

Ana Jovanović<sup>1</sup>, Darko Vuković<sup>2</sup>, Nebojša Zakić<sup>3</sup>  
ALLOCATION PROBLEMS OF INSTITUTIONAL  
SUPPORT FOR REGIONAL DEVELOPMENT  
FINANCING IN SERBIA

*This paper analyses different institutional measures and incentives for even regional development financing, by beneficiaries and by implementers. Special attention is paid to the allocation of institutional support by the Development Fund of the Republic of Serbia. The results of the analysis have proved that allocation of institutional support is not carried out in compliance with the priorities set for regional development. The instruments and measures of institutional financial support do not contribute to the harmonization of regional development.*

*Keywords:* regional development; Serbia; allocation problems; Development Fund.

Ана Йовановић, Дарко Вуковић, Небойша Закић  
ПРОБЛЕМА РОЗПОДІЛУ ІНСТИТУЦІЙНОЇ  
ПІДТРИМКИ ФІНАНСУВАННЯ РЕГІОНАЛЬНОГО  
РОЗВИТКУ В СЕРБІЇ

*У статті проаналізовано різні інституційні заходи і стимули з фінансування рівномірного регіонального розвитку з боку як одержувачів, так і джерел фінансування. Особливу увагу приділено розподілу інституційної підтримки Фонду розвитку Республіки Сербія. Результати аналізу показали, що розподіл інституційної підтримки відбувається не відповідно до пріоритетів регіонального розвитку. Інструменти і заходи інституційної фінансової підтримки не сприяють гармонізації регіонального розвитку.*

*Ключові слова:* регіональний розвиток; Сербія; проблеми розподілу; Фонд розвитку.

Ана Йованович, Дарко Вукович, Небойша Закич  
ПРОБЛЕМА РАСПРЕДЕЛЕНИЯ ИНСТИТУЦИОНАЛЬНОЙ  
ПОДДЕРЖКИ ФИНАНСИРОВАНИЯ РЕГИОНАЛЬНОГО  
РАЗВИТИЯ В СЕРБИИ

*В статье проанализированы различные институционные меры и стимулы по финансированию равномерного регионального развития со стороны как получателей, так и источников финансирования. Особое внимание уделено распределению институциональной поддержки Фонда развития Республики Сербия. Результаты анализа показали, что распределение институциональной поддержки происходит не в соответствии с приоритетами регионального развития. Инструменты и меры институциональной финансовой поддержки не способствуют гармонизации регионального развития.*

*Ключевые слова:* региональное развитие; Сербия; проблемы распределения; Фонд развития.

---

<sup>1</sup> PhD, Assistant Professor, Faculty of Entrepreneurial Business, University of Union - Nikola Tesla, Belgrade, Serbia.

<sup>2</sup> PhD Candidate, Teaching Assistant, Faculty of Entrepreneurial Business, University of Union - Nikola Tesla, Belgrade, Serbia.

<sup>3</sup> PhD, Associate Professor, Dean, Faculty of Entrepreneurial Business, University of Union - Nikola Tesla, Belgrade, Serbia.

**Determination of the problem in relation to key scientific and practical tasks.** The problem of uneven regional development is one of the major, indisputable characteristics of Serbian economy. This complex problem can be addressed from different aspects, the most important being the following:

1) causal aspect with the aim to discover, define and classify the causes that led to the very problem of uneven regional development;

2) determining the current state and measuring real disparity in regional development;

3) economic policy aspect that implies the analysis of different instruments and measures of macroeconomic and microeconomic character that are taken with the aim to induce undeveloped regions along with analysis of their effectiveness in eliminating the problem of uneven development;

4) institutional aspect that is directed to rating the quality of legal and institutional framework for overcoming uneven regional development; at the same time, institutional support can be seen both at national and international levels. It is clear that the third and fourth aspects of the observations are closely linked and conditioned, with respect to the fact that economic policy instruments and measures to harmonize regional development can be undertaken only within the given legal and institutional framework.

