

## STRATEGY OF ENHANCING OF COMPETITIVENESS OF THE AGRO-INDUSTRIAL COMPLEX OF VOJVODINA - CONTROVERSIES, LIMITATIONS, SOLUTIONS

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### ABSTRACT

The paper treats the problem of low competitiveness of agro-industrial complex of Vojvodina primarily as the internal phenomenon. In this context, a form of neo-liberal concept of the Strategy of enhancing of competitiveness of agro-industrial complex of Vojvodina is proposed. The basis of the strategy is enhancing of competitiveness of the total agro-industrial superstructure in compliance with the open market economy criteria. According to that the following has been analysed: (1) "How to develop (regional) social-economic environment that will act as a stimulus for enhancing of economic efficiency of the total agrarian production and competitiveness of family farms and companies within the agro-industrial complex?" (2) "How to overcome the internal and external barriers at the level of financing of the current and extended reproduction in a neo-liberal environment of strict monetary restrictions?" and (3) "How to create economically sustainable family farms)?".

KEY WORDS: Vojvodina, Agro-industrial complex, Strategy, Economically sustainable family farm, Regional policies

## 1. INTRODUCTION

There is no doubt that full utilisation of natural and man-made resources of agro-industrial complex of Vojvodina (Table 1, Table 2 and Chart 1), would enable multiple larger production in comparison to absorption possibilities of the national market, which necessarily implies its export orientation and also a radical organisational, production, technological, ownership and staff restructuring – so that renewal of production up to the pre-transition maximum and development could happen after all. The quantitative renewal of production according to the inherited structure is simply not possible – because external markets do not accept (either in terms of quality or in terms of prices) the products that dominate in the current supply structure of the agro-industrial complex of Vojvodina. In this context, defining of contents of objectives and actions in the Strategy of enhancing of competitiveness of agro-industrial complex of Vojvodina is a complex and comprehensive economic, social and political phenomenon with a number of limiting factors of exogenous character that cannot be completely neutralised by actions of economic, social and rural policies. On the other hand, the unclear objectives of transition and practical destruction of inherited agro-industrial combines have only emphasised the problem of non-economic approach to defining of the role of external-economic relations in creation of models of production, processing and trade within the agro-industrial complex of Vojvodina that have been, present, basically, since the end of the sixties of the last

century, namely, since the moment when more permanent reduction of its participation in the world export was recorded. The initial impetus was, certainly, the limiting of possibilities to export meat and meat products to the internal market of the European Union, but its essence could be found in incremental behaviour of all the relevant entities/stakeholders in the reproduction process, both in the sense of anticipative observing of the principle of economic efficiency and in the sense of development and implementation of new agro-technologies in production, processing and distribution. Suppressing of the principle of economic efficiency and incremental behaviour towards structural adaptation has resulted with the sub-optimum use of natural and man-made resources in agro-industrial complex and high production costs within it [2, pp. 163-164]. Different initiatives for renewal of production in agro-industrial complex of Vojvodina have appeared in public cyclically in the function of dynamic export growth. However, these initiatives can be evaluated more as reflections of the past statuses than real (macro-economic) programmes for enhancing of competitiveness in compliance with the open market economy criteria [9, Book I, Programme 11 (Young Beef), pp. 37-38, Programme 12 (Tinned Ham), pp. 39-40, Programme 18 (Wine), pp. 51-58].

In the context of analysis of the essential contents of future development of public regulation of agriculture in the European Union, which obviously can no longer be based on abundant funds and programmes of subsidies

Table 1: Vojvodina consists of significant amount of natural and man-made resources in the agro-industrial complex

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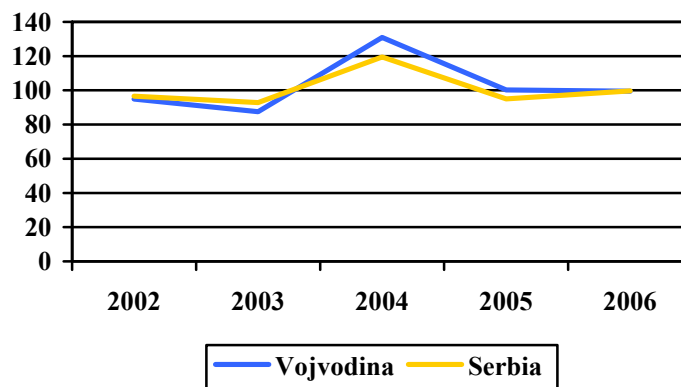
Vojvodina consists of approximately 1.64 million hectare arable land (about 76.4% of total area of Vojvodina, or around 0.8 hectare per one inhabitant) with domination on carbonated chernozem, that is extremely favourable in agriculture. In addition, there are three micro-regions: Vršac mountains, Fruška gora and Subotica's sandy terrain that are favourable for growing wine-grapes and fruits. Initialized capacities of primary production in food producing industry in Vojvodina are (according to data of Economy Chamber of Vojvodina):

