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Reč urednika

Prvi broj časopisa „Ekonomski signali“ za 2025. godinu, koji izlazi od 2006. godine, sada tradicionalno, više od 20 godina, sadrži deset radova u uslovima u kojima živi i u izdanju na sve više amputiranoj teritoriji iz naučnog prostora Republike Srbije. U radovima kroz koji je predstavljen imamo miks autora koje čine ovaj broj pored ostalog i sa stranim autorima iz okruženja Grčke, Republike Hrvatske i Republike Srpske kao sastavnim delom Bosne i Hercegovine i sa radovima istina, manjinski, koji dolaze sa institucije ASSKiM- Odseka Peć u Leposaviću, koja izdaje ovaj časopis i autora sa šireg naučnog neba Kosova i Metohije i šire Republike Srbije povezujući privatni i državni sektor visokog obrazovanja i nauke regiona Balkana.

Prvi rad pod naslovom ***„Porez na dobitak i ekonomski rast: Empirijski dokazi iz Evropske Unije“ Jadranke Đurovič Todorović, Marine Đorđević, Branimira Kalaša i Milice Ristić Cakić***, bavi se odnosom poreza na dobit preduzeća i ekonomskog rasta u zemljama Evropske Unije. S obzirom da se porez na dobit preduzeća često smatra jednim od najštetnijih poreskih oblika za ekonomski razvoj, ova studija ima za cilj da ispita njegove efekte na rast BDP-a. Istraživanje analizira kako teorijske osnove tako i empirijske dokaze o uticaju oporezivanja preduzeća na privrednu aktivnost. Osnovni cilj studije je da se utvrdi da li porez na dobit preduzeća ima pozitivan ili negativan uticaj na privredni rast. Koristeći statističke i ekonometrijske analize zasnovane na podacima iz zemalja članica EU za period 2000-2020, studija ocenjuje međuzavisnost između prihoda od poreza na dobit preduzeća i stopa rasta BDP-a. Nalazi ukazuju na pomešani efekat: dok u nekim zemljama porez na dobit preduzeća negativno korelira sa ekonomskim rastom, u drugim se primećuje pozitivna veza, što sugeriše da dobro strukturisana poreska politika može doprineti ekonomskoj stabilnosti i razvoju. Rezultati ovog istraživanja mogu biti korisni kreatorima politike u kreiranju efikasnije politike oporezivanja preduzeća koja podržava ekonomski rast uz održavanje fiskalne stabilnosti.

Drugi rad pod nazivom ***„Racionalna ekonomija u poredjenju sa slučajem bihejvioralne ekonomije“*** autora ***Constantinosa Challoumisa, Marka Savića i Nikole Pavlovića***, ima za cilj da predstavi posebne karakteristike racionalne ekonomije u poređenju sa slučajem bihejvioralne ekonomije. Stoga ova analiza predstavlja ova pitanja i pokazuje glavne razlike između ova dva koncepta. Glavni tok je da se pokažu ključni atributi oba i razlike između njih. Ekonomija ponašanja takođe uzima u obzir subjektivne karakteristike, dok se racionalna ekonomija više zasniva na matematičkim normama, ali postoje i pristupi koji omogućavaju i bihejvioralnu ekonomiju jer sistemi povratnih informacija mogu pronaći najprikladniji model.

Treći rad pod naslovom ***„Pravni odnosi u dokumenarnom akreditivnom pismu“*** autora ***Kristine Savić*** je rezultat istraživačkog projekta koje finansira Ministarstvo nauke, tehnološkog razvoja i inovacija Republike Srbije iz 2024. godine. Ovaj rad detaljnije analizira pravne odnose inherentne akreditivnoj transakciji, ključnom finansijskom instrumentu u međunarodnoj trgovini. Akreditiv, regulisan prvenstveno jedinstvenim običajima i praksom za dokumentarne akreditive (UCP), obezbeđuje sigurnost i za kupce i za prodavce obezbeđujući plaćanje po podnošenju propisanih dokumenata. Ovo istraživanje doprinosi dubljem razumevanju složenih pravnih odnosa i uloga glavnih uključenih strana, bez kupca, prodavca, banke izdavaoca i banke koja potvrđuje i analizira njihova prava i obaveze prema UCP.

Četvrti rad autora ***Ivane Djelošević i Branke Spasojević*** pod nazivom ***„Privredna propaganda kao oblik poslovne komunikacije“*** kroz istraživanje analizira privrednu propagandu, kao oblik promocije koja je plaćeni način poslovne komunikacije koji ima za cilj da prenese informaciju, razvije sklonost i podstakne akciju u korist proizvoda i usluga preduzeća. Privrednu propagandu kao aktivnost čine niz postupaka i metoda pomoću kojih preduzeće uspostavlja komunikacionu vezu sa potencijalnim potrošačima. Za uspešan rast i razvoj, preduzeća moraju da računaju na dugoročne efekte svojih aktivnosti što dovodi do toga da se pred propagandu postavljaju novi zadaci. Imajući u vidu da je svrha poslovne komunikacije promocija proizvoda i usluga, izgradnja imidža, orijentacija zaposlenih, možemo reći da poslovna komunikacija ima veliku važnost za propagandne aktivnosti preduzeća. To su glavne crte rada koji je pred nama.

Peti rad pod naslovom ***„Ekonomika saobraćaja: Uticaj saobraćajne infrastrukture na ekonomski razvoj ruralnih sredina“*** autora ***Marije Ilievske Kostadinović i Gruje Kostadinovića***, ukupno posmatrano predstavlja ključnu komponentu savremenog društva i ekonomije. On obuhvata širok spektar aktivnosti, od prevoza lica i robe, do logističkih, inteligentnih i digitalnih sistema koji unapređuju efikasnost transporta. S povećanjem globalizacije i umrežavanja tržišta, razvoj infrastrukture za transport postao je preduslov ekonomskog rasta i međunarodne konkurentnosti. Istorijska analiza saobraćajnih usluga pruža uvid u to kako su države koristile infrastrukturu kao instrument ekonomske politike, te kako je koncept održivosti postao neophodan u novim strateškim pristupima planiranju. Kroz ovaj rad analizira se evolucija transportne infrastrukture, uloga saobraćaja u ekonomskom razvoju, kao i savremeni izazovi povezani sa održivošću i ekološkim kriterijumima. Poseban akcenat je stavljen na istorijski razvoj i primere različitih ekonomskih politika koje su koristile transport kao mehanizam ekonomskog uticaja.