The subject of this paper is primarily focused on understanding different types of institutional support of microeconomic character to regional development in Serbia as well as the available instruments and measures to achieve this goal, while the issues of the causal and manifestational character were examined to the extent necessary to achieve the primary objective of this research.

Since uneven regional development is one of the key problems in the development of many contemporary economies, this problem has attracted a lot of attention in scientific research. At the very beginning, it is necessary to state clearly that the issues of overcoming uneven regional development touch the very essence of the doctrinal position on the development of modern economies that are, essentially speaking, down to a choice between neoliberal and interventionist approaches. In that sense, the profile of institutional framework, as well as the set of available economic and policy instruments and measures, are necessarily conditioned by the chosen macroeconomic system.

The issues of overcoming uneven regional development are particularly problematic in transitional economies, such as Serbia, considering the dynamics of changes in the macroeconomic system aimed to complete the transition to a market mode of functioning that is accompanied by major changes in the legal and institutional framework. There is also a phenomenon of increasing regional economic disparities during post-communist transformation (Cocek, 2010, p.15).

The inherited regional disparities in Serbian economy from the period of the socialist system are further exacerbated by conditions of transition changes, i.e. transition processes have increased regional inequality, especially the demographic, economic and social dimensions (Miljanovic et al., 2010, p.264), which makes the problem of uneven regional development particularly difficult. Especially disconcerting is that, in spite of adopting certain instruments and measures of economic policy (mainly of microeconomic nature), these problems are on the rise. For these reasons,

the issues of institutional support to regional development in Serbia and the analysis of its effectiveness are important, both from a theoretical and doctrinal, as well as from the aspect of practical tasks in solving the problem of uneven regional development.

**Review of the literature on the problem.** Starting from the basic doctrinal assumptions, there are two fundamentally different approaches to the problem of overcoming uneven regional development. The first is interventionist approach and it is based on Keynes's understanding of the importance of the state role and its mechanisms in an economy. According to this approach, the reduction of unevenness in regional development can be solved by redistributing income and active measures aimed at stimulating demand in the regions lagging behind, which can be achieved through direct and indirect incentives for start-ups and operation of individual firms. The second approach is neoliberal and it is based on the view of the primary role of the market and confidence in the strength of its laws in an economy. According to this concept, the reduction of unevenness in regional development can be solved by the measures aimed at encouraging entrepreneurship, through various policies aimed at the development of small and medium-sized enterprises and deregulation of markets, in order to reduce the cost of labor and capital. According to Amin, top-down approach is needed for both doctrines, as well as the confidence in the instruments and measures that can be uniquely implemented in all the regions, regardless their specific characteristics and causes of uneven regional development (Amin, 1998, p.365). The top-down approach starts from the hypothesis that economic success is based on a number of common factors, such as: a rational individual, a profit-maximizing entrepreneur, firm as a basic economic unit. However, by analyzing the achievements of both doctrines, Amin concluded that they are modest in terms of stimulating sustainable improvement of economic competitiveness of lagging regions (Amin, 1998, p.366).

Beside top-down approach, economic literature has also examined different modalities of the opposite, i.e. bottom-up approach, where there are two different models — centralized and decentralized. The centralized model propounds the intervention of regional authorities and redistributive measures at local level while decentralized model is in connection with the affirmation of market principles at local level (Shankar and Shah, 2009, p.10).

Starting from the division of economic policy instruments in terms of the level at which their effects are realized, there was a general division of the instruments that operate at micro- and those that operate at macrolevel (Armstrong and Taylor, 2001). The aim of the instruments at microlevel is the impact on individual decisions on allocation of labor; owners of enterprises, and investors, while at macrolevel, the instruments are used to bring about change on the level of income and expenditure at regional level (gross regional income, gross regional expenditure).

In considering various issues of institutional economics, Rodriguez-Pose (2010, p.4) noted that the impact of institutions and economic development had been fundamentally overlooked by the mainstream economic theory, in general, and growth theory, in particular.

