Regional Development Agency Zlatibor

DRAFT STRATEGY OF
SOCIO-ECONOMIC DEVELOPMENT
OF ZLATIBORSKI REGION 2011-2015

Uzice, 2010
INTRODUCTION

Zlatiborski Region did not have strategic development document by now as well as a possibility for development based on the overall consensus of all relevant development actors. Necessity for developing such a document becomes more visible considering the facts that most of local self-governments adopted local development strategies, great number of strategic documents has been adopted at nation level as well, and funds for financing regional projects becoming further more available. In regard to the mentioned, development of ZR’s strategic document which could provide implementation of regional projects has been initiated.

The process started in spring 2009, when municipal Assemblies adopted decisions on approval and nomination of RDA Zlatibor as coordinator of the Process. Because of lack of legislative related to the regional development, in the beginning was agreed to work on Integrated Development Plan of Zlatibor District. We agreed to develop document addressing 5 primary sectors: infrastructure, rural development, tourism, economy and human resources, which later provided good base for developing Strategy. Sectoral analysis were done/ performed by financial support of Municipal Development of South West Serbia (PRO), financed by European Union and Government of Switzerland, implemented by United Nations Development Programme in a cooperation with Serbian Government. An idea that actors of territory development could identify needs and suggest the best solutions in the best possible way, was the leading principle during the whole process.

After sectoral analysis completion, it was necessary to integrate them in a comprehensive, practical and operational document approved by all relevant development actors of the Region. RDA Zlatibor was supported by technical assistance of Regional Socio-Economic Development Programme 2 (RSEDP2), which engaged an expert to help in completion according RSEDP 2 guidelines for developing strategies and action plans, all in order to achieve methodological consistency of all regional strategies that are or will be developed in Serbia.

During the Process, members of ZRDA’s strategic team as well as members of working groups from entire Zlatiborski Region, continuously worked on building their capacities in strategic planning, data collecting and processing, cooperation with domestic and foreign experts, what, besides completion of the document, represent the greatest quality of the Process in which participated more than a hundred of actors with various knowledge and expertise.

We honestly believe this document shows realistic situation and development possibilities of Zlatiborski Region and in coming five year period should be used as a frame of all development initiatives which will be taken with the aim of successful positioning of Zlatiborski Region both in Serbia and Southeast Europe. We would like to thank all members of working groups, institutions and organizations who shared with us their knowledge, made their efforts and gave full contribution in developing Strategy of Socio-Economic Development of Zlatiborski Region.

Uzice, October 2010.

ZRDA’s strategic team
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Regional strategies and regional development plans in member states and EU accession candidate countries, represents basic development instrument used for theirs entire territories. All regions and districts are required to adopt them. Serbian national strategic documents related to the regional development: Regional Development Strategy of Serbia 2007-2012 and Law on Regional Development (2009), affirmed the two key instruments of modern regional policy: regional development agencies and regional development strategies.

Importance of developing the Regional Development Strategy is multiple:

- **The importance of integration**: Strategy and action plan development process involves politically responsible subjects, and other relevant social groups of a region, which are agreed on common development objectives necessary to be achieved.

- **The importance of legitimacy**: once agreed development goals are no longer subject of political debate, but the adoption of the strategy and plan provide its legitimacy.

- **The importance of positioning in relation to the central decision-making bodies**: there are many development areas outside the jurisdiction of the region, but, this Strategy contributes to positioning and drawing importance of some strategic priorities more than others.

- **The Strategy represents ground for receiving various subsidies**: financed by central government or EU funds.

- **The effect of transparency, rationality and efficiency**: the Strategy presents to the public the goals on which is based, scientifically-based instruments that will be used and methods for verification of success of implemented measures. At the same time, this would represent continuous pressure on competent authorities to increase the efficiency of implemented measures.

- **The importance of vertical adjustment**: regional development strategies and plans are the subject of defining and implementation performed by democratic and legitimate decision-making bodies. Strategy defines development priorities of wider area (region, district). Without endangering their freedom in making decisions, Strategy addresses local strategic plans only in areas representing burning issues for local self-governments. It is important to mention that comparing with national level, regional development strategies and plans are not inconsistent with national plans, on the contrary, they are adjusted with them.

Strategy of Socio-Economic Development of Zlatiborski Region has been developed by Zlatiborski Region Development Agency in partnership with various development actors, at the first place local self-governments of Zlatiborski Region, Regional Chamber of Commerce and numerous national and regional experts. The Strategy has been financially supported by donors, European Union and Swiss Government.

The Strategy has been developed according EU methodology and numerous regional strategies in EU. It has been adjusted with national policy for regional development and strategic documents related to regional development: Regional Development Strategy of Serbia 2007-2012, Strategy of Sustainable Development of Republic of Serbia, Law on Regional Development and subordinate regulations, statistical regionalization of Serbia and Spatial Plan of Serbia 2011-2020. Also, Zlatiborski Region Development Strategy has been adjusted with other sectoral and national strategies and documents.

In the terms of structure, the Strategy consists of 3 functionally connected units:

- Development profile of Zlatiborski Region
- Vision, strategic directions and objectives
- Implementation of the Strategy

Development profile shows socio-economic situation of Zlatiborski Region, both in the scope of Republic and the NUTS 2 region, provides basic development indicators of 10 local self-governments within the Zlatibor NUTS 3 Region. Socio-economic analysis is composed of the most representative indicators related to key development aspects:

- Economy
- Human resources
- Infrastructure
In accordance to the new development model of economic growth of Serbia 2011-2020, focus is directed toward economy, structural characteristics of ZR and its 3 primary determinations in coming period: export, processing industry and investments growth. The attention was drawn to the fact that economic growth isn’t possible without infrastructure development and that Zlatiborski Region could achieve faster development if it turns to the economy based on knowledge and new technologies. Special attention was drawn to Region’s identity development, through development of already well known trade marks of Zlatibor such as healthy food industry, connections between agriculture and tourism, as well as through further development of processing industry export subsectors and affirmation of ZR as an strategic export region of Serbia. The human factor took significant part of the Analysis, highlighting demographic risks and employment importance in the following period. The SWOT represents sublimated key findings of the performed analysis.

Vision and development goal of ZR till 2015 is creation of competitive region able to integrate in global economic flows. Besides partial indicators for each of the sectors, Strategy’s success will be measured by employment rate, with respect to decrease of unemployment rate, net earnings growth and increased number of educated population.

Implementation plan defines key further steps: developing action plan and priority programmes including financial forecasts. Action plan will involve not only economic but numerous of other sectors and also will have political dimension. For that reason it should be developed in close cooperation with mentioned sectors and approval of local political actors. The plan will get greater credibility in the public if the administration and politics stand united together behind it.

If political structures approves proposed implementation plan, ZRDA will initiate establishment of Monitoring Committee and start its realization. The public will and has to be involved in all phases of plan developing.

ZRDA will face numerous challenges, but all of them will be in a shadow of professional challenge and pioneer efforts in building regional institutional infrastructure of ZD. There are two elements indicating optimistic outcome: a) for the first time, there is political consensus related to necessity of state model to be based on decentralization and regionalization principles; b) acqiring status of candidate country and commencement of intensive EU accession process.

Uzice, October 2010

Dr Edvard Jakopin, director of Republic Development Bureau of Serbia
CONTEXT OF ESTABLISHED POLICIES /STARTING POINTS

Strategy of Socio Economic Development of Zlatiborski Region 2011-2015 (Strategy) represents basic development document which fully and consistently defines main development priorities of ZR and methods for its implementation in the next period.

A global trend of growing economic mutual dependency represents great challenge for regional and local economies. Efficient regional economic policy which is able to accommodate to the global flows and economic crises which are often unpredictable, became basic precondition for successful development. There are numerous models of regional development and their outcomes. Considering dynamic global trends, EU states former experience and factors influencing regional development, economic analysis could anticipate certain future outcomes and affects, but couldn’t forecast neither all possible courses of regional development or exceptions.

Marginalization of regional development which lasted several decades caused various unbalances on the territory of Serbia. Transition process additionally contributed to the regional disproportions causing numerous of systemic disproportions, economic, social and demographic asymmetries. Global recession 2008-2009 additionally brought to the enlargement of the issue. Lack of political consensus leaded to the institutional vacuum in regional development which lasted till 2007.

Assessments and empiric analysis of regional development showed that traditional promotion of balanced regional development was not particularly efficient. This conclusion is confirmed by similar analysis performed in other transition countries. Transition process mostly affected industry regions in Serbia. By closing of large industrial regional economic entities, the state faced great unemployment (unemployment rate in some parts of Serbia is more than 60%). This caused increasing regional disparities and concentration of economic activities in Danube – Sava area, regional centres and devastation of Serbian rural areas.

During previous decades regional polarity and especially status of undeveloped areas was not changed. Advantages of developed areas in Serbia lie in created preconditions for modern development, more precisely in infrastructure and geo position situated on international development axis. On the contrary, underdeveloped areas are faced with lack of economic and systemic solidarity. Centralized state structure unable all regional and local development incentives and contributed to increase of regional disparities.

Transition is a kind of “social engineering”, when state should take steps which market could not manage itself in a short period. Elimination of regional disparities is hard, expensive and slow process, in which quick and easy wins could not be expected. Mechanisms and instruments of regional policy are sensitive to political and general social conditions determining legislative framework and beginning of regional institutions operation. Besides ordinary accommodation, it is necessary to achieve deeper socio-economic changes in the regional structure. The role of the state is to establish institutions, to provide infrastructure and direct intervention measures, in order to provide integral development and region’s development.

Neighbouring changes, at the first place changes in EU, affected changes of numerous development models. There is recognition of planning, before all, regional (strategic) development planning due to the rise of ecological importance and sustainable growth, as combination of regional planning and sustainable development. It is important to mention that even beyond 2013 regional policy will be one of the main EU instruments. After transition decade and being under influence of these external factors, the state has finally directed toward systematic solving of the regional issues in Serbia, institutional management of regional development, regional planning and institutional building of regional development in Serbia.

**Institutional building of regional development in Serbia**

Regional Development of Serbia is a reflection of numerous and intensive processes of change in the economy and society, reflected, besides other things, in the economic structure, transformation of ownership, the importance of institutions, legal terms, the strengthening of horizontal and vertical partnerships etc.

Accession to the EU additionally emphasizes high degree of lack of institutions. The primary problem of Serbian regional development institutional structure lies in lack of system for strategic policy implementation at all levels of regional development, and before all, lack of medium, regional level for managing regional policy.

Institutionalization of regional development in Serbia started in 2007, by adopting Strategy of regional development of Serbia 2007-2012, which represented the first systematic document dealing with regional...
development issues, addressing different aspects such as economic, social, demographic, ecological, cultural, health and educational aspects. Regional policy has been oriented to two different directions. The first one was encouraging development potential of the already developed local self-governments, which are usually the centre of the area (NUTS 3 region), in order to enable them to provide rapid development of the whole area and encourage regional competitiveness. Another course of action was oriented to local self-governments, which in terms of development are below the average, in order to prevent their further degradation and further deepening of regional and structural development problems. The Strategy sets up several basic development priorities of Republic of Serbia: sustainable development, improved regional competitiveness, reduction of regional disparities, preventing negative demographic flow, continuing decentralization, economic integration of Serbian communities of Kosovo and Metohija and building regional institutional infrastructure.

The Strategy became operational by adopting Law on Regional Development (July 2009, amendments in May 2010), what in terms of institutional building for support and management of regional policy represent legislative precondition. Single legislative frame for regional development in entire Serbia which should contribute to the promotion of general principles of the State’s regional policy harmonized with EU principles, has been established by this Law. Law on regional development reflects internal policy for managing regional development, with the respect to details in regard to the complex supporting system at national, regional and local level. The Law specifies mandatory adoption of regional development strategies and foundation of regional development agencies.

Other operational details have been determined by subordinate regulations issued by Serbian Government. Some of them will be adopted by the end of 2010. The most important subordinate regulation is related to statistical regionalization of Serbia, what, considering experience of other countries, represent the first step toward economic regionalization. After amendments of Law on regional development in May 2010, the Government issued Regulation on Nomenclature of Statistical Territorial Units (August 2010), defining criteria for statistical regionalization according EU standards. The classification recognizes 3 levels: NUTS 1 (population from 3 -7 million), NUTS 2 (population from 800.000 – 3 million), NUTS 3 (population from 150.000 – 800.000). Classification criteria are based on general standards determined by EU: population, geopolitical position, natural resources, existing territorial classification and culture historical heritage. Following statistical administrative units at NUTS 1 level have been made by applying this Regulation:

1. Serbia – North includes Belgrade Region and Vojvodina Region
2. Serbia – South includes: Sumadija and West Serbia Region, South and East Serbia Region and Kosovo and Metohija Region

*Table 1: Nomenclature of statistical territorial units – NUTS 2010.*

<table>
<thead>
<tr>
<th>NUTS 1</th>
<th>NUTS 2 - REGIONS</th>
<th>NUTS 3 – REGION</th>
</tr>
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<tbody>
<tr>
<td>Serbia North</td>
<td>Vojvodina Region</td>
<td>West Backa Region</td>
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<td>South Banat Region</td>
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<td></td>
<td></td>
<td>South Backa Region</td>
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<td></td>
<td></td>
<td>North Banat Region</td>
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<td></td>
<td></td>
<td>North Backa Region</td>
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<tr>
<td></td>
<td></td>
<td>Middle Banat Region</td>
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<td></td>
<td></td>
<td>Srem Region</td>
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<tr>
<td>Serbia South</td>
<td>Sumadija and West Serbia Region</td>
<td>Belgrade Region</td>
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<td></td>
<td></td>
<td>Macva Region</td>
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<tr>
<td></td>
<td></td>
<td>Kolubara Region</td>
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<tr>
<td></td>
<td></td>
<td>Zlatiborski Region</td>
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<tr>
<td></td>
<td></td>
<td>Sumadija Region</td>
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<td></td>
<td></td>
<td>Morava Region</td>
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</table>
These legal regulations are in line with regions’ specifics in economic theory and practice. The regions in Serbia (NUTS 2) defined by this Regulation have necessary characteristics and fulfil requirements necessary to be considered as economic regions, not only by their economic and geographical features inside the country, but because they duly great natural and human potentials. Thus provides territorial division of work and specialized production among them, and as by the rule, they are established around one or more development regional centres. Smaller territorial units (NUTS 3) are defined in accordance with existing administrative units (districts).

The Strategy of Regional Development of Serbia 2007-2012 and Spatial Plan of Serbia 2011-2010, affirms importance of decentralization process and polycentric development, what represents important starting point for draft development strategy of Zlatiborski Region. Implementation and feasibility of decentralization depends on social conditions, influencing factors and political willingness to change institutional system. Goal of decentralized regionalization process is establishment of entities such as economic regions. Different unit departments have different treatment in respect to decentralization feasibility degree. The competences that are to be decentralized are ranked in regard to: a) externality degree of their actions; b) chargeability degree of performed services; c) technical complexity degree of services (necessary technical and managerial skills). Considering separate functions of each of the services, the most appropriate executor for investments planning would be the state (central government), decentralized units (regions, districts) for investments selection, private sector for objects construction, decentralized units for utilization and regulation, as well for maintenance of objects, while the central government would be in charge for monitoring/supervision and control of performing services. It could be concluded that simultaneous engagement of all levels of authorities in providing services represent the key of successful decentralization.

Following are the reasons confirming importance of establishment regional (district) level:

- Region (District) demonstrate diversity of population activities
- Region (District) represents mean for preventing development conflicts, since decentralization initiates unbalanced development
- Local communities are inadequate for the tasks related to the joint cooperation
- Without middle level (region, district), local level could not be suitable negotiator with central government
- Inter municipal networking is important factor of economic development
Regions (districts) represents the most appropriate territorial units for implementation of cross border cooperation.

Decentralized regionalization does not represent a purpose for itself. Advantages of decentralization lie in much better knowledge of conditions for measuring population’s needs in comparison with the ones that could be offered to different social groups by central government. Therefore, decentralization as an instrument could contribute to the faster socio-economic development, but at the same time it could be obstacle for certain segments of social development. It is necessary to apply “appropriate decentralization”, since control of decentralized resources in certain social conditions, such as for example underdevelopment, poorness, natural resources degradation etc., could redouble conflicts. Instruments to overcome such a situation are connected with financial balance (harmony), decentralization of available resources, horizontal coordination and participation.

New model of Serbian economic growth 2011-2020 represent one of the key starting points of Zlatiborski Region Development Strategy.

Blasting effects of world economic crises strongly affected South East Europe, so the Governments were forced to redefine their model of economic growth. Besides mentioned, Serbian model of economic growth was unsustainable and it was necessary to perform basic changes in order to avoid label of underdeveloped and insolvent country. In fact, the model in which the faster growth of internal demand in comparison to the GDP growth is provided by increasing deficit in GDP transactions. Considering the fact that privatization income has been spent and that there are limited possibilities for further excessive external borrowings, Serbia has to turn to a new model of economic growth and development which is oriented toward investments and export. Focus is directed to reindustrialization, structural changes and export growth in processing industry, since processing industry takes 93-95% of total export. This model is applied on regional level as well, so the highest growth rate of processing industry is expected in Sumadija and West Serbia Region (9% per year).
# GLOSSARY

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>JSC</td>
<td>Joint-stock company</td>
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<tr>
<td>SBRA</td>
<td>Serbian Business Registers Agency</td>
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<tr>
<td>GVA</td>
<td>Gross Value Added</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>BiH</td>
<td>Bosnia and Herzegovina</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>ZR</td>
<td>Zlatiborski Region</td>
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<tr>
<td>IPBS</td>
<td>Internationally protected birds settlements</td>
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<tr>
<td>ICT</td>
<td>Information and communication technologies</td>
</tr>
<tr>
<td>IT</td>
<td>Information technologies</td>
</tr>
<tr>
<td>SEE</td>
<td>South East Europe</td>
</tr>
<tr>
<td>PUC</td>
<td>Public Utility Company</td>
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<tr>
<td>PC</td>
<td>Public Company</td>
</tr>
<tr>
<td>SMEE</td>
<td>Small and medium enterprises and entrepreneurship</td>
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<tr>
<td>NP</td>
<td>National Park</td>
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<tr>
<td>NUTS</td>
<td>Nomenclature of Territorial Units for Statistics</td>
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<tr>
<td>FMNS</td>
<td>Faculty of Mathematics and Natural Sciences</td>
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<tr>
<td>SPS</td>
<td>Spatial Plan of Serbia</td>
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<tr>
<td>PRO</td>
<td>Municipal Development of South West Serbia</td>
</tr>
<tr>
<td>AES</td>
<td>Agriculture Extension Service</td>
</tr>
<tr>
<td>PTT</td>
<td>Post, telegraph and telephone / public telecommunication company /</td>
</tr>
<tr>
<td>PSD</td>
<td>Private Sector Development in South West Serbia</td>
</tr>
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<td>РДЭПР 2</td>
<td>Regional Socio Economic Development Programme 2</td>
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<tr>
<td>RDB</td>
<td>Republic Development Bureau</td>
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<tr>
<td>SORS</td>
<td>Statistical Office of Republic of Serbia</td>
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<tr>
<td>RCC</td>
<td>Regional Chamber of Commerce</td>
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<tr>
<td>RDA</td>
<td>Regional Development Agency</td>
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<tr>
<td>RTO</td>
<td>Regional Tourist Organization</td>
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<tr>
<td>RSL</td>
<td>Regional Sanitary Landfill</td>
</tr>
<tr>
<td>RC</td>
<td>Rehabilitation Center</td>
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<tr>
<td>RCPDEP</td>
<td>Regional Centre for Professional Development of Education Personnel, Uzice</td>
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<tr>
<td>DFI</td>
<td>Direct Foreign Investments</td>
</tr>
<tr>
<td>SDC</td>
<td>Swiss Agency for Development and Cooperation</td>
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<tr>
<td>START-UP</td>
<td>Beginners in business</td>
</tr>
<tr>
<td>SFRY</td>
<td>Socialist Federal Republic of Yugoslavia</td>
</tr>
<tr>
<td>SWOT</td>
<td>Analysis / Strengths-Weakness- Opportunities- Threatens/</td>
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<tr>
<td>TS</td>
<td>Technical School</td>
</tr>
<tr>
<td>CPT</td>
<td>Cement Plant Titan, Kosjerić</td>
</tr>
<tr>
<td>FAP</td>
<td>Automotive Factory Priboj</td>
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<tr>
<td>MNE</td>
<td>Montenegro</td>
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</table>
I DEVELOPMENT PROFILE OF ZLATIBORSKI REGION

1. Introduction

Zlatibor area is located in the Southwest part of Serbia, in Southeast Europe, on the Balkan Peninsula. Centre of the NUTS 3 Region is city of Užice, South latitude of 43º51'21″, East longitude 19º50'28″. This area is the largest region/district covering surface of 6.140 sqm, what represents 6,9% of Serbian territory. It borders Macva nad Kolubara Region to the North, Moravicki to the East and Raski Region to the Southeast. ZR borders Montenegro to the South and Southwest (state border length 112 km), Bosnia and Hercegovina to the West (state border length 160 km). Distance form highway E-75 connecting central and North with East and South Europe amounts 200 km, since the distance form Nikola Tesla airport amounts 240km. Such a location provides easier communication with other parts of Serbia and neighbourin countries.