Šesti rad ***Ivana Milojevića i Aleksandra Milanovića*** pod naslovom ***„Mesto i uloga poreskog bilansa u finansijskom sistemu izveštavanja“*** pomaže da bi se shvatila suština poreskog bilansa gde se mora poći od funkcija preduzeća koju ono ima u privredi jedne zemlje uopšte. Država potražuje od preduzeća po osnovu ostvarene dobiti novčana sredstva, tako da je svako preduzeće zainteresovano da dobit ostvarenu na tržištu što više umanji kako bi se osnovica po kojoj država potražuje sredstva smanjila. Kako je poreski bilans izveštaj kojim se prikazuje iznos oporezive dobiti odnosno poreske osnovice, država je zainteresovana za njegovo što preciznije definisanje. Takođe je potrebno na što prihvatljiviji način približiti menadžmentu preduzeća značaj poznavanja poreskog bilansa, posebno u privredama koje se nalaze u razvoju, poput naše, Srbije. U radu je prikazana pozicija poreskog bilansa u finansijskom sistemu, uloga i mesto poreskog bilansa u porodici ostalih finansijskih izveštaja. U okviru toga je posebno istaknuta uloga rizika koji su prisutni prilikom sastavljanja i kontrole poreskog bilansa i zavisnosti poreskog bilansa od oblika i strukture preduzeća.

Sedmi rad autorke ***Ivane Zubić*** pod naslovom ***„Povezanost organizacione posvećenosti i motivacione strukture zaposlenih“*** pokazuje uspešne organizacije i način na koji originalno i aktivno upravljaju potencijalima svojih zaposlenih, a motivacija i organizaciona posvećenost predstavljaju ključna pitanja upravljanja ljudskim resursima. Cilj ovog istraživanja u radu bio je da se proceni korelacija između motivacione strukture i organizacione posvećenosti (merene „Upitnikom motivacije i zadovoljstva poslom“) kod zaposlenih. Istraživanje je sprovedeno na uzorku od 120 radnika jedne srpske korporacije. Rezultati pokazuju da postoji statistički značajna povezanost između lične važnosti i zadovoljavajuće prisutnosti određenih faktora radne motivacije sa nivoom organizacione posvećenosti zaposlenih. Sve ovo potvrđuju živa istraživanja metode, statistike i korelacije između njih. Ovi rezultati daju odgovor na praktično pitanje: koji oblici motivacije utiču na nivo organizacione posvećenosti.

Osmi rad autora ***Nebojše Denića, Željka Bartulovića, Srdjana Đorđevića i Ivane Bulut Bogdanović*** je ***„Paradigme primene veštačke inteligencije sa aspekta etike u unapređenju kvaliteta“.*** U ovom istraživačkom radu, na osnovu sistematskog pregleda relevantne naučne literature, su prikazani rezultati istraživanja upotrebe veštačke inteligencije u kompanijama, sa etičkog aspekta. U ovom kontekstu, rad istražuje pitanja koja proizilaze iz potrebe uspostavljanja etičkih smernica za efektivnu upotrebu metoda, tehnika i alata veštačke inteligencije. Za potrebe rada su evoluirani različiti aspekti etike u vezi sa veštačkom inteligencijom i analizirani ključni izazovi koji se javljaju u poslovnim procesima kompanija i poslovnih sistema. Osnovni cilj je istražiti kako se etički ponašati u ovom dinamičnom okruženju, uz postizanje konkurentske prednosti i održivog razvoja poslovanja, odnosno identifikovati etičke dileme korišćenja veštačke inteligencije u radnom okruženju pojedinaca i formulisati preporuke kompanijama i organizacijama za njeno etičko korišćenje i implementaciju. Rezultati istraživanja ukazuju na neophodnost uključivanja etičkih principa već u fazi planiranja i razvoja veštački inteligentnih sistema. Rezultati pokazuju da je neophodno da kompanije i poslovni sistemi prepoznaju vrednosti kao što su pravičnost, transparentnost i odgovornost i da ih integrišu u svoju poslovnu praksu. Korišćen je kvantitativni metodološki pristup, sproveden na osnovu anketnog upitnika. Rezultati istraživanja primene veštačke inteligencije u praksi ukazuju da zaposleni ocenjuju sve organizacione prakse koje bi pomogle u smanjenju pojave etičkih dilema kao izuzetno važne i korisne, pri čemu je najveća identifikovana etička dilema smanjenje radne sposobnosti i veština zbog mogućnosti oslanjanja na sisteme veštačke inteligencije.

Deveti rad autora ***Vladimira Đorđevića i Gorana Jeličića*** je rad pod naslovom ***„Kulturna i ekonomska vrednost sportskih manifestacija u ruralnim sredinama“.*** Medijski i pravni kontekst predstavlja višedimenzionalan fenomen koji obuhvata lokalni razvoj, očuvanje kulturnog identiteta i jačanje socijalne kohezije. Istraživanja pokazuju da sportske manifestacije u manjim sredinama doprinose ekonomskoj aktivnosti kroz povećanje turističke potrošnje, podršku malim i srednjim preduzećima i generisanje sezonske zaposlenosti. Istovremeno, one služe kao sredstvo za promociju kulturnog nasleđa i lokalnog načina života, čime podstiču osećaj pripadnosti i zajedništva. Medijski kontekst igra ključnu ulogu u vidljivosti i održivosti ovih manifestacija. Prisustvo u lokalnim i regionalnim medijima omogućava bolje pozicioniranje ruralnih opština na kulturnoj i turističkoj mapi zemlje, ali i povećava potencijal za privlačenje sponzora i investitora. S druge strane, pravni okvir koji reguliše organizaciju sportskih događaja u ruralnim sredinama mora biti usklađen sa principima transparentnosti, bezbednosti i odgovornosti, kako bi se obezbedila dugoročna korist za lokalnu zajednicu. S obzirom na sve navedeno, potreban je intersektorski pristup koji objedinjuje sportsku politiku, kulturni razvoj, medijsku strategiju i pravnu regulativu. Samo tako se mogu maksimalno iskoristiti potencijali sportskih manifestacija kao alata za integralni ruralni razvoj.

I zadnji deseti rad u ovom broju autora ***Bobana Dašića, Blagoja Pušonje i Radmile Trklje*** pod nazivom ***„Finansiranje lokalnih samouprava sa fokusom na bezuslovne transfere iz budžeta Republike Srbije“*** ukazuje da lokalne samouprave, kao oblik vršenja i ostvarivanja ovlašćenja građana, imaju pristup određenim materijalnim sredstvima koja služe za obavljanje njihovih izvornih i Ustavom zagarantovanih funkcija. Kao decentralizovani nivoi državne vlasti, lokalne samouprave regulišu i izvršavaju zakonom postavljene poslove u interesu svojih građana, za koje su im potrebna odgovarajuća finansijska sredstva. Načini finansiranja lokalnih samouprava u Republici Srbiji regulisani su zakonom i garantovani Ustavom. Postoji nekoliko načina za finansiranje lokalnih samouprava, odnosno za obezbeđivanje sredstava za opštine, gradove i grad Beograd. Ovaj rad se fokusira na različite načine finansiranja lokalnih samouprava, sa posebnim osvrtom na nenamenske transfere iz republičkog budžeta Republike Srbije. Cilj rada je bio da se ukaže na značaj finansiranja lokalnih samouprava iz republičkog budžeta, kao i na potrebu njegove reforme.

