

## IMPORTANCE OF MAKING STRATEGIC DECISIONS IN COUNTRIES IN TRANSITION AND CONNECTION WITH THE ENVIRONMENT AND SUSTAINABLE ECONOMY GENERALLY SPEAKING

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### **Abstract**

*The accession of a number of transition countries of the EU, such as the Republic of Serbia, essentially means the adoption of strategic decisions at the state level in the context of wider EU decision. The authors based their observations on the EU 2020 strategy, which is essentially defined as: smart, sustainable and inclusive growth. The EU has adopted the basic principles of 2010, with the main objective to economic growth throughout the EU based on knowledge, but with respect for the principles of environmental protection, increasing employment, and increase in other basic principles of economics of the company to the state. You could say that the entire system such observations cohesion productivity growth economies of EU member states and social cohesion and socially responsible behavior.*

*This approach was incurred because there is a need of constant adjustment economies member changes at the global level. Notwithstanding the universal adaptation of all EU member states, however, one part remained reserved for a special adjustment of each member country (it depends on the specific characteristics of each country to adapt) in accordance with national goals adopted by any government of a Member State specifically for your country, through national development plans, plans of adjustment and reform plans.*

*The consequences of the Great Depression are highly visible and in early 2016, particularly in terms of rising unemployment, rising unemployment especially of young people in all old EU member states. The responsibility for this state of affairs is not only the governments of member states, but responsibility must be sought from the representatives of big business, trade unions, associations, non-governmental organizations and all other stakeholders who have imposed in the decision-making processes, and in a crisis to minimize its impact, because it does not response. At the end of the aforementioned macro effects should be seen in the context of sustainable-environmental management, because then it brings a new quality.*

**Key Words:** European Union, strategic management, ecology, development.

**JEL Classification:** Q19, Q29, Q59.

### **1. Introduction**

Strategic planning in the EU began in 2000, namely the adoption of the Lisbon Strategy in 2000, to under that strategy adapted in the next 10 years, more precisely to 2010, the EU has become the most competitive and

dynamic economy in the world. It is assumed knowledge development, sustainable development and economic growth, with an increase in the number of quality jobs and strengthening social cohesion [1].

In addition to this general observation it should be noted the existence of several important factors of influence in the period 2000-2010, such as:

- The emergence of the economic crisis,
- Receipt of several new states to the EU,
- The aging population of the EU,
- Increasing competition in the emerging economies.
- Not fast enough to increase knowledge among young workers across the EU and others.

In the documents of the Lisbon Strategy point was:

- The average annual growth of 3%,
- The employment rate of 70%.
- Retain 50% of workers age 55 to 64 years and
- The extension of the service life of 5 years.

2005 produced a redefinition of the basic postulates mentioned, so that research and development are 3% of GDP, of which 2/3 of the population should be from the private sector, and that 30% of EU citizens used high speed internet [2]. Time was created conditions for the adopted strategy, under the policy and legal acts directed at achieving the goals of the strategy, including the budget 2014-2020 [3].

From the results obtained can be seen the basic objectives of the strategy Europe 2020, raising the employment rate of people from 20 to 64 years from 69 to 75%, increase in funding of GDP for education, 20% to reduce emissions, reduce early school leaving from 15 to 10% reduction the number of people living below the poverty line by 25%.

## 2. Adoption of the flagship initiatives of the EU, including all countries

Based on the above objectives of the EU, it is necessary to adopt active measures and initiatives in terms of taking measures and actions at EU level, such as:

Table No.1. Three categories of EU initiatives that must be incorporated into national strategies

SMART GROWTH	SUSTAINABLE GROWTH	INCLUSIVE GROWTH
<b>Initiative Innovation Union</b> (in order to transform innovative solutions and ideas into products that will enhance and promote the overall growth of the economy)	<b>Initiative resource efficient EU</b> (increase use of renewable energy, modernization of transport, increase energy security, etc.).	<b>The initiative of new skills and jobs</b> (which modernize the labor market, increase the skills of the labor force, employment growth, etc.).
<b>Youth Initiative</b> (increase education aimed at the education market)		<b>EU initiatives to combat poverty</b> (which provides economic, territorial and social cohesion in the general population and active involvement in society)
<b>The initiative of the EU Digital Agenda</b> (growth of Internet use and access for all)	<b>The initiative of industrial policy for the globalization era</b> (Especially for small and medium enterprises that will be competitive in the world market).	