- Grain-mill industry – 1.5 million tons of grain, or 965 000 tons of flour
  - Grain storage capacity – 620 000 tons (550 000 tons of that number stored in silos)
  - Meat processing industry – number of 440 000 beeves, 4 000 000 pigs and 32 000 000 poultry
  - Milk production – 370 million litres
  - Industry for sugar-beet refinement – 4 200 000 tons (500 000 tons of sugar)
  - Vegetable oil production: 620 000 tons of sunflower
  - Fruit and vegetable processing industry – 40 000 tons of warm production, 63 000 tons of cold production and 7 000 tons of dry production
  - Production of cookies, candies, cacao products and cakes (industrially made) – 70 000 tons
  - Wine cellar's capacity – 7 300 wagons
  - Brewery capacity – 4 million hectoliters
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Table 2: Summary of agricultural development in Vojvodina 2002-2006

	Physical volume of agricultural production	Cultivable area, thousand ha	Investments (1994 prices), mill. din.	Exports, mill. din.	Imports, mill. din.	Employees in the state sector, thousand
2002	94.9	1647	53	2050	2302	44
2003	87.5	1651	48	1715	2447	41
2004	130.9	1648	...	2658	2320	41
2005	100.2	1649	...	5347	2684	38
2006	99.5	1641	...	...	...	35

Source: Statistical yearbook 2007, Statistical office of Republic of Serbia



Source: Statistical yearbook 2007, Statistical office of Republic of Serbia

Figure 1: Physical volume of agriculture production, chain index

because they have become the restraint for enhancing of competitiveness of its total social-economic structure, the low competitiveness of agro-industrial complex of Vojvodina is treated, primarily, as internal macro-economic phenomenon that occurred as the consequence of disharmony between the domination of interests of distribution oriented coalitions [5, pp. 176-178], on one hand, and available natural and human resources, production base and methods of their organisation on the other hand, within the environment that is characterised by foggy, manipulative and muffled transition [8, pp. 244-246], large political and social turbulences, institutional chaos, globalisation and rigid protectionist practice of the developed countries.

## 2. MATERIAL AND METHODS OF WORK

There is no doubt that defining of general social-economic framework for co-ordination of individual and group initiatives and means in the function of revitalisation and enhancing of competitiveness of agro-industrial complex of Vojvodina in compliance with the open market economy criteria and the need to neutralise rigidity and distortion introduced by the current models of agrarian policy of the developed market economies, in

particular of the European Union – represent a complex and complicated problem. It is definitely certain, even without further elaboration, that its revitalisation and enhancing of competitiveness of the process, products and (economic) entities in (regional) agro-industrial complex comes down, in the final instance, to the process of global commercialisation based on dynamic creation and development of: (1) economically sustainable family farms, (2) appropriate market infrastructure and specialised circles of commercial and financial capital, (3) appropriate non-production infrastructure, and (4) infrastructure for public regulation of business activities and development, which shall provide relatively stable and motivating conditions for undisturbed realisation of the process of its extended reproduction through public and private educational, development-research, production, trade and financial activities.

In compliance with this thesis, the analysis of the relationship between economy and other activities in revitalisation and enhancing of competitiveness of agro-industrial complex of Vojvodina are treated as a complex set of inter-dependence between economic, technological and social (primarily political, social and cultural) phenomena (Figure 1). From the methodological

aspect, revitalisation and enhancing of competitiveness of (regional) agro-industrial complex make a socially organised and institutionally arranged process of co-operational co-ordination of decision making at a macro-level, on one hand, and at mezzo and micro-levels on the other hand, in order to provide internationally competitive level of quality and process of final products of processing and trade in agro-industrial complex through the development and implementation of business and technological innovations and new forms of social and economic organisation and division of labour [6, p.553].

In this context, the basic condition for economic and development revitalisation of (regional) agro-industrial complex is to make sure that its structure is made up family farms, co-operatives, production and trade companies having: (1) macro, mezzo and micro-organisational structure and management system that is capable of efficient production and distribution of quality agro-industrial produce and services within severe and unequal international competition, (2) appropriate physical means and staff, (3) sound financial structure and (4) flexibility that enables fast and efficient reacting to changes in natural, internal and external social-economic environment. Provision of the above-mentioned performances is the product of the total social-economic efforts to integrate each entity of an agro-industrial complex (family farms, co-operatives, production or trade company) into a complex and hierarchically arranged

system with five levels (layers) [7, pp. 118-131].