As Pike et al. (2006) asserted, traditional development strategies, especially in the developing world, had come under scrutiny and were progressively regarded as

relatively ineffective in an integrated, globalized world (as cited in Rodriguez-Pose, 2010, p.7). According to Yeung (2000, p.308), across the world there is growing dissatisfaction with 'blueprint' and 'one size fits all' development strategies which, particularly in the case of lagging regions, seem to be less able to deliver results. In parallel there is a growing view among certain scholarly strands that neoclassical economic orthodoxies are proving less and less adequate in facilitating growth and have, in many cases, led to imperfect interpretations of regional development and decline.

Summing up the conclusions of doctrinaire views and institutional analyses of the impact on regional development, a number of general axioms concerning the issues of institutions and economic development can be raised. Firstly, there is a growing discontent with the actions focused on individual actors alone. Secondly, as economic governance extends beyond the reach of both state and market institutions, emphasis has to be given to policy actions which aim to mobilize a plurality of autonomous organisations. Finally, a key institutionalism axiom, according to Amin (1999, p.368), is that solutions have to be context-specific and sensitive to local dependencies.

**Definition of the target problem for the analysis.** The analysis of the problem emanates from the established and undisputed fact that transition processes have increased regional unevenness, especially its demographic, economic and social dimension in Serbia (Miljanovic et al., 2010). Although Serbia has a network of institutions and a variety of incentives for the promotion of less developed regions, differences in regional development have increased during the transition period. In the context of the effectiveness of institutional support as a basic foundation for development, the following question was raised: was there a problem of allocation of institutional financing incentives for even regional development in Serbia?

The current state of unevenness in the regional development in Serbia, as well as the theoretical attitudes about the efficiency of the institutional support to economic and regional development served to form the null hypothesis of the research:

$H_0$ : Serbia does not have a problem of proper allocation of various forms of institutional support to regional development financing, i.e. institutional support is directed towards the regions that are lagging behind.

Based on the above questions, the research hypothesis  $H_1$  was set:

$H_1$ : Institutional incentives for regional development in Serbia are not allocated in accordance with the set priorities of even regional development and cannot contribute to the harmonization of regional development in Serbia.

After the hypotheses were set, the following priorities were determined as the research objectives:

- To define unevenly developed regions and local self-government units;
- To define the institutional framework for providing incentives for regional development;
- To determine the direction of the allocation of the institutional support for regional development financing.

The Law on territorial organization passed in 2007 (Official Gazette of RS, No 129/2007) specified the territory of territorial units and governed other issues relevant for the territorial organization of the Republic of Serbia. Pursuant to this law, the territory of the Republic of Serbia covers 150 municipalities, 23 towns and the

City of Belgrade as a special territorial unit, or 174 units of local self-government in total.

The Law on Regional Development of 2009 (Official Gazette of RS, No 51/2009 and 30/2010) is the first law ever on regional development in Serbia. The adoption of the Law on Regional Development created the basis for statistical regionalization. The Law defines regions as statistically functional territorial entities that are set up for the needs of planning and implementing the policy of regional development in conformity with the nomenclature of statistical territorial units at level 2. Regions are not administrative territorial units and do not have legal subjectivity. Pursuant to the Law, the main goals of regional development in Serbia are: sustainable socioeconomic development; reducing regional and inter-regional disparities; reducing negative demographic trends etc.

The Law defines the names of the regions and regulates methods of defining districts which constitute a region, and methods of defining local self-government units which constitute a district; development indicators and classification of regions and local government units; development planning documents; subjects of regional development; measures and incentives and financial resources for implementation of measures of regional development. The Law on Regional Development has defined 5 statistical territorial units which correspond to NUTS level 2. Those are: 1) Region of Vojvodina, 2) Belgrade Region; 3) Sumadija and West Serbia Region; 4) South and East Serbia Region; 5) Kosovo and Metohija Region.

The Regulation on Nomenclature of Statistical Territorial Units (Official Gazette of RS, No 109/2009 and 46/2010) has more precisely defined territories under NUTS 2 regions. Aside from defining NUTS level 2, Regulation on Nomenclature of Statistical Territorial Units lays down another two levels of statistically functional NUTS 1 and NUTS 3 territorial units. The Regulation has defined and established:

- NUTS 1 regions: Serbia — North (consisting of the Region of Vojvodina region and Belgrade Region) and Serbia — South (which comprises the Region of Sumadija and West Serbia, the Region of South and East Serbia and the Region of Kosovo and Metohija);

- NUTS 3 regions — 30 statistical territorial units which correspond to NUTS level 3 have been defined and established. The territory in question is the district of Belgrade and the districts which overlap with the territory of 29 administrative districts.

