

City of Pirot, Faculty of Management in Zajecar, Belgrade Metropolitan University
and Chamber of Economy Pirot

UGOVORNA OKRUŽNA
**PRIVREDNA
KOMORA
PIROT**



UNIVERZITET
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FAKULTET ZA
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ZAJEČAR



ГРАД ПИРОТ



BOOK OF ABSTRACTS

International Scientific Conference

Regional development and cross-border cooperation

Edited by:

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Dragan Kostic, PhD
Aleksandar Simonovic
Vladan Stojanovic

Pirot, November 2017



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PREFACE

Proceedings of the abstracts, which is before the readers, contains 54 summaries of works devoted to the heterogeneity of problematic thematic units on regional development and cross-border cooperation. By this conference, which is held on December 2, 2017 with the theme Regional Development and Cross-Border Cooperation, Pirot, a city in the southeast part of the country of Serbia, where from the beginning live worthy (somewhat hefty) hosts, by the century-old "road" on which well-intentioned people walked and those who are not, the armies that were coming but humbly were leaving the territory, registers itself into the ranks of cities that strive for a scientific take off.

The theme, judging by the large number of registered participants, although it is the first conference, of course with the intention to become traditional and long lasting, both from the country and from abroad (Macedonia, Bosnia and Herzegovina, Slovenia, Poland, Romania, China, Greece, Libya, Bulgaria) caused great attention of all generations of scientists, starting from scientific doyens to research associates. The diversity of approaches and professional orientations of the authors, which are welcome, gives hope that this theme, which is of great importance for the development of each society, will be appropriately illuminated. With a decisive belief, we expect that scientific knowledge and fruitful exchange of thoughts contribute not only to theoretical problem solving, but to benefit both the academic community and social actors.

We thank all those who take part in the work of the scientific conference, on the sent abstracts, we expect quality exhibitions and, of course, we welcome everyone in the city of Nisava.

Pirot, November 2017

*Editors
Prof. Petar Andjelkovic
Dragan Kostic, PhD*

**1. LOCAL ECONOMIC DEVELOPMENT TOOLS IN NEW INDUSTRIALIZATION OF LOCAL SELF-GOVERNMENT
NASLOV RADA**

**Assistant Professor Dragan C. Kostic PhD¹
Vladan S. Vasic MSc²**

What kind of resources do local governments have at their disposal to attract direct investment to increase employment and adopt new technologies for the purpose of social and economic progress?

Are modern mechanisms for local economic development, such as instruments for attracting direct investments (financial incentives, tax exemptions, favorable loans, business in free economic zones, etc.) guarantee for success and how effective these tools are and are effective in creating a stable and progressive business environment?

Improving the business environment (macro and micro) is necessary for encouraging entrepreneurship, creating new and improving the business of existing companies in local communities. This implies the establishment of an advanced legal, social and socio-economic environment dedicated to doing business through the use of special incentive measures at the state, local self-government and special economic zones, such as free zones, export production zones, science and technology parks, etc.

The comprehensive implementation of these measures should be enabled for companies through specialized local government services such as local economic development offices, business associations and free-zone administrations.

Keywords: Local self-government, local economic development, attracting direct investments, advanced business environment, free zones.

2. EDUCATION AS A FACTOR IN STRENGTHENING SOCIAL COHESION IN R. MACEDONIA

**Zoran Matevski PhD, Full Professor
Dushka Matevska PhD, Associate Professor**

A society based on knowledge brings into focus the interest of reconsidering the relationships between sustainable societal growth, social cohesion and education. Effective changes and reforms of the education system are necessary in countries like R. Macedonia. These changes will build an education system that betters social cohesion and the involvement of vulnerable groups of citizens in society. In essence, education is a key factor in sustainable economic and societal growth. The universities of today, because of their ability to generate new skills and knowledge, are highlighted as a key factor in strengthening competitiveness of economy at the global level. The key solutions that originate from the modern empirical and theoretical frames of societal growth refer to the important direct and indirect connections between the building of human capacity, the dynamics of technological change, employment, as well as the betterment of life conditions. Considering this, education has the crucial role in personal growth and sustainable societal growth of a country like R. Macedonia, because of its role in securing qualified, competent staff and to initiate the need for creating new jobs.

Keywords: education system: social cohesion; sustainable growth.

3. ENTREPRENEURSHIP AS AN INITIATOR OF ECONOMIC DEVELOPMENT OF THE REPUBLIC OF SRPSKA

Irena Djalic³, MSc

In the last years of the twentieth century, and especially after the Second World War, there has been great technological advancement and productivity in the economies of the developed countries of the world. There has been the development of new knowledge and awareness of individuals. Entrepreneurship is becoming the

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carrier of economic activity. Increased interest in entrepreneurship is the result of a search for new business solutions, followed by the development of new technologies, knowledge, and creativity in a number of individuals. In recent years, there are more and more economic considerations in which entrepreneurship is the fourth factor in production, in addition to work, capital and technology. The aim of this research is to analyze the positive things of entrepreneurship. This research is based on real examples of entrepreneurship in the Republic of Srpska. For the purpose of this research, questionnaires and interviews were used to achieve the goal of the research.

Keywords: Entrepreneurship, entrepreneur, knowledge, development

4. PLATFORMA E-SIMBIOZA – COLLABORATIVE E-PLATFORM FOR PUBLIC, ECONOMIC AND NON-PROFIT STAKEHOLDERS IN SLOVENIA

Urska Fric⁴

Industrial symbiosis is understood as a technological, material, and social relationship between different stakeholders involved in exchange of waste resources. In this relationship, each of the stakeholders benefits, while at the same time contributing to the prosperity of other stakeholders and society in general. Fundamental purpose of industrial symbiosis is improving ecological and economic efficiency of a chain of stakeholders through reuse of waste resources in industrial and non-industrial technological processes. However, the stakeholders also form a partnership based on trust and shared responsibility, which therefore has the potential to evolve and deliver new approaches to local, regional, national and/or international levels. The partnership can activate all three sectors (public, economic, non-profit) and incorporate their logic and expertise in order to contribute to a positive amendment of policies in particular field (e.g., environmental challenges). This paper describes an operational example of efficient cross-sector partnership: organizations from different sectors unite their capacities in solving a practical challenge. We have developed the first e-platform for collaboration between Slovenian public, economic and non-profit stakeholders involved in exchange of waste resources. For stakeholders demanding waste resources the economic benefit is represented by the savings when buying primary resources, while the stakeholders offering waste resources are able to sell their waste. Mutual ecological and social benefits are visible in terms of gradual decrease in the volume of waste on Slovenian waste-disposal facilities, less emissions and cleaner environment.

Keywords: industrial symbiosis, industrial symbiosis networks, stakeholders, e-platform, mutual benefits.

5. TECHNOLOGICAL INNOVATIONS IN THE FUNCTION OF DEVELOPING THE ECONOMIC POWER OF THE ECONOMY

Ljubinka Radosavljevič⁵ PhD

The economic progress requires a permanent flow of new ideas and products in order to improvement the quality of life. Technology and inventions are an important part of the innovation process. Innovations have a significant role in the social and financial growth and development of the economic activity of each country. Entering the World trade organization means the harmonization of the law regulations, as well as fulfillment of the other requests that oblige the members. Development of the economic power of an enterprise, branch and national economy completely includes, among others, an analysis of the innovation activity level. In fact, we could say that the innovations have an important role in social and economic growth and development, improving national economic structure, productivity, competitiveness, employment, living standard etc. The innovation activity, meaning innovations as its product, represents an indicator of the economy development which is closely connected with the cyclic movements and changes of the economic power.