The zero (basic) level should encompass economically sustainable family farms in frameworks of regional or national social-economic environment arranged institutionally in a specific way. Its main task is to initiate and support the process of development of the world competitive primary agricultural producers through a complex package composed of public properties and public administration services. Because of a specific agro-industry and activities that are based on little production units in individual ownership, on the first level of the classes of the economy subjects a problem of constituting and developing of, so called, economically sustainable farms (family farms) was singled out, because they represent a basic pre-condition for structuring of neo-liberal concept of agro-industrial development in modern economy markets. In 1997, since many disturbances in realization of this conception accrued in the EU, the policy for assisting of the development of economically sustainable family farms has been integrated with the program called CAPRE - Common Agricultural and Rural Policy for Europe, which had some extra measures for supporting the population in rural environment with the development of, so called, combined activities (from rural tourism to specialized production of different unspecific natural (biological) products) [11]. This fact contributes to suggested thesis that the problem of enabling individual family farms for doing business in conditions of the global industry

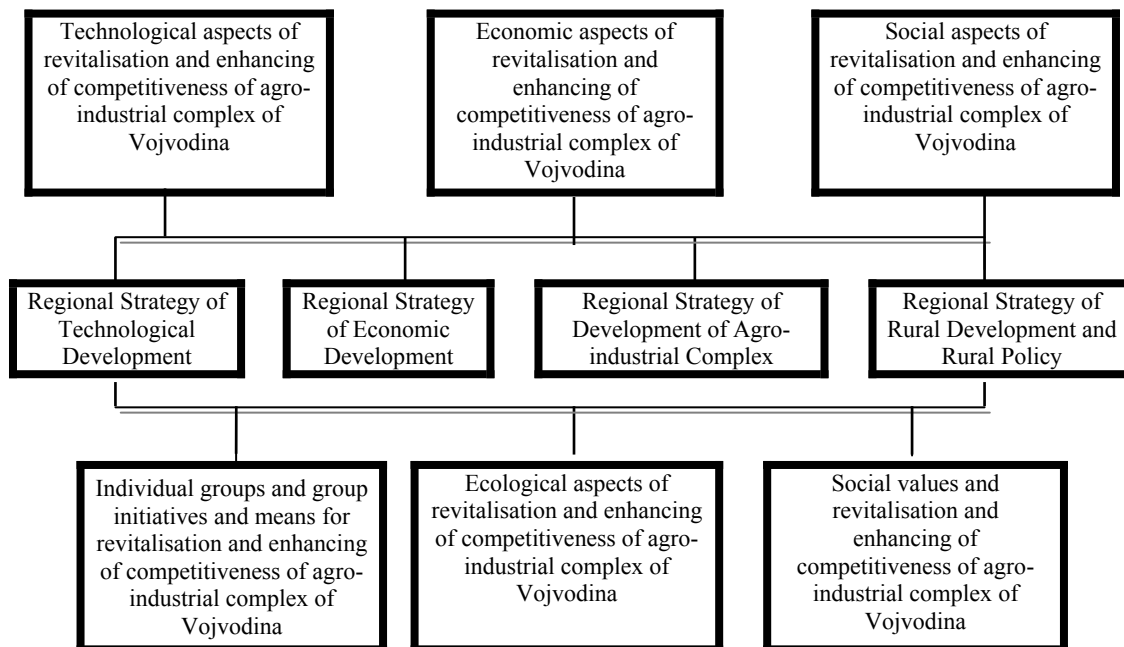


Figure 2: Strategy of revitalisation and enhancing of competitiveness of agro-industrial complex of Vojvodina

has to be specialized and that they have to represent a unique subject of combined socio-economic efforts for improving of global competitiveness of the (regional) agro-industrial complex.

The first level should include individual entities of agro-industrial complex (economically sustainable family farms, co-operatives, production, namely trade/commercial companies) gathered in business networks and alliances or export clusters (or business reproduction units according to the old definition) organised according to the main production lines (e.g. sugar, oils, bio-diesel, milk, pork chicken, beef etc.) in the way that provides economically and technologically efficient business activities in circumstances of global competition and other rigidities imposed by protectionist oriented agrarian policy of the developed market economies.

