultants' education. It can be special centres for that purpose, but the most often, those are faculties, research institutes, schools and different institutions, which, depending on the consultants needs, provide additional education. In that way, the consultants enrich their knowledge and dignify business experience. Acquired knowledge further carries over and provides solving concrete business problems of clients. The research results (Socially responsible business in Serbia, 2005) point out to underdeveloped consciousness on socially-responsible business, although are noticeable some positive moves, in sense of compatibility

development with up-to-date business concepts in developed market economies. For mass application of the previous concept is necessary the transition ending, by which make assumptions for application of a *triple bottom line* principle, which appreciates economic, social and ecological criteria (Djurićin, 2006).

The consulting services in the field of the environment protection and ecological management provide certain scientific-research organizations (institutes), Serbian Chamber of Commerce, consultative bodies of some ministries, as well as private consulting organizations, which, within business offer, have services of ecological management. In the field of ecological management are at least three types of consulting projects: 1) diagnosis of ecological terms, socially-responsible business and sustainable development, 2) education and implementation of ecological production standards, 3) interventions in production and technology. The consulting organizations offer depends on needs, i.e. demand on the consulting services market. At the same time, the offer is influenced also by human resources potential of the consulting organization. The most important are experience and expertness of the consultants, which provide to be cooperative with the clients requirements regarding the ecological management. The most significant support of consulting services notices also in the field of ecological clusters' forming. IN Serbia, the initiatives for clusters forming are also present in the ecology field. Companies – members of the Serbian Ecological Cluster are authorized for taking over and recycling of specific types of hazardous and non-hazardous wastes. It is important to point out that, all the companies – members of the cluster, have every technical condition, like necessary documentation for recycling and taking over the waste. The companies – members of the cluster, are authorized service providers in activities showed in the table 1 (Mihailovic, 2011).

The experience has shown that the most chance for success have those clusters (initiatives), which have a consensus on mutual goals and activities, which have a clear frame for cooperation and based on own initiative. In Serbian economy, during the Pilot Clusterization Program, these are, at the same time, the biggest problems. Successful work of the cluster is limited by high level of the members' distrust, lack of understanding of cluster concept, a desire for horizontal association without readiness for deeper cooperation, insisting on individual problems, fear of loosing the autonomy in business decision-making.

At the same time, absence and underdevelopment of institutional and infrastructural support largely hinder these processes in Serbian economy. The cooperation between universities, scientific-research organizations and economy sectors, is not sufficiently developed (Program for development of business incubators and clusters in the Republic of Serbia, 2006).

Table 1. *Fields of consulting services within ecological cluster*

<ul style="list-style-type: none"> ▪ Consulting in the field of implementation ISO 9001, ISO 14001, EMAS, BSI OHASAS 18001, HACCP/Codex Alimentarius, EUREPGAP, ISO 17025 , ISO 22000
<ul style="list-style-type: none"> ▪ Making reports on strategic assessment of plans and programs influence on the environment
<ul style="list-style-type: none"> ▪ Making integral local plans of waste management in municipalities
<ul style="list-style-type: none"> ▪ Writing projects for applying for credit assets with domestic and foreign donors
<ul style="list-style-type: none"> ▪ Making and implementation of LEAP (local ecological action plans) and Agenda 21
<ul style="list-style-type: none"> ▪ Consulting services in the field of law and policy of the environment protection
<ul style="list-style-type: none"> ▪ Lectures and trainings according to your wishes in the field of management system and the environment protection
<ul style="list-style-type: none"> ▪ Making the assessment study of influence on the environment and making all following requirements through all phases of influence on the environment assessment procedure
<ul style="list-style-type: none"> ▪ Making risk assessment from chemical accidents
<ul style="list-style-type: none"> ▪ Expertise in the field of eco-toxicology
<ul style="list-style-type: none"> ▪ Production and sale of equipment for disposal and recycling of secondary raw materials

Source: *Mihailović, B. (2011): Development of consulting services in Serbia and their influence on company performances in agrocomplex, monograph, Institute of Agricultural Economics, Belgrade, p. 117.*