According to the census 2002, Region’s population amounts 313.396 residents, what represent 4,18 % of total population of Serbia, with population density of 51 people per km².
Considering larger geographical complexes, mountains and plateaus prevail. The most important and attractive are mountains: Zlatibor, Tara and Zlatar, as well as Pester plateau on Southeast.

Climate in the Region is mostly humid continental, by moderately cold winters (minimum mean temperature in January - 3.4 °C) and mild summers without tropical heat (the highest average temperature in August 16.8 °C). Clean and dry air, low air pressure and high ultraviolet radiation (over 2,000 sunshine hours annually) are considered as natural and medical factors.

The main economic activities in the Region are processing industry, civil engineering, tourism and agriculture. Heavy metals processing industry is leading (copper and aluminium), then follows food and drinks production (meat, milk and fruit), as well as wood processing. Zlatiborski Region is also known around Serbia by its various tourist attractions and impressive nature. Tourist products with the greatest potential are in the close relationship with nature and ecotourism, health, rural tourism, culture, river cruising and MICE tourism. As for the agricultural production, fruit growing (raspberry, apple, plum) and cattle breeding (cows, sheep) prevails. Considering the structure of agricultural land, plough land, meadows and pastures covers 91% of total surface and 9% is covered with orchards.

In terms of administrative structure, Zlatiborski Region is constituted of 10 local self-governments: city of Uzice and municipalities – Arilje, Bajina Basta, Kosjerić, Nova Varos, Pozega, Priboj, Prijepolje, Sjenica and Cajetina.

### Table 1. General data

| Surface | 6,140 km² |
| Population | 313,396 (Census 2002.) |
| Population density | 51 people per km² |
| Total number of work capable population | 211,636 (Statistical Year Book 2009, SORS) |
| Total number of employees | 67,116 (Statistical Year Book 2009, SORS) |
| Unemployment rate | 29.54% (Analysis of unemployment rate per districts 2008, National Employment Service) |

Source: RDA Zlatibor 2010

### Table 2. Population, employment and unemployment 2009

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Estimated population</th>
<th>Total number</th>
<th>Unemployment</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total number</td>
<td>rate</td>
<td>RS=100</td>
</tr>
<tr>
<td><strong>REPUBLIC OF SERBIA</strong></td>
<td>7,320,807</td>
<td>730,372</td>
<td>27,9</td>
<td>100,0</td>
</tr>
<tr>
<td>Arilje</td>
<td>18,987</td>
<td>1,223</td>
<td>18,7</td>
<td>67,1</td>
</tr>
<tr>
<td>Bajina Basta</td>
<td>27,590</td>
<td>2,224</td>
<td>31,8</td>
<td>114,0</td>
</tr>
<tr>
<td>Kosjerić</td>
<td>12,524</td>
<td>866</td>
<td>26,5</td>
<td>95,1</td>
</tr>
<tr>
<td>Nova Varos</td>
<td>18,023</td>
<td>2,670</td>
<td>47,8</td>
<td>171,6</td>
</tr>
<tr>
<td>Pozega</td>
<td>30,128</td>
<td>2,307</td>
<td>28,2</td>
<td>101,3</td>
</tr>
<tr>
<td>Priboj</td>
<td>27,730</td>
<td>6,046</td>
<td>51,8</td>
<td>185,7</td>
</tr>
<tr>
<td>Prijepolje</td>
<td>39,277</td>
<td>7,180</td>
<td>55,4</td>
<td>198,6</td>
</tr>
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<td>Sjenica</td>
<td>27,809</td>
<td>5,190</td>
<td>61,3</td>
<td>220,0</td>
</tr>
<tr>
<td>Uzice</td>
<td>79,601</td>
<td>5,665</td>
<td>19,6</td>
<td>70,4</td>
</tr>
<tr>
<td>Cajetina</td>
<td>15,189</td>
<td>707</td>
<td>16,9</td>
<td>60,5</td>
</tr>
<tr>
<td><strong>Zlatiborski Region</strong></td>
<td>296,858</td>
<td>34,078</td>
<td>35,2</td>
<td>126,4</td>
</tr>
</tbody>
</table>


Map 3. Classification of municipalities based on development degree 2009
2. Natural geographic features of Zlatiborski Region

Considering natural features and landscape structure, Zlatiborski Region is highland area, where forests and forest land covers 42%, and agricultural land 52% of total surface. This area as a part of wider region of the Starovlaske Mountains has lower population density, and is very rich in terms of natural resources- water, forests and agricultural wealth.

2.1. Landscape

Landscape of Zlatiborski Region goes from North to South. Starting from Valjevske Mountains on south, there are several valleys of Dinar Mountain chain such as: Kosjericka, Luznicka and Pozeska. In South direction down from these valleys Starovlaske Mountains are located. They extend to the mountain Tara and beyond, and first is the Mackatska Plateau, average height 850m, and above it, on the South is Zlatiborski Plateau. Ponikve Plateau (900-1000m) is located on mountain Tara which has the same average height, with the highest peak Zboriste (1560 m). The highest peak of Zvijezda Mountain is Sinjevac (1673 m).

In South direction from the Mackatska Plateau extends Zlatibor Mountain, then follows the Mountain Murtenica, and after Zlatar, and further in Southeast Javor, Cemerno and Mucanj.

These mountains are characterized as typical tectonic landscape and were exposed to the different exogenous processes which caused great changes. They belong to the Dinar Mountain chain. Plateaus prevail in the whole area and are rugged with canyons and gorges. The area is divided on smaller plateaus above which go massifs of Tara, Zlatibor, Zlatar and Murtenica. The lowland surfaces in river valleys could not be considered as lowland since their height above sea level exceeds 200 m.

Gradually subsiding of the area to the North and Northeast, openness toward East and the most important traffic routes passing through river valleys, made this area as a connection point between Dinars and Central and Moravska Serbia, more precisely between littoral and Pannonia Plain.
2.2. Climate features

Zlatiborski Region climate is influenced by landscape structure with numerous river valleys sloping to the North and East. Considering entire Region, climate is mostly humid continental with continental fluvial regime. Summers are moderately warm, winters are moderately cold, and other seasons long and temperate. Precipitation is the highest by the end of spring and beginning of summer (May and June), and February and October are the driest months of the year. Humid continental climate is characteristic for mountains with lower altitude till 1000 m, since the climate of meddium height mountains has subalpic climate, with coldy summers and sharp winters. Basins and river valleys have some specifics in relation to the climate. In winter seasons, temperature inversion could cause the air temperature to be lower in valley then on edges.

Entire area is influenced by air circulation coming from West, what causes higher precipitation than in Eastern Serbia or Velika Morava valley. This area has sharper climate since it is separated from the sea by several areas. Therefore, sea influence comes here through the valleys, interferes and could be felt weakly.

Geographic location provides high percentage of oxygen and ozone in the air. In the areas with higher altitude, air circulations coming from Mediterranean Sea and Carpathian Mountains interfaces. Mean annual temperature of the Region amounts 7,9ºC, between 6,8ºC and 9,1ºC. Annual temperature amplitude of the air amounts 20,5ºC. December, January and February are the coldest months, and July and August the warmest. Air circulation is present, but strong and stormy winds are rare. Around Pozega, Northwest and East wind is mostly present, while winds coming from South direction are rare. East wind is the fastest 2,4m/s. Observing the whole year, the highest relative humidity is in December, what is caused by abundant precipitation and low temperature in that period, and the lowest in April and July. Mean annual cloudiness of the Region amounts 5,6. The lowest annual cloudiness is recorded in July and August, while the highest is in December and January.

2.3. Hydrographical features

Rivers. Water streams of Zlatiborski Region belong to Black Sea confluence, of West Morava and Drina hydrographic region. In the scope of west Morava region are rivers: Djetinja, Skarpez, Moravica and Rzav with their tributaries, and besides river Drina, rivers Bistrica, Uvac and Lim with theirs tributaries belong to the Drina region. Those are mountain, fast rivers rich in water and suitable for hydroelectric power stations.

The rivers Drina and Uvac are very important by its hydroelectric potentials. According experts estimation, it is possible to construct several hydroelectric powers (annual water outflow amounts 12,5 billions m3). There are 3 hydroelectric powers on the river Uvac, creating 3 artificial lakes: Uvacko, Zlatarsko and Radojinsko.

Lakes. There is not any natural lake in the Region, but 8 artificial lakes have been constructed for water management, agriculture and electric power industry. Thus are: the Lake Vrutci on the river Djetinja, Perucac on the river Drina, Zaovinsko on the mountain Tara, Ribnicko on the river Crni Rzav, Uvacko, Zlatarsko and Radojinsko on the river Uvac and Potpecko on the river Lim. Total accumulation amounts 1.057,5 million m³ of water. Larger artificial lakes are multifunctional and are used for electric power production, irrigation, fishing, water supplying, tourism and recreation. Smaller lakes are mostly used for the purposes of irrigation or recreation.

Famous springs of medicinal water in Pribojska Spa are located 6 km to the East from Priboj (water temperature is approximately 38ºC). In the ground under the Spa, lies huge accumulation of pure cold water (the Murtenicko Lake), and covering the surface of more than 900km², lies the lake of warm water with temperature degree of approximately 60°C. Besides mentioned, there are also several springs like Roska Spa, Visocka Spa.

2.4. Mineral resources

Zlatiborski Region is rich in mineral resources of metals, metalloids and other natural wealth important for further economic and entire socio-economic development. The whole area is rich in decorative stone sites (Pozega, Prijeopolski, Kosjeric, Priboj, Sirogjoino etc.). Sites rich in black and dark limestone, as well as cement stone are located near Kosjeric, and the high quality limestone resources are exploited in open-pit mines of Jelen Do (Pozega) and Bistrica (Nova Varos). Zlatibor massive and Mokra Gora basin are very rich in iron and medium quality nickel. Mineral of copper, lead-zinc mine, chrome, manganese are registered around Prijeopolski, Zlatibor Plateau, Priboj Spa, Kosjeric and other locations. The latest researches confirmed that there are significant quantities of copper, lead, gold and zinc in the site called Cadinje, in Prijeopolski. Bauxites sites are registered in the mountain Tara. Also, very important are magnesium sites which the greatest quantities, according estimations, are located in the area of Zlatibor massive and Tara. Near Kosjeric, on the Tavani site there are
great resources of ingenious rocks of approximately 20 tons. It is high quality construction material used as upper layer in road and railways construction.

3. Population

According to the Census 2002, Region's population amounts 313.396 residents (4,18% of total population of Serbia). In comparison to 1991, population decreased per 5,75%.

Table 3. Population flow in Zlatiborski Region

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgrade region</td>
<td>1.576.124</td>
<td>1.581.844</td>
<td>1.589.260</td>
<td>1.596.919</td>
<td>1.602.861</td>
<td>1.611.333</td>
<td>1.621.396</td>
<td>1.630.582</td>
<td>56.532</td>
<td>3.6</td>
</tr>
<tr>
<td>Vojvodina Region</td>
<td>1.976.000</td>
<td>2.030.218</td>
<td>2.022.257</td>
<td>2.012.918</td>
<td>2.002.598</td>
<td>1.991.507</td>
<td>1.979.389</td>
<td>1.968.356</td>
<td>-63.635</td>
<td>-3.1</td>
</tr>
<tr>
<td>Sumadija and West Serbia Region</td>
<td>2.109.949</td>
<td>2.099.827</td>
<td>2.091.593</td>
<td>2.081.310</td>
<td>2.068.754</td>
<td>2.054.745</td>
<td>2.039.828</td>
<td>2.052.490</td>
<td>-83.715</td>
<td>-3.9</td>
</tr>
<tr>
<td>Zlatiborski Region</td>
<td>313.396</td>
<td>311.572</td>
<td>309.856</td>
<td>307.622</td>
<td>305.072</td>
<td>302.228</td>
<td>299.360</td>
<td>296.858</td>
<td>-16.862</td>
<td>-5.4</td>
</tr>
<tr>
<td>South and East Serbia Region</td>
<td>1.779.936</td>
<td>1.768.702</td>
<td>1.760.047</td>
<td>1.749.622</td>
<td>1.737.356</td>
<td>1.723.994</td>
<td>1.709.609</td>
<td>1.669.379</td>
<td>168.893</td>
<td>11.3</td>
</tr>
</tbody>
</table>

Source: Development Bureau of R Serbia 2009.

Continuous population growth has been recorded only in the city of Uzice (84,1%), what was reasonable considering the fact Uzice is administrative, cultural, educational and economic centre of the Region.

In the rest nine municipalities population is decreased, especially in Cajetina, followed by Kosjeric and Bajina Basta.

Population growth is recorded in urban areas of the Municipalities, excluding Priboj where population decreased per 0,7% in the period from 1991-2002.

In rural areas the situation is contrary. Decreased number of population was the greatest in the period from 1982-2002, caused by intensive migrations form rural to urban areas. Recorded decrease of population in the period between 2 censuses of 1,7% is not in the line with republic average having in mind increase of 0,7%.

Population density in the Region amounts 51 people per km², what is lower than republic average (98 people per km²). The lowest population density is in Cajetina (24 people per km²), then follows Sjenica (32 people per km²) and Nova Varos (35 people per km²). This rate is slightly higher in Kosjeric (40 people per km²) and Bajina Bastâ (44 people per km²). Population density in municipalities Arilje and Prijepolje is higher than 50 people per km². Higher rate is recorded in Priboj (61 people per km²) and Pozega (77 people per km²), while the highest rate is in Uzice (126 people per km², what represents almost doubled value in comparison to other municipalities and rate higher than republic average).

Considering the gender structure of ZR's population, there is almost equal participation of male and female, with slightly higher percentage of female. Census 2002 shows that male made up 49,42% (154.882 residents) and female 50,58% (158.514 residents) of total population of Zlatiborski Region. Gender population structure is unbalanced within the territory, so participation of male is from 49-50%, and female from 50-51%.

At the same time, the Census recorded tendency of population aging in Zlatiborski Region. Available data shows that people aged 14 makes 16,6% of total population. People aged 50+ makes 26,7% of total population, while people aged 65+ makes more than a half of population in some rural areas. Considering total population of the Region, great participation of elder people could be perceived. Median age is 39,2% (38,3% for male and 40,2% for female), slightly under republic average (40,25%).

According demographic resources index, classification of the municipalities has been performed on the basis of 9 indicators related to the: vitality, education, participation of younger fertile female and population change between two censuses. This analysis shows demographic profiles, and the most endangered areas in the ZR are Kosjeric, Pozega and Cajetina.
According ethnic composition, majority of population are Serbs (83.3%), than follows Bosniak ethnic group (12.8%), Muslims (2.1%), Montenegrins (0.4%), and minority of Yugoslavs, Roma minority, Croats, Macedonians, Hungarians, Slovenians and Russians, including certain number of people with unknown ethnic origin (2.393). Serbian language is mother tongue of 96.8% of population.

Educational structure of population over 15 years (261,216 people) shows slightly unfavourable figures in relation to republic average values. In 2002, registered was 19,633 people (7.5%) without education, while in Serbia was 357,552 (5.7%). Considerably higher percentage of people with secondary school 104,924 (40.2%), higher school/college 9,789 (3.7%) and university degree 9,961 (3.8%) was recorded in the same period in Zlatiborski Region.

<table>
<thead>
<tr>
<th>Republic</th>
<th>College and university education degree</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Arilje</td>
<td>45.6</td>
<td></td>
</tr>
<tr>
<td>Bajina Bašta</td>
<td>43.5</td>
<td></td>
</tr>
<tr>
<td>Kosjerić</td>
<td>42.2</td>
<td></td>
</tr>
<tr>
<td>Nova Varoš</td>
<td>59.9</td>
<td></td>
</tr>
<tr>
<td>Požega</td>
<td>55.4</td>
<td></td>
</tr>
<tr>
<td>Priboj</td>
<td>73.8</td>
<td></td>
</tr>
<tr>
<td>Prijepolje</td>
<td>58.9</td>
<td></td>
</tr>
<tr>
<td>Sjenica</td>
<td>45.1</td>
<td></td>
</tr>
<tr>
<td>Užice</td>
<td>97.7</td>
<td></td>
</tr>
<tr>
<td>Čajetina</td>
<td>49.9</td>
<td></td>
</tr>
</tbody>
</table>


4. Infrastructure

Infrastructure development degree represents very important indicator of territory development. Basic traffic infrastructure of this area has been set up in the Romans period. The road connecting Bosnia with Kostolac and Nis passed across this area. In middle Ages, Bosanski road from Sarajevo, across Visegrad, Uzice, Pozega to Belgrade –Thessaloniki road, as well as Dubrovacki road connecting Dubrovnik and Istanbul, were passing through this area.
4.1. Roads and traffic facilities

In the terms of history, this area was very important trading cross road and the shortest connection route between West Balkans and East, as well East and West. The railway Belgrade-Bar passes through the area (railway's potentials are insufficiently used), and also several major and regional roads toward Adriatic Sea and Bosnian border. Although the region is dislocated from Corridor 10 – main Serbian development route, position along Bosnian and Montenegro border provides possibilities for greater population motions in the cross border areas.

Nowadays, as it was the case in the past, Zlatiborski Region has favourable traffic position. It is situated on the route of E-763, pronounced in the meantime as Corridor 11 (Belgrade-Gornji Milanovac-Pozega-Bijelo Polje), and E-761 (Visegrad-Uzice-Kraljevo-Pojate) connection to the highway E-75. Mentioned routes connect North and East of Serbia with Montenegro and further with Adriatic Sea and Bosnia and Herzegovina.

Road network length of around 4,063 km makes 12,2% of Central Serbia and 10,3% of republic road network. Modern asphalt roads makes around 1,957 km of total road network (14,8% of Central Serbia and 11,5% of Republic road network). Major roads makes 437km or 10,9%, regional 731km or 18,8% and local roads 2,895km or 70,3% of total road network.

Table 5: Road network structure in Zlatiborski Region

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Total</th>
<th>Modern road</th>
<th>Magistral/Major roads</th>
<th>Regional roads</th>
<th>Local roads</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Modern</td>
<td>Magistral/Major roads</td>
<td>Regional roads</td>
<td>Local roads</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Modern</td>
<td>Total</td>
<td>Modern</td>
<td>Total</td>
</tr>
<tr>
<td>Arilje</td>
<td>303</td>
<td>151</td>
<td>13</td>
<td>13</td>
<td>44</td>
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<tr>
<td>B. Basta</td>
<td>931</td>
<td>387</td>
<td>54</td>
<td>54</td>
<td>143</td>
</tr>
<tr>
<td>Kosjerić</td>
<td>158</td>
<td>132</td>
<td>32</td>
<td>32</td>
<td>44</td>
</tr>
<tr>
<td>N. Varos</td>
<td>509</td>
<td>132</td>
<td>42</td>
<td>42</td>
<td>60</td>
</tr>
<tr>
<td>Pozega</td>
<td>249</td>
<td>213</td>
<td>56</td>
<td>56</td>
<td>47</td>
</tr>
<tr>
<td>Priboj</td>
<td>145</td>
<td>93</td>
<td>0</td>
<td>0</td>
<td>73</td>
</tr>
<tr>
<td>Prijepolje</td>
<td>444</td>
<td>211</td>
<td>76</td>
<td>76</td>
<td>26</td>
</tr>
<tr>
<td>Sjenica</td>
<td>537</td>
<td>97</td>
<td>47</td>
<td>47</td>
<td>161</td>
</tr>
<tr>
<td>Uzice</td>
<td>404</td>
<td>291</td>
<td>84</td>
<td>84</td>
<td>63</td>
</tr>
<tr>
<td>Cajetina</td>
<td>383</td>
<td>250</td>
<td>33</td>
<td>33</td>
<td>70</td>
</tr>
<tr>
<td>Total:</td>
<td>4,063</td>
<td>1,957</td>
<td>437</td>
<td>437</td>
<td>731</td>
</tr>
</tbody>
</table>

Source: Regional Chamber of Commerce 2007.