The second level should include individual entities of agro-industrial complex (economically sustainable family farms, co-operatives, production, namely trade/commercial companies) gathered in macro-reproduction units the core of which is located within Vojvodina or Serbia that would be provided the optimum regional or national social division of labour and supply with physical inputs (in particular of sources of energy, basic reproduction/raw materials, intermediary products, machines and equipment) and services (business services, services of transport, storing and cross border transfer) under most favourable economic and technical conditions. In a wider sense, these macro-reproduction units should also include large (agro) trade companies, both on the side of supply with entrance inputs and even more on the side of marketing, storing, transport, cross border transfer and placement on target segment of the global market.

The third level should include individual entities of agro-industrial complex (economically sustainable family farms, co-operatives, production, namely trade/commercial companies) in institutionally arranged frameworks of regional and national social-economic environment. Its basic task is the supply with human and financial capital, public properties and services of public administration in the way that would act as a stimulus on their behaviour in the sense of satisfying wider social-economic objectives – based on the criteria of enhancing of competitiveness of products, processes, economic entities, business and macro-reproduction units. The contents of institutional arrangement should provide the following to each economic entity of agro-industrial complex: (1) Environment acting as stimulus of development; (2) Environment acting as stimulus for business, (3) Enhancing of management, (4) Participation and decentralisation, (5) Consistent, transparent and

precise vision of economic, social and technological development.

The fourth level should include individual entities of agro-industrial complex (economically sustainable family farms, co-operatives, production, namely trade/commercial companies) within the selected segments of the global market of agro-industrial products. Its task is to provide each entity of agro-industrial complex with economy of scale and enhancing of development of such forms of production that can reach the level of efficiency and competitiveness in terms of prices and quality in the conditions of severe and unequal international competition based on the available production factors and those that shall develop in future.

Only two social-economic structures can be clearly divided in the proposed system. The first and the key structure is related to creation of social-economic environment that should initiate and support the project of development of globally competitive primary agricultural production according to the model of economically sustainable family farms. Due to different natural, economic and other conditions in relation to other regions in Serbia, this project should have an emphasised regional character. However, in the second upper region (that includes the levels from the first to the fourth) there are no strict borders between certain levels. It is also not possible to determine precise borders of distribution of responsibilities between the central and regional factors. Only the actual economic life can define these borders more precisely based on the analysis of efficiency of certain solutions in accomplishment of the final goal – complete utilisation of natural and man-made resources – providing that there should not be any difficulties when it comes to setting of standards for measuring of results – as it is easy to find the appropriate models in the target European environment – which should, in the case of Vojvodina, refer to Denmark and its results.

### 3. RESULTS

In compliance with the objectives of this paper, the emphasis has been placed on the problem of enhancing of institutional arrangement of regional social-economic environment. In this context, the synthesis of the author's research on determining the correlation between the present state and the theoretical model of regulated institutional infrastructure related to efficient development of regional agro-industrial in Vojvodina is given in Table 3.

Methodologically speaking, this is the consequence of the fact that creation of the above-mentioned organisational structure is the result, basically, of an intelligent public

Table 3: *Main attributes of the institutional non-regulation of the agro-industrial complex in Vojvodina*<sup>1</sup>

<b>Institutional conditions for enhancing the competitiveness of the agro-industrial complex:</b>	<b>The present situation:</b>
Dynamic regional organizational and production structure based on commercial family farms and associations for production, according to main reproductive units (lines of production).	Domination of small (non-commercial) farms and farms with latifundia-like organization, as a consequence of transitional macromanagement and policies for structural adaptations.
High implementation of resources in the agro-industrial complex, based on developed producing entrepreneurship.	Low productivity of resource implementation, because of underdeveloped and old-fashioned model of producing entrepreneurship.
Developed, efficient and decentralized financial system oriented on financing processes of reproduction of the real economy, especially of primary agricultural production and export of refined agricultural products.	Underdeveloped, centralized and inefficient financial system oriented on financing of import of non-alimentary and long-lasting consumable goods and population.
Satisfactory physical infrastructure in the function of more efficient implementation of existing natural and artificial resources and integral connection of areas of Vojvodina to key segments of the global market of agro-industrial products.	Devastated, old-fashioned and incomplete physical infrastructure.
Developed and internationally competitive scientific infrastructure with emphasis on activities for dynamic implementation of innovations and their economic valorisation on the micro-level.	Obsolete and incomplete scientific infrastructure without clearly defined users of its services.
Clear political and economic conception of development of regional agro-industrial complex based on the consensus of relevant economical and political options	Unclear political and economic development conception of agro-industrial complex burdened with domination of the interests of distributive-oriented coalitions, especially in input provision, trading and primary production of agricultural products.
Efficient and professional system of public administration and user-oriented services.	Bureaucratized and politicized public system and services. Personnel structure in public sector and public (state) services does not meet the minimum foreign standards (particularly in public (state) administration for the regulation of agriculture and specialized education in order of the enhancement of performances of the human capital and producing entrepreneurship in the private sector).