Conditions for organic production in Serbia

There are natural conditions in Serbia for development of organic production, which reflect mostly in unpolluted agricultural areas, as well as in existence of households in mountain areas with the entire cycle of vegetable and livestock production. The production, processing and market placement of the organic food have to be harmonized with the international standards and with the law on organic food production in Serbia. The organic agriculture is based on application of specific methods of the organic production. It gets its more significance by bringing a man closer to nature, from which he had become renegade; it makes almost complete harmony with the environment preservation requirements and finally, it provides to population to feed with the products made by natural processes,

using organic and mineral matters (Katić et al., 2008, pp. 267-276). Accordingly, the organic production goals are the following: production of sufficient amounts of high-quality food; up keeping and increasing long-term fertility and biological activity of land by using biological, mechanical and methods adjusted to local conditions; protection and up keeping of biodiversity in nature and agriculture, on a farm and its vicinity, by using sustainable production systems; maintaining and preserving the genetic biodiversity by paying attention to genetic resources management on the farm, recognizing domestic knowledge and traditional producing system significance, their protection and apply in education (Mihailovic et al., 2007, pp. 81-94). Numerous goals stated in Codex Alimentarius can be added to those goals, such as: promotion of renewable resources in locally organized agricultural systems, managing agricultural products in a way by which will keep the organic integrity and a vital quality of products in all processing stages, etc. As these goals cannot be measured easily, the best way is to insure their realization in practice and to make a difference between the organic and conventional production and to adopt procedures, official rules, as on the national, as well as on the international level. Development of the organic production implies introduction with the IFAOM standards, by which suggest and determine a minimum of requirements for the organic production (Mihailovic et al., 2007, pp. 81-94).

The Republic of Serbia has very favourable conditions for setting up this type of production. The environment is preserved, especially in mountain regions, which occupy 71.5% of central part of the Republic of Serbia, or 51.7% of the entire republic territory (Katić et al., 2008, pp. 267-276). Most of these areas have high-quality water, clean air and are remote from highways and other sources of the environment pollution. Accordingly, the organic production realizes by very high criteria and it is regulated by special decisions. These regulatory rules exist in Serbia, too, and are well coordinated with the EU legislation. The area in which collect wild plant species from natural habitats, by the organic production method, in 2009 was amounted around 1,000,000 hectares, while arable land on which applies the organic production methods was amounted around 1,200 hectares. The organic production is based on an essential connection between agriculture and nature, with a focus on respecting the natural balance. By the organic production and supply of health-safety food creates pre-conditions for motivating export and improvement of socially-economic position of rural environment and the national economy.

Consultants for a quality management system

The standards give the production a common language. In this way communication is easier, and marketing more successful. The standardization helps producers to insure a product which is required and can be sold, while helps buyers to get the quality they want. Big supermarkets associations introduce the quality standards, which the production has to fulfil. Those standards refer to bio-chemical characteristics, external look (mass, colour, diameter of fruit) and presence of harmful matters (nitrates and heavy metals, pesticides' residuals, phyto-hormones). It is about, primarily, EUREGAP 13 for agricultural production and HACCP in processing industry (Presna et al., 2006). Those standards appeared as consumers reaction to a phenomenon of unsafe food during the livestock diseases epidemic (mad cow disease, foot-and-mouth disease), as well as of fear from introducing the genetically modified food. The EUREGAP is the standard which covers all main aspects of production, like managing land, crops growing and gathering. It also deals with pollution issues, labour treatment and environment protection. It follows the production from sowing (analyzes origin of seeds and soil history), through growing (follows the use of herbicides, pesticides and fertilizers – quantity, type, quality, place and method of application), irrigation and gathering (hygiene level and a way of storing), to packing, transport and placing a product to a store shelves.