Source: authors.

Based on the display it is clear that guidelines affect the problems of the economic policy of the EU, but the Member States, some of which affect the policy of employment, while using some attempts to solve the issue of social inclusion of people. In a word, heterogeneous guidelines by which wants to save a large number of accumulated problems in the EU. All set forth the basis for transition countries like Republic of Serbia; they have to adopt similar measures and initiatives, noting that the need to adapt national laws and regulations are prescribed most legal documents in the country.

### 3. Showing the impact of certain economic developments in the Republic of Serbia on the overall amount of waste generated expressed in tons of waste per year

In order to demonstrate the impact of economic factors on the overall ecology of the Republic of Serbia, the authors have provided a chart of some economic factors. Using Statistical Yearbook of the Republic of Serbia the authors have made a table second. Only given in Table No. 2.

Table No. 2. Only some economic developments in the Republic of Serbia in relation to the total volume of waste generated for the period 2010-2013.

<b>Selected Factors economic impact after years of observation and ecology</b> (over total amount of waste generated during the period of observation)	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Real GDP growth%</b>	1,0	1,6	-1,5	0,9
<b>Unemployment%</b>	19,2	23	22,4	24,1
<b>Budget deficit%</b>	-3,7	-4,2	-5,0	-4,8
<b>Total waste generated in the Republic of Serbia according to the EWC-STAT (in tons)</b>	<b>33.612.520</b>	<b>49.001.373</b>	<b>55.032.727</b>	<b>58.390.651</b>

**Source:** authors.

Based on the display clearly shows that such movements GDB growth in the period 2010-2013 almost unchanged, while unemployment rose from 19.2 to about 24%, and the budget deficit over the mentioned period was higher at the end of 2013 compared to the 2010th these economic indicators are negative influenced by the fact that the visible and increase the amount of waste created in tons. After four years of observation to an increase of around 58%, which is very much? So the negative trends of key economic macroeconomic indicators in transactional country have a strong impact on the creation and lead to an increase in the total amount of waste generated.

In order to create a more general picture impact of economic factors on the marine environment should be included and some socio-economic factors [4], but I general factors that we see even in other countries [5], [6], as well as factors management companies and the economy [7], [8]. In addition to the general factors of influence can be found and specific models [9], [10], by means of which will affect at least in part to the reduction of the waste in one country, in this case in the Republic of Serbia, which is a transition country on the way to the EU.

#### 3.1. Future activities of the Republic of Serbia in the context of EU integration

In the future, the Republic of Serbia entered the stage to begin the process of European integration, which is in accordance with the adopted Strategy of the Republic of Serbia. These activities should be incorporated into business decisions of enterprises, and local governments, and cities and regions in Serbia.

Since the most important factors of influence on the economy of a country and to make strategic decisions precisely macroeconomic indicators, the authors have chosen to plant visible tabular overviews basic Macroeconomic factors influencing future strategic decision-making in the country. This refers to the existence of parameters affecting economic activity in a country, as seen through the influence of some important parameters on the economy of the Republic of Serbia.

The impact of most macroeconomic indicators in this paper, which can significantly affect the condition of the entire Serbian economy are used by the National Bank of Serbia, statistical methods are analyzed and represents the view of the author in Table No. 3.

Table No. 3. Macroeconomic indicators for Serbia, 2004-2010

Source: authors.

Indicators	Year of observation						
	2004	2005	2006	2007	2008	2009	2010
Real GDP growth %	9,3	5,4	3,6	5,4	3,8	-3,5	1,0
Consumer prices %	13,7	17,7	6,6	11,0	8,6	6,6	10,3
Unemployment%	18,5	20,8	20,9	18,1	13,6	16,1	19,2
Current account balance,% of GDP	-13,8	-8,8	-10,1	-17,7	-21,6	-6,6	-6,7
Budget deficit %	-0,3	0,3	-1,9	-1,7	-1,7	-3,4	-3,7
Public debt %	55,3	52,2	37,7	31,5	29,2	34,7	44,5
External Debt %	49,8	60,1	60,9	60,2	64,6	77,7	84,9

In addition to economic indicators that show the state before the great economic crisis and two years later, the authors show the following indicators pertaining to the region which borders the Republic of Serbia and the indicators that relate to that country.

In addition to indicators that represent the position of the Republic of Serbia, the authors made progress indicators and the competitiveness of the EU countries starting from the origin of the Great Depression (2008-2010). The view is taken of the country bordering with Serbia, of whom Croatia and Hungary became members of the EU and the other countries that once were a single member state of Yugoslavia, except Albania.

