

UDK: 339.923:061.1(4:497.11)

Paper received: November 13, 2023

Paper accepted: November 20, 2023

Journal of Entrepreneurship

and Business Resilience

Year VI • Vol 6, No 2.

pp. 58-67

SCIENTIFIC REVIEW

**TOWARDS THE RESILIENT REGION:
SIGNIFICANCE AND APPROACH IN
REGIONAL POLICY PLANNING AND
REGIONAL DEVELOPMENT IN THE
PROCESS OF SERBIA'S ACCESS TO
THE EUROPEAN UNION**

PhD, Sofija RADULOVIĆ

Faculty of Law for Commerce and Judiciary in Novi Sad,

University of Business Academy Novi Sad, University of Business Academy Novi Sad,

E-mail: sofija.radulovic@pravni-fakultet.info

PhD, Dejan M. RADULOVIĆ

Faculty of Law for Commerce and Judiciary in Novi Sad,

University of Business Academy Novi Sad, University of Business Academy Novi Sad,

E-mail: sode.radulovic@gmail.com

ABSTRACT

The authors analyse the importance and approach in regional policy planning and regional development in the process of Serbia's accession to the European Union, through regional policy planning at the national level, the need to open Chapter 22, which is dedicated to regional policy and the management of structural funds. The paper deals with the analysis of regional development in Serbia, the need to define regional development policy.

By defining ten pillars of regional policy, the authors analyse and provide a framework for establishing and implementing regional policy in Serbia. Based on the analysis, the possible goals and priorities of Serbia's regional policy are determined.

Keywords: *regional policy, chapter 22, pillars, goals and priorities of regional policy*

JEL classification: *R5*

INTRODUCTION

Membership in the European Union is not inevitable, but a conscious and precisely determined decision of a country and its population that such a choice is in their (national, regional and individual) interest. Membership in the European Union is not an end in itself, but a means for realizing a long-term national strategy of efficient economic development in order to improve the living conditions of the entire population and, therefore, must be established by consensus.

Regional policy and regional development in Serbia should be a development and investment policy that aims to provide support for the creation of new jobs, the launch of new and strengthening of the existing companies, raising regional competitiveness, improving the quality of life and sustainable development, contributing to more even economic growth in the country, reducing regional inequalities (Radulović, 2015, 93).

For these reasons, regional policy and regional development cannot be viewed in isolation from other policies, it should be represented in all relevant sectoral strategies and contain a sectoral classification of priorities and measures for their implementation with multi-year planning of funds, with constant preparation of projects that will enable development documents implementation (Radović, Marković, & Marković, 2022).

The issue of the existence of regional policy in the European Union and the existence of national regional policy is a fact, which indicates their different nature but also the need for mutual complements. Our goal should be to achieve the greatest complementarity between these two policies during planning and implementation, which will reduce certain tensions and avoid the creation of parallel systems (European and national), characterized by different requirements and needs. In this way, a significant step forward will be made in the direction of establishing complementary systems for the management of national regional policy and European Union funds.

European regional policy is based on solidarity and assistance between the developed and the underdeveloped, thereby influencing the reduction of differences in the development of regions, improving the living standards of the population in them, restructuring their industry, developing infrastructure, opening new jobs, etc. (Radulović, 2014, 15).

We could say that the national regional policy should represent the sum of coordinated sectoral policies and priorities within which measures are recognized in the function of encouraging even regional development. This policy should help statistical regions in Serbia to use their territorial capital and thereby increase their competitiveness in relation to other regions.

THE IMPORTANCE OF OPENING CHAPTER 22 FOR SERBIA

Serbia has not yet opened Chapter 22 in the EU accession negotiations, which is dedicated to regional policy and the management of structural funds. According to the opinion of the European Commission, the main obstacles are still the absence of a legislative and institutional framework, administrative capacities, which include the lack of professional staff in the competent institutions.

The candidate country since 2012, Serbia began negotiations on EU accession after the First Intergovernmental Conference, held in 2014, between the Government of the Republic of Serbia and political representatives of the EU and member states.

