

NEW ECONOMIC DISTRICTS IN BELGRADE AREA

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Abstract: Dynamic changes in spatial structure of cities are in the focus of attention, as well as, the development of new economic zones/poles in urban areas, new spatial forms of economic activity. It is considered that the processes of globalization and market mechanisms have led to the 'break down' of urban structures into numerous specialized localities, by way of developing economic clusters and other activities. The development of new economic poles in cities is a consequence of activating new localities and changing the present territorial organization and the development of 'knowledge-based' economic activities. In city Belgrade the new economic districts – new industrial, commercial, entrepreneurial zones developed systematically or spontaneously in the suburban areas (along highways) have a major role in spatial development of economic activities and in the planning of territorial organization of that metropolitan areas.

Key words are: new economic districts, spatial clusters, business activities, sustainable development, urban policy, the urban development

1 Introduction

For an effective planning of sustainable development and spatial organization in urban areas in Serbia in the following period, it is necessary to incorporate European strategic frameworks, approaches and planning practises [1,2,3]. In the process of economic and social transition in Serbia, coordination to the conditions of EU competitiveness, the development of small and medium-sized enterprises in the industrial sector, services and other business activities, as well as urban policy, is a complex economic and urban planning challenge. Under the pressure of global processes in economic development, the transition of the socio-economic system into a market-oriented economy in Serbia, among other things, has influenced the creation of new economic poles/zones/clusters in urban areas, changes in spatial organization of cities, the appearance of new locational forms of industries, services, business activities, etc. The document Serbia's Strategy of Industrial Development 2007-2012 [4], does not deal with the questions about the creation of new economic

zones/clusters within urban areas in Serbia. Therefore, this work is trying to demonstrate the need for the research of new economic forms in urban areas, the need for mechanisms of agglomerating activities in spatial/economic clusters and the harmonisation of sustainable urban development in Serbia, based on the example of the Belgrade area.

2 Sustainable Urban Development

The latest discussions concerning potential spatial development are not possible without taking into consideration the visions of socio-economic development. However, in economic theory the ideas of certain schools about the vision of economic development have always been divided between free market and/or state regulation. Two key global tendencies have influenced the socio-economic and spatial changes – the globalization of economy and the transformation of postcommunist economic systems and state into a market economy, political pluralism and the strengthening of institutional frameworks. The concept of

sustainable development, as a challenge in harmonizing economic, social, political, environmental and spatial dimensions could serve as a suitable frame for “depreciation of influences“ of globalization processes and socio-economic transitions on all levels of planning. Due to the influences of the latter processes, spatial organization of cities and settlements, regardless of big regional differences, is characterised by a ’Planetary‘ sindrom of standardizing lifestyles and organization of work for people, together with a homogenization of urban structures and processes (the so-called European monotopy [5], in the sense of unification of places, spatial structures, the expanding new economic zones in cities areas).

According to Jakšić M. [6], the challenge of the 21st century is not in establishing a fixed and final *utopia*, but in creating an *ev-topia*. In other words, instead of *u-topia* – the creation of an *ev-topia* (a place that evolves, develops), meaning a system of stimulating and applying knowledge and adjusting skills to the conditions, uncertainties and aims of the surroundings. As the mechanisms of perception and acquiring knowledge have a social character, social relations are based on territory, so is the development of economy based on knowledge together with mechanisms of urban planning policies. Principles of sustainable development should be added to these (CEMAT, 2000) [7].

2 The Identification of Expanding Economic Activities in Urban Areas

In the Green Paper on EU cities [8], the basic aims of urban development have been defined, based on the improvement of the quality of environment in these territories: (1) environment protection and management, which means reduction of uncontrolled pressure and growth of various activities, with the restoration of cities; (2) the curtailment of city participation in the causes of pollution, which means careful planning of the economic activity expansion and the use of spaces in the city that

have been already ruined by devastated industrial and commercial objects. It is often the case that such objects in the cities are abandoned because of old technology and for other reasons, so it has been suggested that these spaces (brownfields) are put to good use by reconstructing them. The experiences of urban planning in Eastern–European cities have been directed more towards new green-fields and less towards activating brown-fields.