The road network has been expanded significantly in the past ten years. Over 650 km of new roads was constructed, what represent growth of approximately 20%. Increased number of passenger and cargo transport vehicles is also recorded.

According to the first construction plan, highway Belgrade-Adriatic Sea would run from Pozega across Golija or across Zlatibor according second version.

Railway network is composed of Belgrade-Bar railway of around 161 km, and Uzice- Cacak - Stalac of 18km, including 20 railway stations. There are 4 main railway stations within the Region recording significant passengers and goods transport: Kosjerić, Pozega, Uzice and Prijepolje. Railway station Pozega, together with Belgrade, Podgorica and Bar stations, represents the basic station type of Belgrade-Bar railway.

Within the Region there is a former military airport Ponikve, property of city of Uzice, currently searching strategic partner necessary for reconstruction and conversion for civilian use. As a single airport in the wider area of 200 km, airport Ponikve, with 3.180 m long runway enables landing of various airplane types. Implementation of this project would have important influence on tourism, trade and export activities.

4.2. Energy infrastructure
Electric industry takes very important position considering economic activities both within the region and Republic of Serbia as well. Electricity production development and distribution is based on a great hydro energetic potential of the region, which amounts 2.695 GWe per year. In terms of exploitation, 2.303 GWe per year or 86.6% of hydro energy potential is used by now. In accordance with Spatial Plan of Republic of Serbia, the rest of 356 GWe will be used after construction of new facilities on the rivers Drina, Lim and Rzav.

Company Drnsko-limske Hydro Electric Power Plants located in Bajina Basta produces electric energy. In the scope of this company are following hydroelectric plants: Bajina Basta, Uvac, Kokin Brod, Bistrica, reversibile plant Bajina Basta and falling water hydroelectric power plant Potpec. Annually this company produces around 2.700 GWe (30% of total production of hydro electric energy in Serbia) and delivers more than 800 GWe to the consumers.

Spatial Plan of Serbia 2011-2020, in the Zlatiborski Region predicts reconstruction of Bajina Basta plant and introducing 400kV on the entire ZR territory (improving existing power transfer station PTS 220&35kV with PTS 400&220&35kV and replacement of Transmission line (TL) 220kV with TL 400kV).

Hydro potential of Zlatiborski Region contributes to its development and play important role in economic results. Great part of hydro potential is not explored completely what provides possibility for increasing electric power production by constructing small hydro electric plant system.

Length of long distance transmission pipelines amounts 8.858.11 km and electrification degree is 98.53%.

Gas infrastructure is very unbalanced, since there is constructed network in Pozega (20 km network and 490 connections) and in Uzice (55 km network and 3.200 connections), but there are plans for spreading network toward Arilje, Kosjeric and Cajetina. South part of the region is not covered with gas infrastructure. Spatial Plan of Serbia 2011-2020 predicts gas network through entire Zlatiborski Region.

Zlatiborski Region has significant capacities for production of energy from renewable and natural resources (biomass, wind energy, solar and geo-thermal energy).

4.3. Telecommunications

PTT services provides public company PTT Serbia form Belgrade and Telecommunication company “Telekom Serbia” Belgrade through its subsidiaries. In PTT system there are: customer service network and savings bank providing all kind of services and money flow, including modern digital station unit with current capacity of 100.000 connections. Mobile phone network covers entire Region.

There are 73 post offices in the Region (4, 7% of total number in Serbia). Register contains data of 102.923 phone subscribers. PTT circulation registers 4.464 letters and 53.000 of packages.

4.4. Utility infrastructure

Watering network length in the Region amounts 1.372.5 km and covers 80,40% of the territory. Sewage network amounts 480,5 km and covers 63,40% with 47.343 connections.

Distance heating system is available on the territory of following 6 local self-governments in the Region: Uzice, Priboj, Nova Varos, Bajina Basta, Kosjeric and Prijepolje, with 40 km of network and 6.952 connected households, what makes 39.5% of total number on the territory of these 6 municipalities. There are data about joint spending for heating annually: 4.282 t of coal and 12.428 t of oil. Average age of kettles is 22,8 years, average degree of system usage is 75%, and average age of network is 23 years, and average heat loss on the network amounts 14, 6%

There are 10 municipal/city landfills which do not meet necessary requirements for sanitary waste placement. Considering the fact they belong to K4 category, it is necessary to close and reuse them in accordance to the National strategy for waste management. Construction of 2 regional sanitary landfills which will cover all 10 municipalities of the Region is in the progress.

Functional capacities for sewage water treatment do not exist on the territory of the Region.
Table 6: Utility infrastructure 2008.

<table>
<thead>
<tr>
<th>Region</th>
<th>Watering network</th>
<th>Sewage system</th>
<th>% water network losses</th>
<th>% sewage water treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Serbia</td>
<td>79,18</td>
<td>49,62</td>
<td>29,42</td>
<td>12,81</td>
</tr>
<tr>
<td>Belgrade Region</td>
<td>99,21</td>
<td>78,76</td>
<td>31,98</td>
<td>0,00</td>
</tr>
<tr>
<td>Vojvodina Region</td>
<td>92,28</td>
<td>40,12</td>
<td>24,17</td>
<td>23,06</td>
</tr>
<tr>
<td>Sumadija and West Serbia Region</td>
<td>65,78</td>
<td>44,60</td>
<td>32,00</td>
<td>25,66</td>
</tr>
<tr>
<td>Zlatiborski Region</td>
<td>57,68</td>
<td>42,17</td>
<td>31,93</td>
<td>0,00</td>
</tr>
<tr>
<td>South and East Serbia</td>
<td>58,72</td>
<td>38,35</td>
<td>37,92</td>
<td>7,58</td>
</tr>
</tbody>
</table>

*Source: Statistical Office 2008.*

5. Environment

5.1. Natural environment

Region’s territory is highland rich in forests, meadows and pastures, waters, national parks, nature resorts and protected wealth.

The river Drina is the biggest river passing through the Region, covering 3,866 km² of Region’s territory, what makes 20% of entire surface of the river’s confluence. This river represents border between Serbia and Bosnia and Herzegovina. As mentioned before, besides 8 artificial lakes, there is not any natural lake within the Region.

Zlatiborski Region belongs to the category of areas with high quality environment (protected natural resorts, area protected under international conventions, mountain hills and hardly accessible areas, 1st class waterways) with dominating positive impacts on humans and living organisms.

National Park Tara, as an important natural resort together with other 4 national parks in Serbia, is member of European Federation of National Parks – EUROPARC. Surface of the park amounts 19.175ha, and within it there are various protected species of plants and animals. Besides Panciceva spruce – Balkan species survived great ice age only in several settlements in the middle flow of Drina and Pancicev grasshopper – local species existing only in this region, there are also 53 different species of mammal living in this area, 153 species of birds and about 40 species of fish (Orlovic, Ostojic 2001). Under special protection regimes are: bear, doe and alpine goat. According IBA project standards, the Tara Mountain is nominated as internationally important area since rare bird’s species such as grey falcon, snake eagle, grey eagle, big cock, woodcock etc. live here.

Next to the NP Tara is Nature Park Sargan-Mokra Gora (1st category natural wealth) covering surface of 10.814 ha.

Smaller part of Nature Park Golija covers territory of municipality Sjenica. Park covers area of 75.183 ha, and it’s great part (total surface of 53.804 ha) is nominated as Biosphere Resort Golija – Studenica in 2001. Procedure for protection Nature Park Zlatibor, covering areas of Uzice, Cajetina and Nova Varos, is in the progress.

In the Special Nature Resort Uvac – 1st category protected area, covering area of 7.543 ha is the settlement for 104 species of birds among which the most important is Griffon Vulture – one of two vulture species nesting on the territory of Serbia. About 500 birds represent the biggest colony on Balkan and one of the bigger considering entire Europe. This nature resort is also the only nesting settlement of Common Merganser in Serbia, where is registered the greatest population of this rare bird on Balkan. Special nature resort Uvac together with special nature resort Gorge of the river Milesevka covering area of 456ha, is listed under title Uvac-Milesevka – Yu21SE on the European important bird’s settlements.

There are also several nature resorts in the Region such as: Tesne jaruge and Iznad Tatalije in Bajina Basta, Calacki potok and Vrazji vir in Pozega, Ravanista in Prijepolje, Paljevine and Gutavica in Sjenica, Zelenika I in Uzice, Ribnica forest park in Cajetina, as well as special beauty area Ivije forest park in Nova Varos.

Requirements for protection of special features areas are submitted for following sites: Zaovine – Bajina Basta,
Considering protected locations including cultural-historical values, it is important to mention Memorial monument Kadinjaca on the territory of neighboring municipalities of Uzice and Bajina Basta, as well as open museum Staro selo Sirogojno in the municipality of Cajetina.

Natural monuments in the region are following: limestone spring Bjeluska potajnica in Arilje (received permanent status of mandatory use), Sopotnica waterfalls in Prijepolje (1st class protection category), Stopica Cave in Cajetina, and Potpecka Cave in Uzice and Bukovik Cave in Nova Varos.

Botanical natural monuments in the Region are: Klokocevac in Kosjeric, Trunk of Black Pine Lira and Trunk of Minika Pine in Nova Varos, oak forest in Pozega, Trunk of Sessile Oak and several trunks of Common Hazel in Uzice, and tree trunks of Black Pine in Cajetina. Requirement for protection of Holly Pine on Kamena Gora is submitted as well.

A part of Zlatar Mountain in the area of Drmanovici village has been pronounced as air spa.

5.2. Water quality indicators

According measurements performed by Hydro Meteorological Office of Serbia, river water quality in the Region vary between II and III class depending of river and taken sample. As for the lakes, considering presence of oxygen, measured values belongs to III and IV class, depending of lake and water depth from where the samples were taken.

5.3. Air quality indicators

Concentration of global pollution indicators (SO2 and azoth oxides No2) measured in three stations in the Region, as middle daily values, shows results which are below values predicted by legislative provisions in Serbia (150µg/m³ za SO2 i 85 µg/m³ za NO2). On the other side, there are increased concentration of smoke and black dust during winter, caused by utilization of solid fuels for heating. During 2008, in Uzice was registered 210 days with black dust concentration above all owed values, what brings this city on the first place in the list of the most polluted.

5.4. Environment infrastructure

Besides mentioned official landfills, there are hundreds of wild landfills. Construction of 2 regional sanitary landfills which will cover all 10 municipalities is in progress. Regional Sanitary Landfill Duboko covers Uzice, Arilje, Bajina Basta, Kosjeric, Pozega, Cajetina, and Regional Sanitary Landfill Banjica covers Nova Varos, Priboj, Prijepolje and Sjenica. Both of them are predicted under National Strategy for Waste Management, being a part of regional system for waste collecting. Primary waste selection is very rare, available only inside of municipal/city centre, including low awareness of importance of selection. Purchase of secondary raw materials as well as recycling are very rare and are the subject of private initiatives. Regional landfills will perform waste
separation and recycling. Currently waste water treatment collector doesn’t exist on the territory of the Region. Air quality control is performed in 3 stations in Pozega, Uzice and Sjenica, and they are part of republic network of meteorological stations. Water and air quality control in Uzice performs Public Health Office in Uzice which is under jurisdiction of Ministry of Health of Republic of Serbia.

Industry represents main artificial pollution source, and according its physical and spatial features belongs to point pollution source polluting air, water and soil, producing at the same time radiation and noise. Considering the fact that large industrial systems such as: Cooper Factory Sevojno, Impol Seval – Aluminium Factory Sevojno, Titan Concrete Plant Kosjeric and Jelen Do Pozega, plant for lime and stone production, are listed as enterprises required operations permits according list issued by Ministry of Environment and Spatial Planning, it could be concluded that these are the most polluted locations in the Region. On the other hand, these enterprises invest additional financial means for the projects dealing with environment protection.

5.5. Environment Protection projects

Following projects are started or planned to be implemented in the Region in order to solve environment pollution issues:

1. Regional Sanitary Landfill “Duboko” is constructing for solid waste to meet requirements of 9 municipalities of Central and West Serbia (Arilje, Kosjeric, Bajina Basta, Ivanjica, Lucani, Pozega Cajetina and cities of Uzice and Cacak), with population of 371.000 people (Census 2002). Total value of the project amounts 13,5 million €. It is expected for the landfill to start operations in the first half of 2011.

2. Main project for rebuilding, reuse and closing of 9 existing landfills directed toward RSL Duboko is in the preparation process, as well as Regional Plan for Waste Management of Duboko. Donors provided financial means for both of the projects.

3. Project for collecting and treatment waste waters of city of Uzice has prepared Study for project financing

4. Regional Sanitary Landfill Banjica will cover 4 municipalities: Nova Varos, Priboj, Prijepolje and Sjenica. Total value of the project is 3 million €, and value of works performed by now is about 900.000 €. The rest of the money has not be provided yet. Development of Regional waste management plan of Banjica is currently in the preparation process.

5. Project for constructing facilities for collection, transport and treatment of waste waters in the Nature Park Sargan-Mokra Gora will be completed soon. This project predicts construction 10km of pipeline network, construction of collector in the length of 650 m and installation of waste waters treatment device. This project is financed by National Investment Plan of Republic of Serbia.

6. Public sector

6.1. Public companies and institutions

Within the Zlatiborski Region there are 69 public companies and institutions, dealing in following sectors: infrastructure (construction and maintaining) – 9 companies; utility (sewage system, waterworks, waste management, public parks) – 15 companies; culture (theatre, libraries, culture centres, museums, galleries, historical archive) - 18 institutions; sport (physical culture) - 3 institutions; tourism (municipal tourism organizations, regional tourism organization) - 10 organizations; education (kinder gardens, resorts) - 7 institutions; information and communication (radio and TV stations) - 2 companies; social sector (social welfare centre, Red cross municipal board) - 3 institutions; 1 pharmaceutical institution and 1 Department of Attorney General.

The most important enterprises existing in 8 local self-governments are municipal/city Building & Construction Authorities, considering the fact they are responsible for planning and spatial order, building land order, street order and maintenance, parks, green and recreational facilities, as for control of building utility infrastructure. It is important to mention all other regional institutions such as: Regional Development Agency Zlatibor, RSL Duboko, RTO of West Serbia, Historical Archive and National Theatre Uzice.
Table 7: Review of municipal public utility companies

<table>
<thead>
<tr>
<th>Public Utility Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arilje</td>
</tr>
<tr>
<td>PUC Zelen</td>
</tr>
<tr>
<td>Bajina Basta</td>
</tr>
<tr>
<td>PUC 12th September</td>
</tr>
<tr>
<td>Kosjeric</td>
</tr>
<tr>
<td>PUC Elan</td>
</tr>
<tr>
<td>PUC Gradiska toplana</td>
</tr>
<tr>
<td>Nova Varos</td>
</tr>
<tr>
<td>PUC 3rd September</td>
</tr>
<tr>
<td>Pozega</td>
</tr>
<tr>
<td>PUC Naš Dom</td>
</tr>
<tr>
<td>Priboj</td>
</tr>
<tr>
<td>PUC Usluga</td>
</tr>
<tr>
<td>Prijepolje</td>
</tr>
<tr>
<td>PUC Lim</td>
</tr>
<tr>
<td>Sjenica</td>
</tr>
<tr>
<td>PUC Vrela</td>
</tr>
<tr>
<td>Uzice</td>
</tr>
<tr>
<td>PUC Vodovod</td>
</tr>
<tr>
<td>PUC Gradiska toplane</td>
</tr>
<tr>
<td>PUC Stan</td>
</tr>
<tr>
<td>PUC Bioktos</td>
</tr>
<tr>
<td>PUC Landfill Duboko (regional company)</td>
</tr>
<tr>
<td>Čajetina</td>
</tr>
<tr>
<td>PUC Zlatibor</td>
</tr>
</tbody>
</table>

Source: RDA Zlatibor 2010.

6.2. Privatisation

According official data of Serbian Business Register Agency, 97 companies’ form Zlatiborski Region have been sold since the start of the privatization. Gained income of companies sold at the auctions, amounts more than 2,1 billion dinars. The State gained 47 million $ and 4,5 million € income from purchase performed by tender procedures. Buyer of companies sold by tender procedure are obliged to invest 48,5 million $ and 17,5 million € in companies, and 24 million $ and 9 million € in social programmes.

Besides 5 companies entered insolvency after unsuccessful privatization, there are 12 more companies passing through insolvency procedure which have not been purchased although they passed tender procedure, and 20 companies for which there was not any attempt to privatize.

Business effects of privatized enterprises on the business economy of Zlatiborski Region can be seen in the following tables.

Table 8: Privatized companies business effects’ 2002-2009. /increase-decrease/-%

<table>
<thead>
<tr>
<th></th>
<th>Assets</th>
<th>Capital</th>
<th>Total income</th>
<th>Total debts</th>
<th>Profit</th>
<th>Loss</th>
<th>Cumulated losses</th>
<th>Number of employees</th>
<th>Number of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zlatiborski Region</td>
<td>23,8</td>
<td>-14,7</td>
<td>32,9</td>
<td>102,5</td>
<td>947,1</td>
<td>-3,8</td>
<td>32,7</td>
<td>-53,8</td>
<td>97</td>
</tr>
<tr>
<td>Privatized companies in Serbia</td>
<td>5,5</td>
<td>-23,5</td>
<td>18,1</td>
<td>40,9</td>
<td>258,3</td>
<td>75,3</td>
<td>-24,4</td>
<td>-53,7</td>
<td>2430</td>
</tr>
</tbody>
</table>


Positive results of privatized companies are reflected in the first stage through increased income (32,9%) and profit (9,5 times), since negative are reflected through decrease of total employment (-53,8%) and increase of total debts of privatized companies (2,5%).

Table 9: Participation of privatized companied 2002-2009. in the economy-%

<table>
<thead>
<tr>
<th></th>
<th>Assets</th>
<th>Capital</th>
<th>Total income</th>
<th>Total debts</th>
<th>Profit</th>
<th>Loss</th>
<th>Cumulated losses</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zlatiborski Region</td>
<td>1,0</td>
<td>-0,8</td>
<td>-3,1</td>
<td>1,8</td>
<td>11,8</td>
<td>6,9</td>
<td>13,5</td>
<td>-8,7</td>
</tr>
<tr>
<td>Republic of Serbia</td>
<td>-7,0</td>
<td>-6,5</td>
<td>-7,7</td>
<td>-8,6</td>
<td>1,3</td>
<td>-6,9</td>
<td>-8,9</td>
<td>-12,6</td>
</tr>
</tbody>
</table>

Presented data shows low impact of privatized companies on Zlatiborski Region’s economy: increase of current and cumulated losses, increase of total debts, employment rate decrease 8,7%. Only the profit of privatized companies has been increased for 11,8% considering total profit of the Region.

There are 3 companies from Zlatiborski Region necessary to be restructured according republic enterprise list, which were carriers of development in the past.

**Table 10: Restructuring of startegic companies in Zlatiborski Region**

<table>
<thead>
<tr>
<th>Company</th>
<th>Municipality</th>
<th>Activity sector</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive factory FAP Priboj – in the restructuring process</td>
<td>Priboj</td>
<td>Trucks and special vehicles production</td>
<td>Restructuring - tender</td>
</tr>
<tr>
<td>Enterprise for professional rehabilitation and employment of disabled people Buducnost</td>
<td>Uzice (Sevojno)</td>
<td>Social activities</td>
<td>In the process of restructuring</td>
</tr>
<tr>
<td>Budimka</td>
<td>Pozega</td>
<td>Fruit and vegetable processing – juice production</td>
<td>In the process of restructuring</td>
</tr>
</tbody>
</table>

*Source: Privatization Agency 2009.*

### 7. Economy of Zlatiborski Region

In the Region’s economy developed are: metal industry, civil engineering, trade, agriculture and forestry. Financial services sector, transit tourism and handcraft are developed as well. The most important products of metal industry are copper and aluminium semi-products as well as products of arms industry. The building includes all activities of building construction, civil engineering to final craft works. In the agriculture the greatest potentials lies in fruit growing sector (raspberry, apple and plum).