6. QUALITY OF LIFE AS SOCIAL COMPONENT OF SUSTAINABLE DEVELOPMENT IN SERBIA

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Assistant professor, Biljana Ilic⁶ PhD

Sustainable development is the main characteristic of the survival of modern mankind and its development. Problems of modern society are connecting with increasing use of natural resources, increasing population as well as the growing need for energy. The three components are in the focus of Sustainable development: the first one is the economic viability; the second component includes social sustainability, while the third is linked to environmental sustainability. The social component of sustainability in Serbia is in the focus of Paper. It includes quality of life, in region of Eastern Serbia. In the paper will be represent the results of modern management analysis - PEST analysis. In the research i.e. case study - city of Zajecar in eastern Serbia, through Pest analysis it will be explained main factors that affecting the implementation of the concept of sustainable development in this region.

Keywords: Sustainable development, social development, quality of life, Eastern Serbia, PEST analysis.

7. FINANCING UNITS OF LOCAL SELF-GOVERNMENT FOR THE SUCCESSFUL FUNCTIONING

**Silvana Ilic⁷, Associate Professor
Milica Paunovic⁸, Docent**

Successful functioning of local self-governments implies its adequate financing. In cases when the unit of local self-government cannot provide necessary funds to finance its expenditures through original income, transferred income or transfers, the necessary funds can be provided through borrowing.

Financing local government units by borrowing is a very complex segment within local finance and, undoubtedly, one of the topics that captures the attention of the scientific, professional and general public, both in the world and in our country. In addition, it is one of the sensitive political issues. The appropriateness of borrowing should be the result of political and civic consensus, and the borrowing itself and spending of borrowed funds should be completely transparent.

Keywords: financing, local self-government, borrowing

8. COST BENEFIT ANALYSIS AS TECHNIC FOR MINIMIZATION PROJECT RISK⁹

**Ranka Mitrovic¹⁰, Assistant Professor
Jan Polcyn¹¹, Assistant Professor**

The main problem which local authority of each country face is economic disparity between different region. Next, local authority has problem to find optimal financial structure for investment project, obtaining mortgage and guaranties and find properly industry which will be financed. Regional disparity has been financed by public funds, strategic partnership between government and private capital or by infrastructure projects. After escalation of financial crises, either the level of risk was increased or wide range of instruments of capital market was decreased. This is because of disability in managing risk. In order with of minimization bed performance project we can use plenty parameters, analysis and methods. One of those is cost benefit analysis as most used and most successful methods in project management planning process. The main aim of this paper is to explain basic characteristics, how we can use analysis and when we can use it in according to minimization bed performance projects.

Keywords: risk, investments, regional development, projects, cost, profit

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9. ENTERENCE OF SERBIA IN THE EUROPEAN UNION - PRIORITY

Miroslav Milutinovic, Professor¹²

Intesification of globalization and liberalization of the late twentieth century led to the increasing interconnectedness of world economies, and therefore the number of integration proces on almost all continents. Given that the EU is the most important economic integration in Europe, Serbia's entry into theEuropian Union imposed as a necessity and a choice that no alternative solution. In fact, small countries like ours have the perspective to survive onlu if they are facing the integration of the developed countries. Approaching the Europian Union for theSerbian economy is a great potential, primarily in the form of expanding markets, and in increasing foreign direct investment. Therefore, it is approaching the Europian Union a top priority for future economic development of Serbia and the way that no other alternative.

Keywords: priority, development, the Europion Union, Impact

10. CONCEPT OF BUSINESS THROUGH DEVELOPMENT OF PUBLIC AND PRIVATE PARTNERSHIP

Dragan Penezic, PhD¹³

Public-Private Partnership (PPP) is a concept that involves the public and private sectors working in cooperation to provide infrastructure and services, within economic areas that are traditionally managed by public sector.

Over the last two decades, relevant projects were carried out and exploited in the world, mainly in economic sectors, such as road infrastructure, telecommunications, energy power, particularly in local public facilities infrastructure - waste disposal management and water supply. However, attention has been recently also drawn to social infrastructure, such as education and health. Traditionally, these services were provided by public sector due to the fact that most of them require large capital outlays with a long repayment period. The need for additional financial sources, use of new technologies and efficient economy, resulted in embracing of PPP approach by state and local governments, in order for them to provide these services.

Establishing PPP model within the state economy can provide a new and modern concept of business with greater adequacy, and competitiveness level, as well as capacity building of public sector and possibility for improved services rendered to consumers. Introduction of such form of partnership has a highly significant effect, as government budget, particularly local budgets, are thus enabled to "re-direct" certain amount of funds to new development projects, previously utilised inefficiently on national level.

Setting up and implementing PPP programme in Serbia should be based on exploitation of world and European practice. Precondition of successfull implementation of PPP concept is a well-defined and clear legal framework, institutional transparency, as well as high level of expertise and impartiality. In such a manner, partnership projects become one of the most efficient channels for inflow of direct foreign investments and accelerated economic development.

Keywords: Partnership, Concessions, Investments, Risk management, Efficiency, Budget, Privatization, Restructuring

11. BUILDING EFFICIENT SYSTEM OF THE PROTECTION OF COMPETITION IN REPUBLIC OF SERBIA

Dragan Penezic PhD¹⁴

Competition policy represents a very important instrument for development of modern and competitive market economy. Adoption and enforcement of the Law on Protection of Competition is only a part of competition policy in transitional developing country, such as Serbia. All other instruments of competition policy (foreign trade policy and investments, legislation, privatization, public procurements, licencing and concessions, as well as reduction in obstacles for entry and exit of companies) are of fundamental importance for development of efficient economy with a high degree of innovations.

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Opening up of economy to international competition is of utmost importance for improvement of efficiency in many sectors of economy, especially because of new technologies, management know-how and sources of fresh capital. Government need to be very careful with privatizations, which may have twofold effect: both on development of competitive market and on creation of monopolistic conduct.

Modern Competition Law and policy have been introduced into the legal system of Serbia since 2005 and to date have undergone several changes, with continuous adjustment to the European Union's acquisitions. The Commission for the Protection of Competition, as an independent body in charge of enforcing the Law on Protection of Competition, can certainly not be seen as the only instance in this process. It is necessary to institutionalize complementary policies, such as state aid and consumer protection, but also work to strengthen the role of courts, regulatory bodies and the academic community. Although all laws adopted in the last decade have been harmonized with EU regulations, the impression is that complementary activities in all areas of the economy have not been taken into consideration sufficiently, and that the existing institutional framework is not fully developed and incentive.

Keywords: Competition, Monopoly, State aid, Investments, Privatisation.

12. RESOURCES AND PROBLEMS OF DEVELOPMENT OF RURAL TOURISM OF OLD MOUNTAIN

Mladjan Maksimovic, Docent¹⁵

Cipriana Sava, Professor¹⁶

Darjan Karabasevic, Docent¹⁷

Rural tourism, as a combination of different forms of tourism, acquaints visitors with life, art, culture and heritage of a specific region and is extremely suitable for the development of rural economy. The aim of this paper is to detect the resources and problems of the development of rural tourism on Stara Planina, as well as the ecological development of the local community, with the possibility of rural settlements sustainability and tourism development. By educating the local population in order to improve the quality of services, it is possible to achieve the economic development of the local community, with the goal of increasing the number of tourists. Consequently, the conditions for the rural settlements quality are created, where the local population has economic and other motives to continue the life in a village, where the quality of life is now approaching the level that is considered necessary in the world.

Keywords: Old mountain, resources, problems, regional development.

