ANNALS OF THE UNIVERSITY OF ORADEA
Fascicle of Management and Technological Engineering
ISSUE #3, DECEMBER 2014, http://www.imtuoradea.ro/auo.fmte/

ROLE OF REGULATORY FACTOR IN ECONOMIC DEVELOPMENT

Jugoslav ANIČIĆ[1], Dragan ĐUKIĆ[2], Miloje JELIĆ[2], Jasminka M. ĐUROVIĆ[3], Srećko RADOJIČIĆ[4]
[1] University Union-Nikola Tesla, Faculty of Entrepreneurial Business, Belgrade, Serbia, e-mail: ajugoslav@yahoo.com
[2] High Business School, Blace, Serbia, e-mail: jelic.m@open.telekom.rs
[3] High Business School, Blace, Serbia, e-mail: jasminka.djurovic15@gmail.com
[4] High Business School, Blace, Serbia, e-mail: s.radojcic@open.telekom.com

***Abstract*—**The developed countries of Europe and the newly industrialized countries achieved their economic development due to the significant role of the country that with the economic policy measures removed deficiencies of the market, such as monopoly position, the changes of the exchange rate, the rigidity of the labor market and others. On the other hand, a large number of developing countries, including Serbia, accepted the so called neo-liberal concept of economic development that excludes the country from market developments. This model gave a very negative results in Serbia, where the economy has reached a state of general insolvency and high debt, with the established monopoly structures and bank-centric financial system that do not have the function in the development of the economy and improving the competitiveness of enterprises. Measures adopted by the Serbia at the end of 2012. in the field of introducing financial disciplines in respect of payment deadlines in commercial transactions, is a positive signal for the elimination of absolute asymmetry of power between participants in the Serbian market. It is good if these regulatory measures represent deflection from earlier irresponsible economic policies and represent a systematic approach to solving the accumulated economic problems.

***Keywords*—**insolvency, regulatory measures, financial market, competition, debt.

I. Introduction

THE transformation of the economic system in Serbia has not yet been completed. Judging from the development point of view, more than ten years of the transition period is are economically lost, and will certainly be required a long time to repair the consequences of the economic distortions and the economic downturn and achieve economic development from the 90's. In the transition period, the Government has given up a number of measures of economic policy, leaving the disordered market to takeover that role. The result of such relations of the country towards the economy is extremely low competitiveness of Serbian enterprises, so Serbia takes only 95th place out of 142 ranked countries according to the report of the World Economic Forum.

The Serbian economy is affected by the general lack of liquidity and high indebtedness. Generators of insolvency of the Serbian economy are country through its public enterprises, monopoly structures resulting from the corruption of privatization, especially large retail chains and financial system in which the dominant (cartel) position has the banking sector, whose business policies are oriented towards the maximization of their own profits at the expense of the economy and citizens of Serbia. The consequence of such relations is economic system burdened by the structural discrepancy, underdeveloped technology, inefficiency, low investment level and high foreign trade deficit.

Serbia failed to avoid the negative effects of globalization, a process that favors large international companies and speculative capital, to the detriment of the economic development of less developed countries. In order to prevent further decline in economic activity Serbia has to take a different economic policy to prevent further negativity in disordered market and restore operations to normal. For this purpose, a especially large effects are expected from a measures of payments control which prescribe the longest payment deadlines of debtor-creditor relations, which aim to protect the sector of small and medium-sized enterprises and entrepreneurs, as the most vital part of the economy.

In this sense, the purpose of this paper is to present the main causes of insolvency and indebtedness of the Serbian economy, and the role of the state in economic development and the necessary regulatory measures that will stop the negative tendencies in economic trends in disordered Serbian market.