Činjenični zaključni osvrt pokazuje da na grupu izabranih tema u ovom broju detaljno crta pravila koja treba da važe u savremenom poslovnom, ekonomskom i pravnom ambijentu koji trenutno dominira, uslovima harmonizacije i dometa veštačke inteligencije i njenu širu upotrebu koji treba da bude održivi razvoj u bilo kojoj ekonominji, a posebno ekonomiji u kojoj živimo i radimo u Srbiji. Ideje koje se rasprostiru u prezentovanim radovima predlažemo kroz momenat i ideju zauzimanja tzv. poreza u hodu ili „poreza na hodanje“ više simbolično rečeno koje treba oživeti. To pitanje otvaraju iskustva u Evropskoj Uniji gde su zapravo granice oporezivanja i ulozi države u regulaciji ponašanja građana. Otuda bihejviralna ekonomija da nisu svi izbori poreza racionalni i da se fiskalna pilitika mora posmatrati i kroz psihološki momenat građana i društva. Iskustva Srbije sa akreditivnim pismima ukazuju na potrebu dalje pravne edukacije i usklađivanja sa međunarodnim standardima. Ekonomika saobraćaja i ruralna područja ostaju važna za ravnomerni regionalni razvoj i urbanih i ruralnih područja. Dostupnost infrastrukture utiče na privredni rast, migracione tokove, kvalitet života van urbanih centara.

U kontekstu poreskog bilansa u finansijskim izveštajima u Srbiji mora se osigurati i transparentnost i vidljivost na svim nivoima, a da se proceni i ne ugrozi fiskalno zdravlje privrede. Ono što je bitno iz ugla lokalnog finansiranja je da njega finansiraju i budžet i sopstveni prihodi kao što su lokalni porezi, takse i naknade, i iz republičkog budžeta namenska sredstva i nenamenska i iz donacija i kreditnih zaduženja. Konačno, po nama treba redefinisati lokalnu poresku politiku kroz veću samostalnost opština, a time i kvalitetnije usluge za građane.

Sve obrađene oblasti koje su istražene ukazuju da mora da se dopunjuju javna politika, razne ekonomske strategije i pravno uređenje u jednoj državi, sve u cilju postizanja održivog privrednog razvoja, privrede koja je konkurentna i društva zasnovanog na znanju, etici i inkluzivnosti.

Glavni i odgovorni urednik
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CORPORATE INCOME TAX AND ECONOMIC GROWTH: EMPIRICAL EVIDENCE FROM THE EUROPEAN UNION

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Abstract: The subject of this research is the relationship between corporate income tax and economic growth in European Union countries. Given that corporate income tax is often considered one of the most harmful tax forms for economic development, this study aims to examine its effects on GDP growth. The research investigates both the theoretical foundations and empirical evidence regarding the influence of corporate taxation on economic activity. The main objective of the study is to determine whether corporate income tax has a positive or negative impact on economic growth. Using statistical and econometric analyses based on data from EU member states for the period 2000–2020, the study evaluates the interdependence between corporate income tax revenues and GDP growth rates. The findings indicate a mixed effect: while in some countries corporate income tax negatively correlates with economic growth, in others, a positive relationship is observed, suggesting that well-structured tax policies can contribute to economic stability and development. The results of this research can be useful for policymakers in designing more effective corporate taxation policies that support economic growth while maintaining fiscal sustainability.

Keywords: corporate income tax, economic growth, European Union, tax reforms

Introduction

Corporate income tax (CIT) plays a pivotal role in shaping the economic landscape of nations, especially within the European Union (EU). Given its influence on business decisions, investment behaviors, and overall economic development, the relationship between corporate taxation and economic growth has been a topic of extensive debate among economists, policymakers, and business leaders. While corporate income tax is often viewed as a tool for maintaining a country's stability, its impact on economic growth is more complex and nuanced.

Over the past few decades, there has been growing interest in understanding the effects of CIT on economic performance, particularly in the context of EU member states. Despite the varying tax policies and rates across countries, corporate taxation remains a key determinant of business strategies and economic dynamics. For some nations, high corporate tax rates are seen as a barrier to investment and growth, potentially discouraging businesses from expanding or relocating. In contrast, others argue that well-structured corporate tax systems can foster innovation, increase tax revenues, and ultimately contribute to economic stability and growth. This research aims to explore the relationship between corporate income tax and economic growth within the EU. By analyzing empirical data and employing statistical tools, the study seeks to assess the direct and indirect effects of CIT on GDP growth in EU countries over the period from 2000 to 2020. Through this analysis, the research will contribute to a better understanding of the role of corporate taxation in shaping economic outcomes, offering valuable insights for policymakers aiming to optimize tax policies for sustainable economic growth.

The study will examine the theoretical foundations of corporate taxation, explore existing literature on the topic, and present empirical findings based on data from various EU countries. Ultimately, the objective is to provide a comprehensive analysis of whether corporate income tax serves as a hindrance or a facilitator of economic growth within the European Union.

The Role of the Existing Corporate Income Tax Model in Promoting Economic Growth: A Literature Review

According to previous studies assessing the impact of different tax forms on economic growth, corporate income tax has been identified as the most detrimental (Johansson et al., 2008). Some authors argue that this type of tax serves as an essential policy instrument, influencing businesses and their investment decisions indirectly through its effects on the fiscal treatment of depreciation, the structure of production financing, and business location. Modern business conditions increasingly highlight the need to understand the role of various tax forms in a country's economic growth and development. While a well-designed tax policy is imperative for every country, it is also an ongoing topic in financial management. The primary objective of corporate income tax policy in contemporary economies is to stimulate and support economic entities in their development. Therefore, if the taxation of corporate profits acts as a constraint on a country's economic growth, its overall stability may be at risk.

In contemporary economic literature and tax policy, corporate income tax is recognized as one of the most economically significant tax instruments due to its substantial effects on economic efficiency and growth, despite its limited fiscal yield (Arsić & Ranđelović, 2017). Unlike personal income tax or indirect taxes, corporate income tax does not generate high fiscal revenues. However, it has both a stabilization and a developmental function. This tax can help mitigate cyclical economic fluctuations, thereby contributing to financial and economic stability. At the same time, corporate income tax plays a crucial role in economic growth and development, particularly in addressing regional disparities (Đurović Todorović et al., 2019).

Given the high mobility of capital and labor, countries engage in tax competition by adjusting corporate tax rates. Empirical research has shown that corporate tax rate changes can negatively impact GDP (Lee & Gordon, 2005; Romer & Romer, 2010; Mertens & Ravn, 2013). Some studies have found a negative correlation between corporate tax rates and economic growth, estimating that a 10% reduction in tax rates can lead to a 1-2% increase in economic growth. As corporate income tax is highly sensitive to economic cycles, it significantly influences corporate financial decisions (Delgado et al., 2014). It affects various economic factors, including relative prices, compliance costs for taxpayers, investment in research and development, innovation, and capital flows (Arsić & Ranđelović, 2017).

Despite its importance in most tax systems, corporate income tax can also have negative repercussions on economic growth, primarily due to tax competition. This competition has led to a continuous decline in statutory tax rates. In the EU, corporate tax harmonization has not been fully achieved, and member states apply different methods for calculating taxable income, leading to significant variations in tax bases, incentives, and anti-double taxation rules. These disparities, driven by corporate tax competition, have influenced economic growth patterns across countries.