<sup>1</sup> In the presented methodological approach – the notion of institutional infrastructure is defined as an assembly of active elements of the outer environment in which subjects of the agro-industrial complex act.

regulation of economy and economic development that is defined primarily by the total institutional arrangement in the sense of the region and the basic public factor of regulation of the processes of micro-economic (business) globalisation and also by good contents of the current regional policy [6, pp. 137-140]. On the other hand, in defining and ranking of factors of revitalisation and

enhancing of competitiveness of agro-industrial complex of Vojvodina it is necessary to observe facts related to their specific characteristics in relation to classical division – both in the sense of their classification according to similarity and directions of activities and in the sense of the line of priorities in accordance with the criterion of creation of conditions for their effective integration

into global economic space. In that context, the criteria for selection of concrete productions in the function of revitalisation and enhancing of competitiveness of (regional) agro-industrial complex could include: (1) direct and indirect participation of import and export in production and trade (of a concrete agro-industrial product), (2) the evaluation of international competence of the available entrepreneurial component in concrete agro-industrial structure (in particular: provision of funds for financing of the reproduction process, disposing with the appropriate resources for an efficient organisation of international marketing and ensuring of quality of the process and products etc.), (3) availability and structure of the qualified and internationally competent workforce in production and trade (of concrete agro-industrial product) and (4) availability of quality and internationally competent (in terms of costs, capacities, speed and other requirements) regional, sub-regional and local physical infrastructure (in particular of field roads, public transport roads, railroads, river ports, special means of transport macro-logistics bases and border crossings) in the function of linking of concrete spaces where certain agro-industrial production with target segments of the global market is carried out [3, pp. 224-225].

The main property of factors of revitalisation and enhancing of competitiveness of (regional) agro-industrial complex defined in such a way is placing of emphasis on: (1) quality aspect of human factor and (2) availability of the appropriate physical, financial and commercial infrastructure. On the other hand, it is the matter of factors that we can consciously influence in the context that depends on economic, social and political action for accomplishment of (social) consensus in their realisation.

In the light of such knowledge, the author tried to define the concrete contents of public regulation of the process of revitalisation and enhancing of competitiveness of agro-industrial complex of Vojvodina as a conscious social action and its achievements in the selection of concrete institutional solutions. In any case, the following determinations can be considered as basic for shaping of the strategy of revitalisation and enhancing of competitiveness of agro-industrial complex of Vojvodina: (1) establishment of economically sustainable family farms; (2) stimulating and developing entrepreneurially oriented business culture in agro-industrial complex; (3) establishment and development of specialised internationally competent circles of commercial and financial capital per basic reproduction units (production lines) of the agro-industrial complex; (4) efficient business and organisational linking of primary agrarian production, industry, trade and transport with a complex

of macro-logistic bases and border crossings per basic reproduction units; (5) qualified and internationally competent workforce; (6) developed scientific-research work and network of institutions for transfer of their results; (7) quality transport infrastructure with a complex of macro-logistic bases and border crossings in the function of physical linking with the target segments of the global market of agro-industrial products; (8) quality and internationally competent institutional and administrative infrastructure for public regulation of agro-industrial complex;

#### 4. DISCUSSION

In realisation of the project for creation of economically sustainable family farms in Vojvodina we should start from the experiences of other countries. There are two main models. In Canada, USA, Australia, New Zealand, Brazil, Argentina and some other Latin American countries, the creation of economically sustainable family farms is basically left to the “invisible arm”, namely the market, with the assistance of agricultural-advisory services, which mainly have the task to inform the stakeholders about new technologies and economic results of application of certain processes, productions and business activities of the best production units. In this way the production at farms is mainly self-regulated in compliance with the valid economic optimums. On the other hand, in densely populated countries with modern market economy, the state usually initiates and supports the transition from traditional (farmers’) into modern economically sustainable family farms. Without elaborating here any further on the total structure and contents of instruments of public regulation of development of economically sustainable family farms, it is necessary to mention its key problem – “What is the meaning of the term economically sustainable family farms?”.