II. Influence of the State on Economic Development in the Transition Period

In the reconstruction and economic development of developed countries and newly industrialized countries of Europe a major role was exercised by the state. It has a direct impact on the transformation of the economic structure over the policies for stimulating the priority industrial sectors and measures of export, fiscal and technological development policy through state and para-state institutions. Thus, for example, the newly industrialized countries in the mid seventies, through the government agencies, highly controlled foreign trade regimes, exchange rates and the terms of use of foreign loans, with the introduction of the policy of import substitution and export promotion. Imports were controlled and selective, and the banking sector was until in 1985., essentially nationalized, and through the credit and interest rate policy was the main lever of government intervention in stimulating the priority economic sectors. Therefore, these countries have consistently respected the logic of market rules, but at the same time, the rules of the market were directly affected by the state, which has itself to complied with these rules in a situation where it occurred as a participant in the economy. The state was removing the identified deficiencies of the markets such as monopoly positions, the overvalued exchange rate, underrated capital, the rigidity of the labor market and so on. It has also intervened when the market did not provide the optimal allocation of resources, encouraged the export sector, research and development, workforce training, etc.

Modeled after the them, our state should have a major role in economic development, particularly through the activities of the planning of industrial development and the impact on the direction of investments by a large number of stimulus measures, as well as the protection of domestic industry by the measures of the economic policy and investment in human capital – education of staff. The functioning of large systems (energy, transport, communications ...) is completely ineffective without the support from the state.

Leading the development of macro-economic, financial and foreign trade policy with the measures of regulation of the investment activities, price controls and fiscal incentives are some of the basic tasks, as well as the prevention of creation of the monopoly and oligopoly market structure. The task of government is to introduce regulatory mechanisms for controlling the investments, allocation of credits, prices and to, through public enterprises, intervene in production. Also, the indispensable role of the state in is the role of supporting the scientific and technological research and providing scientific and technological infrastructures.

Many solutions that have been proven in the post-war experiences of reconstruction and market economy development of Western Europe and the newly industrialized countries can be adapted and implemented in accordance with our development needs. On the other hand, the neo-liberal system of economic development on the model of the World Bank and the International Monetary Fund, has not, in the practical application, given the good results in a number of countries. This was one more reason that in formulating the economic policies, for the neo-liberal solutions not to be accepted as the best for the economic and social development of Serbia.

As a result of such economic policy, without long-term development strategy, a very weak results were created in the Serbian economy. During the transition period, due to restrictive credit-monetary and fiscal policy and the process of de-industrialization, in particular, traditional, sectors of industry the production volume was reduced to the extent that there is a danger that these sectors are fully extinguished. Some economic activities disappear, and in their place slowly, in small scale, and new activities are being created through the development of the sectors of small and medium enterprises through foreign direct investments.

In the absence of long-term development strategy, the restructuring of our economy is conducted in accordance with the criteria of the world market and interests of big capitals - multinational corporations and local big capitals acquired in a nontransparent way in the privatization process. In such competition conditions, the economic sectors, whose products, due to the low competitiveness (low productivity, obsolete technology and high production costs), can not be realized on foreign markets, have collapsed. Sectors that are persisting are only those sectors of the economy where, privatization and direct investments, the big capitals find their interest. It is undisputed, however, that the survival of only those sectors, and decline of those where big business do not fit their interests, to the interests of our economy as a whole.

After more than ten years of transition in our economy, we can conclude that the results are extremely modest. Thus, the BDP per resident in Serbia, is only € 4500, which is four times less than Slovenia, and over six times less than the average BDP of EU-15. Serbia belongs to the group of countries with the lowest standards of living in Europe: Net earnings in Serbia in 2012th were less than 400 euros in average, and the purchasing power of our population is three times less than the average in the EU.

Results of the TABLE I indicate to a major cause of lag in the overall economic growth of our country in the transitional period, and it is neglected development of industry, especially the manufacturing sector of this industry, which is the basic lever of industrial and economic development of most economically developed countries, as well as many other countries in the region.

TABLE I. THE GROWTH OF MANUFACTURING INDUSTRIES FROM 2001. TO 2008. YEAR

O.No.	Country	Percent of growth
1	Poland	84
2	Bulgaria	76
3	Slovakia	61
4	Romania	41
5	Hungary	55
6	Croatia	40
7	Serbia	16

Source: Republic Development Bureau, 2009.