In the context of globalization, no uniform corporate tax concept exists worldwide. As a result, domestic and international literature offers diverse perspectives on the economic implications of corporate taxation. Globalization and regionalization are key factors complicating economic development, further fueling debates on the relationship between corporate income tax and economic growth in corporate finance literature. Numerous studies have sought to establish a negative relationship between corporate income tax and economic growth (Plosser, 1992). Empirical research supports this claim, particularly OECD studies analyzing data from 70 countries, which highlight the adverse impact of corporate taxation on economic growth, with tax rates being the primary explanatory factor (Lee & Gordon, 2005). Additional OECD research covering the period 2000-2011 confirmed the negative effect of corporate tax on economic growth, leading to policy recommendations for tax reductions (Macek & Janků, 2015). Similarly, a study spanning 1976-2010 found a strong correlation between corporate tax rates and economic growth, reaffirming negative effects across 25 OECD countries (Dackehag, 2012). The same trend has been observed in EU member states, with a study covering 19 EU countries from 1965-2003 confirming the adverse impact of corporate taxation on economic growth.

However, later research presents a different perspective. Some studies highlight a positive relationship between corporate income tax and economic growth (Devereux et al., 2002). A positive correlation was also identified in OECD countries from 1979-2002 (Clausing, 2007). More recently, Ristić Cakić et al. (2024) found a positive corporate tax effect in 20 out of 28 analyzed EU countries, including Serbia. These findings suggest that corporate income tax, as an inherent feature of modern tax systems, can have both positive and negative effects on economic growth. However, the validity of this conclusion depends on the assumptions underlying these studies. In this paper, the effects of corporate income tax will be further examined to develop a well-founded conclusion.

Analysis of the Interdependence Between Corporate Income Tax and Economic Growth

Several factors indicate that corporate income tax affects economic growth. Beyond its key tax components, which individually influence economic growth, corporate profit taxation also impacts entrepreneurial activity-one of the primary drivers of growth and technological change worldwide (Dackehag & Hansson, 2012; Đurović Todorović et al., 2022).

Table 1: Descriptive statistics

Variable	*N*	*Average value*	*Standard deviation*	*Minimum*	*Maximum*
BDP	587	464,252.4	718,997.8	4,412.4	3,449.050
CIT	567	12,096.45	18575.42	47.7	96.596

Source: Authors' calculation, SPSS output

Building on the various research perspectives analyzed in the first part of the dissertation, an empirical analysis will be conducted to assess the significance of the corporate income tax burden on economic growth using the SPSS 23 statistical tool. The study examines the trends in corporate income tax and GDP, both expressed in millions of euros, across the EU from 2000 to 2020.

A slight increase in corporate income tax collection (CIT) relative to GDP trends has been observed. This trend is associated with a broader tax base and a reduction in corporate income tax rates (Tahlová & Banociová, 2019). The average GDP value over the analyzed 20-year period is €464,252.4 million, while the average value of CIT for the same period is €12,096.45 million. The minimum recorded GDP within the analyzed group of countries is €4,412.4 million, observed in Malta (2000).

The minimum recorded CIT within the analyzed sample amounts to €47.7 million and was observed in Latvia (2019). The highest GDP value was recorded in Germany (2019), while the maximum CIT revenue was also observed in Germany (2018). Subsequently, the interdependence between CIT and GDP was examined. GDP was expressed through the GDP growth rate (%), while CIT was expressed as a percentage of GDP. Based on the conducted data normalization, the interdependence of the observed variables was established. The relationship between CIT and GDP was analyzed using correlation analysis. The assessment of the observed variables was conducted using Pearson's correlation coefficient, which ranges from -1 to +1. Through this parametric test, the strength of the relationship between the analyzed tax form and economic growth in EU member states was determined. The results of the correlation analysis are presented in Table 2. Based on the conducted analysis, it can be concluded that there is a moderate degree of correlation between corporate income tax and economic growth (Gupta, 1999).

Table 2: Correlation Matrix of CIT and GDP for EU Countries (2000-2020)

	BDP	*CIT*
BDP	1.000	0.219
Sig. (2-tailed)		0.000
CIT	0.219	1.000
Sig. (2-tailed)	0.000	

Source: Authors' calculation, SPSS output

In order to draw appropriate conclusions from the analysis of these variables, regression analysis is used. The dependent variable in the regression models was GDP, and the independent variable was CIT. Table 3 presents the coefficients of the regression equations for each EU member state. In the majority of regression equations, the predictive power of the independent variable (R-squared coefficient: R^2) is high, indicating that corporate income tax explains a large portion of the variation in GDP. Table 3 also shows the direction and strength of the correlation between CIT and GDP at the level of EU countries during the period from 2000 to 2020.

Table 3: Regression results

Country	*Austria*	*Belgium*	*Croatia*	*Bulgaria*	*Czech Republic*	*Denmark*	*Estonia*
R2	0.380	0.391	0.132	0.340	0.470	0.061	0.111
B1	222.316	145.872	203.275	215.700	246.542	-115.192	-325.997
Sig.	(0.002)	(0.002)	(0.106)	(0.006)	(0.001)	(0.281)	(0.141)
Country	France	Finland	Germany	Hungary	Greece	Italy	Ireland
R2	0.611	0.348	0.234	0.048	0.288	0.244	0.050
B1	195,069	187.748	162.469	79.627	301.223	283.459	141.342
Sig.	(0.000)	(0.005)	(0.026)	(0.339)	(0.012)	(0.023)	(0.329)
Country	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal
R2	0.025	0.040	0.197	0.574	0.358	0.351	0.064
B1	120.984	73.540	-176.368	173.846	140.203	176.766	185.391
Sig.	(0.491)	(0.387)	(0.044)	(0.000)	(0.004)	(0.005)	(0.270)
Country	Sweden	Slovakia	Slovenia	Romania	Spain	United Kingdom	Cyprus
R2	0.026	0.035	0.315	0.425	0.502	0.145	0.019
B1	81.762	106.390	251.357	368.372	246.454	85.190	33.241
Sig.	(0.485)	(0.420)	(0.008)	(0.001)	(0.000)	(0.098)	(0.564)

Note: p values in ()

Source: Authors' calculation, SPSS output

Positive reflections of CIT on GDP can be observed in most of the analyzed countries. A negative correlation is present in Denmark and Estonia, but it is not statistically significant. The results of the regression analysis show that there is a significant difference in the impact of CIT on GDP between countries. The greatest impact can be observed in France, Malta, and Spain ($p < 0.001$). Based on the estimated values of the beta coefficients ($\beta 1$) for the independent variable, a statistically significant positive correlation between the variables exists in the Czech Republic, France, Malta, Romania, and Spain at a 1% significance level ($p < 0.01$). A positive correlation between CIT and GDP at a 5% significance level ($p < 0.05$) is found in Austria, Belgium, Bulgaria, Finland, the Netherlands, Poland, and Slovenia. According to the data from Table 37, statistical significance is recorded in 17 EU member states. It can be concluded that CIT is not a predictor with a significant impact in all countries, but its positive impact has been established in the majority of EU member states. This model is most accurately explained by the examples of France $F(61.1) = 61.1$, $p < 0.001$, Malta $F(57.4) = 57.4$, $p < 0.001$, and Spain $F(50.2) = 50.2$, $p < 0.001$.