Considering technology level of economy, Zlatiborski Region is very specific. Low technology sector participate in the economy with 20,1%, since the republic average amounts 36,4%. Middle technology participates with 57,1% (45,4% in the Republic), and high technology with 22,8% (18,3 in the Republic). Zlatiborski Region economy is export oriented and registers positive balance in foreign trade exchange. Dominating products in export are products of metal processing industry (copper and aluminium), fruit, arm industry products (military and sport munitions) and final textile products. In the terms of participation of SME sector, Zlatiborski Region belongs to the areas with average share, while Cajetina municipality records progressive development of SME sector. According Statistical Office data, the most successful and stable companies – carriers of Republic development are following companies in the Region: Titan Concrete Plant Kosjeric, Jedinstvo Uzice and Putevi Uzice.

#### 7.1. Economic activities

After Second World War, progressive industry development has been recorded in the Region, so the industry is leading economic activity. The most important industrial branches are: non-ferrous metallurgy, metal industry, production of transport means, textile industry, electric power production, chemical industry, food industry, leather and footwear industry, printing industry and other branches employing about 75.000 workers.

After 9 years of transition period the industry still represents the leading economic activity of the Region. Considering gross value added structure (GVA) of non-financial sector, share of industry and civil engineering sector is 80%, services share 17,8% and agriculture 2%. In 2009 processing industry employed 15.000 workers in 789 companies, what makes 55% of total number of employees in the economy of Zlatiborski Region.

Considering processing industry structure, the highest employment rate of 23,8% is recorded in metal industry (basic metals and metal products), 19,6% in textile industry (textile yarn, fabrics, clothes and fur), 12,9% in automotive industry and 10,8% in food processing industry. The highest value added of 25,3% is recorded in metal industry, 21,4% in non-ferrous industry and 10,6% in food processing industry. Share of non-ferrous industry in total profit of processing industry amounts 52,1% and food processing industry 11%, while the highest losses are recorded in food processing industry 43,1%, furniture industry 12,5% and machines and equipment industry 11,4%.
Following tables and graphics shows economic situation of Zlatiborski Region in 2009.

**Table 11: Economic power of Zlatiborski Region in 2009.**

<table>
<thead>
<tr>
<th></th>
<th>Number of companies</th>
<th>Number of employees</th>
<th>Income</th>
<th>Profit</th>
<th>Loss</th>
<th>GDP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Srbija</td>
<td>100,00</td>
<td>100,00</td>
<td>100,00</td>
<td>100,00</td>
<td>100,00</td>
<td>100,00</td>
</tr>
<tr>
<td>Zlatiborska oblast</td>
<td>2,52</td>
<td>2,68</td>
<td>1,73</td>
<td>2,10</td>
<td>0,97</td>
<td>2,37</td>
</tr>
<tr>
<td>Arilje</td>
<td>0,28</td>
<td>0,28</td>
<td>0,19</td>
<td>0,20</td>
<td>0,08</td>
<td>0,19</td>
</tr>
<tr>
<td>Bajina Bašta</td>
<td>0,20</td>
<td>0,23</td>
<td>0,15</td>
<td>0,11</td>
<td>0,08</td>
<td>0,42</td>
</tr>
<tr>
<td>Kosjerić</td>
<td>0,10</td>
<td>0,11</td>
<td>0,13</td>
<td>0,68</td>
<td>0,02</td>
<td>0,25</td>
</tr>
<tr>
<td>Nova Varoš</td>
<td>0,11</td>
<td>0,08</td>
<td>0,03</td>
<td>0,02</td>
<td>0,01</td>
<td>0,04</td>
</tr>
<tr>
<td>Požega</td>
<td>0,35</td>
<td>0,28</td>
<td>0,20</td>
<td>0,20</td>
<td>0,13</td>
<td>0,22</td>
</tr>
<tr>
<td>Priboj</td>
<td>0,13</td>
<td>0,24</td>
<td>0,06</td>
<td>0,04</td>
<td>0,08</td>
<td>0,11</td>
</tr>
<tr>
<td>Prijeponje</td>
<td>0,23</td>
<td>0,18</td>
<td>0,09</td>
<td>0,07</td>
<td>0,08</td>
<td>0,07</td>
</tr>
<tr>
<td>Sjenica</td>
<td>0,12</td>
<td>0,11</td>
<td>0,03</td>
<td>0,03</td>
<td>0,01</td>
<td>0,03</td>
</tr>
<tr>
<td>Užice</td>
<td>0,86</td>
<td>1,04</td>
<td>0,78</td>
<td>0,69</td>
<td>0,27</td>
<td>0,95</td>
</tr>
<tr>
<td>Čajetina</td>
<td>0,15</td>
<td>0,13</td>
<td>0,07</td>
<td>0,07</td>
<td>0,23</td>
<td>0,08</td>
</tr>
</tbody>
</table>

* GDP is related to non-financial sector

Source: SBRA 2009.

**Graphic 1: Municipal economy power of Zlatiborski Region in 2009.**

Source: SBRA 2009.

Economic structure of the Region in comparison to Serbia could be perceived in the following graphics.

**Graphic 2: Value added structure in economy in 2009.**

Извор: АПР 2009.

Share of industry and civil engineering amounts more than 80% of total GVA of Zlatiborski Region.

**7.2. Industry**

Global crises besides transition issues caused great consequences in the economy of Zlatiborski Region. Employment rate decreased in the transition period for 39% (almost 20,000 of employees in 2008 less than in
2001), since world economic crises caused additional decrease of 5% (2009/2008) or 2,500 of employees. Impact of world economic crises records decreased number of companies in 2009 of 2,2% (50 companies less in 2009 than in 2008).

Table 12: Number of companies 2001-2009.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,772</td>
<td>2,307</td>
<td>2,257</td>
</tr>
</tbody>
</table>

Source: SBRA 2009.

The mostly affected municipalities by transition are Nova Varos, Priboj, Prijepolje, Sjenica and Uzice, while global recession affected mostly decrease of employment rate in Prijepolje in 2009.

Table 13: Indicators of regional industry development of Serbia in 2009.

<table>
<thead>
<tr>
<th>Region</th>
<th>Industry employment density(^1)</th>
<th>Industry importance rate(^2)</th>
<th>Industrialization rate(^3)</th>
<th>Relative processing industry density(^4)</th>
<th>Relative industry density rate(^5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Serbia</td>
<td>5,0</td>
<td>41,8</td>
<td>6,0</td>
<td>1,0</td>
<td>1,0</td>
</tr>
<tr>
<td>Belgrade Region</td>
<td>33,8</td>
<td>24,7</td>
<td>6,7</td>
<td>1,2</td>
<td>2,1</td>
</tr>
<tr>
<td>Vojvodina Region</td>
<td>5,4</td>
<td>45,7</td>
<td>5,9</td>
<td>0,7</td>
<td>1,2</td>
</tr>
<tr>
<td>Sumadija and West Serbia Region</td>
<td>4,7</td>
<td>59,9</td>
<td>6,0</td>
<td>0,6</td>
<td>0,8</td>
</tr>
<tr>
<td>Zlatibor District</td>
<td>2,8</td>
<td>60,7</td>
<td>5,8</td>
<td>0,5</td>
<td>0,6</td>
</tr>
<tr>
<td>South and East Serbia Region</td>
<td>3,2</td>
<td>58,2</td>
<td>5,0</td>
<td>0,4</td>
<td>0,6</td>
</tr>
</tbody>
</table>

\(^1\) Number of employees in industry considering specific territory

\(^2\) Number of employees in industry considering total number of employees

\(^3\) Number of employees in industry considering total population.

\(^4/5\) Share of sum of employees and profit in processing industry considering, with respect to entire industry in Serbia, and sum of shares considering total surface and population

Export trade exchange of the Region in 2008, amounted 1.218 million $, what in comparison to the same period of the previous year represent growth of 8.5%. Export growth rate is above import growth rate, so positive balance for this period was 121 million $, making growth of 212% in relation to the same period in 2007. City of Uzice plays leading role in export structure with 71% share considering to total exchange of the Region. Municipalities of Arilje and Pozega take significant place as well, since Kosjeric, Nova Varos and Priboj recorded adverse export balance.

In export structure prevails metal industry production, food and drinks production, machines and equipment industry, arm industry products, textile industry what makes 76,9% of total export. Great share in export balance take export of agriculture products (especially raspberry), having in mind positive balance achieved in 2009, which amounted 71,4 million $ (import is covered by export with 646,48%). Import is structured of metals and metal products, purchase and reparation of vehicles, textile products and production, wood and wooden products, plastic raw material and products – 71,2% of total import. Considering trade exchange by goods structure, copper and aluminium participates with greatest share of 57,5% of total export and 54,5% of total import of the entire Region.

The greatest export of the companies from the Region was into the Germany, Italy, Montenegro, Slovenia and Bosnia and Herzegovina (60% of total export), achieving significant exchange surplus with mentioned countries (290,5 million $). The largest quantity of goods has been imported from Russian Federation and Bulgaria (48% of total import), and considering the fact that export in these countries is very low, recorded was adverse balance of more than 248 millions $ in the trade exchange with mentioned countries.
European Union member countries and former Yugoslavia countries are the most important export partners (86% of export), but transition countries of Central and East Europe and EU member states in import (79% of import).

Exchange surplus with EU countries in this period amounted 277 million $, and as for former Yugoslavia countries 84 million $, and with transition countries of Central and Eastern Europe trade exchange adverse balance of 250 million $.

Table 14: Relation between export and import (y %)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Serbia</td>
<td>48,8</td>
<td>47,6</td>
<td>47,9</td>
<td>53,4</td>
</tr>
<tr>
<td>Zlatiborski Region</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>


7.4. Salaries

Net salaries in the Zlatiborski Region are at lower level, approximately 2/3 of the Republic average salary. Excluding city of Uzice (net salary is 57,4% above republic average) and Kosjeric municipality (38,5% above Republic average), average net salaries in other municipalities are at very low level. The lowest salaries are in the most under developed municipalities of Sjenica and Prijepolje.

Table 15: Net salaries 2009.

<table>
<thead>
<tr>
<th></th>
<th>Serbia=100%</th>
<th>Zlatiborski Region =100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republika Srbija</td>
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<td></td>
</tr>
<tr>
<td>Zlatiborska oblast</td>
<td>68,9</td>
<td>100,0</td>
</tr>
<tr>
<td>Arilje</td>
<td>68,3</td>
<td>99,1</td>
</tr>
<tr>
<td>Bajina Basta</td>
<td>59,7</td>
<td>86,7</td>
</tr>
<tr>
<td>Kosjeric</td>
<td>95,4</td>
<td>138,5</td>
</tr>
<tr>
<td>Nova Varos</td>
<td>51,2</td>
<td>74,3</td>
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<td>Pozega</td>
<td>56,8</td>
<td>82,5</td>
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<td>Priboj</td>
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<td>75,6</td>
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<td>Prijepolje</td>
<td>40,2</td>
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</tr>
<tr>
<td>Cajetina</td>
<td>65,3</td>
<td>94,8</td>
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</table>


7.5. Agriculture production

Agriculture production is developed in accordance with Zlatiborski Region natural features, but insufficiently developed in comparison to development possibilities. Fruit growing (plum, apple and berries fruits), livestock breeding (cattle and sheep) and crop farming prevail.
The most developed sector of agriculture industry are: freezing fruit processing, slaughter industry, meat processing, dairy processing, production of brandies with protected geographic origin, medical plants and forest fruits, and there are also facilities for production of juice, fruit concentrates, jams, stewed fruit and vegetable processing products.

Majority of private companies dealing with livestock breeding have small households, possessing 3-5 ha of land. Existing processing facilities are insufficiently used (20-30%). Zlatiborski Region has great participation in total number of head of cattle and sheep in Serbia (9.5%). Number of registered agricultural households is in continuous progress.

**Agricultural land.** Agricultural land covers surface of 340.101 ha of the Region. Plough land makes 21%, orchards 6%, meadows 30% and pastures 43%. Orchards take the greatest surface in Pozega (3.672 ha), then follows Arilje (3.473 ha) and Bajina Basta (3.059 ha). In the rest of the municipalities, orchards surface is even 50% lower than in the leading municipalities. Orchards surface is the lowest in Nova Varos (730 ha).

**Agriculture households.** According Census 2002, there are 15.016 households registered in the Region, of which 6.958 households with one individual farmer, 5.435 with 2 individual farmers, 1.724 with 3 individual farmers and 899 households with 4 individual farmers. Official statistical data shows the greatest number of households in Bajina Basta (2.440), since the smallest number is in Priboj (718).

Zlatiborski Region is recognized and known by production:

- High quality fruits (berry fruits - raspberry, blackberry, blueberry, apple, plum)
- Smoked meat products (beef and pork ham, “uzicka” bacon and sausage, stelja and pastrma)
- Dairy products (different types of cheese, Uzice cream (kajmak), papers in sour cream)
- Beef and lamb meat
- Dairy products made of “mountain” milk (Zlatarski cheese, Uzicki kajmak, papers in sour cream Sjenicki cheese
- Mercantile seed potato
- Fruit brandies (Bajino bastanska juniper brandy, mentha brandy, double-distilled brandy)
- Medical herbs
- Forest fruits (mushrooms, strawberry, blueberry)
- High quality beekeeping products (forest and meadow honey)
- Brown and Californian trout

In order to protect products origin, Regional Chamber of Commerce, Regional Co-operative Association and individual producers, established joint collective quality mark of original agriculture products – IN NATURA.

The Region is also known by production of high quality raspberry. The production varies from 35.000 to 40.000 t for years, what makes 40% of total production in Serbia. Existing processing facilities meet production requirements. In 2009 Ariljska malina name of origin has been protected. Low processing degree and lack of adjustment with production standards represent the major issue. In the past several years significant efforts have been made in order to place fresh fruit on the market, especially apple, plum and blackberry.

On the territory of Zlatiborski Region, Agricultural exhibition in Pozega has been organized for the past 31 years, starting from 1967, and since that time, including break during ’90, represents one of the most important regional agricultural events considering entire country. Organization of this exhibition is supported by Ministries of agriculture and education.

Agricultural exhibition in Pozega has been organized in the past 31 year starting from 1967 and since that time, including several breaks in 90s, represents one of the most significant regional agricultural events considering entire country. Ministries of Agriculture and Education support organization of the exhibition.
There are famous producers in Cjetina and Uzice (Mackat and Kacer), producing smoked meat products using traditional methods and premium quality products. Traditionally every year, there is a smoked meat products fair in Mackat, which includes competition and degustation as well.

Annual capacity of fish production is about 750t. Major fish-ponds in the Region are situated on the following locations: Perucac, Medjurecje, Racca, Bela Reka, Drazevici, Ljubis, Seca Reka, Ravni, Potpec and Kruscica.

Annual diary production of the Region is about 130 million litres, and participates with 8% in Republic production. Daily capacities of milk production are about 50,000 litres. Pasteurized milk and curdled milk products makes the greatest part of whole production and in recent times peppers in sour cream, Trappist and kajmak.

The region is also famous by traditional production of fruit brandies (especially plum brandy). Several companies deal very successfully with this type of fruit processing.

Considering the fact that Region’s environment is very well maintained, there are great quantities of pure drinking water. There are facilities for water packing constructed on several water springs, which has been placed on domestic and in recent times on foreign markets.

Maintained environment, agriculture development degree, relief as well as existing production and processing capacities are more than favourable for organic production development. Existing and potential resources confirming mentioned are following: great interest of processors and purchasers of organic products (especially meat and fruit), increased number of registered producers in the Region, education profile introduced in Agricultural school in Pozega, founded Co-operative for organic production in Uzice etc.

Forest seed growing and production centre operating in the scope of Forest Management Uzice is settled in Pozega, and represents the highest quality factory for growing and keeping forest seed in South-East Europe. Annual production of the Centre is about 20 million of quality seedling of conifer, deciduous and fruit trees, providing Serbia to export seedling material.

7.6. Tourism in Zlatiborski Region

Favourable geographic position, various natural features, richness in cultural historical monuments, traditional hospitality etc. are suitable for tourism development.

Besides road infrastructure and traffic facilities, tourism is based on accommodation and catering facilities, necessary for tourism development.

Accommodation facilities of the Region makes 20% of total number of categorized beds in Serbia, and currently there are 17,000 beds including basic and higher level capacities (Business plan of Zlatibor—Zlatar tourist destination).

The greatest number of beds, with respect to the accommodation facilities, is located on Zlatibor, in Kraljeve Vode tourist center. Majority of accommodation facilities has been built in this mountain center (Business plan of Zlatibor—Zlatar tourist destination). Offer is concentrated mostly in hotels, but there are significant accommodation facilities in children and student resorts, private houses and apartments.

Considering number of beds, Bajina Basta has 1,400 accommodation units. The greatest part is on Tara Mountain, in the scope of Military Institution Tara – hotels Omorika and Beli bor located on Kalludjerske bare and Radmilovac. Children Resort Mitrovac, Hotel Jezero on Perucac and Hotel Drina in Bajina Basta represent significant accommodation facilities as well. It could be said that accommodation facilities are concentrated in centre of the city of Uzice, but the most important are located on Mokra Gora (within museum tourist complex Sarganska osmica), Kremna and Bela Zemjla. According accommodation facilities then follows Zlatar (about 700 beds) where Hotel Panorama and Rehabilitation Centre Zlatar (almost 90% of accommodation facilities of Nova Varos municipality).

After mentioned municipalities are Priljepolje, Priboj, Kosjeric, Pozega, Arilje and Sjenica (average number of beds is less than 400 beds). Accommodation facilities are mostly located in urban areas, nearby natural (Pribojska and Visocka Spa, Soponica, mountain and hunting lodges) or cultural-historical complexes (Mileseva Monastery, Jabuka monument complex).

Tourism Organization of West Serbia Region, municipal tourism organizations, Tourism Board of Regional Chamber of Commerce and RDA Zlatibor are among the entities engaged on improvement and promotion of tourism and tourism potentials. Among other organizations which participate directly in the tourism economy of
the Region, significant place belongs to tourist agencies, Eco Funds, Association of Tourist Guides of ZR as well as to several non-government organizations and citizens associations, whose basic activities are not directly connected with tourism, but by theirs operations they contribute to enriching staying of local population and tourists.

Map 7: Tourist potentials of Zlatiborski Region

Source: RDA Zlatibor 2009.

8. Small and medium enterprises and entrepreneurship of Zlatiborski Region

At the end of 2009, there were 2,258 economic entities and 10,475 entrepreneurs in the Zlatiborski Region. Share of Zlatiborski Region’s enterprises in total number of registered enterprises in Serbia is 2.52%, and 5.63% in relation to entrepreneurs. Considering total number of economic entities in the Region, 78% are workshops, 6% SMEs and 16% large companies.

Table 16: Entrepreneurship – enterprises structure in 2009.

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Entrepreneurs</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
<th>SMEE</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zlatiborski Region</td>
<td>12,733</td>
<td>10,475</td>
<td>1,838</td>
<td>314</td>
<td>86</td>
<td>12,713</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: statistical Office 2009.

If we observe operations of SMEs and entrepreneurs in basic economic sectors in Zlatiborski Region, the greatest part of SMEs (78%) operates in sector of services, while 18% in secondary and 4% in primary sector.

Current business environment is still unstable for SMEs operations, which are facing issues related to liquidity, profitability and competitiveness. Mentioned issues were brought out significantly during world economic crises which affected Zlatiborski Region as well, but they are also caused by grey economy, disloyal competitors and currency risks. SMEs are facing with numerous issues in order to survive on market, to keep existing employees and continue with activities. Unfavourable business environment kept back foundation of economic entities in the Region, so, data of SBRA for 2009, shows that was founded 185 economic entities and 1,561 workshops in the
Region. New economic entities makes 6.59% of total number in the Region. According same source, 74 economic entities and 1.577 workshops were erased from the Register during 2009.

In regard to programmes for business incubators and clusters development, one business incubator has been founded in Uzice, while there are plans for business incubator foundation in Priboj (financially supported by NIP). Besides mentioned, and having in mind provided financial support by Ministry of Economy and Regional Development, there are different initiatives for clusters development.

