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New Model of Regional Reindustrialization and Development of Public-Private Partnerships. The Case Study For Serbia

INTRODUCTION

Before elaborating the potential role of public-private partnership in implementing the reindustrialization strategy of Serbia in accordance with regional, sub-regional and local resources and characteristics, it is necessary to say something about the current state of national industry. From the point of themes, there are two important facts.

The first and crucial is that Serbia during the last decade has failed to exit from the process of de-industrialization, which began in 1981. There are three sub-period. The growth rate of industry in the period since 1981 to 1990 was only 1%. In the period since 1991 to 2000 the production in industry declined at a rate of -6.6%, while the growth in period since 2001 by 2010 was 0.6%. Ours analysis suggests that in the past decade was not created a new industry or any new larger industrial company (with over 1,000 employees) – so the production and employment in second half of 2011 were only about 34% to 35% of pre-transitional maximum achieved in 1987/1988 [Adžić, 2011c]. The current productivity and efficiency of what is left of national industry are below the results achieved in 1979/80. The collapse of the national industry is a key reason that the gross domestic product by the internal purchasing power (PPS) decreased from 57.9% of the EU-27 average in 1989 year to only 26.9% in 2010 [Domazet, 2011].

The second is that in the official model of economic growth and development of Serbia by 2020 [Study, 2010], was proposed the model of reindustrialization based on projects of modernization of large production systems and development of new export business and industry, above all, engaging foreign factors – international macro clusters, Multinational Enterprise (MNE) and Transnational corporations (TNC). The main remark is that this solution for the national reindustrialization should be prepared and implemented in structural re-

forms and economic, developmental and educational policies even in 2001/2002. According to the author's, exclusively (more precisely, mainly relying on this concept) can not, because of radical changes in external and internal environment (and this suggest also the economic trends in the second half of 2011. inducted by overflow of the second wave of global financial and economic crisis), result in substantial progress in implementing the reindustrialization strategy of Serbia and neutralize the large differences in spatial development [Adžić, 2011b].

According to the author's – for long-term sustainable reindustrialization strategy in function of promoting territorial, economic and social cohesion it is necessary to supplement the national reindustrialization model [Study, 2011] with measures for the implementation of the European concept of regional, sub-regional and local endogenous, auto-propulsive and self-sustainable development based on scientific knowledge. At the operational level – the essence of this concept is to create socio-economic frame at the regional or sub-regional and local level that will encourage entrepreneurs, highly educated and creative on generating and effective economic valorisation of business and technical innovation in confrontation with challenges of global competition. In technical terms, the implementation is based on socio-economic reforms and policies in function of development of creative society and innovative economy based at national, regional, sub-regional and local initiative and a wide and deep internal and international cooperation and interactive collaboration [Collection of works, 2009].

In this context, the focus of this paper is on research for good solutions for the development of public-private partnership in the function of constituting a frame for long-term sustainable strategy of reindustrialization of Serbia according to the European concept of regional, sub-regional and local endogenous, auto-propulsive and self-sustainable development based on scientific knowledge. The basic hypothesis is that the implementation of each specific project of development of public-private partnership must be derived from the concept of **developing a good business environment for the export business in accordance with the specific regional, sub-regional and local resources and specific capabilities of their development and assuring in the future.**

In accordance with this hypothesis, the processed matter is in addition to introduction and conclusion, divided into three parts. In the first part, the emphasis is on determining the basic settings (determinants) on which we should build a public-private partnership in the realization of regional strategies of reindustrialization in accordance with the basic concepts of the theory and practice of endogenous development. The second part deals with the problems and controversies regarding the role of public-private partnership in the implementation of revitalization strategies of inherited industrial districts and industrial centres in function of territorial cohesion development. In the third part of the paper, the focus is on determining the regional frame for intensification of the mechanism

of public-private partnerships as a basis for building a new model of public management and private sector management in function to increase the effectiveness of regional and local industrial policies.