The standard HACCP represents a system which identifies, considers and controls risks, important for food safety. The risk includes biological, chemical or physical agents in food, with potential to cause unfavourable activity to human health. Needs for the HACCP are caused by the following factors: increasing number of polluters, increasing care of health due to hygienic food contamination, increasing risk of diseases caused by chemical problems in food production, new technologies and life styles and reducing threshold of the people, and also the world trade requires the international harmonization. The HACCP provides numerous advantages. The most important are the following: provides a preventive system for food production, more effective and more efficient supervision by the government with less inspection, responsibility for food safety transfers to industry, helps food producers to be more competitive on the global market. A stimulus for higher organic production in Serbia is small and medium companies in the field of fruit processing. The HACCP standard (hazard analysis of control critical points in production) in Serbia has introduced 12 companies in the field of fruits and vegetables

processing (Malina Produkt, Mondi Food, Sirogojno, Hibrid, Libertas, Flora, Vulić Vulić, Jevremovac ABD, Zadrugar), while the firm Libertas from Sabac, which deals, except processing, with growing fruits and vegetables, has got the first EUREGAP certificate in Serbia. Although, still high percentage of Serbian producers and processor of food, poorly or not at all, have been introduced to the food safety standards.

Taking into consideration that there is a great demand, in Serbia, for consulting services in the field of introduction and implementation of standards in production and quality management, there will consider necessary professional competence of the consulting organization for this type of consulting projects. The factors of its professional competence represent more developed and, to some extent, modified form of previously stated determinants of a consultant's competence. When chooses a consultant for the quality management system, the organization should evaluate if the consultant has the competence which suits to a size and a content of the consulting services, he should provide. The competence has been defined in ISO 9000, as a demonstrated ability for application of knowledge and skills. As such, it comprises: personal characteristics, education, knowledge and skills, knowledge and skills specific for the quality management, knowledge and skills specific for the organization, work experience, keeping and improving the competence (Directives for selection of a consultant for the quality management system and its services use, 2005). The personal characteristics contribute to a successful activity of the consultant for the quality management system. Generally, the consultant for the quality management system should have numerous personal characteristics, which will help him during his work in a company. The consultants for the quality management system should have adequate education, necessary for implementation of knowledge and skills in regard to the provided consulting services. Besides, from the consultants for the quality management system are expected to understand and apply the relevant international standards (ISO 9000, Systems for quality management – Groundwork and dictionary; ISO 9001, Systems for the quality management – Requirements; ISO 9004, Systems for the quality management – Guideline for performances' improvement; ISO 19011, Guideline for checking the quality management system and/or a system for the environment management), as well as other relevant international standards. Also, the consultant must know other standards necessary for the consulting services.

The consultants for the quality management system should have a general knowledge on: a) standardization, systems for certification and accrediting on the national and international level, b) processes and procedures for the national certification of products, systems and personnel. The consultants for the quality management system must know some appropriate principles, methodologies and procedures and to be capable to apply it.

The next list points out to such fields where the consultant's experience and ability can be useful: principles of quality management; tools and techniques for permanent improvement; adequate statistical techniques; methodologies and techniques for checking; principles of the quality economy; team work techniques; PDCA (Plan-Do-Check-Act) methodology; methodology of policy development; techniques of a process mapping; techniques for problems solving; techniques for tracking satisfaction of users/employees; brainstorming methods. Being introduced to the law requirements and other regulations, which refer to the organization activities and the consultant's workload, are important for the consulting in regard to the quality management system. However, there cannot be expected from the consultants for the quality management system to have the experience in application of this knowledge before starting their services. The relevant knowledge in this field considers typical requirements from the law and other regulations for the organization's products (for example, from ISO 9001).

The companies in Serbian agro-complex agree in one: the consulting services price issue cannot be more important than professional integrity and professional competence of the consultant (Mihailovic, 2011). On a scale of 1 to 5 (1 – the least important criteria of a consultant's selection, 5 – the most important criteria of a consultant's selection) of a consulting service price has the lowest average grade (3.8), opposite to the professional competence with the highest grade (4.66). The results of the empirical research coincide with recommendation of some international consultants association. For example, the International Federation of Consulting Engineers – FIDIC, suggest the clients to choose a consultant, according to his ability, not the price. A consultant, as a rule, forms a price and collects the service in accordance to a common practice in the profession, by which the consulting services' payment method negotiates before the business starts. If the price departs (higher or lower) from the usual market price, than is necessary to inform the client about the deviation reasons.

The analysis of the required price often opens a question of a project task form and personnel necessary for its realization, so it should also be considered and précised at the beginning of negotiations.