Apart from this general European trend of curtailing regional differences, establishing new „economic poles of development“ in metropolitan peripheries is also significant in planning spatial development. According to Burdach J.[9], it is a matter of a new discourse in peripheral growth (metropolitan). New economic poles in metropolitan areas are a result of a high participation of the public sector (especially in providing heavy infrastructure, support in curtailing spatial unbalance, etc), but also in attracting foreign and local investments.

In some large cities of Europe, and Serbia as well, (ex. Belgrade, Novi Sad), new economic poles – new economic, commercial, industrial, entrepreneurial zones that have been created by planning or spontaneously in the suburbia (along motorways, main roads) have a priority in the development and spatial organization planning of the area. The reasons for such a trend are manifold – low price of land, available sites, proximity of residential areas, favourable conditions on site etc. The expansion of work/factory zones in big cities is contradictory to the idea of a sustainable compact city, above all, because of an increase in transportation, greater energy consumption, greater costs of infrastructure, negative effects on the environment, ruin of agricultural land and similar. In this way, the tendency of deurbanization has transformed into suburbanization, because the density of population in peripheral metropolitan areas has rapidly grown, as well as the number of flats, the growth of economic activity, costs of infrastructure, ecology etc. New centres of production and consumption influence the transformation of suburbia (as mainly residential, socially homogenous zones, with lower density in an urban periphery) into post-

suburbia (which expresses the transformational process in multi-functional locations). Many different concepts have been concerned with this phenomenon of the transformation of suburbia into post-suburbia, describing it as a „new centrality“ outside of the central place, i.e. the creation of a new centre outside the downtown city area. The term „new economic pole“ implies various kinds of new dynamic centres with a functional specialization in the metropolitan periphery. The main spatial forms of new economic poles in peripheral urban areas (suburbia) are industrial parks, technological parks, industrial complexes, shopping malls, business-commercial centres, logistics centres, business centres etc. According to [9], the concept of classic spatial models of cities (standardized „rings“ and sectors) is being more and more transformed into polycentric forms, created by grouping or networking different kinds of locations for different purposes. A tendency of the breaking up of urban structures into different series of specialized and fragmented localities, by way of clusters of activities dispersed inside a populated structure. In that way, more and more an image of a „functional archipelago“ is created in an urban (periphery) fabric, unlike earlier approaches. (For example, in earlier Master plan of Belgrade in 1970's, the concept of an „archipelago in a sea of green“ was promoted). The cumulative effects of developing new poles lead to a new concept of growth of urban/metropolitan periphery as well. Initial nucleuses of this development are often shopping centres, business-commercial centres et sl., which is a consequence of the transition into post-industrial society.

A significant part of urban spaces is occupied by industrial and transportational functions and facilities, often they are very negative. Recently, with privatisation, the process of reactivating abandoned industrial locations (brownfields) in eastern-european cities, including Belgrade is gradually being opened. In cities with a market economy, the industry holds 4-10% (Paris 5.2%, London 4.7%) of the entire developed space [10], while industrial locations in eastern-european cities occupy 15,1-43,8% (Prag 13,4%, Varšava

15,1%, Sofija 27,1%, Ljubljana 27,4%, Moscow 31,6%, St. Petersburg 43,8%. In Belgrade , it is approximately 18%. However, the general opinion is that due to the price of construction, parking problems et sl., the new dominant trend is construction in new industrial facilities, on free locations in the urban periphery (greenfields).

Clustery deconcentration of business activity leads to a new relation and movement from the centre of city to the outskirts. The effects of development and concentration of industrial activity and living in the suburbia (post-suburbia), without control of the over-construction phenomenon or urban lots, environmental effects and pollution et sl., have an ever-growing, partly explosive character. Post-socialistic „boom“ of the metropolitan periphery is not imminent to only eastern-european and Balkan countries, but to developed metropolitan areas of Western Europe too. The development is shifting from the central compact city nucleus to the inner and outer city peripheries. One of the principle reasons for the socio-economic and spatial transformation of urban areas is the proces of tertialization, i.e. the development of services. The main instigator of these processes are usually foreign investments into the services sector (most often it is the banking sector, insurance, shopping malls, sales and exhibit halls, hotels, storehouses and trade etc). The role of city authorities and local investors in this proces is relatively small, usually they have a service function in providing suitable conditions on locations.