The main macroeconomic indicators of the Serbian economy (BDP, industrial production growth, unemployment rate, inflation, foreign trade deficit ...) are significantly lower than the average of EU countries. The change in ownership structure in the transition period did not lead to solving the problem of structural imbalances of the economy so that Serbia since 2008. notes the decrease in competition from 84 to 95 place in the world in the 2012th year, according to the report of the World Economic Forum for 2012. Economy of Serbia is not sufficiently adapted to the high demands of competitive foreign markets, so the exports are concentrated in developed regions, while the participation of some underdeveloped regions in the total export is symbolical. Foreign investors are also concentrated in the areas of major cities and developed regions, which further more deepens the already significant regional differences in development. The entire transition period is characterized by an extremely high foreign trade deficit (TABLE II), which is unsustainable in long-terms and caused by the indiscriminate imports, which further more suppresses domestic producers.

TABLE 2. IMPORT AND EXPORT OF GOODS IN THE PERIOD 2003. - 2011. YEAR (AMOUNTS IN MILLIONS OF EUROS)

Year	Import of goods	Export of goods	Export coverage of the import (in %)
	1	2	3 (1:2)*100
2003	6.589	2.442	37,06
2004	8.769	3.119	35,57
2005	8.564	3.944	46,05
2006	10.463	5.102	48,76
2007	13.507	6.432	47,62
2008	15.494	7.428	47,94
2009	11.505	5.961	51,81
2010	12.622	7.393	58,57
2011	14.250	8.441	59,23

Source: Statistical bulletin of the National Bank of Serbia, 2012.

The economic policy of the transitional period has caused an extremely high public debt of Serbia and its unfavorable structure because it is for the most part denominated in euros and is in the hands of foreign investors, so that further borrowing should be mainly in local currency and in the longer terms.

III. Generators of Insolvency and Indebtedness of the Serbian Economy

Insolvency of companies is one of the biggest problems of the Serbian economy. Number of blocked companies tends to increase for a longer period, which indicates that these companies can not pay their obligations to other companies-business partners, the state based on tax liability, public utilities, banks based on the repayment of loans received, and this causes a chain insolvency that has reached such alarming proportions.

The causes of this state of insolvency in the economy of Serbia are numerous, ranging from those that are the result of a faulty model of privatization in this period to the subjective factors in enterprises. A number of negative aspects of our business environment came to the foreground, from adverse economic structure inherited from the past, outdated business practices and ways of business up to the widely-spread corruption in the system. The act of changing the ownership does not always guarantee a more efficient business operations, so a large number of privatized companies achieve weaker results compared to the period before privatization.

The main factors of general insolvency of the economy are state, monopoly structure of retail chains and the banking system.

One of the generators of the general insolvency of the Serbian economy is the state, through its irrational, public enterprises. These companies are significant customers of the product and service users of small enterprises. Public companies do not pay their dues on time to their suppliers by which the inflation tax loses a fundamental substance of capital of small businesses. Delay from the state affected are the complete certain important sectors such as construction, which has great influence on the development of many other industries. Business with the irrational and laps of a part of the economy, and a healthy and vibrant small sector of business falls into the system of connected courts of chronic insolvency.

On the one hand, the state has no money to pay obligations to contractors and other suppliers, and on the other hand it is borrowing to subsidize expensive bank loans and borrowers. At the same time, subsidizing the loans with currency clause means undermining its currency. External and internal debts have grown enormously, the economy is about debt noose itself, while banks continue with charging astronomical interest rates. If the state with the borrowed money payed obligations to suppliers it would lead to at least domestic debt reduction and the overall liquidity would be improved. The economy would gain earned money and would not have to further borrow from banks; it would be not only economically fairer and more efficient, but the effect would be the restoration of confidence in the state. This relationship leads to the loss of the sector of small and medium-sized enterprises, the main drivers of the development of our economy.