In the previous period, credit policy for regional development was implemented through Development Fund of Republic of Serbia. The policy assumed financial support for SMEs under conditions much favourable than market conditions, as well as approving micro credits and credits for unemployed investing their forwarding charges in starting new business (start-up credits). Total amount of approved funds for Zlatiborski Region in 2010, amounted 67.800.000.000 RSD and provided opening of 116 new working places, what makes 3% of gross amount predicted for this kind of support.

| Table 16: Entrepreneurship – employees structure in 2009. |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                | Total          | Entrepreneurs  | Micro          | Small          | Medium         | SMEs           | Large          |


Observing Sumadija and West Serbia Macro Region (NUTS2), Zlatiborski Region has the most developed entrepreneur sector. Zlaribor Region’s SMEs have the greatest share in the terms of number of enterprises, employees and gross value added in comparison to all other areas in the NUTS 2 Region.

Graphic 4: entrepreneurship economic power of Zlatiborski Region in Serbia 2009.


Graphic 5: entrepreneurship economic power of Zlatiborski Region 2009.

9. Employment and labour market

Decreased employment rate has been recorded in the Region in the period between 2002 and 2009. There were 72,272 employees in 2000, since in 2007 that number decreased to 71,021, and in 2008 to 67,117 employees. In 2000, 70,359 employees were engaged in companies, co-operatives, institutions and organizations, since 8,913 employees were employed as entrepreneurs or in their workshops. As for 2007, in the first group were 53,320 employees and 21,207 in the second group. This relation in 2008 shows 47,836 in the first and 19,281 employees in the second group. Increased number of employment in entrepreneur sector could not moderate decreased employment rate in enterprises, co-operatives, institutions and organizations between 2000 and 2009, of 31.436 employees.

At the end of 2009, total number of employees was 67.045, what represent 3,54% of total number of entire Serbia. Private sector engages 18.106 workers, or 27% of total number in Serbia. Decreased employees number has been recorded in all SMEs and entrepreneur sector in previous year, except in Zlatiborski Region where number of employees was increased for 56,8%.

Considering number of employees and relation with number of unemployed, it would be logical to expected increased number of unemployed registered at National Employment Service, but it is not the case.

Decreasen number of employed people caused increased number of unemployed at NES register in period 2000-2003, but it is not the case for period 2006-2009, when decreased number of employees has been followed by decrease of unemployed persons.

Unemployment rate in 2009 was 30,82%, and it has been calculated on the basis of significantly lower level of employment and unemployment (for example, in 2002 with similar unemployment rate, there were 79,272 employees and 36,152 unemployed people, since in 2009 were 65,772 employees and 36,632 unemployed).

According age structure, there is decreased number of unemployed of aged 19-30, while aged 31-40 participates with 25 in number of unemployed and group aged 41-50 records continuous growth (16,5% in 2002 and 25,8% in 2008), since aged 50+ records oscillations between 17,8-24,1% of total number of unemployed.

Users of financial fees for unemployment participates in total unemployed number with 9-12%, and the greatest number of these persons use fees on the basis of redundant workers.

First place at unemployment scale takes Uzice (18,4), than follows Prijeplje (18,2) and Priboj (18,1), while in Sjenica unemployment rate is 14%. During 2009 in Zlatiborski Region 25,822 vacancies have been announced, 38,6 in Uzice (9,968), and 11% in Pozega and Prijeplje. Unemployment rate in municipalities Priboj, Prijeplje, Nova Varos and Sjenica is 59%, while announced were 6.613 vacancies (26%).

Employment structure shows prevailing of non-productive sector, even production sector recorded growth (42% in 2002, and 51% in 2008).

10. Education, profesional training and human resources development

In comparison to total population of the Region, preschool children participates with 4,43%, while the greatest number is in Sjenica (5,76%), and the lowest in Kosjeric (3,7). Total number of preschool children is 14.605, while there are 6.532 children using services of preschool institutions. It is clear that there is a lack of institutions for preschool children, since more than half of total number in each of Zlatiborski Region ‘s municipalities could not enter preschool institutions. Especially municipalities of Nova Varos and Pozega are facing with this issue, because preschool institutions are not available in the scope of primary schools. This was also a problem in Kosjeric, but it has been overcome recently, after new preschool building has been completed in the scope of Kindergarten Olga Grbic.

There are 24 secondary schools within the Region, of which 16 are professional, 7 gymnasias and 1 music school in Uzice. Medical School Uzice, Agriculture School and Students House Ljubo Micic in Pozega, Music School
Vojislav Lale Stefanovic Uzice and Art School Uzice are of regional importance, because they are the only one of those profiles in the entire Region.

Total number of first grade secondary school in 2009/10 registered 37,271 students. Each municipality records decrease of students in secondary schools.

Specific education profiles are available only in one school, such as chemistry, non-ferrous and graphics in Technical School Radije Ljubicic Uzice, while machinist and metal processing are available in all of them, excluding gymnasias. With the exception of hydro meteorology, all programs in Zlatiborski Region got accreditation, while there was not registered any student applied for forestry and wood processing profile.

First grade in school 2009/10 year entered 11 disabled students in following profiles: textile, personal services, mecanistry and metal processing, chemistry, non-ferrous and graphics, while second grade entered 6 students in textile, mecanistry and metal processing and third grade one student in textile.

Roma ethnic population is also present in schools, mostly in primary schools (approximately 100 students), while secondary school in 2009/10 entered only 16 students. Educational system meets requirements of marginalized group by entering students above planned quotes.

There are 2 accredited faculties in the Region:

- Teachers Faculty Uzice (within University of Kragujevac) registers 120 students in the first year. The Faculty got accreditation for basic academic classes (1\textsuperscript{st} degree), Master study (2\textsuperscript{nd} degree) and doctorate study (3\textsuperscript{rd} degree).

- Higher Business-Technical School of Professional Studies Uzice, accredited for performing classes of basic professional studies.

In school year 2007/08, 1,567 students (703 state financed students) entered Higher Business Technical School, while Teachers Faculty entered 599 students, of which 426 has been state funded. 284 students graduated at Higher Business Technical School and 364 students at Teachers Faculty.

Besides the fact that education and manpower structure oversees republic average, economy of the Region could not provide manpower force in accordance with its needs. Education institutions producing staff with insufficient on inapplicable knowledge. Continuous adjustments and dynamics changes of programmes, working methods and educational profiles are required from schools. Having in mind new development trends directed toward tourism, health-recreational programmes, healthy food production, landfill construction and waste management, it is necessary to introduce adequate education profiles which will be engaged in these sectors, and to increase population awareness about importance of environment protection.

However, besides solid basic infrastructure for formal education, lack of institutions for adult’s education is evident. Our population has very low awareness of “long life learning” necessity.

Analysis of available capacities should include age structure of population as well. It is necessary to work on existing human resources development considering the fact that majority of Zlatiborski Region population structure is composed of work capable people, life duration has been extended, and population growth decreased, all in order to provide conditions for economic growth and improvement of life quality.

11. Social sector
11.1. Health care

Medical Centre Uzice has been founded on 26\textsuperscript{th} July 1990. Medical Centre network consists of Health Centre Arile, HC Evelyn Haverfield Bajina Basta, HC Dimitrije Pitovic Kosjeric, HC Pozega, HC Priboj, HC Prijepolje, HC Nova Varos, HC Sjenica including stationeries, HC Uzice, HC Cajetina, General Hospital Uzice including subsidiaries in Nova Varos and Pozega, General Hospital in Priboj, GH in Prijepolje, medical supply, joint services and research and development unit.

There are 2 specialized hospitals within the Region – Special Hospital Cigota for thyroid and metabolism daises on Zlatibor, and Special Rehabilitation Centre Zlatar. In 2008, 1,127 patients took medical care in these institutions, with average therapy duration of 17,98 days, or total of 20,266 days.
Specialized consultation service of internal medicine in SH Cigota and RH Zlatar performed 18,838 medical examinations during 2008.

Public Health Bureau Uzice is independent medical institution specialized for preventive health care in Zlatiborski Region. The Bureau operates in accordance with QMS standards JUS ISO 9001:2001. It achieved significant successes in population health protection as well as improvements in organization of medical care and services. Health culture level of population has been increased by planned educational activities, what improved quality of life.

Success was also recorded in epidemiology, by restraining, preventing and exterminating infectious diseases. This service is facing now with health problems of modern society, epidemiological features of mass somatic diseases and inters hospital infections.

Microbiological diagnose service of the Bureau, besides basic, is capable for diagnosis of hepatitis, toxoplasmosis and AIDS.

In the scope of hygiene and environment protection, every day Bureau performs control of regional and local waterworks drinking water, swimming pools, air pollution and distribution of danger solid and liquid materials. It controls health safety of foods and items for general use, feeding quality of children in education institutions, social feeding restaurants etc.

11.2. Social protection

Social protection organs of Zlatiborski Region are represented by Social Welfare Centres, available in each of 10 local self-governments in the Region, and by Red Cross in the city of Uzice and in Prijepolje and Cajetina. Official data shows the heaviest social situation is in Prijepolje, where the number of social protects users is the highest in relation to the population, while hardly better, but similar situation is in Priboj. Majority of users considering entire Region are adults.

In the municipality of Prijepolje there is no institution that takes care of children and adults, although there is a great need. Social Welfare Centre for several years highlights the lack of accommodation facilities for the socially vulnerable, in which primarily include mentally retarded and mentally ill. Under existing hospital capacity in Prijepolje, it is possible to build a living room and wards for the mentally ill, which would greatly improve this kind of social protection of vulnerable population. Statistical data in this period show that in all categories, including juveniles and adult persons, an increased number of social protection users, sometimes is even 100%. In the city of Uzice within the Social Welfare Centre in 2008, two professional teams were operating:

- Team for the Protection of Children and Youth (Team for the protection of children and youth with behavioural disorders, Team for the protection of children from families with disturbed family relations and juveniles who enter into marriage, Team for children without parental care, disabled in physical development, and other categories of children and youth)
- Team for protection of adult and senior citizens (Team for protection materially unsecured persons users of fees for care and assistance, Team for protection of adults and senior citizens)

Level of social inclusion and exclusion, as a special composite indicator, based on socio-economic analysis of the situation in the four dimensions: (1) deprivation of employment (unemployment rate), (2) educational deprivation (incomplete primary education, early education was interrupted and the percentage of population 15 + who have completed college/university education); (3) health deprivation (number of inhabitants per physician) and (4) housing deprivation (flat surface area per capita and the percentage of households connected to sewage system). The highest degree of social exclusion in Zlatiborski Region is in the municipalities Sjenica and Kosjeric, and then in Prijepolje and Bajina Basta.
11.3 Children and elderly care

Care for children and the elderly, although is a part of activities of centres for social welfare and specialized agencies (e.g. House of children without parental care Petar Radovanovic) does not sufficiently answer the needs of children and adults with disabilities and their families. The situation is further complicated when the children lose their parents because there is not any support in these cases.

Services provided at the local level are used for solving the existence of the poorest families, basic care and social inclusion of vulnerable individuals and groups, through the following services:

- financial support provided by local self-government funds
- one-off financial assistance from local self-governments
- help at home (for elderly and other people with reduced mental and physical abilities)
- purchase of personal equipment to users at their placement in an institution
- psycho-social support to individuals and groups at risk

Services provided in the Region aim to meet the needs of municipalities at the same time, respecting the best interests of the users:

- accommodation services for juveniles in transit
- foster children (foster care)
- foster care for adults (foster care)
- care for victims of domestic violence

In addition to providing health care to the population, through the work of health centres and hospitals, there is a need for planning of specific services and expanding existing capacity, which is especially related to the following services:

- Home care (services provided by visiting nurses of health centres) provides that health care for fixed and immobile persons in their homes. In the field of health care greater opportunity should be given for Visiting Nurse Services in the field, in terms of equipment and personnel, what would provide better coverage of patients, territorially and numerically

Source: [http://www.razvoj.gov.rs/](http://www.razvoj.gov.rs/)
12. Quality of life in Zlatiborski Region

There are numerous culture institutions in Zlatiborski Region, which contribute with its everyday activities to enriching life of citizens through various cultural and sport activities, such as:

- **Museums** – there is one regional museum in Zlatiborski Region, covering 8 municipalities – National Museum Uzice, and other 4 museums in Cajetina, Pozega, Priboj and Prijepolje
- **Galleries** – there are 3 city galleries in the Region (Uzice, Arilje, Pozega), and within the Institute of Thyroid and Metabolism on Zlatibor operates gallery where besides art work exhibitions, concerts and literary evenings are organized. City Gallery Uzice is the founder and organizer of Biennale of graphic art “Dry needle”.
- **Theatres/cinemas/culture centres** – the only theatre in the territory is the National Theatre of Uzice. As for the other municipalities, plays are performed at cultural centres, which play multifunctional role, since they organize film screenings, exhibitions, concerts, performances, festivals and other cultural events. In 2007, renewed Cinema Art in Uzice, which has 237 seats in two modern equipped conference halls, started to work. According to statistics, there are seven cinemas functioning in the Region. There is also Historical Archive, based in Uzice, institution of regional character and importance.

**Sports and recreational facilities** - due to the natural conditions and developed tourism, there are considerable capacities for sports and recreational activities. Base for development of a network of recreational facilities are natural and created values that are viewed as potential for development, causing the location, type, method of use, decoration and furnishing of space.

Sports clubs usually start sports trainings on Zlatibor, Tara, Zlatar and Ivanjica, where summer camps are organized and numerous basketball, football, volleyball, tennis and karate camps, and in winter provide excellent opportunities for skiing and winter sports. In the mountain centres there are arranged biking, walking and ozone paths. The River Drina offers excellent conditions for training and recreation of swimmers, boaters, rafters and other water sports. Hunting and fishing represent traditions of the Region.

**Restaurants** – as very important part of economic activities, tourism represent sector providing possibility for development of entire society. Majority of restaurants is situated in municipality of Cajetina, or more precisely on Zlatibor -61, in the city of Uzice there are 19, and as for other municipalities as follows: Arilje-5, Nova Varos-22, Priboj-9, Prijepolje-18, Bajina Basta -10, Pozega-5 and Sjenica-5.
Review of the situation and the achieved level of socio-economic development of Zlatiborski Region as a whole, as well as of each municipality aimed to provide the basis for defining areas of development strategy of the Region, which will enable the best use "territorial", human and social capital of the Region and of the municipalities, and to create synergistic effect that will enable competitive differentiation of the Region compared to the other regions.

Purpose of conducted analysis is provision of necessary inputs for the evaluation, but maintenance of resources, creation a favourable investment climate on the territory of the Region, strengthening administrative capacities and new institutions development, elimination of infrastructure barriers, all in order to increase the potential for accelerated socio-economic development of the entire Region.

Comparative analysis of potential comparative strength, advantages, competitive position and definition of development priorities of the Region was based on its key characteristics:

1. Although geographically makes a whole, territory of Zlatiborski Region is significantly fragmented, settlements and the population is relatively sparse, and some of its parts and settlement are not sufficiently interconnected in terms of traffic, so the degree of integration of the area is at relatively low level. Interconnection and integration is much better in North part of the Region, which include Arilje, Bajina Basta, Cajetina, Kosjeric, Pozega and Uzice, then Nova Varos, Priboj, Prijeponje and Sjenica.

2. There are a significant number of natural resources and areas under protection in the Region, which requires on the one hand adequate protection of the environment and on the other side does not exclude the development of economic potential, the necessity of introducing new technologies that meet high environmental standards.

3. Natural resource base of the republican importance, especially water and forests (250.000 ha of forest land) with the potential for exploitation of timber, forest products (medical herbs, mushrooms, etc.), wild game etc. are insufficiently used. Zlatiborski Region area is the richest area in Serbian by forests, participating with 14% of total surface of forest land of Serbia and has a good raw material base for the development of wood processing industry.

4. Considering natural resources, substantial resources have been exploited for the development of agriculture and tourism, although insufficiently for certain agricultural and tourism sectors in the scope of "sustainable agriculture" and "sustainable tourism".

5. The wealth of water: groundwater, wells, springs, lakes, and especially fast water streams show that there is significant hydropower potential, which is insufficiently used. For that reason the fact that of 6 possible new hydropower plants in Serbia, the two are planned to be constructed in this region (Djeticina and Brodarevo), and that was mapped 196 locations for the construction of mini hydro power plants, sounds very encouraging.

6. Highly export-oriented economy continuously records positive balance in trade with foreign countries. The available capacity of the Region’s economy provides opportunities for higher levels of foreign trade and development of alternative forms of cooperation (long-term cooperation, investments, foundation of companies, etc.).

7. Historically, this area was an important crossroads of trade routes and the shortest connection of so called Western Balkans and the East, and East and the West. The railway Belgrade-Bar (whose resources are used only in small part), and several major and regional roads towards the Adriatic and the border with Bosnia pass through this area. Although is allocated from the main axis of development in Serbia (Corridor 10), connected to the secondary (Drinsko-Moravska development axis), Zlatiborski Region has a very important geo-strategic position through which pass the Corridor 11, cross-traffic corridor connecting the corridor 5a, 10 and 11.

8. In order to use comparative advantages, which represent its competitive capacities in national and international economic, political, cultural, and other games, it is necessary for Zlatiborski Region to restore some of its territorial capital significantly destroyed by the end of the last century. On the other hand, the Region must simultaneously develop appropriate arrangements for cooperation with other areas, in order to increase mutual benefits.
9. Relatively good quality of so called "human capital" and "social capital" which is increased, but still insufficiently, “institutional capacities” of government and other public services in the latest period will allow permanent development of the Region.

Solving complex development issues assume premisses based on the existence of pluralism objectives. It is essential to know what objectives are realistic considering present environment, how much is useful each of the objectives, which and how is balanced and how it can be achieved in practice. Only SWOT analysis can answer this crucial questions. SWOT analysis is used as a methodological framework for understanding the reality and potential of Zlatiborski Region, in order to avoid mistakes in the process of strategic decision making.

SWOT ANALYSIS OF ZLATIBORSKI REGION

STRENGTHS

- Export oriented processing industry
- Good reputation for domestic healthy food production
- Large competitive companies
- Civil Engineering
- Tourist Region of West Serbia valorized
- Ethnic and cultural diversity of the Region
- Traditional hospitality
- Favourable natural preconditions for intensive production of certain agricultural products
- Good potentials of renewable energy resources
- Traditional production of specific agricultural products
- Recognizable food products brands
- Complementarious diversity of the Region
- Presence of regional institutions (Regional Development Agency, Regional Chamber of Commerce, Regional Centre for Professional Development of Educational Staff, Agriculture Extension Service)
- Developed civil society organizations
- Spirit of “Eras”

WEAKNESS

- Lack of developed and constructe infrastructure/ insufficiently devloppped and unconstructed
- Insufficient level of innovativness
- Insufficient technological competetiveness
- Lack of interconnection in economy
- Under developed traffic and communal infrastructure
- Low level of tourist “literacy”
- Lack of differentiated tourism product
- Inadequate accommodation facilities
- Small holdings and extensive agriculture
- Outdated and inadequate technology in agriculture
- Lack of co-operatives
- Disparity in the development of municipalities
- Lack of awareness of the importance of regional development concept
- Lack of mechanisms for the management of regional development policy
- Insufficently developed database
- The negative natural population growth and the unfavorable migrations (depopulation)
- The adverse relationship between the active working and supported population
- Inadequate work force to the labor market needs
- Lack of entrepreneurial initiative

OPPORTUNITIES

- Processing industry further development
- Construction of strategic infrastructure facilities
 Valorisation of natural resources and potentials
Entrepreneurship development
Exploitation of cluster potentials
Utilization of recycling and renewable energy potentials of the Region
Utilization of bordering areas for integration/completion of tourist offer
Differentiation of tourist demand
Investments in higher level of processing facilities and marketing positioning of agricultural products
Development of organic and ecological production
Tourism in service of agriculture development
Protection Designation of Origin of agricultural products
Establishment of mechanism for joint approach in solving socio-economic issues (Development Council, promotion, territorial marketing...)
University education development
Informal education development

THREATS:

New competition caused by market liberalization
The negative general economic trends in the country and the world
Reduced competitiveness due to technological backwardness of the economy
The delay in the process of regional development
More demanding tourists
Strengthening of competitive tourist destinations
Migration movements – departure of young educated people from the Region
Rigorous health and safety legislation in food production
Continuation of negative demographic trends in rural areas
Deepening the gap in the development of municipalities in the Region
The conflict between local and regional levels
Insufficient support of central government in the process of decentralisation
Deterioration of the age structure and population decline
Additional gap of knowledge and skills of human resources
Further decline of living standard


Vision and strategic objectives are defined in accordance with republic strategic documents and development potentials of Zlatiborski Region. Vision of Zlatiborski Region’s development has been defined on the basis of environment evaluation and results of SWOT analysis:

Vision of Zlatiborski Region’s development

Zlatiborski Region offers attractiveness of healthy living and work, through the collaboration of local communities and regional institutions, ensuring long-term, sustainable, socio-economic development for the benefit of its citizens!