THE BASIC DETERMINANTS OF REGIONAL REINDUSTRIALIZATION STRATEGIES AND THEIR IMPLICATIONS FOR PUBLIC-PRIVATE PARTNERSHIP

The presented analysis is carried out in accordance with the definition of regional strategies reindustrialization essence as a complex structure made up of various regional, sub-regional and local institutional reforms and current economic, developmental, social and environmental policies, or specific business policies – in which properly should be included global, European and national trends and policies, and business policies of Transnational corporations (TNC), Multinational enterprises (MNE) and export macro clusters, as exogenous variables. What is common, and of which starts in the proposal by author's for the selection of methodological approach for concretization of each project of public-private partnerships are the key determinants of theory and practice of endogenous development, i.e. the reindustrialization can only be realized within the frames of the model of functioning (in this case regional, sub- regional and local) socio-economic system, which will encourage: (1) **development of human capital**, (2) **improvement of productive (manufacturing) entrepreneurship**, (3) **generating and economic valorisation of innovations**, (4) **production of tradable goods**, (5) **saving**, (6) **private investment in the real economy**, and (7) **export**.

In accordance with this concept, the selection of determinants of regional reindustrialization strategies in order to concretize the content of corresponding models of public-private partnership is carried out based on the combined synthesis of results of analysis of three planes.

The first is based on de-aggregation of national space of four regions – by two bases. The first relies on the official territorial division of Serbia (outside of AP Kosovo and Metohija) in four regions: (1) AP Vojvodina, (2) City of Belgrade, (3) Sumadija and Western Serbia (4) Southern and Eastern Serbia. Within this division there is an asymmetric structure of authorities in the field of public industry regulation. The first two regions have a high degree of institutionally arranged autonomy, while the two are in preparation phase for statistical regionalization. The second is based on the idea, which is launched more than six decades ago, of forming generic growth pole (but has not been operationalized in practice in terms of their transformation into centres of excellence) around the state universities in regional centres in Novi Sad, Belgrade, Kragujevac and Nis [Adžić, 2011b].

The second is based on an analysis of the regional industries structure – divided into: (1) large-scale enterprise sector, (2) sector of small, medium and

micro enterprises, and (3) sector of commercial farms (due to the large role of food and drinks production in three regions – Vojvodina, Sumadija and Western Serbia, and Southern and Eastern Serbia).

The third in the domain of analysis included a problem of effectiveness of socio-economic-political structures and mechanisms necessary for the proper functioning of the institutions of public-private partnerships, and which are consist of: (1) cultural-cognitive, normative and regulative elements (markets, public regulations, communitarian cooperation and group and individual initiatives), which with its activities and resources provide stability by giving well-meaning to economic and social life, by (2) operating on several levels, from the world (global) to very localized interpersonal relationships [Yescombe, 2007].

In the presented context, the analysis of determinants, which should increase the effectiveness of each specific project of public-private partnership in the implementation of regional reindustrialization strategies, is reduced to a positive definition of its role in the functioning of the four socio-economic sub-systems.

The first concerns the problem of determining the appropriate content of the public-private partnership model within the set of resources, institutions and institutional arrangements, which are tasked to encourage and guide the development and improvement of productive entrepreneurship and export business in order to create a critical mass of resources for business based on (scientific) knowledge.

The second relates to determining the appropriate content of the public-private partnership model within the set of resources, institutions and institutional arrangements, which are tasked to encourage and guide the establishment and development of professional teams (consist of engineers, economists and lawyers) capable of tackling with all the problems and challenges of business activities globalization.

The third relates to determining the appropriate content of the public-private partnership model within the set of resources, institutions and institutional arrangements, which are tasked to encourage and direct the entire population, and not just its political and economic elite, on a high-quality regular and lifelong education and learning to acquire and maintain an internationally competitive knowledge and skills.

The fourth relates to determining the appropriate content of the public-private partnership model within the set of resources, institutions and institutional arrangements, which are tasked to encourage and direct the executive and legislative authorities to support the development based on (scientific) knowledge (which is in the case of industry primarily related to regional governments and local self-management and production of public goods and services of public administration for industry, construction and agriculture).

The complexity of presented approach lies in the fact that the concretization of each model of public-private partnership, has to be structured in a way that

will affect parallel and stimulating on the functioning of each of listed socio-economic (sub) systems. At the same time, not cherish the illusion – that it is possible in every case. This does not mean to reject such a project of public-private partnership – but to evaluate in the context of some other goal, for example, to alleviate the problem of unemployment of low level of knowledge and skills labor in the short or medium term.