The global market of agro-industrial products is so deformed and burdened with differences in national and regional agrarian policies, customs and other import limitations that the appropriate solutions can be searched for depending on selection of its concrete segments. That is why the development of globally competitive primary agricultural production has to be treated as the process that is going to last for a long time. A specific difficulty is the fact that Serbia and Vojvodina have commenced with realisation of the project of preparations for European integrations at the moment when there are serious intentions to undertake economically rational integration of agro-industrial complex of the European Union in the global (world) food system. This opens up the

Table 4: Economically sustainable family farms

In Vojvodina, in the period from 1960. till the crash of socialism in 1989, there was a domination of a conception of development and doing business that was based on the local and sub-regional organization of resources in the form of agro-industrial units, that combined (on the vertical principle) bigger agro-industrial enterprises (with the treatable area of 1.000-10.000 hectares), storages of commercial and merchandise reserves, primary production capacities, trade of agricultural and food products, specialized transport companies and different service enterprises – for maintaining of equipment and machines, community nutrition, commercial tourism, etc. With the restoration of capitalism and increase of direct and indirect subventions (because of a big contraction of the real economy and narrowing of the market in the torn SFR Yugoslavia) these enterprises have fallen in an un-circling crises and most of them have disintegrated to their basic parts. The privatization of the big agricultural farms with the method of selling in the period of 2002-2008, has created a few big latifundia's among privileged nomenclature in Serbia, but that did not solve any problems. Although there aren't any precise data about the effects of this privatization, the huge problems in their functioning and irregular servicing of their obligations towards providers and workers (and probably towards the state - but relevant data about this doesn't exist) show that the business performances of their new owners are very low. It is obvious that the only realistic solution represents the development of commercial family farms based on rational usage of the internal resources for production of the agriculture goods in the volume and structure of individual choice and risk, because Vojvodina (and Serbia) doesn't have neither public financial resources, neither administrative capacities for any serious support of the existing producing orientation and structure. That is the pursued determination (in the scientific meaning) of the concept of *economically sustainable family farm*, as an economical subject that succeeds to maintain the process of reproduction on the global competitiveness market with the basic accent on individual ownership and entrepreneurship, practically without any direct or indirect subventions and in conditions of institutional non-regulation, domination of distributive-oriented coalitions and unequal competition.

following questions – “Should agro-industrial complex of Vojvodina get prepared for competition at the global market or it should get prepared for its new position within the European Union?”. There is no doubt that the official (national and regional) strategy of development of agro-industrial complex has chosen, without proper and expert debate on its concrete contents, at least formally, the second approach as the basis of future development. However, nothing has been done with respect of its implementation in practice.

How to do that at the level of regional agrarian policy? First of all, the objective – creation of economically sustainable family farms – has to be accepted by the Assembly and Executive Council of the Autonomous Province of Vojvodina. The acceptance requires elaboration of measures and comprehending of dynamics of realisation. In this context, I shall limit myself only to the issues of selection of the optimum size of estate and rational investing of capital, as the basic objectives of creation of economically sustainable agricultural estate. In my opinion, we should distinguish two cases. In farming, fruit growing and viticulture (grape growing) and in some other agricultural productions, the condition is to create such a size of estate that will provide for full employment of a farmer and his/her family and,

simultaneously, ensure the provision of conditions for rational production capital utilisation (from tractors and accessory machinery to economic facilities and permanently planted crops). The key is, most certainly, the momentary, stable and complete liberalisation of export of all agricultural products, especially wheat, corn, sunflower and soybean. Because of that, the state, instead of preventing the export as a measurement for stabilization of the internal market, should take measures for rehabilitation of the product reserve's functions or for public proclamation that the management of these and similar markets is being left to the private factor, naturally with a consistent policy to control monopolies (especially because the privatization of the basic storages for product and commercial reserves has put them in ownership of few economy subjects).

The issue of creation of economically sustainable family farms, which are capital intensive and do not require large surfaces (greenhouses and hot plant beds (where vegetables, flowers etc. are produced), hangars (for production of broilers, eggs, mushrooms etc.) and animal stables (for cattle and pig fattening) is set in a different way. The creation of such production capacities does not require large space but it depends primarily on knowledge



and motivation of producers and appropriate price of capital investment price (rate of return or interest). The first step is translating the production of chicken meat and pork in the regime of industrial production according to highest global standards under specialised programmes. The basic goal of this programmes is revitalisation (or construction) of exporting butcheries, that was launched in Vojvodina around 1900, and which was based on the private initiative and with questionable success. Still, it existed until the restoration of capitalism in 1990, although radical change of borders and socio-economic system accrued.