The vision speaks in what direction Zlatiborski Region should be developed and represent consensus of all stakeholders about the future they want in a broader perspective. The main elements of the vision of Zlatiborski Region are healthy environment, representing stimulus and base of all socio-economic activities and joint activities of key development actors with the aim to create more favourable conditions for a comfortable life for the citizens.

Strategic directions and development objectives

Previous analysis indicated that relatively low competitiveness of Region’s economy, due to the underdeveloped business infrastructure (lack of work zones, incubators, etc.), low innovation economy, incomplete use of entrepreneurial potential, outdated technology and insufficient utilization of capacities and the lack of stronger
linkages between enterprises in the value chain creation. On the other hand, the area has relatively developed export-oriented processing sector and civil engineering, as well as several large systems which could be carriers of economic development of the Region and Serbia. Therefore, further development of processing industry, wider interconnections of SMEs as well as connection with larger systems stand out as development possibilities. It will contribute not only to creating opportunities for Region’s economy development, but to eliminate threats that could be expected by competition which will certainly come with further market liberalization, to neutralize the negative effects of global economic trends in the country and the world, to stop the reduction of competitiveness of the economy due to technological backwardness etc.

Having in mind the vision of Zlatiborski Region development and presented imbalances, the first strategic direction and the three priority objectives which should contribute to the implementation of strategic direction are defined. These are:

<table>
<thead>
<tr>
<th>STRATEGIC DIRECTION 1</th>
<th>GROWTH OF ECONOMY COMPETITIVEVNESS</th>
<th>INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority objective 1.1</td>
<td>Initiation of investments and attracting domestic and foreign capital</td>
<td>Investments in capital assets, growth rate of investments in new capital assets, investments efficiency коэффициент), participation of direct foreign investments in capital assets, amount of DFS per capita, number and structure of development projects funded by donors.</td>
</tr>
<tr>
<td>Measure 1.1.1</td>
<td>Mapping investment potentials of the Region</td>
<td></td>
</tr>
<tr>
<td>Measure 1.1.2</td>
<td>Promotion of the Region as attractive investment destination</td>
<td></td>
</tr>
<tr>
<td>Measure 1.1.3</td>
<td>Promotion of renewable and alternative energy resources</td>
<td></td>
</tr>
<tr>
<td>Priority objective 1.2</td>
<td>Creating encouraging environment for entrepreneurship growth and development</td>
<td>Missro and SMEs in each of municipalities and entire Region considering: number of enterprises, number of employees, volume of sales, gross value added, export and import, number of new founded and closed enterprises and their balances</td>
</tr>
<tr>
<td>Measure 1.2.1</td>
<td>Business infrastructure development ( industrial zones, park, incubators...)</td>
<td></td>
</tr>
<tr>
<td>Measure 1.2.2</td>
<td>Creating favourable business environment (networking, procedures...)</td>
<td></td>
</tr>
<tr>
<td>Measure 1.2.3</td>
<td>Creating mechanism for financial association of capital (funds)</td>
<td></td>
</tr>
<tr>
<td>Measure 1.2.4</td>
<td>Creating stimulating fiscal policies (taxes)</td>
<td></td>
</tr>
<tr>
<td>Priority objective 1.3</td>
<td>Development of priority sectors of processing industry</td>
<td>Income, profit, losses, gross domestic product and employment rate per sectors of processing industry, export per processing industry sectors</td>
</tr>
<tr>
<td>Measure 1.3.1</td>
<td>Encouraging wider economic interconnections based connections (clusters, subcontracting etc.)</td>
<td></td>
</tr>
<tr>
<td>Measure 1.3.2</td>
<td>Founding institution of applied and development researches</td>
<td></td>
</tr>
</tbody>
</table>

The SWOT analysis shows that the degree of agricultural development in the Region is not in accordance with capacities because of fragmented holdings and extensive agricultural production, outdated and inadequate farm machinery, low-interest association (unions, co-operatives, associations of producers and etc.). On the other hand, the area has good natural conditions for the development of certain agricultural products, a tradition in production and recognizable brands of food products. In order to utilize the existing advantageous of agricultural areas, eliminate deficiencies and promote rigorous health and safety legislation in food production, ensure greater competitiveness of agricultural production and stop the demographic "discharge" of rural areas, it is necessary to take comprehensive approach not only in agriculture, but in rural development of Zlatiborski Region. In addition, agricultural development should respect the greater needs of organic and ecological production, ensure greater competitiveness of agricultural production by investing in higher stages of processing and a higher degree of market positioning of products and to be based on recognizable market of protected geographical origin. That way, at the same time, contribute to the village development, together with several of services which, above all, follow agriculture and tourism development.

Considering vision of Zlatiborski Region development and mentioned weak points, strengths, opportunities and potential threats, second strategic direction and 5 priority objectives which should contribute to its implementation has been defined. These are:
## Direction 2

### Priority Objective 2.1

**Measure 2.1.1**

Intensify and increase of productivity in primary agricultural production

- Increased number of agricultural clusters, co-operatives, associations and other self-organization models, growth of yield per ha, increased number of registered agricultural producers in the Region, realistic growth of registered livestock, increased surface of irrigation plough land, increased number of young farmers

**Measure 2.1.2**

The organization of agricultural producers in the system of co-operatives, associations, etc., as well as the registration of individual farms

**Measure 2.1.3**

Introducing networking models between food and tourism industry

### Priority Objective 2.2

**Measure 2.2.1**

Development and modernization of fruit and vegetable industry

**Measure 2.2.2**

Development and modernization of meat and meat products industry

**Measure 2.2.3**

Development and modernization of dairy industry

**Measure 2.2.4**

Development and modernization of other subsectors of food industry

### Priority Objective 2.3

**Measure 2.3.1**

Technological improvements and innovations

**Measure 2.3.2**

Quality control and certification

**Measure 2.3.3**

Conquest of trademarks and branding

**Measure 2.3.4**

Modern marketing and positioning at market

### Priority Objective 2.4

**Measure 2.4.1**

Developing services in rural areas

**Measure 2.4.2**

Developing infrastructure (roads, utility, communications)

**Measure 2.4.3**

Renewal of existing infrastructure (culture centres, co-operatives)

### Priority Objective 2.5

**Measure 2.5.1**

Support to development of small businesses in rural areas

**Measure 2.5.2**

Encouraging rural tourism development

The analysis shows that the West Serbia tourist region belongs to the recognized Serbian tourist destination and is characterized by good natural conditions, cultural and ethnic diversity, traditional hospitality etc, but at the same time that tourist visits to Zlatibor are unbalanced and on unsatisfied level, due to underdeveloped transport infrastructure and utilities (worn out and ineffective road network from city centres to the tourist destinations in the Region, lack of integrated systems for waste and wastewater management and etc..), low level of tourist literacy, insufficiently differentiated tourist product and inadequate accommodation facilities. Traffic infrastructure development (highway, airport, railway), completion of tourist offer by valorisation of geographic position, differentiation of tourist demand and development of special tourist’s requirements could contribute to the further tourism development. That would provide sustainability and development of competitive position of Region’s tourism economy, which may be affected by mismatching between existing, traditional
tourist offer and appearance of more demanding and specific demands for tourist services, as well as by appearance and development of new tourist destinations.

Considering vision of the Zlatibor Region in order to use the existing strengths, eliminate noticed gaps in the tourism economy and use advantage of expected changes in the wider environment and tourism industry, the third strategic direction and three priorities which should contribute to its implementation has been defined. These are:

<table>
<thead>
<tr>
<th>STRATEGIC OBJECTIVE 3</th>
<th>TOURISM DEVELOPMENT</th>
<th>INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority objective 3.1</td>
<td>Introducing principles of strategic management in tourism industry</td>
<td>Number of overnight stays, income, domestic/foreign visitors</td>
</tr>
<tr>
<td>Measure 3.1.1</td>
<td>Improving capacities of all tourism stakeholders in the Region</td>
<td></td>
</tr>
<tr>
<td>Measure 3.1.2</td>
<td>Improving existing and developing new tourism products</td>
<td></td>
</tr>
<tr>
<td>Measure 3.1.3</td>
<td>Strategic positioning and competitive differentiation of the Region as tourist destination</td>
<td></td>
</tr>
<tr>
<td>Priority objective 3.2</td>
<td>Improvement and development of tourism infrastructure</td>
<td>Number of new constructed facilities, increased accommodation capacities</td>
</tr>
<tr>
<td>Measure 3.2.1</td>
<td>Improving tourism infrastructure (ski paths, swimming pools, parking places, information centres...)</td>
<td></td>
</tr>
<tr>
<td>Measure 3.2.2</td>
<td>Improving tourism superstructure (hotels and catering industry facilities...)</td>
<td></td>
</tr>
<tr>
<td>Priority Objective 3.3</td>
<td>Sustainable development of rural tourism</td>
<td></td>
</tr>
<tr>
<td>Measure 3.3.1</td>
<td>Construction and renovation of buildings modeled according authentic farmhouse</td>
<td>number of categorized rural households and beds in rural tourism</td>
</tr>
<tr>
<td>Measure 3.3.2</td>
<td>Renovation of rural facilities in accordance with authentic elements</td>
<td></td>
</tr>
<tr>
<td>Measure 3.3.4</td>
<td>Promotion of rural tourism</td>
<td></td>
</tr>
<tr>
<td>Measure 3.3.5</td>
<td>Employment of women in rural areas in sectors where the tourism represents market niche</td>
<td></td>
</tr>
<tr>
<td>Measure 3.3.6</td>
<td>Support the maintenance of traditional crafts, arts, handcrafts and activities</td>
<td></td>
</tr>
<tr>
<td>Measure 3.3.7</td>
<td>Education and training of rural population in rural tourism</td>
<td></td>
</tr>
<tr>
<td>Measure 3.3.8</td>
<td>Introducing international standards</td>
<td></td>
</tr>
<tr>
<td>Measure 3.3.9</td>
<td>Improvement of existing and the creation of business connections for research, information dissemination and transfer of appropriate knowledge on environmentally sustainable technologies in tourism</td>
<td></td>
</tr>
</tbody>
</table>

SWOT analysis shows unbalanced intraregional development in the territory of Zlatiborski Region, due to imbalances in the development of municipalities in the area, insufficient awareness of the importance of the regional development concept, lack of mechanisms for managing regional development policy. Simultaneously with these deficiencies, the Region is characterized by very significant advantages of geographic, cultural and ethnic diversity, as well as by the existence of several institutions of a regional character that can carry the regional development. Establishing mechanisms for a joint approach in solving socio-economic issues would create opportunities for more balanced intra-regional development and also create mechanisms to address possible conflicts at local and regional level.

In order to develop Region for the benefit of all citizens, regardless of the local community to which they belong, the fourth strategic direction and three priority objectives which are in the service of its achievements has been defined.

<table>
<thead>
<tr>
<th>STRATEGIC DIRECTION 4</th>
<th>BALANCED INTRA-REGIONAL DEVELOPMENT</th>
<th>INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority objective 4.1</td>
<td>Reduced socio-economic disbalance in the Region</td>
<td>Unemployment/employment rate, Net salary per capita, primary budget income per capita in comparison to Republic and to the Region</td>
</tr>
<tr>
<td>Measure 4.1.1</td>
<td>Establishing institutional frame for managing balanced regional development policy (Regional Development Council)</td>
<td></td>
</tr>
</tbody>
</table>
Measure 4.1.2  Introducing financial schemes and non-financial measures for balanced regional development

Priority objective 4.2  Regional infrastructure development  % of magisterial, regional and local roads, number of internet and PTT connections, degree of utility infrastructure, waterworks availability, % of waterworks losses, % of refined sewage waters

Measure 4.2.1  Development of regional traffic infrastructure

Measure 4.2.2  Development of regional utility infrastructure

Priority objective 4.3  Creating preconditions for introduction of European regional policy  Number of domestic and foreign projects, structure, inclusion of governmental and non-governmental institutions

Measure 4.3.1  Creating document and statistical preconditions for regional policy management

Measure 4.3.2  Developing capacities of carriers of regional development

Performed analysis shows insufficiently developed human resources, inadequacy to the Region’s needs, then there is a tendency of negative natural growth and migratory movements and unfavourable ratio of active working and supported population. In addition, workforce structure is inadequate to the market needs, and there is a lack of entrepreneurial initiatives. Also there is an increasing danger in the terms of age structure of population, the further delay of knowledge and skills in relation to the needs of society and economy, falling living standards etc. Preventing these trends and the development of human capital requires the development of formal (by establishment of new and existing development of secondary vocational and high-school educational institutions) and informal education.

Considering vision of Zlatiborski Region development and mentioned weak points, fifth strategic direction and three priority objectives whose implementation will contribute to its achievements has been defined.

<table>
<thead>
<tr>
<th>STRATEGIC OBJECTIVE 5</th>
<th>HUMAN RESOURCES DEVELOPMENT</th>
<th>INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority objective 5.1</td>
<td>Building a socially responsible community</td>
<td>Degree of social inclusion</td>
</tr>
<tr>
<td>Measure 5.1.1</td>
<td>Increasing employment possibilities of venerable categories</td>
<td></td>
</tr>
<tr>
<td>Measure 5.1.2</td>
<td>Promotion of volunteering and solidarity</td>
<td></td>
</tr>
<tr>
<td>Measure 5.1.3</td>
<td>Promotion of public – profit/non-profit partnerships</td>
<td></td>
</tr>
<tr>
<td>Priority objective 5.2</td>
<td>Human resources development in public sector</td>
<td>Education structure of public sector, time required for starting new business, time required for issuing various permits, attraction of foreign investments</td>
</tr>
<tr>
<td>Measure 5.2.1</td>
<td>Affirmation of long-life learning concept</td>
<td></td>
</tr>
<tr>
<td>Measure 5.2.2</td>
<td>Improving management in public sector</td>
<td></td>
</tr>
<tr>
<td>Priority objective 5.3</td>
<td>Human resources development in service of competitive communities</td>
<td>Education structure of employed and unemployed persons in local selfgovernments, educational profile of leading sectors in processing industry</td>
</tr>
<tr>
<td>Measure 5.3.1</td>
<td>Adjustment of offer and demand at labour market</td>
<td></td>
</tr>
<tr>
<td>Measure 5.3.2</td>
<td>Developing consultant services network in the Region</td>
<td></td>
</tr>
<tr>
<td>Priority objective 5.4</td>
<td>Improving educational structure of human resources</td>
<td>Increased number of employees after prequalification process, number of representatives of</td>
</tr>
<tr>
<td>Measure 5.4.1</td>
<td>Establishing permanent inclusion of employers in</td>
<td></td>
</tr>
</tbody>
</table>
III IMPLEMENTATION/FURTHER STEPS

Institutional aspects

The most sensitive part of the Strategy is seeking for an answer to the question of how to ensure its implementation. For that part, the most responsible is RDA Zlatibor, which will, in accordance to EU practice, allocate implementation of the Strategy, and later development plan, into several sectors.

- Consulting services for SMEs will be implemented by commerce and handcrafts Chamber of Commerce, by engaging independent experts as well
- Credit support will be provided by state banks, which controls required preconditions, approve credits and supervise payment flow. This task will be also the subject of private banks' services.
- Initiatives related to education and professional development will be delegated to the chambers or independent institutions


<table>
<thead>
<tr>
<th>Adoption of the Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishing Development Council of Zlatiborski Region</td>
</tr>
<tr>
<td>Developing and implementation of Development Plan of Zlatiborski Region</td>
</tr>
<tr>
<td>Defining key development programmes</td>
</tr>
<tr>
<td>Establishing Monitoring Committee for Plan implementation</td>
</tr>
<tr>
<td>Presentation of Development Plan and specific programmes to the public</td>
</tr>
<tr>
<td>Continuous evaluation and information about success degree of programmes and projects</td>
</tr>
</tbody>
</table>

Strategy adoption by local self-government of Zlatiborski Region

In order to ensure a strategic document of this rank to became official and binding for all development actors, it is necessary to be considered by the Assembly of the RDA Zlatibor founders, and then agreed by the municipal / city councils of local self governments. This provides a basic precondition for further steps that will necessarily follow.

Establishing Development Council of Zlatiborski Region

The main tasks and responsibilities of this regional body are monitoring the implementation of ZR Strategy, through assessing the effectiveness of implemented measures and monitoring the efficiency of financial
resources utilization. DC should gather key representatives of institutions and organizations, relevant for Region’s growth and development. These actors belong to public, private and civil sector, since all three sectors participate and contribute to processes of socio-economic development in their own way and only through joint efforts can achieve progress in desired direction.

DC defines development priorities and provides their compatibility with national development plans and legislative. Basic task of DC will be promotion and implementation of Strategy and other strategic documents, strategic planning and decision making related implementation of regional projects, as well as establishment of working bodies dealing with development issues of various socio-economic categories.

Development Plan of Zlatiborski Region

Development of mention document will provide the Strategy to become operational and completed. Hence, only after performed analysis of state territory, the consensus on the vision of the Region and defined priorities and directions of development, it is possible to start Development Plan and thus identify activities to be undertaken to meet the goals and the human and financial resources to be mobilized for this purpose.

Regional Development Plan will always treat several economic sectors and will have a political dimension. Therefore from the very beginning it should be developed in close cooperation between these sectors and in accordance with the political factors at local level. This will contribute for the Plan to have greater significance in the public, as much as supported by administration and politics. After adoption of the Strategy, it is necessary to develop Plan. The first step is establishment of expert team, and then, developing of potential main programmes, necessary to be compared with European experiences and standards. It is also necessary to determine available financial funds for implementation of Regional Development Plan.

The next step assumes development of indicators, formulation of concrete programmes and definition of priorities. In case of temporary approval of programmes and priorities by relevant institutions, it is necessary to identify institutions ready to provide co-financing. The plan could be adopted on the basis of mentioned above, while in the following step carriers of concrete programmes should be determined. Very important information resource will be previously performed prioritization of the project ideas, collected in the process of developing sectoral analysis of Zlatiborski Region. RDA Zlatibor will be coordinator of the process, supported in operational terms by sectoral working groups established in preparation period, including advisory and consultative support of DC of ZR.

Development Plan of ZR will be the subject of ZRDA’s Assembly meeting, and after that approved by municipal/city councils of local self-governments.

At the end of the process, completed document (Strategy and Development Plan) will be subject of adoption of municipal Assemblies. The document will be considered as official in case of approval by at least 51% of local self-governments of Zlatiborski Region where more than 51% of entire population live.

If relevant political actors approve suggested implementation plan, the next step assumes establishing of Monitoring Committee and starting implementation of the Plan. Before final adoption, the public will be informed through press conferences and workshops.

Specific features of projects co-financed by EU

In addition to the mentioned procedures when receiving EU co-financing, it is necessary to pay attention to following specific features:

- Each EU co-financed project requires alignment with state’s economy policy, as well as with general EU policy. Or more precisely, each project has to show impacts on the environment, and may not be in contradiction with EC recommendations
- Each programme has to take into account “special interests” of European policy (focus on SMEs, environment protection, encouraging technical progress, gender and equality of minorities)
Each EU co-financed programme should be evaluated by independent experts. Evaluation is required before adoption of the programme (relevance analysis), during implementation - interim evaluation, and in some cases revision after 3 years and final evaluation after 5-6 years.

**Establishment of Monitoring Committee for Strategy implementation (Coordination issue)**

Process of coordination is the greatest issue, since creating programmes on the basis of objectives showed interconnections between modules of the programme, what requires necessity for coordination. Also, it is necessary to prevent competitive relationship between institutions which implement programme, since it could influence decreased efficiency of implementation. Most of RDAs in Europe established Monitoring Committees for Strategy implementation, constituted of representatives of administration (RDA), carriers of programme and independent experts, who will monitor and prepare reports. This type of committee is required for each of EU co-financed programme.