The European integration process is a long and arduous dialogue between the governments of candidate countries and European institutions on negotiation chapters (35 in total), which are divided into six thematic units (the so-called clusters).

During this pre-accession phase, our country as a candidate must work on harmonizing its own legal systems with the so-called *acquis communautaire*, i.e., with the values, procedures and regulations that make up EU legislation.

Within the accession negotiations, Chapter 22 is dedicated to regional policy - also called cohesion policy - and includes a number of regulations and procedures useful for preparing the candidate country for the future management of EU funds (https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/conditions-membership/chapters-acquis_en).

Cohesion policy represents the reference framework for local and regional development within the EU, and is one of the European policies in which the most funds are invested. Namely, for the financial period 2021 - 2027, the funds dedicated to cohesion amount to more than 377 billion euros, approximately 35% of the entire European budget (<https://www.europarl.europa.eu/factsheets/en/sheet/93/coesione-economica-sociale-e-territoriale>).

At the request of the European Commission, the Government of Serbia adopted in 2019 an action plan for meeting the requirements in the area of cohesion policy of the European Union, for Chapter 22-Regional policy and coordination of structural instruments, which defines a series of measures - and deadlines for their adoption - that should contribute to meeting the conditions useful for the implementation of regional policy ([Chrome-extension://efaidnbmnnnibpcajpcgclefindmkaj/https://www.mei.gov.rs/upload/documents/pristupni_pregovori/akcioni_planovi/ap_pg_22.pdf](https://efaidnbmnnnibpcajpcgclefindmkaj/https://www.mei.gov.rs/upload/documents/pristupni_pregovori/akcioni_planovi/ap_pg_22.pdf))

While waiting to access the cohesion funds - which become available only after full accession to the Union - Serbia is participating in ten programs dedicated to one of the two main objectives of the EU's regional policy, namely European Territorial Cooperation. Specifically, it is about seven programs that are mostly financed from the Instrument for Pre-Accession Assistance IPA III - four cross-border cooperation programs with member states (Hungary, Romania, Bulgaria and Croatia) and three with candidate states (Bosnia and Herzegovina, North Macedonia and Montenegro Gora), two transnational cooperation programs (Danube and Adriatic), and the URBACT program.

In addition to encouraging cooperation with neighboring countries on matters of common interest (in the field of tourism, environmental protection, infrastructure development, etc.), participation in these programs contributes to better preparedness of the country for the future management of cohesion funds, enabling it to gradually adapt to European standards and good practices in strategic planning, financial management and development and implementation of investment programs at the national level.

THE PILLARS OF THE NATIONAL REGIONAL POLICY

The framework, importance and need for the policy of regional and sustainable development of Serbia should be based on 10 pillars for planning, organizing, coordinating, implementing, monitoring and evaluating development activities - Table 1 (Radulović, 2012, 89):

Table 1: *The pillars of the national regional policy*

| | | |
|--------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Pillar I</i> | POLITICAL FRAMEWORK | Willingness to define policies clearly according to regional development and participate in its implementation |
| <i>Pillar II</i> | LEGAL FRAMEWORK | The Constitution of the Republic of Serbia, the Law on Regional Development and by-laws and other acts |
| <i>Pillar III</i> | STRATEGIC FRAMEWORK | Coordinated and integrated sectoral-territorial approach in implementing sectoral policies and defining goals and priorities, through development documents |
| <i>Pillar IV</i> | GEOGRAPHICAL FRAMEWORK | Nomenclature of statistical territorial units and the development of units of local self-governments and regions |
| <i>Pillar V</i> | INSTITUTIONAL FRAMEWORK | Subjects of regional development are recognized as bearers of even regional development |
| <i>Pillar VI</i> | FINANCIAL FRAMEWORK | Sources of funds (domestic and international) |
| <i>Pillar VII</i> | DEVELOPMENT FRAMEWORK | Measures, incentives, programs |
| <i>Pillar VIII</i> | ANALYTICAL FRAMEWORK | register of measures and incentives, assessment of measures and incentives |
| <i>Pillar IX</i> | FRAMEWORK OF THE COHESION POLICY OF THE EUROPEAN UNION | The impact of the cohesion policy of the European Union on defining the national regional policy |
| <i>Pillar X</i> | IPA FRAMEWORK FOR SERBIA | The impact of the IPA for Serbia on the definition of national regional policy” |

Source: the author

Territorially underdeveloped areas are in the eastern, southern and partly western parts of the Republic of Serbia. According to statistical data, the differences between developed and underdeveloped areas are increasing, so that today the Republic of Serbia belongs to the countries with the largest regional differences in Europe (Radulović, 2015, p. 78).