Currently, there are 2 NUTS 1, 5 NUTS 2 and 30 NUTS 3 territorial units in Serbia.

The very significant bylaw regarding the definition of the development levels is the Regulation on establishment of the single list of development of the regions and local self-government units of 2011 (Official Gazette of RS, No. 69/2011). According to the Regulation, there are 5 categories of local self-government unit's development, as shown in Table 1.

In recent years, Serbia has developed a range of publicly-funded financial supports for regional development, including the allocation of credit support. Many institutions are involved. The Regulation on the content, method and procedure of keeping the Register of the measures and incentives of regional development of 2010

(Official Gazette of RS, No. 93/2010) defines the institutions responsible for data entry into the Register. According to the Regulation, these institutions are: ministries responsible for regional development, national investment plan, infrastructure, agriculture, forestry and water management, finance, Development Fund of the Republic of Serbia, National Employment Service, Serbian Investment and Export Promotion Agency, National Agency for Regional Development, Agency for Export Insurance and Financing of the RoS, Serbia European Integration Office.

**Table 1. Classification of local self-government unites development according to the Regulation on establishing of a single list of regions and local self-government units' development in 2011**

Category	Level of development	Number of LSG
I	Above national average	19
II	80%-100% of national average	33
III	60% -80% of national average	47
IV	Below 60% of national average	46
V	Devastated areas - below 50% of national average	27

*Sources:* Regulation on the content, method and procedure of keeping the Register of the measures and incentives of regional development (Official Gazette of RS, No. 93/2010).

The most significant regional development institution is the Development Fund of the Republic of Serbia. The Development Fund is a state-owned institution established as a legal person engaged in financial activities which business is regulated by the Law on the Development Fund of the Republic of Serbia of 2010 (Official Gazette of RS, No 36/2009 and 88/2010). The activity of the Fund is supervised directly by the government, which adopts the Fund's work, program and annual report. The goals of the Fund are mainly achieved by providing subsidized financing on most favorable terms for programmes related to economic, regional and SME development, increasing competitiveness and related activities. The credits disbursed may be provided by another institution to the Fund on a commission basis or from the Fund's own resources.

**Presentation of the research material, description of methodology and main results of the research.** In accordance with the set objectives and purpose of this research, the basic descriptive analysis of the studied problem is provided by the method of comparison, established analogies and contrasting the scientific achievements in the field of regional development and institutional infrastructure.

On the basis of individual assumptions, using the method of induction, abstraction and generalization, this paper offers corresponding overall conclusions. Also, we use the methods of analysis and compilation in comparing the analyses, opinions, conclusions and findings of Amin (1998), Shankar&Shah (2009), Rodriguez-Pose (2010), Pike et al. (2006), Yeung (2000) and thus contribute to a clearer conclusion and generalization of views.

In addition to the above mentioned, we also used the method of statistical analysis in collecting and calculating numerous data from the Statistical Office of the Republic of Serbia, the Serbian Business Registers Agency, the Development Fund of the Republic of Serbia and the National Employment Agency. The data obtained from the

Serbian Business Registers Agency established by the Law on Regional Development that proposed the obligation of keeping the Register of Regional Development Measures and Incentives and that became available in electronic format in January 2012 were of special importance to the research. On the basis of the research results, the aggregate data on overall measures and regional development incentives awarded by the implementers by national and foreign sources for this purpose, as well as the information on measures and incentives of the Regional Development Fund to beneficiaries, in accordance with the Single List on the development of regions and local self-government units in 2011 were first published in this paper.

This data has been categorized as a raw material that was necessary to be processed, calculated and presented in tabular form indicating the jurisdictions that had utilized each of the policies, programs and strategies chosen.