The formation of new economic poles as a result of a general tendency for an international shift of production and services from the city centre to the periphery. In other words, the market mechanisms and factors of international proportions, activate the pressure of direct foreign investments into metropolitan/urban peripheries, above all, because of the agglomeration economies, reduction of various costs, acceptable and favourable locational economies in periphery city zones etc. This process has negative repercussions both in spatial-environmental, and in the institutional domain as well. Based

on theoretical opinions, experiences from many areas, it seems that the process has a devastating effect on the regional and local institutions, as well as on the local investors, by imposing on them the rules of behaviour, standards, movements and direction of capital. Inside an urban-spatial context, it can be directly observed in the profound changes (quite often in the caving in as well) of the existing spatial organization of a city, city zonings, propositions, rules and regulation standards for using the building land et sl. So, direct foreign investment is the pivot of the development of new economic poles in urban areas (banking, shopping malls, high-tech and business activities, industrial parks, logistics centres and transportation etc). This process has a foothold in the theoretical concept of liberal economy, especially the so-called Smith's „invisible hands“ of the market. In other words, the processes of illegal constuction and expansion of cities are only a consequence of bad legal solutions in the field of planning and building of spaces, poverty of citizens, social and other problems, but they are directly fuelled and/or initiated by market mechanisms. The process of suburbanization is „artificially“ initiated by economic and social policies as well, but also by inadequate mesures of urban policy and policy of urban land (ex. untransformed system of managing the building land, undeveloped instruments of taxing building land and real estate, tax rates, the fee for land development and usage, local taxes, subventions, concessions, etc.) In accordance with economic restructuring (tendency towards tertialization) in urban/metropolitan structure, a stagnation and „disappearance“ of classic industrial zones, complexes, enterprises is evident. A functional conversion of these zones is evident, fuelled on one side by the process of privatization of state enterprises in these zones, and on the other side, by the pressure of direct foreign investment.

According to [11], the post-communist deveopment of eastern-European cities shows a hybrid layout with relics of spatial structures of the socialist era, a phenomenon of structure transformation and new suburban/posturban spatial layout of clusters. They are nucleuses of

new employment growth in city peripheries, and the first early signal of a polycentric structure of a territory. Spatial economy of periphery urban area is not homogenous. Although, until recently, traditional city peripheries were identified as a mixture of industrial spaces, family homes, traffic corridors and greenery, today they have a more distinct sensitivity to market signals and initiatives in relation to the central city zones. In this space, drawn by the growth of population with a higher education, especially by way of a new infrastructure for research-development institutions, many new high-tech activities of production take place services. There activities of transportation services are developed, logistics, production, wholesale (warehouses, storehouses etc.) shopping malls and services.

3 Results and Discuss of New Trends of Economic Activities in Belgrade Metropolitan

The process of post-suburbanization is a consequence of activity of commercial powers and it takes place in all metropolitan peripheries, including Belgrade. Significant foreign investments and the development of 86,000 enterprises (of which around 1/3 are in Belgrade) and 90,000 entrepreneurs, illustrate a more significant role of market mechanisms of allocated new economic content in the metropolitan area. According to *Serbia's Strategy for Joining the EU* [12], a development of industrial parks is predicted, which would later grow into clusters, with the provision of necessary heavy infrastructure, possibility of fast construction of business and industrial facilities, fiscal incentives and qualified labour. *The National Investment Plan of RS* predicts the construction of 49 industrial zones in towns of Serbia. According to data [13], only in the area of Belgrade, in a „new wave“ of construction 20,000 ha of urban land (farmland) has been found to be under construction in the peripheral area. A housing deficit in Belgrade, numerous refugees and dislocated persons, have caused a significant residential pressure onto the suburbs, and