In that way will eliminate at the start unfavourable occurrences, which can seriously disrupt set good relations between a consultant and a client, and the least misunderstandings can jeopardize implementation of contracted business.

During the analysis of a consultant's offer, before he accepts it, a management of a company/client pays special attention to how it is correct, i.e. if it includes some unnecessary and unfavourable items:

- Consultant has suggested too expensive approach (e.g. broad data collection, using more samples than necessary, elaboration of oversized number of alternatives, supply of expensive patent systems or equipment – *hardware*, etc.).
- Proposal of the project anticipates engagement of highly-professional and more expensive experts (more senior consultants) than necessary in that case,
- Consultants suggest their people for jobs the client can do by himself or with some training and directing (Kubr, 1995).

The consulting services, connected to ecology and the environment requirements, are relatively new, but there considers that in the future this segment of the consulting services market will have more significance. In support of this conclusion is a fact that this sector strengthens in many countries, which have joined the EU. What is sure is that those services are interdisciplinary.

The consulting organizations, which basic activity is accounting, managerial and engineering consulting are present also in this market segment.

Table 2 shows an aptitude of services connected to ecology and the environment requirements toward trade. It is about the following consulting services: managing waste and pollution, issues of regulation, working environment and safety.

Table 2. *Commercialization of consulting connected to ecology and the environment protection*

Services	Description	Local presence	Information technology	Local knowledge	Aptitude for trade
Managing waste and pollution	Advices for clearer production technologies and waste removal	Necessary to know materials in a client's production system		In some cases is useful to know climatic conditions and environment conditions	Good
Regulation issues	Advices for rules concerning the environment and regulation	Not necessary		Necessary to know intensively local rules and regulations	Poor
Work environment and safety	Advices for improvement of workers' safety at work. Suggestion of measures for increasing satisfaction at work	Necessary to know organization of a client's production system	Data bases on previous accidents, toxic materials etc.	Necessary to know local working culture and regulation of work safety	Poor

Source: *The Tradability of Consulting Services and Its Implications for Developing Countries, UNCTAD, New York and Geneva, 2002., p. 157.*

The manager's task is to change production, marketing, as well as using products or services, or performing the activities in accordance with scientific and technical acknowledgements, in order to prevent a serious or irreversible degradation of the environment.

At the same time, there is necessary to measure the effect of environmental protection, to perform regularly the environment protection checking and assessment of adjustment with the internal requirements of a company, legal requirements and other regulations. In this way will provide contribution to preserve the favourable conditions for the organic production development in Serbia.

Integral local development and some aspects of environmental protection

With occurrence of new challenges of globalization, significant interest has been directed to development of new methods for solving diverse business influence in the society. Many of those influences are far-reaching and profound. Just to mention some, as:

- *Environment pollution* caused by production, transport and using products as cars, refrigerators or newsprints.
- *Increasing problem of waste disposal* and its management as a result of excessive packaging.

- Devastating results for individuals and local communities, due to *closure of the local companies*, reduction of their size and number of employees, which is an experience well known in Europe, from South Wales in Great Britain, to the countries of Central and East Europe.
- *Erosion of local cultures and surroundings* owing to a penetration of mass tourism in places like: Mallorca fishing villages, Swiss alpine communities, as well as ancient Roman monuments.

After the *Earth Summit*, held in 1992 in Rio de Janeiro, a concept has imposed as the one which should be at full length applied (although it had not been unilaterally accepted). It is about a new conceptual frame for evaluation of not just business activity especially, but also industrial and social development generally. That concept is the *sustainability concept*. The sustainability has started to be a common expression in a rhetoric regarding a business ethics, so its uses in full length by corporations, governments, consultants, scientists, etc. Despite the wide use, sustainability is a concept which is used and interpreted in different ways (Dobson, 1996). Probably the most common use of the expression is related with the sustainable development, which usually defines sustainable development as: *Development that meets the needs of the present without compromising the ability of future generations to meet their own needs* (World Commission on Environment and Development, 1987).