Issues related to the institutions which will be engaged on programme implementation will be identified after developing and adoption of the programmes, without regard to the Monitoring Committee. This represent independent decision making process significantly connected with efficiency of regional development plan implementation.

**Presentation of the Plan**

Public presentation of the Plan should initiate public discussion, to increase level of programme visibility and attract the attention of foreign investors to Zlatiborski Region.

EU funded programmes require organization of press conferences and workshops, since EC expects positive reactions of public and strengthening population support to the European integration.

**Continuous evaluation and information of achieved success**

Continuous data collecting and information of success degree represent highly important part of Strategy implementation, in order to turn attention of state/regional/local bodies/Council to development issues of the Region.

### IV Development Plan of Zlatiborski Region 2011 - 2015

1. **Summary**

Operationalization of the Strategy of Socio-Economic Development of Zlatiborski Region 2011-2015 started with preparation of Development Plan of Zlatiborski Region. In the fact, development plan represents further stage in the scope of activities implemented in the field of regional strategic planning. Considering the fact that strategic planning in the Zlatiborski Region represents initial effort, the whole process could be perceived as an attempt to introduce strategic planning, to build institutional capacities in the Region and as the most important part, to create integrative development programmes which will contribute to implementation of strategic objectives.

Regional Strategy and Development Plan are representing basic development engine of all EU members and states candidates for EU membership. Considering national level, strategic development documents of Serbia indicates two key elements of the regional policy: regional development agencies and regional strategies. Significant importance for further regional development represents implementation of National Strategy of Regional Development 2007-2013 including National Development Plan which is in preparation. It is unquestionable that each Serbian region needs renovation and construction of business, traffic, energy and utility infrastructure. Infrastructural projects require appropriate instruments and regional development approach. Majority of West Europe regions, thanking to the high institutional capacities, have complex planning methods which are very appreciated thanks to following:
• Improved vertical coordination of economic development in regions and
• Intensive implementation of regional and local strategies and partnerships with the aim to improve horizontal coordination between various economic development actors

The Strategy and the Plan are representing initial effort in order to define coherent integrated method of gathering resources and emphasizing potentials of the Region. Regional cooperation could provide networking of capacities, development of innovations and efficient exploitation of the existing resources. At the same time, these documents will be used as an advocacy instrument of Zlatiborski Region ‘s interests in the process of developing strategy at NUTS 2 level. Operationalization of the Strategy through Development Plan has multilevel importance for Zlatiborski Region development since it:

- Ensures continuity of strategic planning at regional level
- Improves vertical coordination in the process of planning Region’s economic development
- Initiate establishment of partnerships which will contribute to implementation of complex integrative programmes or projects
- Establishes ground for identification of projects which should be developed and implemented in the future

2. Introduction

Development Plan of Zlatiborski Region, including key interventions for the achievement of strategic priority objectives within 5 strategic directions, describes the logic for selection of interventions and critically analyse the essential issues for development of each sector. The Plan also shows interconnections between implementation of certain interventions what lead to the achievement of mentioned objectives. Integrated programs in the scope of certain interventions represents the base for further development through detailed action plans. The Plan contains specific interventions within following strategic directions:

- Increase of economy competetivness
- Agriculture and rural development
- Tourism development
- Balanced intra-regional development
- Human resources development

Group of interventions presented within strategic directions identified in the Strategy, in case of implementation through specific operational programmes or projects will have positive impact on economy, human resources and infrastructure, which are key elements of development. Annual action plans will be developed according available financial resources for specific activities. If local self governments assign certain amounts of the local budgets for implementation of certain regional actions, that would improve the process of making decisions at the regional level and determine interconnection of the processes which should arise out of this Plan.

The plan indicates proposals for further actions for operationalization of the Strategy, as well as set of constrains which are in front of the economic development actors. The Plan is related to the period between 2011 and 2015, since the development and implementation of integrated programmes and projects within majority of proposed interventions requires mobilisation of various resources, straight approach and motivation of key driving actors of economic development. The plan includes certain incentives and programmes which are currently present in the Zlatiborski Region and for that reason 2011 is also included in validity period.

In the partnership with various relevant actors, including experts, representatives of local self governments, regional institutions and advisor of the Regional Socio Economic Development Programme 2 funded by EU, Regional Development Agency Zlatibor prepared Development Plan.
3. Methodology

3.1. Development Plan as an instrument of the regional development

Development Plan which includes programmes, implementation bodies, defined set of activities, duration, budget and indicators for monitoring and evaluation would be the most appropriate and ideal solution. But, at this moment, it is not realistic to provide this kind of details necessary for action plan, considering various reasons which are out of range of regional actors and which are a part of wider context related to the regional development in Republic of Serbia, such as:

- National Strategy of Regional Development 2007-2013 did not become operational by implementation of National Plan of Regional Development
- Specific roles of relevant actor at national level are not clearly defined, in spite to the fact that Strategy of Regional Development and Law on Regional Development (adopted in 2009 and amended in 2010) affirmed regional development agencies, National Agency for Regional Development as well as regional development strategies as key instruments of modern regional policy
- Development strategies at NUTS 2 level are not developed and adopted yet
- Neither national nor local budgets for 2011 do not predict and allocate financial funds for support of regional development (in case there are intentions to finance regional development in coming period with funds allocated in local budgets, that would enable completion of annual action plans which could be adjusted to allocated funds and potential financial resources available through EU programmes or bilateral donors).

Development and implementation of integrative programmes requires much more than simple existence of institutional capacities inside the regions. In case that there are insufficiently developed institutional capacities and regional financial funds are not established, implementation of projects represents right approach in planning regional development. This Development Plan provides possibility for further operationalization through integrative programmes and projects.

Development Plan represents instrument of the regional development with the aim to:

- set up the frame for interventions of regional importance which will be wide enough for identification of integrative programmes and projects
- provide further development of measures defined during development of the Strategy
- set the base for cross cutting activities within different planned interventions

3.2. Performed activities in order to define Development Plan

The process of creating Development Plan included following steps:

- Review of sectorial analysis conducted in 2009 and 2010
- Review of local strategic documents of the Region
- Review of national strategies, development plans, legislative related to rural development, tourism, regional development etc.
- Identification of the interventions important for the Region
  - Analysis of 75 project ideas identified during development of sectorial analysis in the scope of Integrative Development Plan of Zlatiborski Region
  - Analysis of interventions proposed by questionnaire received by E-mail
DRAFT STRATEGY OF SOCIO ECONOMIC DEVELOPMENT 2011-2015.

- Internal consultations

- Workshops focused on strategic directions defined in the Strategy
  - Preparation of working material
  - Preparation of workshop schedule
  - Preparation of the list of participants
  - Sending invitations to more than 100 participants including questionnaire which provided identification of additional interventions
  - Analysis of received questionnaire
  - Facilitate discussion during workshops
  - Analysis of discussion

- Creating Draft Development Plan
- Delivery of Draft version on comments and suggestions to the members of working groups
- Integration of comments in the final version of the Plan
- Integration of Development Plan into the Strategy of Socio Economic Development of Zlatiborski Region 2011-2015

4. Set of interventions for strategic directions

4.1. Increasing Economic Competitiveness

4.1.1. Priority objectives and constraints

The priority objectives that will contribute to increasing the economic competitiveness of Zlatiborski Region and therefore the implementation of the development Strategy are:

- encouraging investments and attracting foreign capital
- creating business enabling environment for the growth and development of entrepreneurship
- development of priority branches of processing industry

The relatively low competitiveness of the economy in Zlatiborski Region, and therefore the impossibility of joining the global logistics chains is the result of using the out of date technology, the lack of innovation in business thus the lack of introducing new products and technologies and expanding the markets, insufficient using of capacity due to impossibility of access on export markets, lack of stronger cooperation between value chain actors, underdevelop business infrastructure and limited possibilities of financing of investment projects. Development Plan of Zlatiborski Region identified the interventions that will create appropriate conditions for private sector development and investment promotion in accordance with regional Serbian policy.

The main objective of Serbian regional policy is development of economically strong, competitive regions that could integrate into the global economy. Development of competitive regions is closely linked to the identified industries with the highest potential in the region as in the terms of attractiveness and the structure of the industry. In the theory the open market and faster transport and communication have to decrease the impact of territorial location on the level of competitiveness. However, if the location is less important, why is greater the probability of finding one of the best car industries in southern Germany than in any other location or one of the best shoe designers in Northern Italy and not on any other location? The reason lies in the fact that the clusters dominate on the current world economic map - a critical mass of competitive companies dealing within one sector in one place. The clusters are rather typical than unique.
However, the paradox is that creation of sustainable competitive advantages lies mainly in local matters – knowledge, cooperation between value chain actors, motivation, something that remotely rivals cannot achieve. Basically, the competitive advantages are based on the much more productive using of inputs[1] what require continuous innovations which have to be the base on the way toward the achievement of the strategic development directions of Zlatiborski Region, seeking to enhance economic competitiveness.

Proposed interventions for increasing economic competitiveness could be developed as integrative programmes and projects which will enable greater number of companies to integrate in global logistic chains, and thus increase procurement possibility within the Region. Basically, substitution of import from abroad and other Serbian regions as well will significantly improve possibility to generate turnover and new employment within the Zlatiborski Region.

Development of logistic chains and improvement of sails within the Region and in the neighborhood will enable in the beginning development of skills necessary for competition at global market. Latter, clusters established on the carefully selected locations will be of high importance for development of Zlatiborski Region. But unfortunately, majority of economic activities in Serbia are located in Belgrade and Novi Sad. There is a lack of appropriate infrastructure, institutions and suppliers network in distant regions. Interventions related to the improvement of infrastructure are presented within the strategic direction Balanced intra-regional development.

4.1.2. Interventions

1) Assessment of development and investment potentials of logistic chains for specific sectors
   ▪ Analysis of logistic chains of specific sectors in the Region, with special emphasize on metal processing industry, wood processing, textile industry and civil engineering
   ▪ Assessment of potentials for development of logistic chains in the Region
   ▪ Assessment of potentials for investments in actors of value chain
   ▪ Creation of integrative programmes for development of logistic chains carrying the greatest growth and development potential with the aim to access to EU and other bilateral funds

2) Based on the assessment of development potentials of logistic chains, it is necessary to create integrative programmes for improving industrial suppliers in the Zlatiborski Region
   ▪ Improving human resources through trainings adjusted to private sector needs, practices of staff employed in innovation canters, institutes or enterprises, to presentation of the best practices in managing logistic chains and introduction of good management practices
   ▪ Increasing technological capacities
   ▪ Networking with institutions offering innovative technological and services related to quality of products
   ▪ Introduction of quality standards in the specific industry
   ▪ Improving access to funds by development of effective investment plans
   ▪ Strengthening associations of suppliers or founding associations in order to improve marketing position in case there is a need for associating

3) Improving competitiveness of small and medium size enterprises
   ▪ Access to capital
   ▪ Transfer of technologies and introduction of innovations
   ▪ Technical assistance in business management
   ▪ Increasing capacities of management
   ▪ Encouraging entrepreneurship (start-ups)
   ▪ Development of women entrepreneurship

4) Creating possibilities to access capital at regional level

[1] English word used to express various factors in one word: raw materials, capital, people, information
5) Undertaking activities under local self-governments’ jurisdiction directed to construction of transport infrastructure important for economy of Zlatiborski Region

6) Energy efficiency and exploring renewable energy resources
   - Developing feasibility studies about potentials for exploring renewable energy resources in the Region
   - Construction of plants for renewable energy production based on the assessment of Studies
   - Developing supporting programmes for energy efficiency and exploring renewable energy resources

7) Establishing functional clusters in the sectors with the greatest potentials in the Zlatiborski Region
   - Mapping potentials
   - Developing integrative supporting programmes with the aim to establish partnerships, to provide co-financing and developing project applications to submit for IPA components funding
   - Promotion of cluster as a mechanism which could initiate growth in a specific sector

4.2. Agriculture and rural development

4.2.1. Priority objectives and constrains

Priority objectives which will contribute to agriculture and rural development in the Zlatiborski Region are following:
- Intensify and increase of productivity in primary agricultural production
- Development and modernization of food industry
- Progressive growth of export of agricultural and food products
- Improving quality of life in rural areas and position of female population
- Development of non-agricultural activities


Meat and dairy, fruit and vegetable sectors carrying the greatest growth potentials in the Zlatiborski Region are identified as sectors which will significantly contribute to agriculture and rural development, increasing employment and capability to generate income. Proposed interventions which will be the base for identification of programmes and projects are designed in order to improve productivity of actors in marketing and processing chain of agricultural products. Agricultural producers are faced with the same problems constraining vertical integration as well as access to local markets in Serbia and foreign markets. Agricultural market in Zlatiborski Region and in Serbia is considerably chaotic and unorganized.

The main factors determining market flow and constraining vertical integration in global foodstuff chains are following:
- Extensive or semi-intensive production
- Fragmented land property
- Inadequate sorts of plant material
Extensive fruit and vegetable production results in lower quality and yield, what, including chaotic market and high production costs, affects increased prices and makes products uncompetitive at domestic and foreign markets. Additional problem represents lack of co-operatives and associations. Big buyers require continuous supply, specific quantities and permanent quality. Agricultural producers acting individually are not capable to meet requirements of big buyers. Lack of quality standards constrains access to foreign markets and for that reason majority of agricultural producers is focused on domestic market.

Fruit production oriented to export, real potential for increasing income and employment growth, as well increased capacities for absorption of various development interventions, affected PSD team to choose fruit sector and to extend planned intervention on meat and dairy products. The Private Sector Development in South-West Serbia (PSD) programme is a three-year programme, funded by the Swiss Agency for Development and Cooperation (SDC) and implemented by the Regional Development Agency Zlatibor aiming to contribute to increasing income and employment. PSD intervention areas in fruit sector are as follows:

- Establishing the functional model of permanent advisory services to primary producers in order to increase intensity of fruit production: development of cooperation between agricultural producers and all other actors in value chain that are providing information and services in fruit sector.
- Capacity building of co-operatives: more functional cooperatives could have a large influence on increasing competitiveness of small producers. Through association they could improve the position on the market and realize added value through common fruit processing and placement on the market.
- Improving the market research functions as a precondition for innovation: fruit production in accordance with the market trends demand will enable better positioning of the fruit sector in existing market segments as well as conquest of new markets.

Systematic analysis in meat and dairy sector pointed out key problems in this segment of agriculture:

- Trends indicate decrease in livestock (livestock is decreasing 5% on yearly basis)
- Low productivity of meat and milk is measured (average productivity is three times lower than EU average)
- Decrease in consumption of meat and milk which is linked to purchasing power of local population (milk consumption six times lower than in EU)
- Inconsistency between demand and supply, lack of requested quality of traditional products and continuity in supplying the market

Unfavourable situation in meat and dairy sector is caused by number of factors, among which, the most influential are: insufficient access to information, inadequate cattle nutrition, dairy hygiene and management, lack of investments in cattle genetic potentials improvement. In respond to this, interventions are created to support:

- Collaboration and coordination between relevant parties (public & private) to deliver improved livestock extension and advisory services in accordance with farmers needs, and to commit to expanding outreach in future
- The establishment of mechanism for certification, branding and promotion of regional traditional fruit, meat and dairy products from Zlatiborski Region that will be used by artisanal producers

4.2.2. Interventions

Priority interventions for agriculture and rural development of Zlatiborski Region could be grouped as follows:
Interventions improving "soft" or business infrastructure, which could be integrated in programmes and projects directed to: improvement of co-operatives, building capacities of advisory and regional institutions, establishing functional cluster of dairy and/or meat producers.

Interventions necessary for producers in order to provide them opportunity to add value to their products and to increase export potential (protection - geographical indications of the products with the greatest potentials, introducing standards HCCP, ISO 22000, ISO 14000, Global G.A.P, as well as certification based on the religious standards in food industry)

Interventions related to the specific agriculture sectors which could be developed into the integrative development programmes are as follows: livestock, fruit growing, medical herbs (construction of capacities, introducing good practices, improving logistic chains in dairy, meat, fruit and medical herbs production)

Interventions improving “hard” infrastructure – rural utility infrastructure, transport infrastructure, facilities for fruit and vegetable growing and similar infrastructure facilities

1) Human resources development in agriculture
   - Strengthening institutional capacities and establishing local partnerships for agriculture and rural development, according current European rural development policy
   - Integrative programs for building capacities of all rural development actors – trainings of employees, trainings for SMEs and entrepreneurs
   - Improving advisory services

2) Increasing competitiveness of fruit sector through integrative development programmes
   - Improving knowledge and good agricultural practice
   - Enhancing competitiveness in fruit sector through integrative programmes for fruit logistic chain development; education, innovation, adding value to products in the logistic chain, providing continuous presence of on the market, improved capacity to analyse market needs and ways to meet market demands, introducing quality and safety standards
   - Strengthening fruit producers co-operatives
   - Improving market research as important precondition for innovations

3) Introduction of quality control system, certification of products with necessary and other standards for exporting on EU and other foreign markets, establishment of geographical origin protection on chosen food products from Zlatiborski Region.
   - Introduction of quality control systems: HACCP, ISO 22000, ISO 14000, Global G.A.P.
   - Certification according to the religious standards in food production: KOSHER and HALAL certificates
   - Establishment and accreditation of laboratory for quality control of food and certification in food safety chain
   - Capacity building of laboratory

4) Development of competitive livestock sector in mountainous areas
   - Improvement of knowledge and good agricultural practice on the field
   - Development of competitiveness through specialization and improvement of production process, storing conditions, continuity in production
   - Value chain programme development in meat sector and linking with other value chain actors
   - Value chain programme development in dairy sector and linking with other value chain actors
   - Association in order to improve market positioning, thus for stronger influence on agricultural policy and possibilities for entrance on EU funds and other financial means resources

5) Capacity building of co-operatives through support programmes for more functional co-operatives
   - Promotion of co-operatives
   - Capacity building of co-operative management
   - Development of co-operative strategy and expanding the market for co-operative products
6) Development of plantation production of herbal plants through integrative development programmes
   - Development of knowledge and good agricultural practice on the field
   - Capacity building of different forms of association/cooperatives of herbal plants producers in Zlatibor region
   - Preparation of development projects in order to apply on EU and other bilateral funds in accordance with rural development

7) Improvement of fish production in order to diversify supply in HORECA industry and generate a stable source of income

8) Cost effectiveness analysis for building the regional distributive centre of agricultural products

9) Development of organic production
   - Cost effectiveness analysis of organic agricultural production
   - Market research in order to define consumer demand
   - Adaption of natural resources according to demand of organic production
   - Improvement of knowledge and good agricultural practice within the organic production
   - Certification of organic agricultural production

10) Improvement of women position in rural areas through support programmes for more functional women associations/cooperatives
    - Raising the awareness of women from rural areas for cooperation through promotion the significant of different forms of associations
    - Capacity building of women association/cooperative management
    - Definition of marketing strategy and diversification of markets for domestic traditional products
    - Support programme development for different forms of women associations in process of introduction the new technologies thus for improvement of management for information flow, materials and finance
    - Creation of development programme mechanisms for women in the field of agricultural entrepreneurship
    - Incentives for rural women in using the ITC technologies through seminars

4.3. Tourism Development

4.3.1. Priority objectives and constrains

Priority objectives which will contribute to tourism development of Zlatiborski Region are:
   - Introduction and implementation of strategic planning in tourism industry
   - Improvement and development of tourism infrastructure
   - Achievement of sustainable rural tourism development

Each intervention is directed toward systematic corrections of reasons causing unfuctional market what will contribute to tourism development and provide growth enabling increase of income and employment. Tourism development will contribute to development of directly and indirectly connected sectors, considering food production as well as transport services.

The Strategy of Zlatiborski Region Development supports sustainable and integrative development concept and is adjusted with National Strategy of Tourism development. Zlatiborski Region is one of the 4 identified
tourism centres and is considered as one of the most popular tourism destinations in Serbia. However, the number of visitors shows stagnation and structure of demand significantly differs depending on municipality/territory. There is a lack of strategic transport infrastructure, low quality of railway transport, including water and utility infrastructure, what on the one side endanger tourism development and on the other side environment protection and preservation of natural wealth in the Region. Lack of tourism signage and bad transfer between tourism destinations further contribute to stagnation of the number of tourists and lack of extension of stay of tourists passing through.