uncultivated farmland of Belgrade agglomeration (ex. Zemun corridor, belt of motorways to Surčin, Batajnica, Novi Sad, Avala direction, Borča, Ovča, Pančevo direction etc.) as well as the birth of new small enterprises, and the concentration of economic activity in the mentioned spaces. Metropolitan periphery outside the borders of the city of Belgrade is becoming more attractive for settlements (ex. the zones along the motorway Belgrade-Novı Sad, Belgrade-Zagreb, Belgrade-Niš, Ibar direction, Avala direction, Zrenjanin direction etc.) due to easy access to the corridors, nature etc. In addition, a concentration of economic activity is evident along the motorway from Belgrade to Batajnica, Novi Sad, Novi Beograd, airport "Nikola Tesla", Dobanovci, Zemun, Pančevo road etc. A great concentration of economic activity has occurred outside the Belgrade agglomeration, on the motorway zones - ex. large industrial zones in Šimanovci (550 ha), Pećinci (500 ha), Krnješevci (250 ha), etc. At motorway exits (corridor X) big shopping centres have been built like „Metro“, „Tempo“, „Idea“, „Rodić“, „Mercur“, „Mercator“, „Veropoulos“, etc. Municipalities that have better traffic and communication links with their surroundings, and with the central zone of Belgrade, and have an efficient entrepreneurial local authority and administration, are advantaged in attracting new content. In the Belgrade agglomeration, those are municipalities Pećinci (1,050 ha, Surčin (250 ha), Stara Pazova (1,900 ha), Indjija (930 ha) and others. At the Belgrade metropolitan area are located 12 industrial zones (about 2,500 ha).

The process of globalization and the activity of the „invisible hand“ on the market, among other things, is the product of profound spatial, structural, urban and socio-economic changes on all levels. On the territory of Serbia, due to the activity of transitional changes these processes have been significantly boosted. However, they flow spontaneously, randomly and often without adequate planning and management or institutional control. In the period between 1990-2000, due to the many political economic and social happenings in Serbia, „grey“ economy was especially

promoted, with an explosion of illegal construction and an expansion of cities.

The aim of urban planning policy and the concept of clusterly deconcentration activities is to prevent the negative consequences of the doom scenario and entropy of urban territories (conversion of the „boom“ development scenario into the so-called „doom scenario“), based on the principles of sustainable development. Considering the fact that the development of new economic polarities in urban peripheries mainly is not linked to regional and national politics, the concept of polycentric urban structure could alleviate the negative effects of the mentioned tendencies. The development of potential implications of new polarities onto the regional environment and development, the manner of coexistence of growth and stagnation areas and/or depression, the disappearance of traditional industrial production, expansion of services, explosive growth of suburbia, is the subject of planning policy of metropolitan area.

The current developing tendencies in the Belgrade metropolitan reflect the growing socio-economic differences through a special „functional archipelago“. In accordance with the experiences of the European metropolitan peripheries, the possible scenarios for the future expansion of new economic polarities in the metropolitan area of Belgrade: (1) an actual existence of area growth, mainly along important traffic corridors nearby the city centre, will continue in the future as well. Today this process is visible along the motorways Belgrade-NovıSad, Belgrade-Zagreb, next to the airports „Nikola Tesla“, etc; (2) the development of new industrial structures (modern production complexes – industrial parks, technology parks entrepreneurial zones, complexes) mainly by government aid, the arrival of multinational companies, the support of EU et sl. Apart from technological complexes, the new polarities are the shopping malls, distribution-transportation centres, business centres and others, (3) the prediction that the residential zone of suburbanization will expand in the future onto the green zones and will demonstrate the adverse side of suburbanization; (4) the process of

reurbanization in the Belgrade agglomeration is present sporadically, by way of rehabilitation of the existing industrial zones; (5) the development of new industrial/business spatial forms of the new economic poles of development in the urban and rural area, with the possible development of a big theme park. The establishment of airport city business zone in New Belgrade, construction of Waterland in New Belgrade, construction of Aqualand nearby Dobanovci, along the motorway Belgrade-Zagreb, zones of recreation and entertainment like specific economic poles, (6) and apart from the problems and impossibilities of an accurate prognosis for directing the dynamics and developing processes, it is predicted that the centre of trends in the following decade in the Belgrade metropolitan will move to the periphery.

Conclusions

The development of economic activities within the new economic zones/poles/clusters in urban areas can be assessed as a consequence of the

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process of globalization. That zones could be some kind of mixture of old spatial structures. and the development of new locational models in the urban fabric, under the influence of market and the globalization process of economic activity and investment. In this process are evident: the existence of growth area, mainly along important traffic corridors nearby the heart of the city; development of new locational forms (industrial park, technology park, high-tech corridors), mainly with government aid, foreign investment, etc; large changes onto urban structures of metropolitan areas; over-construction of building locations; the effect on the price fluctuation of real estate in certain parts of metropolitan land; population mobility from the centre to the periphery. It is estimated that the absence of harmonization of European development policies, urban development, environment in the economic development in cities of Serbia could have consequences in the growth of competitiveness of urban economy and sustainable urban development.

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