**PUBLIC-PRIVATE PARTNERSHIP
AND REVITALIZATION OF INDUSTRIAL DISTRICTS
AND INDUSTRIAL CENTERS**

Before analysing the role of public-private partnership in function of revitalization of inherited industrial districts and industrial centres, a short overview of current state of spatial structure of industry will be exposed. Serbia (without the territory of AP Kosovo and Metohija) entered into a period of transition with a spatial structure – consisting of 26 industrial districts in which there were other 26 medium size industrial centres and 114 small industrial centres [Adžić, 2011a]. The process of de-industrialization in the past two decades resulted in a radical destruction of this structure (table 1).

**Table 1. The dynamics of change in the number of industrial centers
in Serbia 1990–2010**

| Size of industrial centres by the number of employees in industry: | Number of industrial centres in 1990 | Number of industrial centres in 2010 | Difference |
|--|--------------------------------------|--------------------------------------|------------|
| with more than 100.000 employees | 1 | 0 | -1 |
| from 50.000 to 100.000 employees | 0 | 1 | 1 |
| from 20.000 to 50.000 employees | 8 | 1 | -7 |
| from 10.000 to 20.000 employees | 17 | 4 | -13 |
| from 5.000 to 10.000 employees | 26 | 18 | -8 |
| from 1.000 to 5.000 employees | 114 | 55 | -59 |

Source: estimated by author's based on the available statistical data and cities and local governments publications.

There are various views on the socio-economic causes of the collapse of industry in Serbia [Djuričin, 2009; Adžić, 2009, 2011c; Madžar, 2011]. Certainly, the impact of factors should be taken into consideration, such as: unrealistic exchange rate and overvalued national currency, premature and excessive foreign trade and financial liberalization, outdated techniques and technologies, destroyed facilities and physical infrastructure during the NATO

aggression, unreformed public sector, high political risks, and low inflow of foreign direct investments sector of tradable goods production. However, a key factor in speeding up the de-industrialization of Serbia is a wrong concept of privatization of real and financial economy.

Today it is obvious – that the privatization did not lead to increased business economic efficiency, improving the competitiveness of enterprises, products and processes and new employment in and around industry. In 2011, 65% of the privatized enterprises were out of production and economic functions, and of the remaining, more than 40% were operating unprofitable due to high debt and accumulated losses in current business. Privatisation has not improved the business efficiency of industrial enterprises (as a logical consequences of changing ownership structure – note by author's) because the new owners were not interested in business and technological revitalization of existing production, but they had other objectives (obtaining attractive building sites, high profit through the sale of property, etc.). Because of this only a small number of (privatized) enterprises made a better result than before privatization and, primarily, those incurred by foreign capital.

Let's see – What are the results of implementation of public private partnership project in the revitalization of the spatial structure of industry in Serbia?

After 2000 three instruments were used. The first is based on local initiative for the establishment of Industrial and Technological parks and cession of prepared sites (primarily, foreign) private investors without compensation. The second is based on a system of subsidies to foreign capital from the central budget for each newly created job (in the amount of 3 to 5,000 Euro) in depressed industrial centres according to a special list (in the first place in the centres of (inherited) industrial districts). The third and most ambitious is a project of national car industry revitalization FIAT SERBIA (prepared as part of the pre-election campaign at the beginning of the second quarter of 2008) – where the main idea was, that in addition to public investments of about 700 million Euros (in the form of assignment of existing capacity, financing the labour restructuring, preparation of new sites, government guarantees on commercial loans etc.) revitalize the development pole in Kragujevac (centre of newly established region of Sumadija and Western Serbia) and build a new and activate the existing facilities of related industry (located mainly in small industrial centres throughout the territory of Serbia).

Information on initiatives for the establishment of Industrial and Technological parks and their results are very different, but a rough picture can be acquired from the review of (more or less) realized initiatives in mid 2011 by regions (table 2).