Concluding Remarks on the Effectiveness of the Existing Corporate Income Tax System

We have developed facts showing that CIT has a positive correlation with economic growth in many EU countries, with significant effects observed in countries like France, Malta, and Spain. However, the impact of CIT on GDP varies across countries, influenced by different economic conditions, tax structures, and fiscal policies. The interdependence between corporate income tax and economic growth, as evidenced in the analyzed countries, does not ensure the efficiency of the existing corporate income tax system. On the contrary, the imperfections and ambiguities surrounding this form of taxation lead to numerous problems in its functioning.

One of the biggest challenges in the functioning of corporate income tax has been the internationalization of production (Carpentieri, et al., 2019). In such an environment, a large number of companies entering international markets were actively seeking asymmetries and deficiencies in this tax form. Considering the benefits that different national tax systems can offer, companies sought lower tax burdens and greater opportunities to avoid them. Adding to this the effects of digitalization and globalization, traditional systems for addressing issues related to corporate income tax have become dysfunctional. Companies are avoiding investments in machinery, factories, or offices. More and more investment is directed toward knowledge and intellectual capital, as profits can be made without traditional capital goods.

One of the problems that arises in practice is the imperfection of tax legislation and the large number of ambiguities in the provisions defining this tax form. Undoubtedly, this leads to a series of mistakes by tax authorities, as well as by legal entities that must apply these provisions. Given the ambiguities in tax legislation, it is not uncommon for tax authorities to exceed their powers during tax audits, leading to a decline in trust in regulatory bodies. The current corporate income tax system is also attributed the following shortcomings: the mechanism for paying corporate income tax leads to the outflow of funds from companies and their unavailability; tax incentive systems are inefficient and hinder legislative bodies from implementing fiscal policy; the method of taxation in the existing corporate income tax system, which is based on adjusting financial results before taxation, complicates the taxation process and makes pre-tax income non-transparent for auditors, further encouraging tax evasion opportunities (Paientko & Proskyra, 2016). Some theorists argue that the existing corporate income tax system is seriously compromised, particularly in countries with lower national income. This is supported by the trend of falling tax rates, which approximates a reduction to zero (Weichenrieder, 2009). Namely, the corporate income tax model suggests that in "small" countries, there is greater elasticity of the tax base, as lower tax rates attract a large amount of capital. On the other hand, "large" countries suffer significant losses with reduced tax rates and must attract much more new capital to offset these losses, which also explains why tax havens are formed in small countries.

Due to these problems, nearly all tax systems in recent years have been addressing issues related to tax base erosion and capital flight associated with profit shifting. The global distribution of income has led to serious problems in tax systems. Estimates of revenue losses from corporate income tax are significant, and it is considered that about one-third of these losses are related to developing countries (Crivelli et al., 2016). As a result of increasing capital mobility, the literature has raised the question: how should corporate income tax be levied in a globalizing economy, if the existing profit taxation system is considered ineffective? (Sørensen, 2004). The answer is still not unified among theorists, and this issue is still being intensively discussed. Not only among economists but also among economic policymakers. In recent years, policymakers have been paying more attention to reforms aimed at increasing the efficiency of the corporate income tax system in the context of high capital mobility. In the battle for capital and the creation of a better business environment, in the absence of national borders, tax systems are increasingly aware that a reformed income taxation system is a necessity.

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POREZ NA DOBITAK I EKONOMSKI RAST: EMPIRIJSKI DOKAZI IZ EVROPSKE UNIJE

Rezime: Predmet ovog istraživanja je odnos poreza na dobit preduzeća i ekonomskog rasta u zemljama Evropske Unije. S obzirom da se porez na dobit preduzeća često smatra jednim od najštetnijih poreskih oblika za ekonomski razvoj, ova studija ima za cilj da ispita njegove efekte na rast BDP-a. Istraživanje analizira kako teorijske osnove tako i empirijske dokaze o uticaju oporezivanja preduzeća na privrednu aktivnost. Osnovni cilj studije je da se utvrdi da li porez na dobit preduzeća ima pozitivan ili negativan uticaj na privredni rast. Koristeći statističke i ekonometrijske analize zasnovane na podacima iz zemalja članica EU za period 2000–2020, studija ocenjuje međuzavisnost između prihoda od poreza na dobit preduzeća i stopa rasta BDP-a. Nalazi ukazuju na pomešani efekat: dok u nekim zemljama porez na dobit preduzeća negativno korelira sa ekonomskim rastom, u drugim se primećuje pozitivna veza, što sugeriše da dobro strukturisana poreska politika može doprineti ekonomskoj stabilnosti i razvoju. Rezultati ovog istraživanja mogu biti korisni kreatorima politike u kreiranju efikasnije politike oporezivanja preduzeća koja podržava ekonomski rast uz održavanje fiskalne stabilnosti.

Ključne reči: porez na dobit preduzeća, privredni rast, Evropska Unija, poreske reforme

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RATIONAL ECONOMICS IN COMPARSION TO THE CASE OF BEHAVIORAL ECONOMICS

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Abstract: This paper aims to represent the special characteristics of rational economics in comparison to the case of behavioral economics. Therefore, this analysis represents these issues and shows the main differences between the two concepts. The mainstream is to show the crucial attributes of both of them and the differences between them. Behavioral economics also take into account subjective characteristics, while rational economics is based more on mathematical norms, but there are also approaches that allow both behavioral economics and behavioral economics as feedback systems can find the most appropriate model.

Keywords: rational, behavioral, mainstream, economics, Keynesian, Neo-classical

Introduction and methodology

In this thesis the rational and the behavioral economics, from the special view of the Keynesian and the Neoclassical approach. This means that as a methodological tool, this paper has used the analysis of the structural elements of the theory of the Keynesian approach and the Neoclassical theory to declare their characteristics. Moreover, the comparison between the two theories is used to determine the differences between them, and for the clarification of their behavior (Azar et al., 2018; Cai, 2017; Campos et al., 2019; Carfora et al., 2021; Challoumis, 2020a; McIsaac & Riley, 2020; Nayak, 2019; Ruiz et al., 2017; Sikka, 2018; Snow, 1988). Therefore, the analysis and the comparison of these two theories showed the rational theory and the behavioral theory in economics (AL-UBAYDLI et al., 2021; Challoumis, 2019a, 2020c; Ginsburgh & Weber, 2020; Grove et al., 2020; Reeves et al., 2019; Waardenburg et al., 2020). Hence, the identification of attributes of rational and behavioral theory is plausible through this economic analysis.