In recent years, regional development in Serbia has neither been a priority nor political topic, although it should be as a result of growing regional differences, worsening negative demographic trends and increased political interest, but also the need for harmonization and implementation of the future cohesion policy, when Serbia becomes a member of the European Union.

THE VISION, GOALS AND PRIORITIES OF SERBIA'S REGIONAL POLICY

The vision of an economically and socially more harmonious, balanced and sustainable development of Serbia implies a different distribution of economic activity, infrastructure and funds that would open up opportunities and perspectives for all citizens and regions (as well as for levels within the region) in combination with an adequate quality of life and human capital that would encourage and enable people to realize their potential in the part of the country where they want. Each region must be enabled to contribute as much as possible to national prosperity.

The general goal of regional development in Serbia should be to improve the socio-economic situation and the quality of life of residents in all regions of Serbia through the effective mobilization of specific regional and territorial potentials and more even, sustainable regional development.

It is based on mitigating and reducing regional and intra-regional differences and overall socio-economic development.

This general goal should be elaborated through three strategic goals and one operational goal of regional development, which refer to:

- 1) **Creating conditions for sustainable and economic growth** through strategic investments in the natural and built environment in statistical regions in Serbia;
- 2) **Improving the supply of labour force** that will better reflect the needs of employers and potential employers in the regions of Serbia, as well as the ability to attract investors;
- 3) **Support to the economic sector for the creation of new jobs and wealth** by focusing on sectors with the potential for permanent and sustainable employment growth in the regions of Serbia.

The basis for the realization of all three of these strategic goals is a clearly identified operational goal of regional development:

- 4) **Improving institutional capacities** in key areas at national, regional, district and local levels to ensure maximum benefits for people, places/localities and productive capacity through more effective regional development.

Other national regional policy objectives should be:

- “*Development of local self-government units, statistical regions and areas* (to achieve a better connection of local and regional development needs with national development priorities with the involvement of partners in which all interest groups are represented);
- *development of underdeveloped areas* (more even regional development is enabled by helping underdeveloped areas to achieve faster socio-economic development and thus reduce the lagging behind other areas of the Republic of Serbia);
- *development of border areas* (a basis is created for the development of coordinated, system-oriented cooperation at the local, regional level with partners from countries in the region in order to reduce the negative impact of the border and promote socio-economic cohesion in border areas)” (Radulović, 2013, 201-202).

Sustainability is the foundation for the success of development or regeneration activities. Three "sustainability axes" for development are recognized in Serbia:

- 1) **economic** - sustainable economic growth and economic-technological progress (Milošević, (2023);
- 2) **social** - sustainable social development, based on social balance and equal opportunities for all citizens;
- 3) **ecological** - the environment protection with reasonable use of natural resources, united into one whole with the support of an appropriate institutional framework.

Bearing in mind that regional policy and regional development should be focused on economic issues, the remaining axes of sustainability must be realized as "horizontal" or "cross-cutting" topics that are embedded in all strategic objectives of economic regeneration and must be respected in all regional policy interventions. These horizontal topics should be:

- A) equal opportunities and better quality of life for all citizens;
- B) support and development of a sustainable environment in Serbia.

These cross-cutting, horizontal topics should be directly related to the important principles of European Union policy.