Table No. 4. Analysis of progress in competitiveness (SEE countries)

2 EU countries, countries southeastern Balkans (i.e. former Yugoslavia) + Albania	Index value			Absolute growth		The relative growth	
	2008	2009	2010	2010/2009	2010/2008	2010/2009	2010/2008
Hungary (EU)	4.22	4.22	4.33	0.11	0.11	2.6%	2.6%
Croatia (EU)	4.22	4.03	4.04	0.01	-0.18	0.2%	-4.3%
Serbia	3.90	3.77	3.84	0.07	-0.06	1.9%	-1.5%
Montenegro	4.11	4.16	4.36	0.20	0.25	4.8%	6.1%
Bosnia and Herzegovina	3.56	3.53	3.70	0.17	0.14	4.8%	3.9%
Macedonia	3.87	3.95	4.02	0.07	0.15	1.8%	3.9%
Albania	3.55	3.72	3.94	0.22	0.39	5.9%	11.0%

Source: World Economic Forum (2010)

Based on Table 4, it is clear that the starting position of Serbia is slightly lower compared to the EU countries, as well as in relation to Montenegro, and Serbia before the other former republics of Yugoslavia, and in a better position than Albania. In all countries shown we can see a drop in competitiveness, which is similar to the given

starting position. Globalization and liberalization as a European phenomenon, with the financial crisis that is transferred from the US to Europe, directly affects a small country like Serbia.

In addition, Serbia has exhausted huge internal problems, but the most important conclusion is that the domestic production for decades has degraded since 2000 until today, that is, until the writing of this work during the first half of 2016. With a view of Table 4 only neighboring country that is Croatia and Hungarians, at the time of writing this paper is already an EU member, while all other countries are not members but have a desire to join the EU.

According to what the broader observation should also be to the level of the whole process of political, economic, technical, organizational and other, because only on the basis of factors influence both displayed can make decisions that will affect the strategy of the economy and the state.

The interest of the state is reflected in the creation of a favorable business and economic environment in which all economic activities are carried out with a profit that is above the average rate of profit. This directly affects the stability of the economy in the country, it is meant primarily on the stability of the Republic of Serbia. It should also be pointed out that achieving stability is directly linked to the achievement of price stability achieved in the country. In addition to price stability in the broadest sense, parity prices of certain essential products (primarily agriculture) is of utmost importance.

The authors still draw attention in this paper that the process of industrialization key process because only industrial production can be achieved big progress in improving the macro-economic factors, which are partly presented in this paper. Short positioning only industry generates more revenue and greater value to the national level. Future activities of the Republic of Serbia should be viewed through the initiated process of integration of Serbia into the European Union and the World Trade Organization. Long-term stability is possible with the download of the European model of the economy and with full respect for national characteristics and priorities of the national economy.

Global factors of influence in some way perceived to be incorporated into the EU strategy to 2020, which is essentially defined through three levels: smart, sustainable and inclusive growth. EU underlined the basic objectives of economic growth throughout the EU, and they are among other things based on knowledge. In addition, the countries that joined the EU have a part of their energy needs over the next 10 years to achieve the principles of the green economy, while respecting the principles of environmental protection.

This can raise employment, but it can be picked up and increase all other basic activities observed by the individual companies to the state level. Such behavior leads to incorporated wholly socially responsible behavior, which is vital for countries such as the Republic of Serbia that are on the road to EU.

#### 4. Conclusion

In this paper, it is clear that there are three levels of impact on the economy of any country. These impacts are presented in this paper as a strategic impact on the economy. These effects are greater in the smaller countries, especially the countries of transition like Republic of Serbia aspiring to join the EU.

In this paper, the emphasis is on global developments that have had an impact on strategic decision-making in the EU by 2020. In addition to give the representations of movement since, 2000. Strategic decisions are essential for the economy of a country and the government it must incorporate in their policies, especially if the EU member states, noting that there is a certain amount of independence. Besides, effects of global strategic decisions are visible over a large number of economic factors.

The authors of this paper have given display only certain economic and display it: movement of GDP, unemployment and the budget deficit by the economic parameters in the Republic of Serbia and the movement generated by the total amount of waste. In the final conclusion, we can say that the observation period 2010-2013, all economic indicators negative and that in the same period of growing amount of waste produced and this is very important.

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