13. ABSENTEEISM AND TURNOVER OF EMPLOYEES IN EASTERN SERBIA

Sanela Arsic, PhD¹⁸

Factual situation that characterized business management in organizations in Eastern Serbia is a high level of absenteeism and very frequent turnover of employees. We define absenteeism as any absences from work, regardless of the duration or reason of absenteeism. Absenteeism in the organization usually occurs as a result of workers' dissatisfaction with the work organization, working conditions or interpersonal relationships. Frequent absenteeism is a sign of upcoming turnover that relates to negative tendencies and problems in the organization. The aim of this paper is to examine the influence of absenteeism and turnover in organizations in Eastern Serbia and to point out the importance of the existence of this problem. For the analysis of this paper was conducted research in organizations on the territory of Eastern Serbia, which included 223 respondents. To test the results, the software package SPSS 17.0 was used.

Keywords: absenteeism, turnover, employee, organization.

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14. CUSTOMS SERVICE IN THE FUNCTION OF REGIONAL DEVELOPMENT AND CROSS-BORDER COOPERATION

Nikolic Djurica¹⁹ PhD

The problem of different regional development is affecting many countries as well as the communities of states such as the European Union. Within the European Union, there are individual countries that are much less economically, technically and technologically more developed than other countries. Among the most underdeveloped countries of the European Union are countries such as Bulgaria and Romania, and in a slightly better economical position are Hungary and Croatia.

The problem of regional differences is largely expressed in the Republic of Serbia, which is why the Government created a policy that would achieve a balanced regional development. Part of Southeastern Serbia is conditioned on cross-border cooperation and regional development with the Republic of Bulgaria and Macedonia, where various European Union funds try to alleviate the regional differences that exist between the countries of Central Europe and South-East Europe. Through various funds, activities related to cross-border trade, strengthening of production and exchange between the region, exchange of equipment for research and technological development, prevention and fight against organized crime, security and construction of new border crossings are financed.

When gathering meetings between local self-government and interested persons who want to get involved in the use of funds for regional development, especially those related to foreign trade, production, investments, etc. representatives of the customs service of the Republic of Serbia are often not present, who through their experience, proposals and advice can help potential users of the funds to engage in certain customs procedures and procedures, how to apply simplified customs procedures.

In cooperation with the local self-government, the customs service can facilitate the easier operation of investors through familiarization with the work of the customs service, potentials of the customs service, technical possibilities of linking investors and the customs service in performing customs procedures, acceleration of the customs procedure.

The Customs Service of the Republic of Serbia, through its efficient work and business, should facilitate the rapid flow of goods, means of transport and people, which would contribute to more efficient development of the region of southeastern Serbia, with proposals for opening new border crossings which would contribute to the development of certain rural wetlands of south-eastern Serbia.

Keywords: Regional Development, the customs service, cross-border cooperation, local government, simplified customs procedures.

15. PRODUCTION OF ORGANIC FOOD AS A DEVELOPMENT FACTOR OF THE REGION OF PIROT

Nebojsa Stojkovic²⁰ PhD
Sanja Radonjic²¹

Although they account for only about one percent of the world's total food market, organic products are becoming more and more demanding goods in the world and there is an increasingly significant share of these products in world trade flows. The steady increase in demand for organic products in the world suggests that this production method can be very profitable if natural resources, knowledge and production experience are used in the right way. The organic food and beverage market has increased the sweep by 10% since 2013 and currently has a value of 80 billion US dollars. According to the Ministry of Agriculture and Environmental Protection data obtained from the reports of authorized control organizations in Serbia in 2013, organic production took place on 8,228 hectares, which was 0.23% of the total agricultural land used. Taking into account the trends of consumers and agricultural policy, especially in EU countries, organic production represents a perspective for agricultural producers from Serbia who in the conventional production are difficult to achieve competitiveness. Taking into account consumer and agricultural policy trends, especially in EU countries, organic production represents a perspective for agricultural producers from Serbia which in

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conventional production hardly succeed in achieving competitiveness. The production of value added products is a ticket to foreign markets. By engaging in organic production, our manufacturers open the door to new markets.

Keywords: Pirot district, organic food, agriculture development

16. DOMESTIC, AND WORLDWIDE - BRANDS AS A DEVELOPING CHANGE OF MUNICIPAL MUNICIPALITIES

Radica Nedeljkovic²², Assistant

Serbia is the country with the biggest difference in regional development in Europe. In this sense, border municipalities are one of the burning problems of the Serbian state, which follows the process of gradual devastation; migrating the younger population into larger, more developed cities; weakening family farms; the unfortunate and lonely position of the elderly. Despite these negative trends that accompany the border municipalities of Serbia, we believe that there is hope, however, for their survival and development, and it is precisely in the brands (domestic and global), Serbian, domestic brands, which should be invested and even better promoted and developed. In this paper, we want to emphasize the importance of Serbian brands, which in our opinion represent the developmental chance of border municipalities. As the wise concludes Rajko Petrov Nogo- NOT ALL RISE WHEN EVER IS ALL.

Keywords: Brands, border municipalities, domestic.

17. ROLE OF EMPLOYEES AND MANAGERS IN THE IMPLEMENTATION OF REINZENERING IN BUSINESS ENVIRONMENT

**Sanela Arsic²³ PhD,
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Frequent changes in the market, which characterized the modern business of organizations require the introduction of radical changes that aim is to have a more effective and efficient way of doing business. These changes are related to the concept of reengineering. Reengineering is a process of change in the organizational culture that is completely complementary to quality improvement. That is, reengineering is a process that changes the organizational structure and creates new processes, new systems, new cultures, and new ways to implement changes to achieve the success of organizations. The main bearers of the implementation of these changes are employees and managers. The aim of this paper is to explain the role and importance of managers and employees in the process of implementing reengineering, as well as the impact of reengineering on the business of organizations as a whole.

Keywords: Reengineering, Managers, Employees

18. REGIONAL ECONOMIC DEVELOPMENT IN REPUBLIC OF SERBIA: IMPLICATIONS FOR THE FUTURE

**Dejan Riznic²⁵, Full Proffesor
Danijela Durkalic²⁶, Teaching Assistant
Tijana Riznic²⁷, MSc student**

Modern economic processes have marked the era of globalization and regionalization. The idea of regional development relates to the tendency towards a balanced development in all economic, social, cultural, legal and political issues. It is easier to overcome sensitivity of the country to disruptions when the regions are stable and their development is uniform. As the term of convergence signifies achieving a similar level of

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development, it is necessary to observe the level of convergence in measuring the equality of regional development of a certain area. In order to realize the prosperity of all regions in one country, it is necessary to create such an economic climate that will enable economic progress and new jobs. This implies the construction of such an institutional structure that will support regional development based on the active role of the state in the economy. Based on the identified problems of the regions, it is necessary to highlight the right ways to overcome them. This paper analyzes the level of development of the regions in the Republic of Serbia by analyzing the productivity and labor market. The results of this paper will point to the necessity and the need to strengthen the regional development in the Republic of Serbia in the future period. Based on the analysis of the phenomenon of regional development and the situation on the market of the Republic of Serbia, recommendations and guidelines for improvement of the regional economic environment in the Republic of Serbia will be given.

Keywords: regional development, Republic of Serbia, employment, gross domestic product.

19. STRATEGIC PARTNERSHIPS AS A FORM OF INTERNATIONAL COOPERATION

Dejan Riznic, Full Professor²⁸
Ana Dukic, Professor²⁹

Global business is increasingly facing the companies with the need for strategic partnerships. The advantages of creating strategic partnerships are mutual, as for the companies from highly developed countries which, by a rule, tend to improve their favourable market position by utilizing new opportunities in these markets (easier access to new and favourable purchasing and sales markets), and as well as those from less developed countries. Attracting and retaining foreign direct investments is the main goal of many countries, since it is quite clear that they have an important role in creating new jobs, increasing export, transferring of technology and business knowledge, increasing competitiveness, improving overall production and finally reducing poverty through general economic growth and development. Therefore, the goals of Serbia's economic development must include more intensive foreign investments through strategic partnerships in order to increase innovative activity and create a better position of our companies both in the domestic and international markets.