**Table 2. Republic of Serbia and Regions of Republic of Serbia – Basic Data**

	Republic of Serbia	Belgrade Region	Vojvodina Region	Sumadija and Western Serbia	Sothern and Eastern Serbia	Kosovo Region
Area (in sq. km)	88,407	3,204	21,588	26,484	26,192	n/a
Population*	7,120,666	1,639,121	1,916,889	2,013,388	1,551,268	n/a
Number of employees**	1,795,775	596,801	472,441	414,821	311,726	n/a
Number of unemployed***	729,519	93,769	198,276	237,641	193,204	n/a
Annual net salary (RSD)**	34,142	42,489	33,392	28,636	29,248	n/a
GDP (mln. RSD)**	2,986,614	1,193,867	775,879	583,366	433,502	n/a
GDP per capita (ths. RSD)**	410	728	396	286	262	n/a

Source: Calculated by the authors.

Data collected from: \*SORS, Census 2011, preliminary results; \*\* SORS, 2010; \*\*\*NEA, 2010.

The calculations of regional GDP, in accordance with European legislation, were carried out at the NUTS level 2 (region).

**Table 3. Regional GDP, GDP per capita, Shares and Level Indices**

NUTS 2	GDP (mln. RSD)	Share (%)	GDP per capita (ths. RSD)	Level index (RS=100)
Republic of Serbia	2.986.614	100,0	410	100,0
Belgrade Region	1.193.867	40,0	728	177,8
Vojvodina Region	775.879	26,0	396	96,8
Sumadija and Western Serbia	583.366	19,5	286	69,9
Southern and Eastern Serbia	433.502	14,5	262	63,9
Kosovo Region	n/a	n/a	n/a	n/a

Sources: SORS, 2011.

Belgrade region, with GDP per capita amounting to RSD 728 000, has almost 80% higher per capita amount when compared to the RS average. The level index for Vojvodina region is 96.8% (RSD 396 000), for the region of Sumadija and Western Serbia 69.9% (RSD 286.000) and for the region of Southern and Eastern Serbia 63.9% (RSD 262.000).

**Table 4. Overall regional development incentives by implementers in Serbia, 2008-2010**

	2008 Number*/ Amount**	2009 Number*/ Amount**	2010 Number*/ Amount**	2011 Number*/ Amount**
Ministry of Economy and Regional Development	1,453 / 33,211,851	1,143 / 16,868,215	1,062 / 16,352,256	494 / 8,022,127
Ministry of Finance – Treasury administration	1,843 / 18,564,888	1,317 / 10,834,778	1,263 / 16,778,858	1,482 / 12,972,076
Development Fund of the Republic of Serbia	5,256 / 25,089,221	5,084 / 32,777,223	3,383 / 35,397,153	2,437 / 29,712,298
National Employment Service	5,955 / 1,766,399	19,195 / 3,736,691	33,546 / 6,177,623	13,659 / 1,102,280
Serbia Investment and Export Promotion Agency	159 / 527,831	207 / 876,654	211 / 2,232,520	129 / 1,867,581
National Agency for Regional Development	411 / 109,214	445 / 122,028	527 / 87,154	322 / 71,334
Agency for Export Insurance and Financing of the RoS	247 / 8,859,251	263 / 11,428,021	264 / 13,162,812	221 / 11,236,871
Serbia European Integration Office	411 / 38,248,347	406 / 77,526,345	480 / 117,758,984	323 / 121,587,802
Total	15,735 / 126,377,003	28,060 / 154,169,955	40,736 / 207,947,360	19,067 / 186,572,370

Sources: Calculated by the authors.

Data collected from: SBRA. \*Number of incentives; \*\*in ths. RSD.

According to Table 4, it can be concluded that individually, the largest implementer of policies and incentives for regional development from domestic sources is the Development Fund of Serbia accounting for 15.92% of the total incentives.