The rational economic theory

The Keynesian methodology is based on the rational model but there are some issues about the purity of the rationality of the methodology that is used by Keynes. The reason is that there are some controversies. These controversies are about the behavioral and the rational approach of the Keynes methodology (In this section the rational economic approach, and below is presented the behavioral one). Keynes uses as methodology the aspects of long-term expectations, conventions, and animal spirits. According to the Keynesian approach rationality is identified in assumptions (hypotheses). The animal spirits approach is defined by Dow and specifies that the long-term expectations are generated by the conventional optimizing procedure which uses rational criteria. It is not able to model a theory using irrational criteria. Also, Keynes uses the Aristotelian methodology. The interpretation of the Aristotelian method is that any approach to any issue could be made using a variety of starting points. Therefore, any hypothesis that could be made should lead to the same result. Also, there is Challoumis methodology, that is based multiple axiomatics method that uses feedback between the initial hypothesis and the final result. In that way, it is plausible to modify the initial hypothesis or the theory, or the mathematical model until to succeed an adequate result.

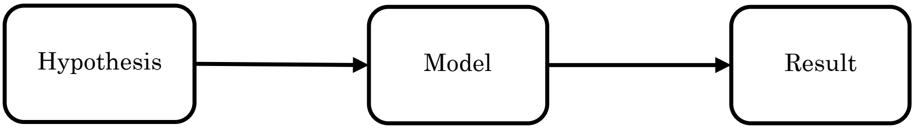

Figure 1: Aristotelian method

A method with feedback is the following one:

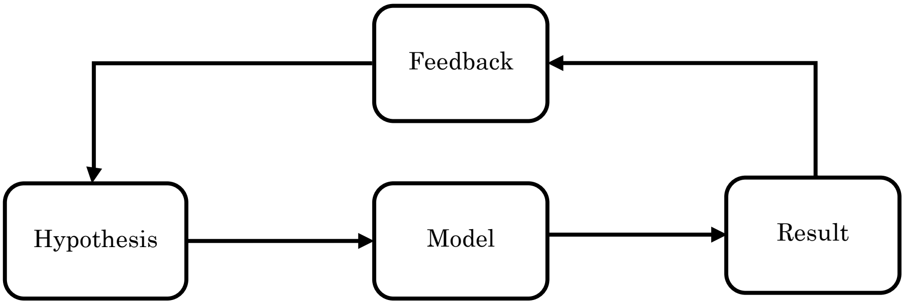

Figure 2: Challoumis method (MSA)
(Challoumis, 2018d, 2018a, 2018b, 2019b, 2020c)

This methodology is based on a system of continuous interaction between the initial hypothesis and the final result. (Challoumis, 2019b, 2019c, 2020b, 2020a, 2020c, 2021b, 2021f, 2022). In this way, the maximum reliability of the control system is achieved, as a huge number of verifications can also be carried out by means of code. The theory of Cycle of Money, which achieves the control of GDP with marginal cases, that is, using differential equations, was based on MSA (Multiple Axiomatics Method) (Challoumis, 2019a, 2021d, 2023b, 2021a, 2021c, 2021b, 2021e, 2023e, 2023c, 2023a, 2023d; Constantinos Challoumis, 2024). The difference with the Aristotelian method is that there only an initial hypothesis is put up for verification (Woody & Viney, 2017). Behavioral economics also take into account subjective characteristics, while rational economics is based more on mathematical norms, but there is also Q.E. method of MSA methodology (Challoumis, 2018b) that allows both behavioral economics and behavioral economics as feedback systems can find the most appropriate model.

Neoclassical economics methodology

Neoclassical economics use rational methodologies, as the assumptions for the confirmation of any theory. Therefore, the Neoclassical theory is based on the Cartesian/Euclidean approach. This means that the axioms are the basis of any analysis (Blekesaune, 2007; Challoumis, 2020c; Dollery & Worthington, 1996; Gocekli & Comertler, 2021; Guardino & Mettler, 2020; Hagenaars et al., 2017; John, 2018; Le Bodo et al., 2019; Woody & Viney, 2017). Then, using the axioms and the deductive logic are extracted theorems. Hence, the axioms should be true or at least self-evident, meaning that the assumptions would be able to be confirmed. The analysis of axioms by the Cartesian/Euclidean approach has two significant features that are derived from the aim of building a closed system.

- The first feature is known as atomism, or otherwise as reductionism.
- The second feature is dualism. Dualism declares that always only one choice is plausible, for instance, true or false, logical, or illogical, etc., excluding with that way any middle ground.

Thence, the two elements to build a rational theorem are going through the atomism/reductionism, and the dualism. In mainstream economics, the Cartesian/Euclidian approach could be determined as the known theory of deductivism/positivism (Altman, 2012; Challoumis, 2019b; Driver, 2017; Hasselman & Stoker, 2017; Ruiz et al., 2017). Then, in mainstream economics, the key is the constant conjunctions that allow rational predictions.

Keynesian economics methodology, as behavioral theory

The Keynesian methodology as mentioned previously has different interpretations depending on the school of thought. Then, from the view of psychology could find application in the role of individuals. According to Winslow, Keynes rejected atomism and used the organic approach. Additionally, to Anna Carabelli, Keynes is based on the opinions and beliefs of economic agents (Challoumis, 2018c, 2020c, 2021b). Therefore, the theory of Keynes includes psychological aspects. Keynes himself uses psychological aspects to underline his theory (Carattini et al., 2018; Kamradt-Scott & McInnes, 2012; Montenegro Martínez et al., 2020; Onur Kulaç, 2017; Rizzo & Throsby, 2006; Sultana et al., 2020). Therefore, in the General Theory of Keynes are referred the phrases like, "psychological laws", "psychological effect", "psychological motives", "psychological characteristics", "psychological influences", etc. Forasmuch as we have three basic views which show that Keynes used behavioral aspects in his approach:

- Individualism is avowed by Keynes, but the individualism per se is not ignored. Keynes seems to have been avowed the atomic individualism, but philosophically is an individualist in the interpretation of Paley's dictum . There exist significant behavioral insights exist into Keynes's work.
- The conventions are the second crucial element which shows that Keynes uses behavioral tools in his analysis. In situations of uncertainty, economic agents use conventions to determine their actions. But, in this case is identified that conventions are considered rational if they comply with the uncertainty in a successful manner.
- The third element is about the thoughts of Keynes about the behavioral approach. Thence, the comments of Keynes about psychology. Additionally, one more thing that reveals Keynes's behavioral approach is the affirmations of psychology. Moreover, with the comparison of Keynes's works is revealed that Keynes is affiliated with behavioral and experimental economics.

Hence, Keynesian theory uses elements from the psychological and behavioral approach, showing that there isn't only rationalism in Keynes's analysis.

Heuristic and behavioral economics

Mainstream economics, as mentioned in the Neoclassical and Keynesian approach stands on the axioms, the Cartesian/Euclidian approach, the rational choice for the maximization of utility, the individualism, etc.. But are not included in the cognitive limitation, social preferences, the self-control problem, etc. to the rational approach. Neoclassical economics does not involve the choice of consumers in the behavioral explanation. Heuristics claim that by the Keynesian approach, the entrepreneur uses the information that is more representative of the situation, the information that is easy to retrieve, based on the availability of and the confidence of entrepreneurs. It is plausible to perceive human actions as systematic behaviors, not as random actions. This is the point of view where Keynes identified that perfect rationality is not possible, as the heuristic does because there are biases in the judgment subject to uncertainty (Altman, 2012; Challoumis, 2021b; Gocekli & Comertler, 2021; Guardino & Mettler, 2020; Ruiz et al., 2017). Uncertainty is the key to the behavioral approach of Keynesian theory. In animal spirits, the basic view is the source of instability to the economic decisions, and more precise to the decisions about investments. Overconfidence is one more thing that analyzes the Keynesian approach and shows that has elements of behavioral economics. The degree of confidence determines long-term expectations. There is a divergence between the belief of how confident a person is and the accuracy of positivity of this person. This condition is the point for the application of behavioral economics.