Keywords: strategic partnerships, countries in development, globalism.

20. CHINESE REGIONAL DEVELOPMENT MODEL - STRATEGIC LESSONS

Katarina Zakic, Associate Professor³⁰
Meixing Sun, Master³¹

In last 15 years Serbia was facing many economic challenges and regional development was among them. The uneven regional distribution is not a new problem, but it is a very serious one. There are different strategic plans coming from the Serbian Government to stabilize this situation.

In order to help promoters of better regional development, the authors of this paper will present the solutions from PRC Government about this problem. China did implemented different strategy of economy development since opening its economy in 1979. The Open Door Policy helped China to pursue better life to its citizens, and that process was done through many phases. Although China still has problems regarding uneven regional development, they are doing their best to solve those problems. By explaining PRC strategies regarding regional development model the authors will suggest some of their solutions for Serbian regional development model.

Keywords: China, Serbia, uneven regional development, strategy.

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21. REGIONALIZATION OF AND (OR) BELGRADIZATION OF SERBIA

Petar M. Andjelkovic³², Professor

Equitable regional development is one of the basic priorities of development policy every prosperous states. Only when all parts of the country is approximately equally developed it is possible to speak of a just state. In Serbia, there are now significant regional disparities, that is, regions that are more developed and lagging behind in development. It was in the Kingdom of Yugoslavia, also in socialist Yugoslavia, and this is characteristic even today. In order to reduce regional differences on several occasions, laws on regional development and laws on territorial organization of Serbia have been adopted. Thus, in 2008, the Law on Regional Regulation of Serbia was adopted. However, instead of reducing the regional differences and decentralization of Serbia, today's work is the largest centralization of Serbia and the biggest regional difference. Therefore, instead of regionalization and more balanced regional development, Serbia had a Serbian (in both demographic and economic terms). This paper points to this dangerous trend that continues and points to the ways and ways of developing border municipalities in order to reduce regional differences and, in particular, stop the depopulation of these regions. One way of reducing regional differences is the cooperation, from economic to cultural, homogeneous municipalities of the countries that are bordering each other. This cooperation is particularly encouraged and supported by the EU. However, in addition to the positive effects, this interaction may also have negative terndecisions, which is also the subject of this paper.

Key words: Regional development, Belgradization, depopulation, border cooperation.

22. THE PROSPECTS OF THE PORT OF THESSALONIKI AS A MAJOR GATEWAY PORT IN THE NEW ERA FOLLOWING PRIVATIZATION

Sotirios Theofanis³³

The paper provides insights on the strategy that will be employed by the Consortium designated as the "Preferred Investor" for the divestiture of the majority stake of Thessaloniki Port Authority SA, in developing the Port of Thessaloniki as a Major Gateway Port for the Balkans.

The Consortium, consisting of a Financial Investment Company (DIEP GmbH); a Global Terminal Operator (Terminal Link SAS); and a Strategic Investment Company (BELTERRA Investments Ltd), seeks to implement a rigorous strategy that will incorporate the development of container terminal infrastructure to accommodate "New Panamax" size container vessels of mainliner services, along with a "beyond the port" strategy, targeting the establishment of dry ports in strategic locations in the Balkan Peninsula and the increased use of freight rail services, with a view to achieve, in practice, the implementation of the so-called "extended gates" concept.

23. EDUCATIONAL CAPITAL FOR THE DEVELOPMENT OF THE BORDER REGION

Nemanja P. Andjelkovic, PhD candidate³⁴

The most important potential, in modern times, which is the basis of every progress, progress and success in all segments of social, economic, political and cultural life is the fundamental determinant of human capital. What Adam Smith anticipated a long time ago, saying that the "wealth of the people" lies on four pillars (machines, buildings, land and human capital), the modern and post-modern era will put human capital at the forefront. Delores, a society in which we need to step up, is called a "learning society," "learning society. So, the learning society is a society for generations to come. A comprehensive, socially responsible education policy must make a stronger link between education and economics, especially in border municipalities. Understanding where to defend Serbia (not in Belgrade but in border regions) Knjaz Miloš opened schools in border regions in Piroć, Vranje Negotin. Especially today, when educational capital becomes the most important capital of development, states must find a way to accelerate the development of defensive regions that largely lag behind the central region.

Keywords: Education, educational capital, social development, border municipalities

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24. REDUCTION OF REGIONAL DISPARITY BY USE THE TAX FACILITIES AND EXEMPTIONS IN CORPORATE INCOME TAX SYSTEM OF THE REPUBLIC OF SERBIA

Jadranka Djurović-Todorović³⁵, PhD
Marina Djordjević³⁶, PhD

Active fiscal policy includes tax deductions and exemptions in the corporate income tax system. Their use can be achieved numerous goals of economic development policy. In this way it can be achieved by reducing regional inequality in economy. With adequate tax treatment of underdeveloped areas and branches, reduction of regional disparities and mitigation of regional inequalities between more developed and less developed parts of the country can be achieved.

The aim of this paper is to point out the possibility of reform of corporate taxation in the Republic of Serbia in the direction of increasing the tax rate and improve the system of tax incentives. That would mitigate regional disparities and increasing the balanced regional development.

Keywords: tax incentives, tax exemptions, active fiscal policy, regional development

25. IMPORTANCE OF THE JOIN STOCK COMPANY FOR MANAGING FREE ZONE PIROT FOR THE LEVEL OF NET WAGES IN PIROT DISTRICT

Teodora Simonović³⁷,
Igor Mladenović, Professor³⁸

It is known that free zones in Serbia are infrastructural built units equipped to attract foreign investment and provide transport services. One such zone since 1998 has been operating in Pirot. The aim of this paper is to study the influence of the Free Zone Pirot business on the level of paid net wages in the Pirot district. For this purpose, we will focus on the operations of the users of the Free Zone Pirot service, who are engaged in production activity and investigate the impact of the level of their economic activity on the growth rate of paid net wages in the Pirot district. In line with this goal, the application of the regression model as the dependent variable in the model will be the rate of growth of paid net wages in the Pirot district, while the independent variable will be the rate of increase in the value of production per employee, using the services of the Free Zone Pirot. The starting hypothesis is that the increase in the value of output per employee, in the users of the Free Zone Pirot, enables the growth of paid net wages in the Pirot district.

Keywords: Free zone Pirot, level of production, net earnings.

26. CREATING A "CULTURAL DIPOLE IN THE CITIES OF SERRES (GR) AND PETRICH (BL) IN THE FRAME OF INTERREG REGIONAL COOPERATION

Aristotelis Naniopoulos, Professor³⁹
Julia Tapali, PhD⁴⁰

In the frame of the project "CULTURAL DIPOLE" funded by the Interreg V-A "Greece - Bulgaria 2014-2020" Cooperation Programme, the creation of a Cultural Dipole in the cities of Serres and Petrich is envisaged. In particular, the project aims at the creation of: a) The Thematic Museum in Serres "Constantin Xenakis" which will host a collection of modern art works of the famous artist "Constantin Xenakis" and b) A Multifaced Museum in Petrich which will host the collection of valuable archaeological, historical and other objects, from the current Historical Museum. The CULTURAL DIPOLE will benefit the local population of Serres and Petrich as

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well as their wider area in economic and social terms, with the ambition to be a transferable practice and concept for many other cross border cities and areas.