On the other hand, a long term project has to be initiated at the level of enlargement of estates in the function of fostering of concentration and specialisation of primary production with the emphasis on the development of family farms with the estate size from 50 to 250 hectares [1, pp. 101-102]. Potential mechanisms include: (1) Increase of the land maximum to 500 hectares (instead of administrative limitations the appropriate fiscal policy should be applied to distimulate widening of estates above this size!), (2) Establishment of the Regional Agricultural Bank that would have public support in its operations and personnel specialised in evaluation of granting of funds to the so-called "prospectus" farmers (to those who guarantee good use of agricultural land with their work, education and desire to stay in agriculture!) or Regional Guarantee Fund for supplementary protection of users of mortgage loans for land buy up for the maximum estate size of 250 hectares, (3) Continuous application of commasation in the function of estate enlargement (fixed costs of maintenance of the appropriate infrastructure should be financed from the budget of the Province) and (4) Exclusion of all social contents out of the programme of public support to the development of agro-industrial complex (protection of small and elderly family farms should be transferred in the sphere of social policy and rural development policy per sub-regional units!). In any case, the key for successful development policy of economically sustainable family farms according to the model of a family farm is the establishment of the appropriate Regional Agricultural Bank with an expert apparatus incapacitated to provide rational investing of capital with different repayment periods into capital intensive agriculture, in co-operation with representatives of local (village) authorities and all available scientific-research potentials.

A long-term tradition of unrealistic setting of development objectives of agro-industrial complex of Vojvodina and dynamics of its realisation imposes radically new approaches to setting of the contents of a long-term vision of strategy of enhancing of competitiveness and

defining of new production orientation. Actually, the (strategic) vision of enhancing of competitiveness of agro-industrial complex should be seen in the context of setting of standards for measuring of successfulness of its realisation according to the global criteria. Due to that the analysis of successfulness of realisation of the strategy of enhancing of competitiveness of agro-industrial complex makes no sense if standards of valuing of the accomplished results are not set in advance and defined explicitly. In the scientific context, the starting premises should be the maximal results of the production per unit of natural and man-made resources in the outline of the big agro-industrial enterprises in the pre-transitional period. Author's assumptions show that, in that case, around 4/5 of the production should be exported (other parts of Serbia are also neto-exporters of the agricultural and food products – author's comment!). In that context, it seems that it is necessary to define, first of all, the period of time within which the renewal of production up to the pre-transition maximum that was accomplished in 1986 should be carried out (naturally, it is possible only in terms of the total value – but with the changed structure of production and total economic and marketing performances adapted to concrete demand in selected segments of the global market!). In accordance with that, it seems opportunistic to propose to realise all that until the year 2012, which practically means that export of agro-industrial complex of Vojvodina should be increased within that same period for at least twice or three times in relation to the current level.

In the process of elaboration of contents of objectives of the vision of enhancing of competitiveness of agro-industrial complex of Vojvodina and setting of standards and dynamics of their realisation it is also necessary to consider the reasons because of which the applied models of transition macro-management were unsuccessful in development of its more dynamic production, managerial and organisational structure. The fact point undoubtedly that the applied mechanisms of privatisation and public regulation of agro-industrial complex have not generated necessary scope of co-operative strategic co-operation, which would provide, in combination with the global market mechanism, more efficient renewal of its production in conditions of severe, open and unequal international competition. On the other hand, certain rate of elementals of transition process has to be observed and some of its results have to be recognised as legitimate, naturally, within the limits that are accepted as general interest in a wider social consensus because if the creation of modern market economy is truly desired the fact has to be accepted that all its stakeholders can express their interests and that they can act in their favour under the

accepted rules.

In the presented context, the main role of public regulation of agro-industrial complex of Vojvodina is to provide a relative balance between the centralised interest of input suppliers, those who are dealing with processing of agricultural products, commercial and financial capital, on one hand, and divided interests of producers of primary agricultural products, on the other. The following would be important in the concrete concept framework: (1) to provide the enhancing of systematic approach in research of the main causes of unsatisfactory execution of revitalisation process and enhancing of competitiveness of concrete agro-industrial productions and defining of alternatives, (2) to create certain culture of behaviour of economic, administrative and political stakeholders in reproduction of agro-industrial complex where efforts to overcome conflicts should be given the priority [4, pp. 128-132]. In this context, in addition to summary of the main determinants of the revitalisation and promotion of agro-industrial complex' competitiveness, these priorities should be defined: (1) modernisation of the specialised infrastructure for securing public goods and public management services for the needs of agro-industrial complex, (2) modernisation and development of the corresponding physical infrastructure and (3) development of the human capital.