Table 2. Number of realized initiatives for establishing Industrial and Technological parks in mid-2011

| Region | Industrial parks | Technological parks | Number of Industrial centers where there is a realized initiative | Number of Industrial centers where there is no initiative |
|-----------------------------|------------------|---------------------|---|---|
| AP Vojvodina | 67 | 1 | 46 | 2 |
| City of Belgrade | 0 | 0 | 0 | 1 |
| Sumadija and Western Serbia | 35 | 0 | 20 | 53 |
| Southern and Eastern Serbia | 14 | 0 | 12 | 36 |
| Serbia – in total | 115 | 1 | 78 | 82 |

Source: Estimated by author's based on the internal materials of Association of Industrial and Technological parks founders, Regional chambers of commerce, and cities and local government's publications.

At one pole is AP Vojvodina, where only in two industrial centres (Vrbas and Srbobran) was no initiative for establishing Industrial parks. In the capital of this region dynamically progresses the development of the only Technological Park in Serbia. In the industrial centres of Indjija, Stara and Nova Pazova and Pecinci substantially new capacities were built, mainly for various forms of finishing and assembly production for the domestic market. In industrial centres Subotica and Zrenjanin, in commissioning stage or final construction stage are new facilities in export industries with relatively low technological complexity.

On the second (final) pole is the city of Belgrade, where there is no official initiative for establishing Industrial and Technological parks. New gravitational industries are located in border municipalities in AP Vojvodina (aforementioned centres: Indjija, Stara and Nova Pazova and Pecinci). The main reason is the shortage of suitable building land and the fact that the privatizations on existing industrial sites were made in the function to acquire rights for building land for other purposes (housing, shopping centres, etc.).

For Sumadija and Western Serbia region, is characteristic a (too) high expectations of the synergistic effects of the national project FIAT SERBIA. This is an opportunity to say something about its results. Although announcing its launch from a standstill in the first half of 2012. – at this point, after less than four years after its promotion, undisputed are only four facts: (1) it is unknown how much public funds were spent for its support (and how much and how had the national taxpayers on that basis borrowed from commercial banks and foreign factor!), (2) it is unknown what will be produced, how much and for what market (more precisely – unclear is the market positioning of the new model,

which production is scheduled for the second half of 2012.), (3) absent are the related industry development projects, including the (promised) revitalization of existing facilities, particularly in the electronics industry (realized projects in the domain of production of spare parts and components are related to other motor vehicles manufacturers), and finally, (4) direct and indirect employment in car industry in Serbia has been reduced, mainly at the expense of national taxpayers. The exception in this region, are the small industrial centre Svilajnac where opens the second Industrial Park (since it the first is filled) and to some extent Jagodina (centre of one of the industrial district).

In the region of Southern and Eastern Serbia, the situation is similar. Here are, also the expectations of central government dominant (in the sense that subsidies to foreign capital will lead to creation of new jobs in the industry), even in Nis, which is the second centre of high education, and until 1990 was the second industrial centre of Serbia, and which is today practically without industry. An exception in this region is the city of Leskovac (the oldest autochthonous industrial centre in Serbia, which was at the beginning of the twentieth century branded as Serbian Manchester) and the sub-region of Eastern Serbia where in every industrial centre was established and (mostly) prepared one industrial park.

The analysis suggests that in Serbia are present a number of initiatives to using the institution of public-private partnership overcome the spatial problems of underdevelopment. However, the results are not in compliance with wider societal expectations. The reasons are numerous, starting from the fact that most of the projects were launched before first wave of global financial and economic crisis. One fact deserves a special attention. The number of domestic actors in the realized projects is very small and the foreign can be divided into two groups. One is formed by those who base their expectations on the domestic market, and through various forms of final assembly and finishing production creates a space to improve their own position on the national market. The others base their expectations on cheap labour and a very liberal labour legislation (in terms of protecting lives and health at work, length of working hours and other employment rights, including also with impunity avoidance of regular salaries and allowances service), and the space to achieve their goals see in different types of export-oriented intermediate production of low technological complexity. In this sense, it can be concluded that the realized projects of public-private partnerships were not in function of reindustrialization of Serbia by the European concept of the regional, sub-regional and local endogenous, auto-propulsive and self-sustainable development based on scientific knowledge.