Keywords: Cultural dipole, modern art, cultural heritage, cross border, regional cooperation

27. TOWARDS DESIGNING AND CREATING A MULTIMODAL DEVELOPMENT CENTRE IN THESSALONIKI IN A CHALLENGING ERA FOR THE GREEK FREIGHT TRANSPORT INDUSTRY

Aristotelis Naniopoulos, Professor⁴¹
Evangelos Genitsaris, PhD candidate⁴²

The SEE area faces several multimodality-related challenges and opportunities. The establishment of a Multimodal Development Centre (MDC) comprises a soft bottom-up measure towards the multimodality's share increase that was studied and advanced, among others, in the frame of the ADB (Adriatic-Danube-Black Sea) Multiplatform project (2012-2014), funded under the South East Europe Programme. Such a MDC organisation could provide soft and supporting services to the stakeholders of the logistics' industry. In this paper, the objectives and business model of the suggested MDC are presented by building on good practices and considering the challenges and opportunities that Northern Greece is urged to face. Training and relevant certification comprises a core activity of a future MDC that could be based on a multidisciplinary approach. To conclude, the suggested Thessaloniki MDC can act as a networking platform of dialogue and cooperation for all involved national players of the intermodal sector.

Keywords: intermodality, multimodality, business models, soft measure, logistics.

28. SOCIOCULTURAL IMPORTANCE OF REGIONAL/GLOBAL DEVELOPMENT AND CROSS-BORDER COOPERATION

Radomir D. Djordjevic, Professor⁴³

The contemporary age is a time of challenge in all fields of human activity. It is the age of universal international cooperation between nations in all fields of human activity. The universality of the new era resulted in the formation of international economic cooperation, which also received the international mark - globalization of the world. However, globalization did not fully deliver the expected results. While globalization has only partially achieved some results in the global economic field, mainly among the major or largest global productions, in political terms it has suffered a political fiasco, since the policy of great powers did not agree with the extent of this type of labor exchange and unification of nations, and in which they, as great powers, would no more have privileges. Our task, in this respect, is a modest one: that by noting certain deficiencies, we could point out that this kind of international cooperation, and therefore cross-border, has not yet matured to the extent expected and from which the entire world's community would benefit. Hence, in the paper, we implemented theoretical examination of the drawn conclusions, using the methods of comprehension and observation.

Keywords: social cooperation, globalization, disagreement or misinterpretation, cultural genocide, modernity, production optimization, cross-border cooperation.

29. REGIONAL DEVELOPMENT AND CROSS-BORDER COLLABORATION IN THE PROGRAM OF DRAGOLJUB JOVANOVIC AND THE AGRICULTURAL MOVEMENT

Nebojsa Randjelovic, Professor⁴⁴

Dragoljub Jovanovic, a born Pirot man, famous politician, scientist, professor, humanist, and a fighter for democracy, a victim of the communist regime, left a deep mark in Yugoslavian politics and in the history of the

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scientific thought (especially in the area of the agrarian policy). In this article, the program orientation of his party and the movement he belonged to and has been creating is reviewed. A special accent is placed on his criticism of the centralism of the states he lived and worked in (the Kingdom of Yugoslavia, FPRY, SFRY) and his advocating for an even economic development of all regions (especially pointing out the Croatian and Macedonian issue with economic and political aspects), as well as his advocacy for a tight, firstly economic, and then political connection with neighbors (primarily Bulgaria). The article points out the continuity and principles of his battle for reaching the aforementioned program goals, which eventually cost him his seat in parliament, position at the university, and finally, freedom.

Keywords: Dragoljub Jovanovic, agrarian policy, centralism, regional development

30. EFFECTIVE TALENT MANAGEMENT IN THE FUNCTION OF STRENGTHENING THE COMPETITIVE POSITION OF THE REPUBLIC OF SERBIA

Ivana Simic, Professor⁴⁵

Abstract: According to the official Global Competitiveness Report 2017-2018, published by the World Economic Forum, the Republic of Serbia is on the 78th position out of 137 countries. The country's position in this Report is determined by the value of its Global Competitiveness Index. It is a composite index of positions identified on the basis of 114 relevant indicators of competitiveness, grouped into 12 pillars and organized into three subindexes. A better positioned indicators on this list contribute to a better overall competitive position of the national economy. Therefore, one of the significance of this Report is that each of the national economies has an insight into indicators that it can improve in order to ameliorate its own competitive position. The paper points out, in particular, the effective talent management that can improve the values of two significant indicators within the 7th pillar („Labor market efficiency“). They are: the capacities of the country to „retain“ talents and its capacities to „attract“ them.

Keywords: talent management, competitive position, The Republic of Serbia.

31. PRIORITIZATION OF THE PROJECTS IN ORDER TO ADVANCE TOURISM IN BOR MUNICIPALITY

Dejan Bogdanovic, PhD⁴⁶, Sanela Arsic, PhD⁴⁷

One of the preconditions for successful marketing management and development of a tourist destination is scanning the environment, ie, factors that directly or indirectly may affect on the direction and performances of the development of a tourist destination. In this paper four tourism projects in the Bor municipality were considered, in order to determine the priority of their application. The prioritization of ranking projects was performed using the AHP (analytical hierarchical process) method of multi-criteria decision making. The obtained results indicate the order of realization of considered tourist projects in order to advance the tourist potential of the Bor municipality.

Keywords: projects, tourism, AHP method

32. ROLE AND IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITIES IN MODERN BUSINESS ORGANIZATIONS IN SERBIA

**Sanela Arsic, PhD⁴⁸
Andjelka Stojanovic, PhD student⁴⁹**

Corporate social responsibility (CSR) in doing business of successful companies is the increasingly used in the world. The business of such organizations characterizes the responsibility for events and activities of a broader social significance. In order to solve a number problems which community facing in which the organizations

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doing their business activity, they undertake various initiatives for the wellbeing of the society. Organizations that want to create a successful competitive position on the market must apply modern methods and techniques of management because the business of organizations in a socially responsible way has become a key topic that captures the attention of management. The aim of this paper is to show the importance of this concept in business organizations in Serbia. In order to make organizations more successful in used many advantages of socially responsible behavior for the needs of this paper, a survey was conducted that included opinions and attitudes of employees in different organizations in Serbia. The obtained results indicate that the aforementioned concept is still in its infancy.

Keywords: Corporate Social Responsibility, Employees, Organization, Society.

33. SOCIAL ASPECT OF HIGHER EDUCATION IN SUSTAINABLE DEVELOPMENT FUNCTION

Dragana Vukovic, M.A.⁵⁰
Tijana Matejic, Specialist⁵¹

Higher education enables regional and overall economic development. It is regarded as a social category and as an educational process. It is directly related to science and technology development rate, ideology that incorporates various goals in it and to the needs of the economy. Modern higher education institutions have an entrepreneurial spirit. They prepare students to be competitive in the labor market by standardizing the knowledge product in order to simplify its evaluation within the market. This paper presents education which is focused on the economy development through social utility and economic efficiency.

Keywords: higher education, society, economic development, sustainable development

34. MULTIPLE CRITERIA ANALYSIS OF PROJECTS FOCUSED ON THE IMPROVEMENT OF ACCOMMODATION CAPACITIES ON THE STARA PLANINA MOUNTAIN

Gabrijela Popovic, Docent⁵²
Sanja Stojanovic, Docent⁵³

Stara Planina is one of the biggest mountains in Europe, which tourism potentials have not been completely used. For better valorization of the available potential, a Masterplan is constructed in 2007 that, among other things, predicts construction of different types of accommodation capacities. Considering the fact that big projects which demand significant investments are in question, it is necessary to define their priority. On the basis of financial parameters given in the mentioned Masterplan, the Multiple Criteria Analysis is conducted, i.e. the EDAS method is used in order to rank the projects focused on improving accommodation capacities on the Stara Planina mountain. The analysis involved four alternative projects ranked according to four criteria. The main goal is to define the project which has priority for investing in according to the given parameters.