Approximation is an attribute of rational modeling. The assumptions and the axioms used by rationalism are approximations. Two crucial characteristics of rational economics are that economics exists to the perfect competition and the perfect information. These are considered in behavioral economics as cases that should be remodified. There, is a series of things that show that rational economics omit economic parameters according to behavioral economics, which are the following:

- The field tests are elements that are important for the application of laboratory experiments. Experiments allow the study of alternative explanations. Therefore, study of economics using field tests allows the examination of the causes of the results, and not stay only in the assumptions without interpretation of their conjunctions, and how each theory leads to its result.
- The element of self-awareness is crucial for the limitation of rationality. The reason for the limitation of rationality is that possibly economists think that they have the appropriate self-awareness, but the truth is that people under pressure or special conditions have a different level of self-awareness. The self is not a self it is an interaction of a series of mechanisms in complicated forms.
- The endogenous institutions which are firms' investments and advertising reveal the changes of consumers by these firms. Therefore, behavioral economics gives an exegesis about the impact of these firms. Without a

behavioral approach, the understanding of the impact of these firms on consumers wouldn't be able to identify.

- The missing psychology is one more aspect that is not included in rational economics. Psychology is inserted into rational economics because affects the choice models and the preferences. The impact of the anomalies on the rational choice appears as the result of a lack of examination of the causes of the results. Moreover, one thing that is also included in behavioral economics is the limited attention. Limited attention affects rational decisions. This is the reason why advertising and organizational structure are used to stimulate attention appropriately and manipulate decision-making.
- Neuroscience tries to go deeper into the causes of decisions. The interpretation of this approach is that the study of the brain allows the understanding of the preferences from a neurological approach. Neuroscience reminds us that the mind is extremely complex and gives an exegesis of why we make concrete decisions, indexing the right level of decision-making.

From the previous bullets of behavioral elements of economics, we conclude that all of them are trying to give the exegesis of the results of the economic analysis. On the other hand, mainstream economics are based on the axiomatics and the Cartesian/Euclidean approach to declare the validation of any economic theory.

Conclusions

There are special characteristics between rational and behavioral economics and differences between them. Thence, rational economics estimate the confirmation of the assumptions that rely on the axiomatics. On the other hand, behavioral economics uses psychology and laboratories to define the decision-making process of the consumers. Then, the approaches between the two cases are different. But both of them have the same aim, to declare each theoretical model, in their way. Their economic tools are not the same. The assumptions and the axioms are easier to apply. At the same time rational economics, estimates in two points the assumption and the confirmation. Then, the assumption has a concrete point of starting from the Euclidean approach. But both of them have a target to confirm the initial point of view (the assumption). Behavioral economics aims at the middle step, meaning the procedure, and not so much at the initial and final point (assumption and confirmation accordingly). Therefore, the target remains the same for rational and behavioral economics, but the economic tools are different.

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RACIONALNA EKONOMIJA U POREĐENJU SA SLUČAJEM BIHEJVIORALNE EKONOMIJE

Rezime: Ovaj rad ima za cilj da predstavi posebne karakteristike racionalne ekonomije u poređenju sa slučajem bihejvioralne ekonomije. Stoga ova analiza predstavlja ova pitanja i pokazuje glavne razlike između ova dva koncepta. Glavni tok je da se pokažu ključni atributi oba i razlike između njih. Ekonomija ponašanja takođe uzima u obzir subjektivne karakteristike, dok se racionalna ekonomija više zasniva na matematičkim normama, ali postoje i pristupi koji omogućavaju i bihejvioralnu ekonomiju i bihejvioralnu ekonomiju jer sistemi povratnih informacija mogu pronaći najprikladniji model.

Ključne reči: racionalni, bihevioralni, mejnstrim, ekonomija, kejnzijanski, neoklasični

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THE LEGAL RELATIONS IN DOCUMENTARY LETTER OF CREDIT TRANSACTION[1]

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Abstract: In this paper we will analyze the legal relations inherent in the letter of credit transaction, a crucial financial instrument in international trade. Letter of credit, regulated primarily by the Uniform Customs and Practice for Documentary Credits (UCP) provide security for both buyers and sellers by ensuring payment upon the presentation of stipulated documents. This research contributes to a deeper understanding of the complex legal relations and the roles of main parties involved, uncluding the buyer, seller, issuing bank and confirming bank, and analyzes their rights and obligations under the UCP.

Keywords: letter of credit, international trade, legal relations, UCP, banking law

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Introduction

Although letter of credit, as we know them today, began to take shape after the First World War, the concept itself existed in a more rudimentary form long before that, even in ancient Rome. (Carić, et. al, 1990, p. 162) Different authors reference historical development of letter of credit on different ways. Some of them, such as Ellinger notes that English kings used it as a financial instrument as early as the 13th century, while merchants adopted its use much later, around the 17th century. (Ellinger, 1970, p. 24) Throughout history, the development of regulations concerning letter of credit was very difficult process. However, in modern times, the International Chamber of Commerce has taken a leading role in codifying relevant customs and practices through the Uniform Customs and Practice for Docu-mentary Credit – UCP. (Alavi, 2016, p. 110) Under the UCP, letter of credit is defined as: "any arrangement, however named or described, whereby a bank (the "Issuing Bank") acting at the request and on the instructions of a customer (the "Applicant") or on its own behalf,

i. is to make a payment to or to the order of a third party (the "Beneficiary") or is to accept and pay bills of exchange (Draft(s)) drawn by Beneficiary, or
ii. authorises another bank to effect such payment or to accept and pay such bills of exchange (Draft(s)), or
iii. authorises another bank to negotiate, against stipulated document(s), provided that the terms and conditions of the Credit are complied with". (Article 2, UCP)

Documentary letter of credit is essential for financing international trade. They facilitate the exchange of goods and services in the international market, even before the actual transaction occurs. The effectiveness of letter of credit relies heavily on their inherent autonomy from the underlaying transaction. (Monteiro, p. 144) On the other hand, recognizing that the letter of credit plays a central role in numerous transactions, both internationally and domestically, we must focus on the bank's involvement in handling the relevant documents. The bank's role is to ensure payment upon the delivery of certain documents, and the parties specify which documents must be provided to trigger the payment. This system effectively positions the bank as a neutral subject. (Grassi, 1995, p. 3) Letter of credit is also very useful for seller. Although the seller who requires acceptance or payment against documents has some level of security, he is not fully protected. By this stage, he has already incurred the expense of manufacturing or acquiring the goods anf shipping them to the buyer's country. If the bill is dishonored, the seller will be left with the goods and will bear the trouble and cost of disposing of them elsewhere. What the seller needs is an assurance that he will be paid after shipment, and this need that letter of credit transaction is designed to meet. (Goode, 2004, p. 962)