The analysis indicates that most of the Industrial parks development projects were realized through new construction. On the other hand, the scientifically recommended policy is that the focus in the preparation of

Industrial parks should be on mechanisms of support to public-private projects of functions revitalization of existing industrial zones (number of abandoned industrial zones in Serbia can be estimated at several hundred, while in every major industrial center is at least two completely abandoned sites). There are two main reasons for this situation. The first is the result of solution in the national Law on Privatization and the other in local politics of spatial planning. Behind these solutions is an interest's constellation of very specific actors, who (with impunity) excluded a half of the productive capital of Serbia from the economic functions (production, because of technological and human devastation has practically no meaning – note by author's). In any case, in national, regional and local development policies, in future should be embedded also the repair mechanisms of devastated and abandoned industrial zones or their conversion for other purposes. The main task is to, in each specific case, determine the time and costs of repair or re-purposing of space as the basis for the determination of appropriate public-private partnerships content.

REGIONAL FRAME FOR INTENSIFYING THE MECHANISMS OF PUBLIC-PRIVATE PARTNERSHIP IN THE REALIZATION OF REINDUSTRIALIZATION PROJECTS

In accordance with the basic hypothesis in this paper, one of the necessary conditions for reindustrialization of Serbia by the European concept of development based on scientific knowledge is establishing a good frame for the implementation of regional and local industrial policies in cite function (in sense of every old and the new industrial centre) of export business development, in order to with respect of regional, sub-regional and local specificity and greater use of own resources, creative and business potentials create conditions for directing private initiatives and means in medium and high technologies business and industries.

From this viewpoint, the main task of public and private sector management in the regional frames is to with implementation of relevant industrial policies assist in initiation and realization of integration process of education, research and production in the local and sub-regional frames on the principles of self-organization in order to: (1) development of economically sustainable farms by the commercial family farm model, (2) development of small and medium enterprises in the field of medium and high technologies, (3) clusterization to create conditions for the inclusion of commercial family farms, small and medium enterprises in the European Economic Area, (4) rehabilitation of existing industrial centres, and (5) establishment of new development centres, particularly in small urban and rural areas [Collection of works, 2009; Study, 2011].

This requires to convert each of the four regions of Serbia in pleasant places for: (1) manufacturing enterprise, (2) private investment in export business and

industries, (3) life and work (in particular, individuals with the highest qualifications and skills, which should provide conditions for the development of subsistence farms by commercial family farm model, establishing enterprises in the field of medium and high technologies and sustainability of clusterization projects in global competition), and (4) private (productive) investment.

Crucial importance for the realization are in lesser extent of material nature (above all, the availability of adequate physical and business infrastructure), and mostly cultural nature (development of cultural pattern in which the priorities are – trust, accuracy, giving a great importance to productive entrepreneurship as a basic resource for acquiring social-economic status and future – in terms of adequate rewarding the giving up in present consumption at the expense of productive investments in new business).

In this context, it can be concluded that the concrete solutions for regional and local industrial policies in the function of improving the management of public and management of private sector should be sought in: (1) hard and patient work on conversion of public goods production and public administration services from the regime of public administration into regime of public service (in terms of service industry – note by author's), and (2) creative application of mechanism of public-private partnership (through starting initiatives for parallel realization of projects of revitalization and modernization of existing production structures and development of new business as a means to improve competitiveness). The above suggests that the first is a frame in which the second factor should come to the fore.

Accordingly, the key objective of conversion of project of public goods production and public administration services from the regime of public administration into regime of public service is its transformation in active partner for: (1) insurance of customer satisfaction – entrepreneurs and private investors from in-cite and external environment in a manner that exceeds their expectations, (2) realization of the legitimate interests of the population, primarily, creating conditions for full and sustainable employment (to all those who want to work can get to the job with earnings that provide at least the level of simple reproduction), (3) attracting an entirely new work force with the highest qualifications and occupations due to the extremely favourable living and working conditions compared to the overcrowded agglomerations, and (4) development of entrepreneurial culture based on the principles of endogenous, auto propulsive and sustainable development.

The key for successful conversion of public goods production and public administration services into regime of public service should be sought in context of answer to the question – “In which way function the public goods production and public administrative service in a specific region (sub-region, local) government and what and how to do to obtain what is the purpose of their existence?” – and those are the adequate public goods and specific public administration services, in which reproduction process side by side with the system of economical criteria primary for entrepreneurs, highly-skilled workforce and

private investors, there are some broader, society, social and political factors that determine the scope, quality, prices and costs of their production and the dynamics of public investment.