Keywords: Multiple Criteria Analysis, EDAS method, projects, Stara Planina mountain.

35. POVERTY AS A NATIONAL AND REGIONAL PROBLEM OF THE REPUBLIC OF SERBIA

Dalibor Miletic, Associate Professor⁵⁴
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Globalized modern world is in constant change. However, the effect of negative changes significantly outperformed the positive effects of this process. Among economists, there is a consistent view: inequalities and poverty are the key determinants of the globalization process.

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The third millennium has brought the citizens of Serbia that the transition process is proclaiming high expectations embodied, above all, the rise in living standards. Unfortunately, after seventeen years of so-called "democratic changes", all the more obvious are great disappointments. One of the key transitional results is a reduction in living standards and an increase in poverty.

On the development path of Serbia, the problem of poverty, both at national and regional level, is imposed as a priority task for economic policy makers. For this reason, the aim of this paper is the analysis of the attained level of poverty, both at the national and the regional level, as well as suggesting the proposals of the necessary measures and activities for solving the mentioned problem.

Keywords: poverty, regional development, economic policy, Serbia.

36. THE APPLICATION OF MODERN INFORMATION TECHNOLOGIES IN TOURISM PROMOTION AND PRESERVING THE CULTURAL HERITAGE

**Goran Stamenovic, MSc⁵⁶
Dejan Rancic, PhD⁵⁷**

The application of modern technologies in tourism promotion and preserving the cultural and historical heritage has been recognized long time ago as one of the areas that has the priority in the researches in Europe and in the world. The digitalization of cultural heritage was included in the priority list in the area of culture during the presidency of France in the Council of European Union in the second half of 2008. Digitalization of cultural heritage facilitates and democratizes the access to the content, an additional and general development of informatiol community and new knowledge acquisition; in addition, modern information technologies enable the efficient organization and storage of the data; thus, offering great possibilities for the research, presentation and visualisation to the public.

Key words: information technologies, digitalization, tourism, cultural heritage

37. LOCAL TOURISM POTENTIAL DEVELOPMENT BY USE OF THE MOBILE APPLICATION FOR MATERIAL CULTURAL HERITAGE PRESENTATION

**Tijana Matejic⁵⁸, MA, spec.
Dragana Vukovic, MA⁵⁹**

Material cultural heritage is a significant component in the development of local and national tourism potential and a significant building block in the construction of tourist destinations. Tourism, on the other hand, as a form of economic development which at its basis uses cultural resources, is being increasingly recognized as an agent of social, economic and cultural changes, especially in developing countries. This paper discusses the notion and significance of cultural heritage tourism and presents "Intelligent Culture" mobile application for recommending and presenting contents on cultural heritage assests which are in visitors immediate vicinity, which uses GPS technology, the beacons technology for identifying the location of smart phones and QR-code technology identification. The application currently presents contents related to sixty-three assets located on territory of Arandjelovac. Evaluation of the use of this application has shown that this way of presenting the heritage leads to visitors greater enjoyment and increased value of the tourist potential of Arandjelovac.

Keywords: cultural heritage tourism, digitization of cultural heritage, recommendation systems, smart phones locating.

38. NATIONAL SECURITY ASPECTS OF LOCAL DEVELOPMENT Dragan Djurdjevic, PhD⁶⁰

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Miroslav Stevanovic, PhD⁶¹

In this article, we propose that local development, today, has become related to national security. In that context, we observe the potential impact of supranational factors through subnational development mechanisms for the vital values of a state. The aim of this paper is to focus the significance of national economic system for national security, and the challenges it faces in interconnected and globalised world. We find that tendencies like financialisation, dominance and market concentration can generate challenges through untransparent financial mechanisms, suffocating markets or destroying environment. The vital question for local development, therefore, becomes how to converge in national economic system, which can provide competitiveness, but also stability for the workforce, water, food and energy supply, or social relations. We conclude that this cannot be overcome only with managerial approach, but requires a more comprehensive quality governance at all administration levels.

Keywords: human security, sustainability, global creditors, managerialism.

39. CHANGE THE OIL PRICES SHOCKS LIKE INTERACTION BETWEEN THE LIBYAN ECONOMY AND THE ECONOMIES OF IT'S MAIN TRADING PARTNERS

**Marijana Joksimovic⁶², PhD
Nassir Ishneen⁶³, PhD**

The authors in the paper analyze the impact of the oil prices shocks on the interaction between the Libyan economy and the economies of its main trading partners. Using statistical methods of available data, the authors in paper study the trade relationship between Libya and its major trading partners, as well as the rest of the world, such as: Italy, Germany, Spain, France, Greece, Great Britain and Tunisia. The time series used in the paper focuses on the period from 1970 to 2008.

Keywords: Oil price, Economy, Export, Import and Trade.

40. PROSPECTS IN THE PRODUCTION AND MARKETING OF ORGANIC PRODUCTS IN SOUTHEAST EUROPE

Yoanna Ivanova⁶⁴

Over the last decade, there have been significant changes in consumer preferences and behavior. An important place in the transformation takes the increased interest in a healthy lifestyle and protection of the environment. These processes are increasingly affecting food production and trade in the countries in Southeast Europe.

The paper outlines the basic parameters of this evolving market in Bulgaria and the Balkans. Special attention is paid to certified organic food products as a distinct segment with different categories: fresh food, packaged products and beverages. The specifics of the competitive environment in the countries and the prospects for growth in the medium term are outlined.

In the region, there is a relatively limited but steady and rising demand for organic products. In the long term, the share of the cost of organic products in the household budget can be expected to increase and the assortment to be increased as well.

Keywords: Organic products, prospects for growth, countries in Southeast Europe, basic parameters of the market.

41. THE ROLE OF REGIONAL CLUSTER APPROACH IN THE SUPPORT OF SMES IN SUSTAINABLE FOOD VALUE CHAINS AND MARKET STRUCTURES (BULGARIAN CASE)

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Boyko Doychinov⁶⁵, PhD

This report contains the background and extracted highlights of the main research survey, which focused on assessment of the potential and practical implementation of the food marketing system during the economic transition period in Bulgaria.

The food sector of the economy of Bulgaria is a core segment now. Effective socially oriented development of the agro food sector of the economy has to be based on progressive forms of the integration relations in the conditions of neoliberal globalization and transition of the national economy to the model of decentralization and self-organization. At the same time, we need more perfect tools based on the analysis of value chains creation for adoption of the relevant strategic decisions.

The subject of study is the theoretical and methodological and also scientific and practical aspects of public management organization of the agrarian sector of the economy of Bulgaria based on the analysis and synthesis.

Keywords: Economic transition, strategic management, food marketing system, value chains.

42. MIGRATION, LABOR MARKET AND ECONOMIC DEVELOPMENT: ANALYSIS OF THE REGION OF SOUTH AND EASTERN SERBIA INDICATORS

Vesna Jankovic-Milic⁶⁶, PhD

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Local economic development is a multidimensional concept that includes aspects of the use of natural resources, labor, capital and investments, as well as the capacities of local institutions in order to stimulate economic growth at the regional level, or the level of districts and municipalities. The aim of this paper is to provide an overview of data that could be used to analyze the indicators of the Region of South and East Serbia in the context of migration, changes in labor market and indicators of economic activity. The impact of migrations on the population was analyzed, and the results indicate that migrations are one of the important factors of the demographic devastation of the Region of South and East Serbia. Using the relevant methods of statistical analysis, the authors carried out a comparative analysis of the statistical regions of the Republic of Serbia in order to determine the differences in the average cause and rate of unemployment, and positioning the Region of South and East Serbia in relation to other regions. Also, based on data from structural business statistics, an analysis of the performance of the economy of the Region of South and East Serbia was carried out.