Table 2

| Strategic goal | Priority | Sub-priority | Indicators |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Human capital development in all parts of Serbia | People | Education | <ul style="list-style-type: none"> • Reduction of unemployment among school leavers • Reduction in the number of vacant positions |
| | | Employment | <ul style="list-style-type: none"> • Reduction in the number of vacant positions • Reduction of long-term unemployment |
| Creating conditions for sustainable development in the regions of Serbia through targeted and progressively growing public sector investments | Place | Quality of life | <ul style="list-style-type: none"> • Increased solid waste collection and recycling |
| | | Attracting investments | <ul style="list-style-type: none"> • Increase in investments (international, regional, local) • Increase in the number of visitors - overnight stays |
| Creation of new jobs and wealth in all parts of Serbia by encouraging the development of a competitive, innovative and entrepreneurial economy | Production capacity | Existing companies | <ul style="list-style-type: none"> • Reduction of unemployment |
| | | Removal of barriers to development | <ul style="list-style-type: none"> • Reduction of unemployment |
| | | Creation of new job positions | <ul style="list-style-type: none"> • Reduction of unemployment • Number of start-up companies |
| Improvement of institutional capacity in key areas at the national, regional, subregional and local levels | Institutional capacity | Support to the regions | <ul style="list-style-type: none"> • Increased awareness and engagement of all stakeholders • Improved communication • Increased efficiency • Higher absorption of the available funds • Effective monitoring and implementation |
| | | Support for connecting national and regional levels | |
| | | Building national capacities | |

Source: the author

The general priorities of the national regional policy should be based on the four general national and regional priorities that emerged from the strategic goals - Table 3.

Table 3

| | |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PLACE, ENVIRONMENT, INFRASTRUCTURE | improving the environment in which people live, work and rest, in order to encourage investment, economic activity and the stability of a skilled workforce |
| PEOPLE | improvement of human resources in different regions of the Republic of Serbia through an approach based on the specific needs of their fellow citizens in terms of employment and income |
| PRODUCTION CAPACITY | creation of new jobs and economic entities in accordance with specific needs and potentials; |
| INSTITUTIONAL CAPACITIES (ADMINISTRATIVE) | building and strengthening of institutional capacities and expertise, structures relevant for regional development at all levels |

Source: the author

CONCLUSION

We can conclude that the main goal of regional policy is to encourage better utilization of natural potential in underdeveloped areas (development of agriculture, tourism), create equal conditions for everyone, create conditions for life, taking into account the specificity and needs of the region, municipality, city, village. The development of regional policy is a prerequisite for development and a better standard.

The national regional policy in Serbia should be defined as a coordinated and integrated sector-territorial approach to sustainable socio-economic development of all parts of the territory of Serbia, with respect for certain territorial specificities of certain areas, and the implementation of which will be the responsibility of the line ministries. Each implementer should have its own sectoral document that should recognize the horizontal regional policy through its measures (Radulović, 2012, 89, Radulović, 2013, 7/13).

"When implementing the national regional policy, its connection with other government policies (its representation in all sectoral policies) should be ensured, as well as with the regional policy of the European Union. This means that the national regional policy in the Republic of Serbia should provide a coordinated and integrated sector-territorial approach that is harmonized and complementary with the IPA programming and implementation system" (Radulović, 2012, 89, Radulović, 2013, 16).

The issue of regional policy and regional development in Serbia must become one of the most important topics and goals of the overall development of the state of Serbia in the coming period.