In the last period of transition in Serbia a strong private sector has been created, and several companies have tended to be significant regional players. All these companies have a short period of development, operating in a number of industries and freely acquire a monopoly position in the Serbian market. The characteristic of these firms is to blackmail small businesses for years, their business partners, in different ways and primarily with nonpayment of goods or services. It is primarily the large retail chains that dominate the market and dictate terms to its suppliers who, on the other hand, are forced to suffer such power asymmetry, because they often have no other way to survive and develop. In the development of such relations, state behaves completely passively although it mainly contributed to the acquisition of monopoly position of these retail chains, through the privatization process after the year 2000. A severity level of monopolization of the market in Serbia is the fact that Serbia is on 139th place out of 142 countries ranked in the 2011th year (TABLE III).

TABLE III: POSITIONS OF SERBIA ON RANKING LISTS OF COMPETITIVENESS INDICATORS IN THE PERIOD OF 2008-2011. YEAR

	2008. (out of 131 countries)	2009. (out of 133 countries)	2010. (out of 139 countries)	2011. (out of 142 countries)
The extent of the market's monopolization	131	131	138	139
Development of financial market	89	92	94	96
Business development	100	102	125	130
The national savings rate	125	123	131	103
The quality of the export structure	110	111	133	136

Source: The World economic Forum, The Global Competitiveness Report (for 2008/2009., for 2009/2010., for 2010/2011., and for 2011/2012.)

Financial systems are crucial to the allocation of resources in a modern economy [Allen, Gale, 2001; 3]. The task of the financial system of the country is to provide optimal allocation of financial resources and ensure higher overall rate of economic growth. The special significance the financial system has in transition countries where due to the underdevelopment of financial markets banks play a dominant role in financing the economy. The financial system of Serbia after the year 2000, was completely open to the entry of foreign banks, which today in total capital of the sector participate with more than 70%. The confidence in the banking system is returned and the savings exceeded the level of 7.5 billion euros. However, interest rates on loans to companies and households are much higher than in countries where the bank originated. One of the causes of an unenviable situation in which Serbian economy is certainly the banking system whose only business motive seems to be the maximization of its own profits at the expense of other participants in the financial market.

In developed market economies, the financial system is regulated comprehensively and in extreme detail. States regulates the financial markets for two main reasons: to increase the availability of information to investors and to provide thorough financial system [Mishkin, Eakins, 2011; pp. 74]. Control of the volume grew out from the need for construction and maintenance of trust of subjects of the sufficient and deficient sectors (required financial transactors) in security and equal treatment in the financial markets. Security is the foundation of efficient functioning of the financial system, and efficient financial system is the basis of dynamic and sustainable economic development. The state regulates the financial system in three main areas that influence trust in financial markets and financial institutions: control of equal access to relevant information, control of financial institutions business and the control of monetary policy [Šoškić, Živković, 2009; pp. 23].

Characteristics of the banking system in Serbia is, despite the extremely high interest rates and low levels of regulation, the protection of consumers of financial services with the possibility of unilateral modification of lending by banks. The commitment of the commercial banks to operate in the crisis period, with low investments and high interest rates produces extremely large negative effects on the economy. This raises the issue of justification of banks that hold savings and deposits of the population and the economy, under the pretext of high risk do not place their money in the economy. The interest of the economy (and citizens) of Serbia is not to keep money in bank accounts abroad and in government bonds, but also to fund the development of projects of the local companies.

In Serbia, the claims from the bank officials that are often heard are that the banking system is “safe, reliable and stable”, while it quite downgrades the effects of commercial banks' policy of economic development (and standard of living). About the development of the financial system indicates the data of the World Economic Forum (TABLE III), from which we see that with the time the position of Serbia goes worse as, in the end, reflects the very low place in terms of quality of export structure (136 place out of 142 countries). The banking system must be in function of Serbia's economic development and raising the competitiveness of the companies and not in a function of maximizing their own profit.