Keywords: demographic devastation, (un) employment, average earnings, economic activity.

43. KEY DRIVERS OF ENDOGENOUS REGIONAL GROWTH: BASIC MESSAGES TO POLICY MAKERS

Danijela Despotovic⁶⁸, PhD

Dušan Cvetanovic⁶⁹, PhD

In regional economy, the consensus is achieved about endogenous theory of growth as the most significant conceptual framework. The global crisis in 2008 additionally emphasized such assessment. Endogenous theory claims that dynamics of economic growth of countries and regions is greatly defined by the character of key attributes of economic system, i.e. efficiency of economic policy of a country and success of regional development policy. Numerous versions of endogenous explanations of key drivers of regional growth claim that location of an industry can be of decisive significance for regional development and that synergic effects of locations are significant for knowledge spillover and technology. Endogenous approach to regional growth

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rejects neoclassical view of three factors which have a decisive effect on economic dynamics at local level. By reasoning of endogenous theoreticians, besides physical capital, labour and technology, human, social, creative and ecological capital are key drivers of sustainable regional growth.

Keywords: regional growth, sustainable growth of region, drivers of regional growth, endogenous theory, ecological capital.

44. GROWING CONCEPT OF REGIONAL INNOVATION SYSTEMS FOR ECONOMIC AND SOCIAL DEVELOPMENT

**Prof. Slobodan Cvetanovic⁷⁰, PhD
Drazen Bogic⁷¹**

It has been proved that efficiency of managing the process of commercialisation of knowledge in innovations is one of the most significant drivers of economic growth and social prosperity at national and local levels. The effectiveness of this management is a direct function of quality of national innovation system (NIS), represented by market and non-market institutions, which provide a framework to the governments in conceptualisation and realisation of policies of support to innovation processes in organisations. Parallel with the development of NIS concept, the creation and affirmation of the concept of regional innovation system (RIS) developed. RIS concept emphasizes regional dimension of production and commercialisation of knowledge in innovation, and explains the ongoing economic divergence, primarily by differences in innovation performances of regions. RIS is a set of local private and public enterprises whose numerous interactions have inspiring effects on the process of creation and commercialisation of knowledge in innovation at regional level. The RIS concept also acquires the role of an institution in the process of improvement of innovativeness in certain regions.

Keywords: innovations, national innovation systems, regional innovation systems, regional development

45. NOTARY PUBLIC ACTIVITY AS ADDITION TO REGIONAL DEVELOPMENT

Milena Trgovcevic Prokic⁷², PhD

Serbia is one of the few countries in Europe that has recently adopted the Law on Notaries In accordance with the National Strategy of Justice and Recommendation R (86) 12 of 1986, with which the Committee of Ministers recommended a gradual reduction of judicial activity in the domains that do not represent a trial, Serbia has introduced two new institutes, the bailiff and notary public, which provide its citizens legal protection and in this way are closer to this goal.

The ratio legis of the notary public service is taking the jurisdiction with the right to issue public documents (composition and certification of private documents, authentication, certification), deposit operations; performing tasks ordered by the courts and other bodies that allow for greater legal certainty in legal traffic, and thus contribute to accelerating court proceedings and court caseloads. The notary public performs an independent and autonomous public service, he is an independent trustee of the parties and his contribution in the preparation of documents confirms their authenticity and content. Notaries take care of the people who participate in drafting of notarial documents, and the notary is a trustee to the client and to the legal entity.

The domestic law accepted the concept of the Latin organizational type of the notary and predicted that under certain conditions notary public documents have executive force.

The legal transactions that have the basis for securing contracts maybe concluded in the form of notary documents. These are contracts for the pledge of security claims on the immovable and movable assets. For these contracts, customers can give them the power of execution. In this case the notary documents shall have the status of an executive document, and in the case of failure to fulfill contractual obligations within the time allocated by the contract the feature of execution shall be reached, so enforced performance for settling

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secured claims can be demanded. The executive notary public document replaces the court agreement and facilitates the realization of the client's rights.

Notarial documents, by the principle of reciprocity and by legal power, are recognized and equalized with domestic public documents. They enable faster economic cooperation and thus contribute to the development of the region.

Keywords: public notary, public notary activity, executive public notary document, security, mortgage, public notary, company, authentication.

46. EDUCATIONAL (IN)EQUALITY AND THE DEVELOPMENT OF BORDER REGIONS

Andon Kostadinovic, Professor⁷³

Education today can be considered a public good because it contributes to everyone in the community, and not just to those who own it, and because it can be transferred into the economic capital by which individuals contribute to the society in which they belong. When we move from a macro to an individual plan, then we are talking about the possibilities which an individual, in all parts of a community, has for participation, firstly in the educational and then in the economic and cultural goods of the society, which are referred to as "life chances" in Veberian sociology. Equal participation of all young people in one country, in terms of all the resources, is an important factor of social stability. If we ask ourselves whether the young people in Serbia in all parts of the country (both in Belgrade and in Crna Trava ...) have equal educational opportunities, we can clearly see that this is not the case. To some the "little more" is all within reach. This paper intends to point out precisely the fact of unequal educational opportunities in different regions in Serbia and to warn that this is a significant factor of unequal regional development, especially in border municipalities.

Keywords: Education, education policy, educational inequality, regional development.

47. CHANGE MANAGEMENT AS A TOOL FOR MAXIMISING PROJECT IMPACT

Tatjana Panic Zivkovic, Master⁷⁴

Goran Milenkovic, Master⁷⁵

Project "E- Inclusion" is listed in the "Handbook of Best Practices" in the Impact evaluation of the IPA Cross-border Programmes 2013-2017, managed by the Republic of Bulgaria. We wanted to explore the importance of change management in PCM on the example of elaborate structures of IPA CBC Serbia Bulgaria projects. The goal is to present one of the best practice projects in cross border area and maximise its potential for replication, but also to present the human capital as the most important asset for successful change management. Project team had in depth knowledge in management of EU-financed external actions as well as rules of project implementation under INTERREG-IPA Cross-border Cooperation Programme Bulgaria-Serbia. We want to emphasise how knowledge based management and reliable network of partners have positive impact at all stakeholders involved in the project. Knowledge combined with experience ensured overcoming the risks and led to the positive outcome in project implementation.

Keywords: Change management, human capital, knowledge based management, network of partners

48. LEADERSHIP AND COMMITMENT OF PROJECT PARTNERS AS SUCESS FACTORS IN CBC PROJECTS

Biljana Stankovic, Master⁷⁶

Dobriša Sudimac Mratinkovic, Master⁷⁷

"Connection"- Training centre was built in Vladicin Han municipality through a project implemented through IPA CBC Serbia Bulgaria programme. SME support through continuous education and social inclusion are the key topics of the project. It was awarded as one of 13 best practice examples of the Serbian territorial

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cooperation projects for the period 2012/13 among nearly 800 projects, by SEIO and EU Delegation in Serbia. The aim of this paper is to highlight the crucial importance of implemented "soft measures" of project management, strong leadership being the most important one. The choice of, inclusion and active participation of project partners, building ownership and commitment are also aspects explored in the paper. Finally, the recommendations for project sustainability as the ultimate proof of project success beyond programme requirements are presented for further discussion. The paper should serve as a contribution for knowledge transfer in successful CBC projects implementation to the interested parties.