This definition, however, represents only a basic idea of a widely deniable expression, which was also a subject of enormous series of different conceptualizations and definitions. Thus, along with all the caution against an unquestioning acceptance of any interpretation, on a basic level, it seems that sustainability primarily refers to the system preservation, as well as to the fact that our activity does not affect the systems (for example, Earth or biosphere) in a way that their long-term sustainability is jeopardized. Focusing on the sustainable development and the future generations potential to satisfy their needs, sustainability also faces reflections on inter-generational capital, i.e. on equality between one generation and another. For a long time the sustainability concept has substantially stayed a synonym for human environment sustainability. Recently was yet enlarged not only to the environment considerations, but also to the economic and social development (Elkington, 1998). This sustainability concept enlargement has emerged not only for the reason that it is impractical, sometimes even impossible,

to analyze the sustainability of natural surroundings without the consideration of social and economic aspects of relevant social communities and their activities. The second argument for this consideration continuation is if the capital should enlarge to the future generations, then it is logical that it also should be enlarged to those in the existing generation. Thus, one of the primary goals set by the World Commission for Environment and Development is to uproot the world poverty and inequality. As it is noticeable, sustainability can be observed through three components: ecological, economic and social. It refers to a definition: “*Sustainability refers to long-term system preservation in accordance to a man’s environment, economic and social development*” (Djuricin, 2006). Maintain the subtle balance between industrial development and environmental conservation leads to redefine the existing resource combinations due to the costs of transition to new technologies friendly to the environment. Although the definition is meant for determination of a basic content of sustainability concept, it is obvious that sustainability as a phenomenon represents a specific goal, which should be achieved. Shaping the sustainable development as the goal of the business activity of a company is the most complete expressed through a “triple bottom line” concept. The “triple bottom line” is a term which has been formulated and strongly pleaded for, by John Elkington, director of the Consulting Agency for Sustainability Strategies and the author of many esteemed books on corporate environment. His opinion on this concept was based on the fact that it represents an idea that business is not related only to one goal which reflects in maximizing economic value, but he added the enlarged set of goals, which implies including the environment and a wider social community. From this point of view it should be clear why sustainability is a new goal, potentially important for business ethics. However, in order to develop clearer picture on what these three sustainability components represent for the business ethics, one must analyze each of them.

Perspectives related to the environment protection. The sustainability concept is generally considered that it has emerged from the environment protection perspective, especially in forestry, and later also in other areas of resources management. Indeed, in this moment there is still quite a widespread perception in business (although we believe it is wrong) that sustainability is often a concept of man’s environment protection. Thoroughly sustainability principle in the perspective of the man’s environment protection comprises an effective management of physical resources, in a way to be preserved for the future. All bio-systems are

observed as the ones with limited resources and finite capacity, and thereby also the sustainable human activity must work at the level which does not jeopardize endangered species health. Even at the most basic level, these problems point out to a need to eliminate a certain number of critical business problems, like influences of industrialization on biological diversity, further use of non-renewable resources as oil, steel and coal, as well as the production of harmful environment polluters. Although those relations also increase the economic growth issue, as a vexed question remains if the future generations could really realize the same life standard as us, without cancellation of increasing production and consumption trend. Consequently, ecological factor gets its significance, which makes a demand for special consulting services related to projection and installation of equipment for reduction/prevention of pollution (Cvijanovic, Mihailovic, 2010, pp. 99-106).

Economic perspective. The economic perspective of sustainability has emerged from the economic growth model, which assess capacity limits of the planet Earth. Understanding that a continuous growth of population number, industrial activity, resources utilization and the environment pollution can lead to the life standard reduction, have initiated the sustainability occurrence as a way of thinking which would insure that the future generations will not be in an unfavourable position due to activities and choices of the existing generation. In time has expanded the opinion on improvement of sustainability macroeconomic comprehension. Such opinion implication on the business ethics have appeared at different levels. Narrow concept of economic sustainability focuses only on economic performances of the corporation. The management is responsible only for development, production and market of those products which ensure long-term economic performances of the corporation, without respect for the environment and society requirements. Paying bribes or forming cartels, for example, can be considered economically unsustainable, while these activities jeopardize long-term functioning of the market.

Social perspectives. Development of the social perspective related to sustainability usually comes after the ecological and economic perspectives and stays relatively new, as a phenomenon. Explicit integration of social problems into the business discourse about sustainability could be seen as a phenomenon during the '90s, and, first of all, seems as answer to a worry regarding the business activities influence on autochthonous communities in less developed countries and regions.