Lending to the economy in this period is characterized by high interest rates far higher than those in developed countries including those in the region as a result of the policy of the banking sector in our country. Special problems of obtaining a loan has the sector of small companies, due to inadequate means of securing the necessary resources. Also, due to the increased risk of lending to the economy, our commercial banks are increasingly buying securities issued by the National Bank of Serbia, thereby reducing the potential for credit financing of economic development.

Chronic insolvency of companies and businesses in the high indebtedness zone (TABLE IV) is continued in recent years. According to the Agency for Business Registers in 2012th there were 8,658 new registered companies, and 7,355 companies are deleted from the registry. Number of deleted companies in the 2012th was as much as 40% greater than in the pre-crisis, 2008th year. In addition, in the process of the liquidation at the end of 2012. year there are even 5,686 more companies and 2,647 are in the bankruptcy proceedings. As for entrepreneurs, number of deletions is greater than the number of newly established; number of established is 30,200 and number of deleted entrepreneurs is 32,583.

TABLE IV. THE SHARE OF ENTERPRISES IN EXTERNAL DEBT OF THE REPUBLIC OF SERBIA (AMOUNT IN MILLIONS OF EUROS)

	2002	2009	2010	2011
State of external debt (A+B)	9.402,1	22.487,3	23.786,4	24.125,4
A) Long-term debt (1+2)	8.796,0	20.482,5	21.956,0	23.477,5
1. public sector	8.532,5	7.762,3	9.076,4	10.773,3
2. private sector	263,6	12.720,3	12.879,6	12.704,2
2.1. banks	28,3	2.569,9	3.361,9	3.782,4
2.2. companies	235,2	10.123,4	9.517,6	8.921,8
B) Short-term debt (1+2)	606,1	2.004,8	1.830,4	647,9
1. Public sector	95,9	1,5	-	-
2. Private sector	510,2	2.003,3	1.830,4	647,9
2.1. banks	18,7	1.713,1	1.730,7	581,7
2.2. companies	491,5	290,2	99,7	66,2

Source: Statistical bulletin of the National Bank of Serbia, 2012.

Nearly half of the total external debt of Serbia is accounted for corporate debt. Data on the amount of indebtedness of the companies in the crisis years (2008-2011) show a very large increase in foreign debt compared to 2002. year (approximately 40% of total external debt goes to the companies). Debt of the corporate sector in the late 2011. is amounted to 8.921,8 million euros and in comparison to the previous years it is decreased by 6.6%. The share of foreign debt in Serbia's BDP (TABLE V) tends to increase over the entire period and is very close to the limit of 80%, which is as considered the lowest limit of high debt, according to World Bank criteria.

TABLE V: SHARE OF EXTERNAL DEBT IN BDP OF SERBIA IN THE PERIOD 2002-2011 YEAR (IN %)

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
External debt/BDP	58,7	55,9	49,8	60,1	60,9	60,2	64,6	77,7	84,9	77,5

Source: NBS, Indicators of the external position of Serbia, 2012.

IV. REGULATORY MEASURES TO IMPROVE FINANCIAL DISCIPLINE

The Serbian market is not regulated, so when the state turns its head form such a market and then with that non-interference sends a clear message that it is on the side of strong and that allows them to abuse market positions. Chronic lack of liquidity of the Serbian economy is not a consequence of the global financial crisis, but the result of financial indiscipline of the state and economic structure dominated by monopolies and cartels. The market is dominated by large companies, in particular trade, and there is absolute asymmetry of power. Large customers to their suppliers can dictate the kind of change they want or according to their needs. Deferral of payments in high inflation and enormous interest rates is more than profitable. This structure, as well as patterns of behavior that derive from it, is one of the primary causes of too high, by European standards, inflation. Specifically, in the system of payments with an extremely long duration of discharge, dealers in their prices implant the financing costs and the risk of non-payment and the prices go up even when the policy of the National Bank of Serbia is restrictive.