REFERENCE

- [1] Milošević, S. (2023). RESEARCH ON ENTREPRENEURSHIP IN THE FUNCTION OF RESILIENCE IN SERBIA. *Journal of Entrepreneurship and Business Resilience*, 6(1), 79–87. Retrieved from <https://jebr.fimek.edu.rs/index.php/jebr/article/view/97>
- [2] Radović. Marković, M., & Marković, D. (2022). ENCOURAGING ENTERPRISE RESILIENCE AND UNPREDICTABLE BUSINESS ENVIRONMENT. *Journal of Entrepreneurship and Business Resilience*, 5(2), 7–13. Retrieved from <https://jebr.fimek.edu.rs/index.php/jebr/article/view/77>
- [3] Radulović, D., Pindžo R., Radulović S., Vuković, D., REGION AS A BASIC TERRITORIAL UNIT OF REGIONAL DEVELOPMENT (*CONCEPT AND TYPES*) “Economic Analysis”, Vol. 48, No. 3-4/2015, Institute of Economic Sciences, Belgrade, 2015.
- [4] Radulović D., Pindžo R., MERENJE STEPENA (NE)RAZVIJENOSTI REGIONA U REPUBLICI SRBIJI., XX Međunarodni naučni skup: Regionalni razvoj i demografski tokovi zemalja Jugoistočne Evrope, Niš 26. juna 2015., izdavač: Univerzitet u Nišu, Ekonomski fakultet Niš, Zbornik radova broj 20, 2015.
- [5] Radulović D., Vuković, D., Radulović S., AMBIJENT I SISTEM-OSNOVA REGIONALNE POLITIKE I REGIONALNOG RAZVOJA U PROCESU PRISTUPA NAJAVNIJE EU, Naučno društvo ekonomista Srbije sa Akademijom ekonomskih nauka i Ekonomski fakultet u Beogradu, Ekonomski fakultet u Beogradu, 2014.
- [6] Radulović, D., Lutovac, M., Radulović S., (2014). REGIONALNE RAZLIKE, INDUSTRIJSKI SEKTOR I PROMENE, Institut ekonomskih nauka, Beograd i Beogradska bankarska akademija, 2014.
- [7] Radulović, D., “POTREBA ZA NOVOM POLITIKOM REGIONALNOG RAZVOJA U SRBIJI”, časopis, Bilten br. 2, izdavač: REGPOL (Assistance to Regional policy Development at National Level-Serbia, projekat finansira EU) i Ministarstvo regionalnog razvoja i lokalne samouprave, 2012.
- [8] Radulović D., “POLITIKE I MERE REGIONALNOG RAZVOJA U SRBIJI”, str. 67-96, konferencija: Mere za izlazak iz krize –izazovi, prioriteti i rizici, u Republici Srbiji i AP Vojvodini 2013-2020 - Preporuke za vođenje politika u Republici Srbiji i AP Vojvodini: 2013-2020, Agencija za ravnomerni regionalni razvoj AP Vojvodine, Novi Sad, 2012.
- [9] Radulović D., Pindžo R., MERENJE STEPENA (NE)RAZVIJENOSTI REGIONA U REPUBLICI SRBIJI., XX Međunarodni naučni skup: Regionalni razvoj i demografski tokovi zemalja Jugoistočne Evrope, Niš 26. juna 2015., izdavač: Univerzitet u Nišu, Ekonomski fakultet Niš, Zbornik radova broj 20, 2015.
- [10] Radulović, D., (autorski rad): “AMBIJENT I SISTEM ZA STVARANJE ODRŽIVIH RAZVOJNIH PROJEKATA U SRBIJI”, kvartalni bilten, broj 7/13, Institut za teritorijalni ekonomski razvoj (InTER), Beograd, 2013.;
- [11] Radulović D., “REGIONALNA POLITIKA I REGIONALNI RAZVOJ-SRBIJA”, HESPERIA edu, podržano od strane Ministarstva regionalnog razvoja i lokalne

samouprave, Nemačkog saveznog ministarstva za ekonomsku saradnju i razvoj, Nemačke organizacije za međunarodnu saradnju, Švajcarske razvojne saradnje, Novi Sad, 2013.

- [12] European Parliament, Fact Sheets on the European Union
<https://www.europarl.europa.eu/factsheets/en/sheet/93/coesione-economica-sociale-e-territoriale>
- [13] European Commission, European Neighbourhood Policy and Enlargement Negotiations (DG NEAR),
https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/conditions-membership/chapters-acquis_en
- [14] Vlada Srbije, Akcioni plan za ispunjavanje zahtevau oblasti kohezije politike Evropske unije, za poglavlje 22-Regionalna politika i koordinacija strukturnih instrumenata
Chrome-extension://efaidnbmnnnibpcajpglclefndmkaj/
https://www.mei.gov.rs/upload/documents/pristupni_pregovori/akcioni_planovi/ap_pg_22.pdf