Modernisation of the specialised infrastructure for securing public goods and public management services for the needs of agro-industrial complex should be pursued with explicit application of the total re-engineering technique, according to the solutions applied in small countries in The European Union. Its basic premises are: (1) promotion of efficiency of public services with application of the value-for-price concept – by using the techniques of public management and creating transparent procedures for measuring their performances and according to that, for revision of their work and (2) initiating competition in providing public services – by using techniques of the internal market and development of public-private partnerships.

Because of the high total fiscal ballast and underdeveloped financial infrastructure, the solutions for modernisation and development of the specialised physical infrastructure for the needs of agro-industrial complex in Vojvodina should be found in intensive development of public-private partnerships, that would be made in a way to provide engagement of the trading, or local capital of rural environments.

The development of the human capital in the function of promotion of the competitiveness of the agro-industrial complex should be provided through concrete regional, subregional and local projects for implementation of

the concept of international marketing, total quality management, modern models of financial engineering and development of exporting clusters. According to the institutional non-regulation, the solutions should be found in connection with the networks of formal and informal institutions, with emphasis to: (1) political factors positively determined towards rural development based on private initiative and increase of economic freedom, (2) development orientation in concrete activities of the specialised administrative infrastructure, (3) connecting universities and agro-industrial complex in order to realise miscellaneous scientific-research activities and cadre exchange, (4) economic and agricultural chambers and associations and (5) public-private partnerships.

## 5. CONCLUSIONS

The above-mentioned taxonomy in defining of the contents of the Strategy of revitalisation and enhancing of competitiveness of agro-industrial complex of Vojvodina does not plead to its completeness. In that sense it represents, first of all, the attempt of scientific interpretation of reasons because of which little has been done in Vojvodina in the field of creation of economically rational export structure of agro-industrial complex. However, certain operational conclusions could also be drawn:

First – National market does not represent the basis either for renewal of production of agro-industrial complex of Vojvodina up to its pre-transition maximum or for enhancing of development dynamics in the function of valorisation of natural and man-made resources so that revitalisation of its economic performances, in the final instance, comes down to the process of global commercialisation based on dynamic establishment and development of economically sustainable agricultural estate (family farms), appropriate market and non-production infrastructure, public regulation infrastructure and the appropriate circles of commercial and financial capital – which shall provide for relatively stable conditions for undisturbed reproduction process through public, educational, development-research, production, trade and financial activities.

Second – If the Strategy of revitalisation and enhancing of competitiveness of agro-industrial complex of Vojvodina is seen as the method of operationalisation of individual and group economic preferences in conditions of functioning of market criteria and globalisation of business activities – in shaping of concrete models of public regulation it is necessary, on one hand, to observe the European standards, namely, on the other hand, the rules of democratic communication that will provide for

co-ordination of individual and group entrepreneurial initiatives, activating of all forms of capital and undisturbed flow of technological and business innovations.

Third – The presented concept of operationalisation of the Strategy of revitalisation and enhancing of competitiveness of agro-industrial complex of Vojvodina is based on system integration paradigm: learning and co-operational that are defined as mass and, mostly, informal communication between individuals, economic and non-economic entities which provides for division of labour and specialisation based on flow of information and exchange of experiences necessary for timely and (economically) efficient action for operationalisation of individual and group preferences in conditions of severe, open and unequal market match.

Fourth - Operationalisation of concrete contents of the Strategy of revitalisation and enhancing of competitiveness of agro-industrial complex of Vojvodina should be based on activist approach which would place the following issues in the centre of public regulation: (a) development of economically sustainable family farms, (b) non-addressed fostering of re-structuring of production, technological organisational, ownership and staff structure, (c) overcoming of internal limitations through elimination of impacts of distribution oriented coalitions. In accordance with that, the presented concept of public regulation is based on a combination of measures of strict administrative regulation (primarily in the domain of application of quality standards for processes and products, namely measures for protection of lives, health and interests of consumers) and fostering of establishment of development oriented coalitions (primarily in the domain of constituting and developing of (national) trans-national corporations, business networks and alliances and export clusters).

Fifth – Due to the state of general institutional disarrangement, operationalisation of concrete contents of the Strategy of revitalisation and enhancing of competitiveness of agro-industrial complex of Vojvodina should be brought down to the following in the initial period: (a) land policy, (b) modernisation of infrastructure for provision of public properties and services of public administration for the needs of agro-industrial complex, (c) support to the development of humane capital through different forms of co-operation between public and private sectors, (d) revitalisation and modernisation of transport infrastructure with a complex of macro-logistic bases and border crossings in the function of creation of conditions for economically and technically rational export of agro-industrial products and (e) rural policy.

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