Keywords: Leadership, project management, inclusion of project partners, commitment, sustainability

49. THE POSITION OF THE PIROT AREA AFTER THE LIBERATION WARS OF 1877-1878

Aleksandar Djordjevic, Assistant Professor⁷⁸
Natalija Bogdanovic⁷⁹

In this paper the authors analyze the international legal aspect of the newly liberated parts of Serbia, with special emphasis on the position of Pirot and its surroundings. The Serbian army, with Russian assistance liberated significant territories of the South-East Serbia, which had previously belonged to Turkey. The Principality of Serbia had a legitimate and legal right to the territorial expansion won by war. The international relations of that period were very complex. By the San-Stephen peace treaty, Russia attempted to create Great Bulgaria. By that treaty, Pirot was a part of this state. The interests of the western powers were totally opposite to those of the Russians. Upon the insisting of Austro-Hungary, Germany and especially England, the San-Stephen treaty was revised. The Berlin Congress of 1878 brought Serbia independence and a large part of liberated territories. The Serbian diplomacy, led by prince Milan and Jovan Ristić, ensured that Pirot and other areas became parts of Serbia.

Keywords: Principality of Serbia, San-Stephen peace treaty, Berlin congress, Pirot, Great Bulgaria.

50. REGIONAL DEVELOPMENT AS A ROADMAP TO SUCCESSFUL CROSS BORDER PROJECTS

Dobriša Sudimac Mratinkovic, Master⁸⁰
Biljana Stankovic, Master⁸¹

Center for the Development of Jablanica and Pcinja Districts (Center) is accredited regional development agency with mandate to initiate, prepare and implement development projects on the territory of Southern Serbia. Since 2007 Center's activities are focused on reducing regional disparities by supporting economic activities in two districts..

Center implemented six Cross Border Cooperation (CBC) projects, worth € 1,1 m, out of which two were awarded as best practice examples.

This paper intends to show how one organization can create preconditions for successful partnerships with the local communities, institutions and individuals, set the standards in communication and business and how it leads to the successful projects of regional and cross-border character that bring benefits for the inhabitants in the two districts.

Keywords: Regional development, CBC projects, preconditions for partnerships, setting standards.

51. REGIONALIZATION OF CONTINENTAL LEGAL SYSTEMS

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The author tries to determine the exact content of the concept of the region, first of all in its administrative-legal, and then also in political, economic, statistical and planning terms. In the first part of the paper, the notions of regionalization and regionalism are defined and after that author examines the basic principles of European regionalism (represented by a series of relevant international, mainly European, documents and organizations). In the second part, the author identifies general and specific tendencies in the process of regionalization and conducts their analysis. The third part of the paper is devoted to the study of the latest trends in the process of regionalization of the European countries in the period from 2007 to 2015.

Keywords: region, regionalization, regionalism, administrative tendencies, public administration

52. REENGINEERING THE ORGANIZATION OF INTERNAL AUDIT IN MODERN ORGANIZATIONS

Pastiu Carmen, Associate Professor⁸³

Abstract Reengineering is a radical redesign of business processes, organization and mentality. The objective of reengineering is a quantitative leap of performance. In this context, we will analyze audit work through reengineering. We have designed this approach as a redesign and rethinking of audit activity and not just as an improvement in audit work. This paper proposes an approach to the applicable marketing auditing in industrial enterprises. It is a guide to good practice resulting from the analysis of companies in Serbia and Romania.

Keywords: reengineering, audit, accounting, business.

53. FINANCING INVESTMENTS BY ISSUING BONDS

**Ljubica Nikolic, Professor⁸⁴
Aleksandar Mojasevic PhD⁸⁵**

Bonds, as securities, are instruments that are massively used for the collection of funds in developed financial markets. The bonds issuers can be all legal entities whereas the buyers can be all interested legal and natural persons. Practically, by selling the bonds the bond issuer lends the money from the customers for a certain period of time with the obligation to return the money after the maturity date and interest payment. In the absence of own funds, business entities can use classic banking loans or issue their bonds. Financing investments by bank loans implies procedure, costs, uncertainty and imposed conditions from the banking sector. This type of financing is traditional in our country, among other things, due to insufficient knowledge of the advantages of financing investments by bonds issue and other securities issue, the underdevelopment of the financial market, and the lack of trust in the issuers. Currently, in our country, the Republic of Serbia, as compared to other business entities, uses this type of lending mostly by selling its bonds on the domestic and foreign financial markets, partly covering the deficit in the state budget, while increasing the public debt. The result of this phenomenon is the inability of our state to finance itself from the primary issue loans, as well as the fact that it is already too heavily indebted. On the other hand, local self-government units and domestic business entities do not use sufficiently this type of financing.

The aim of this paper is to point out the advantages and possibilities of financing investments by bonds issue in our country, as well as the reasons why they are not yet sufficiently represented, despite the fact that the legislation provides such opportunities as well as the necessary infrastructure related to their issuing and saling is built. A special review will be directed to bonds of local self-government units and public enterprises. Actuality of this work is based on the fact that the functioning and development of local self-government units depends on their ability to provide healthy sources of financing.

Keywords: bonds, financing, investments, local governments.

54. CROSS-BORDER COOPERATION AS A POSSIBILITY TOWARDS LOCAL SOCIAL AND ECONOMIC DEVELOPMENT

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Miroslav Stupar, PhD⁸⁶

During the pre-accession period to the EU, within the IPA funds of the EU, Serbia has accession to funds of Cross-border cooperation, that can, if successfully applied, significantly influence the local social and economic development. Through understanding strategies, politics, how they work and everything that CBC EU funds offer, through managing projects and organizing the public administration so as to achieve the goals at the local level, it is possible to achieve significant results in the level of local social and economic development.

From 2006 to 2015, the municipality of Vršac, today the city of Vršac used assets from the programmes CARDS, IPA CBC and IPA Interreg intended for the Neighbouring and cross-border cooperation, and achieved significant benefits because of them. Through 14 projects, with the overall value of over 10 million euros, the investing potential grew and improved the local social and economic infrastructure.

While using the city of Vršac as an example and considering actual projects which were realized in the mentioned period, we will observe the importance and possibilities of using assets of the IPA EU funds of the cross-border cooperation at the local level, and also its impact on the local social and economic development and point out how to approach these funds and all the possibilities they offer.

Keywords: cross-border cooperation, EU funds, project management, organizing goals at the local level, local social and economic development.

55. INSTITUTIONAL FRAMEWORK OF SUSTAINABLE RURAL DEVELOPMENT WITH REFERENCE TO LOCAL COMMUNITY

**Mile Ilic, PhD⁸⁷
Nenad Hafner, PhD⁸⁸**

Within the current social context, the issue of sustainable development, and sustainability in general, has become very important. This is also the case with sustainable rural development where sustainability represents an inevitable component of rural development. An adequate policy on sustainable rural development has to be supported by strong and well-organized institutions. In this regard, this paper will analyze the institutional support for sustainable rural development and, at the same time, point to the importance of institutional support for sustainable rural development, especially within the local community.

Keywords: sustainable rural development, institutions, local community, local self-government, regulations, the Republic of Serbia

56. REGIONALIZATION PROCESSES AND CROSS-BORDER ECONOMIC COOPERATION

**Danilo Z. Markovic, academician⁸⁹
Dusan Markovic, MA⁹⁰**

In the contemporary society of the nation-states, they are encompassed both by the processes of globalization and the processes of regionalization as one specific form of expression and realization of globalization. Regionalization can be seen not only at the transnational level, but also at the national level, where several types of regionalization are displayed, which are in function of achieving the development goals defined at the central level of the state within which these regions exist.

This type of regionalization is basically economic, that is, it represents a regional component of the economic development of a given state, which can be realized, analyzed and evaluated from different points of view, and from the regional one. The economic development of modern states is also based on cross-border economic cooperation, whose undisturbed performance represents the necessary presupposition of its realization.

Keywords: globalization, regionalization, economic development, cross-border economic cooperation.

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