**Table 5. Development incentives by the Development Fund of the Republic of Serbia, 2008-2010**

	2008	2009	2010	2011
	Number*/ Amount**	Number*/ Amount**	Number*/ Amount**	Number*/ Amount**
Serbia	5,256 / 25,089,221	5,084 / 32,777,223	3,383 / 35,397,153	2,437 / 29,712,298
Belgrade Region	1,175 / 6,154,852	1,101 / 6,035,092	550 / 5,024,624	328 / 6,468,770
Region of Vojvodina	850 / 4,492,773	731 / 4,371,803	353 / 3,989,040	485 / 4,314,133
Sumadija and Western Serbia	2,099 / 10,030,443	1,979 / 12,144,693	1,228 / 11,338,900	768 / 8,451,215
Southern and Eastern Serbia	1,028 / 4,233,053	965 / 6,495,847	646 / 9,601,739	374 / 7,310,592
Kosovo Region	n/a	n/a	n/a	n/a

Source: Calculated by the authors.

Data collected from: SBRA. \*Number of incentives; \*\* in ths. RSD.

Table 5 shows the data on regional distribution of measures and incentives to regional development from which it can be concluded that the measures and the incentives of the Development Fund were directed in 2011 in the following way: the region of Belgrade 21.77%, the region of Vojvodina 14.51%, the region of Sumadija and Western Serbia 28.44%, as well as the region of Southern and Eastern Serbia 24.60%. The data for the Region of Kosovo have not been shown in primary sources,



but on the basis of the calculations of the authors it can be concluded that they amounted up to 11%. However, due to the heterogeneous structure of the regions comprising of local government units with totally different levels of development, it cannot be concluded whether the distribution of incentives and measures was carried out in accordance with the priorities of even regional development.

To obtain an accurate picture of beneficiaries, Table 6 shows the allocation of measures and incentives for regional development by the Development Fund under the Single List of development of the regions and local self-government units for 2011. The data in Table 6 precisely show the fact that the means of the Development Fund were mostly (65.31%) allocated to the beneficiaries in the most developed units of local self-government in which the level of development amounted to over 80% of national average, while only 23.35% were allocated to the users in local self-government units in which the level of development was below it. Particularly indicative was the fact that only 5.12% of the measures and incentives for regional development were allocated to the users in 27 local communities in devastated areas, with the degree of development below the 50% of national average. The data for Kosovo was not shown in primary sources, but on the basis of the calculations of the authors it can be concluded that they, proportionally to the total funds allocated, amounted to 11%.

**Table 6. Summary of incentives of the Development Fund of the RoS according to the Single List of development of the region and local self-government units in 2011**

Category – level of development	Number of LSG	Number of incentives	Amount in thous. dinars	Share (%)
First group – above the national average	19	727	11.332.222	38,13
Second group - from 80% to 100% of the national average	33	484	8.077.041	27,18
Third group – from 60% to 80% of the national average	47	512	4.141.720	13,94
Fourth group - below 60% of the national average	46	230	2.795.547	9,41
Fifth group – devastated areas - below 50% of the national average	27	120	1.521.072	5,12

*Sources:* Calculated by the authors.

Uneven regional development presents a huge and complex problem for Serbian economy, particularly exacerbated by the deepening of regional differences in development during the transitional period. To overcome this problem, a complex institutional framework was set up as a basis for the allocation of different instruments and measures to reduce the differences in regional development. Also, the subjects of regional development, i.e. implementers and beneficiaries of the measures, and instruments for financing even regional development were defined by an institutional framework. The list of implementers was identified in an explicit way, while the list of potential beneficiaries was determined in an indirect, implicit way, by establishing the single list of development of the regions and local self-government units for 2011, ranging in value relative to gross domestic product per capita compared to national average.

After examining the theoretical literature, the research included the analysis of relevant statistical data and the authors' own calculations. The aggregated data on overall measures and instruments of regional development allocated from national and international sources for this purpose to the implementers, as well as the information about the activities of the Development Fund as the largest individual implementer of the incentives from domestic sources were published in this paper for the first time. The research results have shown that the instruments and measures of regional development by the Development Fund were mostly (65.31%) allocated to the beneficiaries in the most developed units of local self-government in which the level of development was more than 80% of national average, while only 23.35% were allocated to the users in local self-government units in which the level of development was below it. Particularly indicative was the fact that only 5.12% of the measures and incentives of regional development were allocated to the users in 27 units of local self-government in devastated areas, where the level of development is below 50% of the national average.