After more then a decade of domination of monopoly and cartel structures, the state has finally begun with the emergency legislation in order to introduce financial discipline in payments. The National Assembly of Serbia by the end of 2012. passed the Law of the terms of settlement of financial obligations in commercial transactions, with the application starting with 31st March 2013. The starting point for the development of these legal solutions, represents the EU Directive (2011/7/EU) since 16th Feb. 2011. which is related to the prevention of delays in commercial transactions. The aim of the adoption of this Directive is to prevent delay in payment of money transactions in order to ensure the proper functioning of the internal market and thus boost the competitiveness of the economy. The Directive provides a general payment term of 30 days, but the time limit can be extremely allowed for payment within a period of no longer than 60 days in special cases

The law shall determine deadlines for the fulfillment of financial obligations in commercial transactions:

1) *between the public sector and businesses, which implies*

    a) when in the contracted relation the public sector is borrower, the deadline for the settlement of financial obligations can not be longer then 45 days, unless the borrower is the Republican Health Insurance Fund when the maximum term is 90 days;

    b) when in the contracted relation the debtor is economical subject, the deadline for the settlement can not be longer than 60 days

2) *- between business entities, in order to prevent failure to pay financial obligations on time .*

Legal provisions stipulate that for the contract between business entities deadline can not be predicted for the settlement of financial obligations longer than 60 days. Also required are three types of exemptions from basic solutions such as:

a) -the payment of the installments (where the total payment period can not exceed 90 days);

b) -the payment of which there are means of securing agreement between business entities the payment deadline may be predict the deadline for payment longer than a period of 60 days, with the obligation of the borrower to secure payment in the agreed period to the creditor guarantees that contains the clauses "irreversible", "unconditional" "payable on first demand without protest" or Guaranteed by the Bank notes as a form of security for a debt.

c) -when the debtors are certain entities engaged in agriculture.

It is stipulated that the judicial process of execution of financial liabilities, as defined by the Law, is done by applying the principle of urgency. We hope that the state will standardize its terms of payment and settle the liabilities in the order they are due, because of irregular payments would mean the persistence of corruption. It is undisputed that is not good when the state interferes in the relations of companies in regulated markets, but the Serbian market is far from regulated.

One of the measures that would obviously help out to exit the vicious cycle of insolvency and debt is a mechanism of the so called multilateral compensation. The economy must enter into the process of multilateral compensation to which all creditors would register their claims without fear of reprisals from the powerful debtors. It would certainly alleviate the problem of insolvency and point out on the insolvency generators and companies that must go into bankruptcy.

The question that arises is, how much can anticipated regulatory measures be effective in the existence of such a market structure and acquired monopoly positions? Also, if the measure is taken at the beginning of the transition period would we have had less liquidated enterprises, especially small and entrepreneurial-oriented? Finally, what is the price of irresponsible economic policy of the state measured by financial indicators with overflow of funds by domestic companies to the powerful debtors (monopolies) and the banking sector? It is good if these regulatory measures represent the deflection from earlier irresponsible economic policies, and if they represent the announcement of a systematic approach to solving the economic problems.

The state is expected to have much larger role in the further regulation of the financial system because the distinct dominance of the banking sector in the Serbian financial market is the consequence of leading the wrong economic and monetary policy in the transition period. First of all, in Serbia there is no state development bank whose creation efforts have failed repeatedly. Professional and non-politically driven Development Bank would prepare and realize long-term development projects, the ministry and the government would retain the authority to define the strategy and policy of development. This would consolidate development efforts that are now scattered in several ministries, agencies and funds, eliminate discretion, reduce administration and deepened under-developed financial system.

Also, the state has to provide a legal way for the establishment of microfinance institutions, which in many developed economies are excellent companion of small businesses and entrepreneurship, due to its interoperability and flexibility. As a reminder, microfinance institutions have been abolished by the Legislation of banks of the 2005th year, which, among other things, provided their current cartel position.