The solution to these problems is in the possession and use of: (1) specific knowledge and skills, (2) abilities to plausibly understand the problem and orientation in complex and uncertain circumstances and, especially, (3) specific abilities to create solutions and persistence in their implementation. In this context, the efficiency of specific projects of conversion the public goods production and public administration services into regime of public service is, primarily, the result of competent (political) management in terms of insuring: (1) conditions for effective planning and decision making, (2) good organization and motivation of employees in public sector, (3) effective controls of work processes, and particularly (4) development of a positive culture and image in the local, sub-regional, regional, national and target international public.

The second component of regional and local industrial policy in the function of development of good business environment for the export business and private investment in industrial superstructure is the promotion of public-private partnership concept in the preparation and implementation of revitalization projects or establishment of new industrial centres, supplemented with business and technological incubators, and also projects of establishment and development of technological parks, but unlike the present situation, especially in the field of development of business and industries of medium complexity and high technologies, which engages the workforce of the highest qualifications. The structure of the policy goals of public-private partnerships development should spring from the basic socio-economic commitments:

First – creating conditions for dynamic growth of wealth of each local community in the region, including the identification of forms of economic and social organization within which the desired objectives should be realized.

Second – creating conditions for full and sustainable employment, and on that basis to improve the living and working conditions of all citizens in the region.

Third – Decreasing the degree of hierarchy and authoritarianism in order to increase the degree of openness of each local community to the outside (sub-regional and regional) and national and international environment and flexibility of (local) personnel and organizational structure in relation to the changes and their dynamic acceptance, etc.

If convert these commitments into an operational level, in the selection of goals content in specific public-private partnership projects should be respected four fundamental principles [Yescombe, 2007]:

The principle of public – the objectives of development policy of public-private partnerships must be verified through a pre-election programs, i.e., direct consultations with citizens, economic and non-economic subjects and their associations, professionals, and the like.

The principle of specification – the objectives of development policy of public-private partnerships must be public, transparent and precisely quantified.

The principle of transparency – measurement of goals realization must be performed on the basis of precise and publicly published methodologies for determining the degree of their realization.

The principle of control – there must be a political mechanism of goals realization control of public-private partnership development policy.

In the analysis of operationalization of the proposed model of development of a regional frame for the intensification of the role of public-private partnership in concrete projects of business and industries development in the domain of medium and high technologies, we must be aware that the science, at least in the dominating concept of its essence, can not successfully develop the methods and mechanisms for successful resolution of all mentioned elements. With this some fundamental existential questions of formulation and implementation of development of good frame for public-private partnership in the field of development of business and industries of medium and high technologies are left to voluntarism of (regional, sub-regional and local) politicians. Accordingly, the problem of improving the efficiency of public regulation in the public-private partnership projects is, primarily a matter of human creation, and understanding the risks behind every (public) decision.

Therefore, the establishment of frame for intensifying the role of public-private partnership in the domain of development of business and industries of medium and high technologies, must be based on the implementation of principles of cooperative macro management in the action of regional (sub-regional and local) government in economic, educational and administrative spheres. Its main function is to provide the overcoming of limitations consequences in the internal individual observation of position of enterprises or farm in global economic system structured according to the concept of endogenous, auto propulsive and sustainable development based on scientific knowledge. This view assumes a widely defined and tightly structured consensus of the most important partners – enterprises, farms (integrated in associations), banks, and trade unions, public, educational and scientific research institutions in order to create a culture of cooperation, solidarity and trust.

In case of all four regions in Serbia, the proposed implementation of the concept of cooperative macro management is facing great difficulties. Regional and local communities in Serbia are marked by deep conflicts – jagged political processes, sharp ideological schisms, political culture colours by leadership but, above all, furthering personal interests in the use of public resources. In this context, the application of techniques of cooperative macro management should have a very reactive character with task to remove the major contradictions in any specific political, economic and social sphere, which block the opening of

paths to intensify the development of more efficient satisfaction of existential personal and group needs on the basis of involvement of private factors in the development of appropriate industrial superstructure.