The research results confirmed the researchers' hypothesis that institutional incentives of regional development in Serbia have not been allocated in compliance with the set priorities of even regional development in Serbia and that thus they cannot contribute to the harmonization of regional development in Serbia. In an indirect way, the research findings confirmed the theoretical views on the ineffectiveness of uniform institutional stimulus applied by the top-down approach at the microlevel, considering various causes and circumstances of uneven regional development, as well as the shortcomings of the centralized approach in allocation. In this regard, further research will focus on the analysis of the relative advantages and possibilities of the realization of different types of incentives by the bottom-up approach. Given the announced institutional changes, providing for the establishment of the Development Bank of Serbia with a network of branches throughout the country, this research will be of great theoretical and practical importance.

**Acknowledgement:** *This paper is the result of the project 47007 funded by the Ministry for Education and Technological Development of Republic of Serbia.*

**Reference:**

- Amin, A. (1999). An Institutionalist Perspective on Regional Development, *International Journal of Urban and Regional Research*, Volume 23, Issue 2, p.365-378, June.
- Armstrong, H., Taylor, J. (2001) *Regional Economics and Policy*, 3rd, Blackwell Publishers Ltd.
- Cocek, L. (2010). Patterns of Regional Development in Serbia: A Multivariate Statistical Analysis, *Geographica Pannonica*, Volume 14, Issue 1, 14-22.
- Law on Development Fund of the Republic of Serbia* (2010). Official Gazette of RS, No 36/2009 and 88/2010.
- Law on Regional Development of the Republic of Serbia* (2009). Official Gazette of RS, No 51/2009 and 30/2010.
- Law on Territorial Organization of the Republic of Serbia* (2007). Official Gazette of RS, No 129/2007.
- Miljanovic, D., Miletic, R., Djordjevic, J. (2010). Regional Inequality in Serbia as a Development Problem, *Acta geographica Slovenica*, 50-2, 253-275.
- Rodriguez-Pose, A. (2010). Do institutions matter for regional development? Imdea, Working Papers Series in Economics and Social Sciences No 2010/02. Retrieved from <http://repec.imdea.org/pdf/imdea-wp2010-02.pdf>
- Pike, A., Rodriguez-Pose, A., Tomaney, J. (2006). *Local and Regional Development*. London, New York: Routledge.
- Pike, A., Rodriguez-Pose, A., Tomaney, J. (2009). What Kind of Local and Regional Development and for Whom? *Regional Studies*, Vol. 41.9, pp. 1253-1269, December, Routledge.

*Regional Development Strategy of Serbia for the period of 2007 to 2012* (2007). Official Gazette of the Republic of Serbia, No 21.

*Regulation on Nomenclature of Statistical Territorial Units* (2009). Official Gazette of RS, No 109/2009 and 46/2010.

*Regulation on the content, method and procedure of keeping the Register of the measures and incentives of regional development* (2010), Official Gazette of RS, No. 93/2010.

*Regulation on establishment of the single list of development of the regions and local self-government units* (2011). Official Gazette of RS, No. 69.

*Rodriguez-Pose, A.* (2009). Do institutions matter for regional development in the EU? Working Papers Series in Economics and Social Sciences 2010/02, Retrieved from the site: <http://repec.imdea.org/pdf/imdea-wp2010-02.pdf>

*Shankar, R., Shah, A.* (2009). Lessons from European Union Policies for Regional Development, Policy Research Working Paper 4977, The World Bank World Bank Institute. Retrieved from [http://www.wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2009/06/22/000158349\\_20090622133035/Rendered/PDF/WPS4977.pdf](http://www.wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2009/06/22/000158349_20090622133035/Rendered/PDF/WPS4977.pdf)

*Yeung, H.W.C.* (2000). Organizing 'the firm' in industrial geography I: networks, institutions, and regional development. *Progress in Human Geography*, 24(2): 301-315.

Стаття надійшла до редакції 16.05.2012.