The fact that tourism represents important resource of income and has growth potential and, at the same time is very attractive for young people, made PSD team to focus its activities on this sector. PSD programme implements tourism development interventions in 6 local selfgovernments in Zlatiborski Region: Arilje, Nova Varos, Priboj, Prijepolje, Cajetina and Uzice. In 2010 PSD published Market Analysis of the Tourism Industry in Zlatiborski County, which in addition to current state, identifies main constrains for tourism development, reasons of unfuctional market and areas of interventions to be taken. In spite to the fact that lack of infrastructure represents the main issue, PSD programme decided to work on the most realistic and feasible interventions which will provide support to regional market actors to take over basic market functions and to implement them in an efficient manner. PSD Programme’s intervention areas in tourism sector are as follows:

- Human resources development; promotion of specific profiles and establishing cooperation between schools and private sector
- Regional promotion: improving market assessment and dialogue between private and public sector, in order to create regional Marketing Plan
- Innovation in rural tourism: introducing model of services aiming to increase flow of knowledge and information between national tourism organizations, local tourism agencies and entrepreneurs in rural areas
- Cooperation and coordination: enhancing cooperation between market actors and increasing coordination in the private sector

Based on the state analysis of tourism in Zlatiborski Region, including limitations and constraints for further development and potentials for creating competitive advantages, it could be concluded that there are 4 main grounds of tourism industry development in Zlatiborski Region which should be treated together as much as possible in order to establish strong base line for integrative and sustainable development:

- Construction of transport and utility infrastructure
- Integration with other sectors – improving quality and continuity of offered products and services within support of tourism industry
- Building capacities of human resources
- Creating conditions for further development of tourism products of the Region – construction of tourism infrastructure, creating favourable conditions for private sector to invest in tourism supporting facilities (suprastructure), promotion and positioning of the Region as an attractive tourism destination

In case that any of the above mentioned grounds creating basic frame of tourism development are insufficiently developed or neglected, benefits that could be expecte from their development would not be explored to the maximum extent as well potentials in terms of generating income and attracting youth to enhance their skills and develop their careers to tourism.

4.3.2. Interventions

Interventions defined as priorities in tourism development of Zlatiborski region are adjusted to priorities in local strategies, existing initiatives (within PSD programme and Drina-Tara Project) and project ideas developed within Integrative Development Plan of Zlatiborski County.

1) Development of human resources in tourism industry
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- Integrative programmes for building capacities of tourism actors – trainings of staff engaged in tourism industry, training for SMEs within supporting activities
- Applying interventions of human resources development implemented by PSD program in other municipalities
- Establishing and improving cluster capacities in tourism – hotels, tourism agencies, suppliers of fruit, vegetable, meat and dairy products
- Improving advisory services

2) Creating data base in order to monitor efficiency of implementation of development programmes and activities and present benefits of industry sector growth to various stakeholders

- Developing unique tourism-information system and networking with other domestic and foreign information systems

3) Enhancing capacities of Tourism Organization of Western Serbia in order to increase influence and efficient promotion of the Region, as well as coordination of activities at regional level
   - Establishing integrated promotion of the Region
   - Building capacities of employees
   - Developing supporting programmes for local tourism organizations
   - Coordination of tourism organizations’ activities at regional level establishing coordination system of manifestations within the Region in accordance to events organized in neighbour and entire Serbia

4) Establishing functional tourism cluster in Zlatiborski Region
   - Mapping potentials of tourism cluster
   - Identifying new types of services and products in the Region
   - Continuous improvement of human resources and education – human resources development in tourism is one of the key interventions recognized in this Plan
   - Defining investment area for public sector aiming to improve tourism cluster activities

5) Identifying programmes of tourism infrastructure improvement which could be implemented within one year and are independent in relation to the master plans; preparation of documentation necessary for the projects to be implemented within next 5 years
   - Continuous set up of tourism signage
   - Improving and marking of walking paths and mountain cycling paths
   - Documentation for renewal of spa tourism
   - Further development of ski paths and other recreational facilities (nordic skiing paths)

6) Integrative programme of rural tourism development
   - Encouraging associations in order to provide access to funds, to build capacities and to overcome systemic constrains for tourism development
   - Establishing service quality standardization
   - Supporting programmes for creating innovative tourism products

7) Developing new tourism products in cooperation between public and private sector
   - Promotion and organization of walking tours within the Region in order to diversify tourism offer
   - Promotion of cultural and history heritage and organization of touristic tours
4.4. Balanced intra-regional development

4.4.1. Priority objectives and constrains

Priority objectives supposed to contribute to achievement of balanced intra-regional development are:

- Decreasing of socio-economic differences in the Region
- Development of regional infrastructure
- Creation of conditions for applying of European regional policies

Each regional intervention with the aim to improve competitiveness, capacity and flexibility of private sector in Zlatiborski Region, thus the improvement of investment conditions and possibilities, directly lead to decreasing of socio-economic disparities into the Region. Similarly, investments in regional infrastructure development, transport, utility and energy will contribute the overcoming of disparities in the Zlatibor region and established the strong baseline for expected economic development.

The basis of balanced intra-regional development and establishment of cohesive, economically strong and competitive region capable for integration in global economic policies is connected with good infrastructure, competitive economy and flexible human resources. Development of regional infrastructure will significantly contribute to all sectors where speed and accuracy of delivery and accessibility play a role in better positioning on foreign markets as within the global logistic chains. Also, development of regional infrastructure will contribute to the improvement of life quality in Zlatiborski Region, that will beside development of economy and new jobs creation will positively effect on migratory movements.

For all proposed interventions in Development Plan of Zlatiborski Region it is necessary to prepare all documentation within the process of responsible management of public finances in accordance with law legislative in Republic of Serbia.

In the process of responsible resources management and finance, as in private thus in public sector it is necessary to start from the Feasibility study and cost effectiveness analyse of investment from different aspects. The Feasibility studies are necessary to decide whether to continue and start next phase - preparation of technical documentation. If the objective of the study is set up appropriately, and the questions that have to be answered as well, the necessity of this step would not be considered at all. In the case that initial study predicts some key aspects, the decision makers on local and regional level wouldn't be in the situation to make good, economically justified decision and firm arguments for taking further steps or for termination of the next phase. Also, these documents are useful in the case of choosing the most appropriate models and the most acceptable solutions.

4.4.2. Interventions

1) Construction of regional roads and supporting facilities

- Construction high-way Uzice-Pozega-Zlatibor – support to initiative t start preparation of technical documentation and to promote importance of this direction for the entire West Serbia and Sumadija Region
- Construction of roads connecting Zlatibor and Pribojska Spa – preparing documentation at local level in order to provide financing for local roads of regional importance
- Construction of Kadinjaca tunnel (the shortest connection between Bajina Basta and Uzice) and Bukovi tunnel (connection of Valjevo and Kosjeric) as well- preparation of documentation at local level in order to provide financing of interventions which could contribute to functional connections of the Region with neighboring regions, primarily with East Bosnia and Herzegovina, Central Serbia and Vojvodina
- Construction of beltways encircle city/municipal canters of the Region, in order to move transit traffic outside the city canters

2) Developing roads connecting tourism destination within the Region

- Mapping regional roads important for tourism development in Zlatiborski Region and reconstruction with the aim of functional connection network within the Region
3) Development of integrative waste management
   ▪ Start of Regional sanitary landfill Duboko covering 9 local self governments, of which 6 are in Zlatiborski Region: Uzice, Arilje, Bajina Basta, Kosjeric, Pozega and Cajetina
   ▪ Complete construction of regional sanitary landfill Banjica covering 4 local selfgovernments: Nova Varos, Priboj, Prijepolje and Sjenica
   ▪ Primary waste selection concept application in the Region, by maximum utilization of recycling potentials
   ▪ Exploitation of waste for energy production purposes

4) Developing wastewater management system
   ▪ Analysis of the ability to choose the most appropriate system for wastewater treatment, considering specific characteristics of the territory
   ▪ Developing feasibility study and General projects for collection and wastewater treatment, establishing wastewater management system and construction works

5) Developing waterwork system and protection sources of waterworks
   ▪ Developing sanitary protection elaborate and markation and maintaining sanitary zones
   ▪ Developing waterworks network
   ▪ Developing waterworks system in rural areas (villages) according law

6) Ponikve airport in the function of Zlatiborski Region development
   ▪ Developing documentation at regional level for providing financing of interventions which could enable conversion of the airport for civil usage, what represents capital investment not only for the Region but for the wider society as well

7) Railway and road traffic network in the function of Zlatiborski Region development
   ▪ Cooperation with Serbian Railway with the aim to reach the most appropriate solution for Zlatiborski Region
   ▪ Developing Cost benefit study for construction of terminal for freight transport

8) Development of Information Communication Technologies in the function of balanced intra-regional development
   ▪ Determination of gaps in coordination, examination of network effects and providing additional investments for usage of ICT as infrastructure which provides and offers needed services
   ▪ Ensuring the availability of the information society to the majority of population, regardless of the geographical and social differences (E-inclusion)
   ▪ Public administration closer approach to economy and citizens through ensuring internet public services (E-administration)
   ▪ Readjusting education system based on knowledge and digital culture (E-learning)
   ▪ Ensuring electronic health services and information beneficiaries oriented. The main issues is health protection infrastructure, diseases prevention and internet education (E-health)
   ▪ Support E-trade development and reorganization of business by usage of digital technologies
   ▪ Establishing E-market for public procurements and encouraging SMEs to use available technologies (E-business)

9) Plan and development of side roads network for motorway Belgrade-South Adriatic and international road E761

10) Establishing system for emergency situations
    ▪ Defining communication and coordination plan of institutions in charge in emergency situations
• Take measures for prevention fires and reducing consequences of natural disasters, technological accidents, as well as prevention endangering health of population

4.5. Human resources development

4.5.1. Priority objectives and constrains

Priority objectives contributing to human resources development are:

• Developing socially responsible community
• Human resources development in public sector
• Human resources development in the function of competitive community
• Improving educational structure of human resources

Each of the interventions aims to improve competitiveness, capacities and flexibility of labour on the one side, and business infrastructure capacities on the other side, will significantly contribute to the overall development of Zlatiborski Region and achievement of planned objectives.

Business infrastructure includes associating in order to approach advisory services, input information, markets and new technologies through affirmation of co-operatives, clusters and enhancing business associations. At the same time, establishing functional models for ensuring advisory services in the sectors with the greatest growth potential, what will reduce the gaps and ensure adequate quality of services. And at the end, inclusion of youth in business sector and in the process of decision making, should contribute to the unemployment decrease and to create conditions for youth to find adequate solution for economic independency.

Human resources development has crucial importance for achieving objectives of sustainable development and development of sectors with the greatest growth potential. It is also a precondition for increasing absorption capacities of the Region in public administration and private and civil sector as well, for developing project ideas, for ensuring accessibility to various financing sources and for efficient implementation of activities.

4.5.2. Interventions

Human resources development in public sector aims, before all to improve existing and build new institutional capacities, in order to provide ability of local self governments to response on challenges of decentralisation in various sectors.

1) Improving human resources capacities of public administration in Zlatiborski Region
   • Improving management capacities in public sector
   • Promotion and affirmation of long-life learning concept
   • Promotion of E-administration
   • Improving skills for usage of information and communication technologies at work
   • Introducing system of human resources management in public sector – public utilities, local self governments, public institutions at regional level (employing qualified staff, introducing long-life learning and strategic planning system within public sector, inclusion of youth in public administration, establishing departments for human resources management in municipal administration and other public institutions and enterprises)

An example of improving the capacity of public administration would be establishment of Public Sector Management Cathedra at the University planned to be establish in Uzice. Considering the geographic position, the University Centre in Uzice could attract students from entire Region and thus contribute to the generation of additional revenues within the Region.

2) Development of integrated data bases and access to data bases
   • Development of public administration data bases, communication within Zlatiborski Region and networking of databases at NUTS 3 and NUTS 2 level
- Defining procedures and building capacities for maintaining, up-dating and usage of data bases
- Provide access to data bases for individuals and legal entities

Human resource development in the private sector from the perspective of regional development is primarily intended to make labour markets in Zlatiborski Region more flexible and adjustable to needs of the real sector and services sector within the region.

3) Improving capacities of human resources and readjustment to labour market needs through various support and education programmes within formal and non-formal education system as well as in the scope of development of sectors important for increase economic competitiveness of Zlatiborski Region economy and for unemployment decrease
- Defining programmes within formal education system which will be arranged according labour market needs in Zlatiborski Region – establishing University in Uzice, improving Higher Business Technical School of Professional Studies in Uzice
- Defining new and improving existing programmes within non-formal education system that will response to economy needs in the region, and that could be financed through integrative development programmes of specific sectors
- Support employment of hardly employable categories (disabled people, women, Roma ethnic population, displaced people and refugees…)

4) Development of sustainable consultant industry in Zlatiborski Region
- Assessment of type and quality of existing advisory services/products
- Developing programme for improvement of existing capacities of consultant industry
- Improving professional services at regional and local level
- Support foundation of private agencies (accreditation) for providing different type of services (for example social services)

5) Improving capacities of the existing business associations, co-operatives, clusters and creating new associating models with the aim to promote associating as model for easier access to market, advisory services, new technologies, innovative services/products and equipment for small producers with the greatest growth potential: tourism, fruit growing, live stock and food processing industry
- Promotion of various associating models
- Promotion rules and values of co-operatives and other associating models
- Improving financial and legal frame related to associations, co-operatives etc.

With the aim to improve human resources, it is necessary to enhance capacities of network of civil society organizations which are active in the areas important for sustainable development. This will ensure full participation of citizens in the process of creation policies at local and regional level, as well as in the process of monitoring and evaluation.

6) Creating stimulative legislative frame for cooperation with civil sector organizations at local and regional level
- Creating conditions (legal, organizational and financial) for implementation of projects prepared in partnership between private, public and civil sector

7) Support to accreditation of programmes (for example ensuring social protection services, establishing social enterprises, tourism services etc.) in order to provide equal approach for civil organizations to services market

8) Establishing regional capacities for continuous support to civil organizations

9) Increasing capacities for absorption of national, EU funds, bilateral and other donor funds available for private, public and civil sector
5. Implementation of Development Plan

5.1. Institutional frame

In order to ensure implementation of Development Plan through development of integrative programmes and projects, it is necessary to provide wide participation of key actors in Zlatiborski Region. Before all, it is necessary to include majority of actors in the terms of legitimacy and affirmation of ownership related to proposed initiatives. Also, it is necessary to establish partnerships capable to fulfil requirements of EU and other bilateral funds. Partnerships between private, public and civil sector are the key of integrative programmes development since they are capable to gather resources and ensure conditions necessary to absorb finances for project of regional importance.

Implementation of Development Plan is based on following institutional frame:

I. Coordination of activities in developing Strategy and Development Plan of Zlatiborski Region – Regional Development Agency Zlatibor

II. Discussions and adjusting Strategy and Development Plan – founders of RDA Zlatibor Assembly, city/municipal councils of local self governments

III. Adoption of Strategy of Socio Economic Development of Zlatiborski Region 2011-2015 (including Development Plan) – assemblies of local self governments in Zlatiborski Region

IV. Monitoring and evaluation of implementation of Strategy and Plan – Development Council of Zlatiborski Region

V. Implementation of Development Plan through defining integrative programmes – partnership between relevant actors within the Region, ownership with the proposed initiatives and capable to provide necessary resources for preparation of documentation and co-financing and implementation

VI. Defining criteria for choosing priority programme/projects – Development Council of Zlatiborski Region including coordination RDA Zlatibor

Current legislative frame do not ensure conditions for implementation of development strategies at NUTS 3 level. For that reason, it is not realistic to monitor and evaluate implementation of the Strategy and Plan of Zlatiborski Region in the next period. However, the most important is to identify projects which could be developed and implemented in future.

5.2. Next steps

Development Plan will serve RDA Zlatibor and other partners as base for identification of programmes and projects which could be developed. Annual Action plans will be defined in the first three months every year enabling submitting applications for financing with existing and future EU and other donor's funds, including national funds (ministries, funds, agencies).

RDA Zlatibor will be in charge for coordination activities of Action Plan, all in cooperation with Development Council of Zlatiborski Region. It is the most important to gather resources and use all potentials of the Region, and thus to define a path for implementation of Development Plan. During sectoral workshops, it was suggested to determine date and place for working meetings with the aim to plan and develop project documentation for the projects with regional importance, all in partnership with local self-governments, regional institutions, private and civil sector.
Revision of the Strategy and Development Plan should be performed every year, at the meeting of RDA Zlatibor Assembly and Development Council of Zlatiborski Region. The revision aims to register level of the changes occurred after projects implementation, and to include external factors affecting socio economic development of Zlatiborski Region.

5.3. Strategic directions and regional interventions

**Strategic direction 1: Increasing economic competitiveness**

1) Assessment of development and investment potentials of logistic chains for specific sectors
2) Based on the assessment of development potentials of logistic chains, it is necessary to create integrative programmes for improving industrial suppliers in the Zlatiborski Region
3) Improving competitiveness of small and medium size enterprises
4) Creating possibilities to access capital at regional level
5) Undertaking activities under local self-governments’ jurisdiction directed to construction of transport infrastructure important for economy of Zlatiborski Region
6) Energy efficiency and exploring renewable energy resources
7) Establishing functional clusters in the sectors with the greatest potentials in the Zlatiborski Region

**Strategic direction 2: Agriculture and rural development**

1) Human resources development in agriculture
2) Increasing competitiveness of fruit sector through integrative development programmes
3) Introduction of quality control system, certification of products with necessary and other standards for exporting on EU and other foreign markets, establishment of geographical origin protection on chosen food products from Zlatiborski Region
4) Development of competitive livestock sector in mountainous areas
5) Capacity building of cooperatives through support programmes for more functional cooperatives
6) Development of plantation production of herbal plants through integrative development programmes
7) Improvement of fish production in order to diversify supply in HORECA industry and generate a stable source of income
8) Cost effectiveness analysis for building the regional distributive centre of agricultural products
9) Development of organic production
10) Improvement of women position in rural areas through support programmes for more functional women associations/cooperatives

**Strategic direction 3: Tourism development**

1) Development of human resources in tourism industry
2) Creating data base in order to monitor efficiency of implementation of development programmes and activities and present benefits of industry sector growth to various stakeholders
3) Enhancing capacities of Tourism Organization of Western Serbia in order to increase influence and efficient promotion of the Region, as well as coordination of activities at regional level
4) Establishing functional tourism cluster in Zlatiborski Region
5) Identifying programmes of tourism infrastructure improvement which could be implemented within one year and are not depend of master plans; preparation of documentation necessary for the projects to be implemented within next 5 years
6) Integrative programme of rural tourism development
7) Developing new tourism products in co-operation of public and private sector

**Strategic direction 4: Balance intra regional development**

1) Construction of regional roads and supporting facilities
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| 2) | Developing roads connecting tourism destination within the Region |
| 3) | Development of integrative waste management system |
| 4) | Developing wastewater management system |
| 5) | Developing waterwork system and protection sources of waterworks |
| 6) | Ponikve airport in the function of Zlatiborski Region development |
| 7) | Railway and road traffic network in the function of Zlatiborski Region development |
| 8) | Development of Information Communication Technologies in the function of balanced intra regional development |
| 9) | Plan and development of side roads network for motorway Belgrade-South Adriatic and international road E761 |
| 10) | Establishing system for emergency situations |

**Strategic direction 5: Human resources development**

| 1) | Improving human resources capacities of public administration in Zlatiborski Region |
| 2) | Development of integrated data bases and access to data bases |
| 3) | Improving capacities of human resources and readjustment to labour market needs through various support and education programmes within formal and non-formal education system as well as in the scope of development of sectors important for increase economic competitiveness of Zlatibor Region economy and for unemployment decrease |
| 4) | Development of sustainable consultant industry in Zlatiborski Region |
| 5) | Improving capacities of the existing business associations, co-operatives, clusters and creating new associating models with the aim to promote associating as model for easier access to market, advisory services, new technologies, innovative services/products and equipment for small producers with the greatest growth potential: tourism, fruit growing, livestock and food processing industry |
| 6) | Creating stimulative legislative frame for cooperation with civil sector organizations at local and regional level |
| 7) | Support to accreditation of programmes (for example ensuring social protection services, establishing social enterprises, tourism services etc.) in order to provide equal approach for civil organizations to services market |
| 8) | Establishing regional capacities for continuous support to civil organizations |
| 9) | Increasing capacities for absorption of national, EU funds, bilateral and other donor funds available for private, public and civil sector |

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