CONCLUSIONS

The empirical analysis suggests that there is no universal model of development and maintenance of public-private partnership in the field of development of business and industries of medium and high technologies. However, some general principles can be laid – on which should build the appropriate solutions in preparation and implementation of specific projects:

First, the basic public sector partners are – farms and production enterprises merged in macro-clusters or large business systems (whose centres are often outside of the region). In order to avoid mistakes in modelling the public policies to fit the enterprises it is necessary to work persistently and hard on the development of political and economic cultural participation and broad participation of all who are in any way involved in the resolution of problematic situations on the basis of so-called development-oriented coalitions – which in connecting and joining the resources see the possibility of penetrating on targeted segments of European and global market as the main source of growth and development.

Second, the regional policies of public-private partnership development should be based on defining the problem of development of business and industries of medium and high technologies – as a specific (primarily local) public good which main task is to create conditions for full and sustainable employment and attracting the high qualifications workforce. In this context, the role of regional and their subordinate executive power is to link the factors in the triad: *space – people – activities*, give them the meaning of existence and determine the developmental (dynamic) measure in overall material limits for their realization.

Third, decision-making about the selection of the model of cooperation between public and private factors and the realization process about the partner selection in private sector must be public based on massive participation of individuals and as actors and as a users, both for gaining credibility of overall conception, and future support for participants and beneficiaries for permanent financial viability of project.

Fourth, the regulatory institutions must be autonomous, with clearly and precisely defined authorizations and responsibilities. Legal and technical methods and procedures to be used in the regulation must be formalized, consistent, simple and transparent, in order to reduce uncertainty for both the users and the objects of regulation.

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Summary

The main objective of this paper is to find good solutions for the development of public-private partnership in function of constituting frames for long-term sustainable reindustrialization of Serbia. The main hypothesis of this paper is that the implementation of each specific project of development of public-private partnership must be derived from the concept of developing a good business environment for the export business in accordance with the specific regional, sub-regional and local resources and specific capabilities to their development and assuring in future. In this context, the paper is divided into three parts. In the first part, the emphasis is on determining the basic settings (determinants) on which should build the specific models of public-private partnership in realization of regional strategies of reindustrialization in accordance with the basic concepts of theory and practice of endogenous development. The second part deals with the problems and controversies regarding the role of public-private partnership in the implementation

of revitalization strategies of inherited industrial districts and industrial centers in the function of territorial cohesion development. In the third part of the paper, the focus is on determining the regional frame for intensification of the mechanism of public-private partnerships as a basis for building a new model of public management and private sector management in function to increase the effectiveness of regional and local industrial policies.

Nowy model regionalnej reindustrializacji a rozwój partnerstwa publiczno-prywatnego. Przypadek Serbii

Streszczenie

Głównym celem opracowania jest poszukiwanie właściwych rozwiązań dla rozwoju partnerstwa publiczno-prywatnego, które realizuje funkcje tworzenia ram dla długoterminowej reindustrializacji Serbii. Podstawową hipotezą badawczą jest stwierdzenie, że wprowadzenie poszczególnych projektów rozwoju partnerstwa publiczno-prywatnego musi bazować na koncepcji rozwoju korzystnego środowiska biznesowego dla eksportu, zgodnie ze specyficznymi regionalnymi, subregionalnymi i lokalnymi zasobami oraz możliwościami ich rozwoju i zapewnienia w przyszłości. W tym kontekście, opracowanie zostało podzielone na trzy części. W pierwszej nacisk położono na określenie podstawowych warunków (determinant), na których powinny być budowane poszczególne modele partnerstwa publiczno-prywatnego dla realizacji regionalnych strategii reindustrializacji zgodnych z podstawowymi koncepcjami teoretycznymi i praktyką rozwoju endogenicznego. Część druga dotyczy problemów i kontrowersji wokół roli partnerstwa publiczno-prywatnego we wprowadzaniu strategii rewitalizacji dystryktów przemysłowych i centrów przemysłowych dla realizacji funkcji budowania spójności terytorialnej. W części trzeciej opracowania skoncentrowano się na determinantach ram regionalnych dla intensyfikacji mechanizmów partnerstwa publiczno-prywatnego jako podstawie budowy nowego modelu zarządzania publicznego i zarządzania w sektorze prywatnym dla zwiększenia efektywności regionalnych i lokalnych polityk przemysłowych.