Introduction of social reflection within the sustainability area has characterized a significant shift in this concept's interpretation. A key question in the social perspective is the one concerning the social justice. Regardless to an impressive progress of life standard, the UN, during 2005, had issued the *Report on Social Situation in the World*, which had identified a constant deepening of inequality on the planet. With 80% of the world gross domestic product, which belongs to one milliard people living in developed countries, and the rest 20% shares 5 milliard people who live in developing countries, as it is stated in the Report, was suggested that "solving the inequality must secure a social justice and better life conditions for all the people, which is unachievable in this moment, so the communities, countries and regions are still vulnerable to social, political and economic subversion" (The Report of the World Social Situation, 2005). More concrete, in the Report is stated that there is "an increasing chasm among qualified and unqualified workers, the chasm among formal and informal economy, as well as significant differences in health care, education and opportunities for social and political participation" (The Report of the World Social Situation, 2005).

Although the UN had determined the goals, they, in effect, represent a government responsibility which should achieve them. Some of them have very direct implications for business, while the others refer to wider environment in which companies have to do business. In regard to this enlarged set of expectations, which are put in front of business in accordance with the concept of "Triple Bottom Line", there are many significant implications regarding the way in which should be observed the business ethics. Aiming to achieve sustainability in previously defined areas, maybe expects too much nowadays. There are negligible products, firms or industries which could reliably claim that they are sustainable in the full sense of the word. Nevertheless, with the concept of sustainable development widely promoted by governments, companies, non-governmental organizations and academic communities, which is obviously important in order to understand full implications and evaluate the business ethics application, at least according to potential contribution to sustainability. The programs of support to the sustainable development (primarily rural development) can have more significant effects if they are directed to competitiveness, innovations and employment in rural areas. By introduction of the rural development local strategies (LEADER approach), through stimulating interest of the local population by their active participation and creating the local action groups (LAG), the social capital in these areas can significantly increase. The EU Agrarian Council

adopted in 2005 a fundamental reform of rural development policy for the period 2007-2013 (Regulation EC No. 1698/2005). The new rural development policy has set exactly the LEADER initiative as a leading approach in distributing support and has notably simplified the procedures, and these are the following “axes” in the period until 2013: Improvement measures, i.e. increase of the agrarian sector competitiveness; improvement of the environment and rural environment through the support to land management; economic diversification and improvement of life quality in rural areas; and the so-called, “horizontal” component or fourth axis of financing and conducting the rural development policy – the LEADER approach. Integrative approaches in the local development have been useful in the previous period, especially in sense of the local capacities construction and assistance to the government agencies and to the Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia. Positive influence reflects, first of all, in creating the adequate support measures and more qualitative assessment of the specific measures’ effects on the local development.

Conclusion

Liberalization of domestic economy means not just the international competition, but also stricter business conditions. New terms of business competition imply understanding and implementation of regulations in the field of the environment protection, health care, safety, protection of producers and adequacy of a product. The managers in Serbia have no sufficient business experience in market conditions, so they need support in knowledge, skills and introduction to the organic production standards. Consulting appears to be a good form of this support. Condition of our companies and insufficient managerial abilities and skills contribute to the consulting actuality role in understanding and accepting the standards referring the organic production. Accordingly, in this paper was pointed out to the significance of the consulting services in the organic production affirmation in Serbia and identification of its development limit. There was also analyzed the consulting contribution to the organic production development in context of compatibility with socially-responsible business and a concept of sustainable development in Serbia.

In Serbian companies has dominated the production orientation which has not accepted the market requirements. Domestic companies have lost a brand and the traditional markets. Coming out from the crisis requires a constitution of market-oriented companies, which implies a series of

structural changes, directed to improvement of business efficiency and adjustment to the market requirements. Development of companies in the transition conditions requires many expertises, abilities and skills in comparison with developed market economies, where there is great accumulated knowledge and experience. Modern production implies modern technologies. In that sense, aiming to fulfil the EU standards, it is necessary for the consultants to have new, highly-specialized knowledge.

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