On the other hand, due to the economic crisis investment funds and other financial institutions were not developed, so the banking sector was allowed to dictate the terms of financing. The National Bank of Serbia must use all available instruments (the required reserve ratio, the reference interest rate, etc.) and affect the commercial banks to reduce interest rates and the associated costs of lending, as well as to keep the level of loans in accordance with the developmental needs of the Serbian economy. The goal of the commercial banks must not only be profit maximization, but they have to adapt their policies to the current state of the economy and contribute to the preservation of the economy in the way that it is done in the EU and other developed economies. Significant measures that in the future must be supported by the government are the reform of the tax system (in terms of reducing tax collection and reduce fiscal procedures), as well as to encourage small and medium enterprises to merge in clusters, business incubators and the like.

V. CONCLUSION

The practice of developed countries in Europe and the newly industrialized countries has shown that the main role in the reconstruction and economic development took the government. Development macro-economic, financial and trade policy, regulation of investment activities, price controls and fiscal incentives, prevention of the creation of monopoly and oligopoly market structure are the main tasks of the state. In contrast, a large number of underdeveloped countries that based their development upon the neo-liberal concept, experienced an economic recession and high dependence on international financial institutions.

Serbia's economic policy in the transition period is based on the neo-liberal model that has led Serbia to a sharp drop in industrial production and weakening the competitiveness of local enterprises. Parallel with that, monopolistic structure of the economy were formed, especially in large retail chains and financial system in which the dominant role has the banking sector, with the majority of foreign ownership. This balance of power has a particularly negative impact on the development of the sector of small and medium-sized enterprises and entrepreneurship, as the most vital part of the economy that needs to be the bearer of economic growth and export.

The measures undertaken by the state at the end of 2012. in the introduction of financial discipline in the payment system, based on the EU Directive (2011/7/EU), provide a valuable basis for the regulation of the internal market and increment of the competitiveness. Shortening the terms of payment in commercial transactions will mostly benefit the entrepreneurial-oriented businesses, which have suffered most from the established monopolistic structures and bank-centric financial system. It is particularly important that these measures represent a departure from previous irresponsible economic policies and an announcement of a systematic approach to solving accumulated economic problems.

REFERENCES

[1] Aćimović, S., Ključni generatori nelikvidnosti srpske privrede, NSPM Analize, Beograd, 2010. str 39-49.
[2] Agencija za privredne registre: Saopštenje o rezultatima privrede u Republici Srbiji ostvarenim u 2011. godini, Beograd, 2012.
[3] Allen, F., Gale, D. Comparing Financial Systems, The MIT Press, Cambridge, Massachusetts, London, 2001.
[4] Aničić, J., Radović, D., Radović, B., Finansijski aspekti privrede Srbije u kriznom periodu, DEB Ekonomski vidici, br.3, str 323-334, Beograd, 2012.
[5] Dašić, P.: Application of polynomial regression models for approximation of time series. *Journal of Economic and Management Based on New Technologies (JEMoNT)*, Vol. 1, Issue 2 (June 2012), pp. 81-160.
[6] Ekonomski institut, Bilten „Makroekonomske analize i trendovi“, više brojeva, Beograd, 2012.
[7] FREN, Postkrizni model ekonomskog rasta i razvoja Srbije 2011-2012., Beograd, 2010.
[8] Mishkin, F., Eakins, S. *Financial Markets and Institutions,* Global Edition, seventh edition, Pearson, England, 2011
[9] Narodna banka Srbije, „Analiza duga Republike Srbije“, Beograd, 2012.
[10] Narodna banka Srbije, Statistički bilten, Beograd, 2012..
[11] Republički zavod za razvoj (2010) : Izveštaj o razvoju Srbije 2009, Beograd.
[12] Šoškić, D., Živković, B., Finansijska tržišta i institucije, CID Ekonomski fakultet, Beograd, 2009.
[13] The World economic Forum, *The Global Competitiveness Report* (2008/2009., 2009/2010., 2010/2011., 2011/2012.).
[14] Vlada Republike Srbije : Nacionalna strategija privrednog razvoja Srbije 2006-2012., Beograd, 2005.
[15] Web site: www.emportal.rs (2012). (pristupljeno sajtu u decembru 2012).
[16] Web site: www.economist.com (2012). (pristupljeno sajtu u decembru 2012).