The legal relations in documentary letter of credit transaction

Observing the structure of the letter of credit transaction, we can notice the existence of internal and external legal relations. However, all these legal relations, in their entirety, can be divided into four parts, where each one is a prerequisite for the existence of the other legal relations. The first and so – called "external" relation is, in fact, not a legal relation within the mechanism of the letter of credit transaction itself. (Rosenberg, 1975, p. 31)

The previously mentioned legal relations can be classified as follows:

- the legal relation between the seller and the buyer, based on the contract of sale, or between contractual parties based on some other contract or transaction (i.e. the legal relationship between the issuer and the beneficiary of the letter of credit);
- the legal relation between the issuer (buyer) and the bank that opens the letter of credit;
- the legal relation between the bank that opens the letter of credit and the bank participating in the realization of the letter of credit transaction (i.e. the advising or confirming bank);
- the legal relations between the bank that opens the letter of credit (or the advising or confirming bank) and the beneficiary of the letter of credit. (Antonijević, 1960, p. 69)

The legal relation between the issuer and the beneficiary of the letter of credit

The legal relation between the issuer and the beneficiary of the letter of credit can also be reffered to as the preliminary (previous) credit relation. The entire system of the letter of credit transaction cannot be envisioned without the existence of a legal relation that represents the primary legal relation or the primary legal transaction, considering that the letter of credit serves as a means of realization of the primary transaction. (Đorđević, 2013, p. 83)

The letter of credit is most commonly associated with a contract of sale and the buyer's intention to fulfill their payment obligation to the seller by approaching their bank to conclude a contract for opening a letter of credit. (Marjanski, et. al., 2021, p. 106). However, there are neither economic or legal reasons to limits its use to this domain (this contract). The letter of credit, as a payment instrument, can also be used in contracts of sale of investment equipments, construction contracts, etc. For example, in U.S. case law, the largest percentrage of disputes concerning the usage of the letter of credit (other than the contract of sale) are related to construction contracts. (Murray, 1974, p. 1113)

As an integral part of all the aforementioned contracts, we observe the existence of a financial clause. The financial clause is that part of the primary transaction (primary contract) in which all issues related to the financial obligations of the contracting parties should be precisely resolved. The financial clause should include the financial structure od the entire primary contract and its detailed elaboration. A component clause of the financial clause is the letter of credit clause. The letter of credit clause represents a contractual provision that confirms that the buyer's obligation to pay will be fullfiled through the letter of credit. This clause should generally be short and concise, but it is advisable for it to include all necessary elements, such as:

- the deadline for opening the letter of credit;
- the documents that will be required for payment under the letter of credit;
- the name of the bank that will open the letter of credit, etc. (Vasiljević, Z., 2022, p. 28)

There are different theoretical views on wheter the letter of credit clause can be equated with the financial clause, or if there are differences between them. In this context, we encounter the opinion of prof. Vasiljević, who uses the formulation "letter of credit of financial clause", (Vasiljević, 2022, p. 30) while, on the other hand, prof. Rosenberg emphasizes that "the financial clause is much broader than the so – called letter of credit clause, which represents only a part of the financial clause being discussed". (Rosenberg, 1975, p. 29).

The primary obligation of the issuer, arising from the letter of credit clause, is considering to be the opening of the letter of credit in favor of the beneficiary. The essence of this obligation also includes the deadline for its fulfillment, that is, the time within which the letter of credit must be opened. In most cases, the contracting parties from the primary contract, through the provision of the letter of credit clause, specify the exact date for the opening of the letter of credit. (Đorđević, 2013, p. 88) In business practice we can find situations where the date for the opening of the letter of credit is tied to certain actions and procedures of the seller (for example, sending a proforma invoice or notifying that the goods are ready for shipment), or the deadline (date) is simply defined by the term "immediately". However, the use of such common trade terms or the omission of specifying the time for the opening of the letter of credit can lead to problems in determining the intent of contracting parties. Prof. Vukadinović believes that "when the contract does not specify the time for the opening of the letter of credit, but the period for the delivery of goods is determined, the buyes is obligated to open the letter of credit and make it available to the seller no later than the first day of the delivery period". (Vukadinović, 2021, p. 732)

The proper fulfillment of the issuer's obligations from the letter of credit clause also relates to opening a specific type of letter of credit and the bank where the letter of credit should be opened, where such specifications are usually made in the clause itself. However, it can happen that the contracting parties fail to include such details in the letter of credit clause, and in business practice, the prevailing view is that irrevocable and confirmed letters of credit are most commonly agreed upon. We can conclude that the issuer's obligation represents a condition precedent for the performance of the beneficiary's obligations, given that the letter of credit clause and the choice of a documentary letter of credit as the method of payment are the results of the autonomy of the contracting parties. Therefore, the beneficiary of the letter of credit has obligation to:

- receive payment through the opened letter of credit;
- provide "compliant" documents that will correspond with the fulfillment of their obligation under the primary contract. (Đorđević, 2013, p. 89)

The legal relation between the issuer and the bank

The buyer will fulfill their obligation from the letter of credit clause by instructing the bank to open a letter of credit, assuming that such an instruction contains all the elements and meets all the conditions outlined in the letter of credit clause. Upon acceptance of the instruction by the issuing bank, a new legal relation is formed, which by its nature, is entirely different from the relations in the primary contract. A sui generis relation is created. (Rosenberg, 1975, p. 32)

The buyer from the primary contract, who was in the direct legal relation with the seller, loses that status once the letter of credit is opened. On the other hand, their contractual counterpart is no longer the seller from the primary contract, but rather the bank that has expressed it readiness to accept and execute the instruction. (Rosenberg, 1975, p. 32)

The legal relation thus created is entirely independent and separate from the both the underlaying contract and the relation between the bank and the other participants in the letter of credit transaction. The bank must be viewed as a new entity because it was not a party to the rights or obligations in the primary contract. As a result, the bank has no connection with the underlaying contract. It is a subject of the newly formed letter of credit relation and it is only concerned with the letter of credit documents, not the goods from the primary contract, which is a crucial distinction. (Vilus, et. al., 2012, p. 429)

The instruction to open a letter of credit has the character of an offer to conclude a contract, but neither the instruction itself nor the contract for opening the letter of credit is required to be in written form under the provision of UCP, unlike some national laws, including our own. The UCP also does not prescribe mandatory content for the instruction, although the instruction to open a letter of credit regularly includes the following informations:

- the name and the address of the issuer;
- the name and the address of the beneficiary;
- the type of letter of credit;
- description of the type, quantity and quality of the good for which the letter of credit is being opened;
- the validity period;
- transportation details and delivery modalities;
- the method of opening and notifying the beneficiary of the letter of credit;
- the method of securing letter of credit coverage and necessary coasts;

- the issuer's signature. (Vukadinović, 2021, p. 755)

The execution of the instruction to open the letter of credit is carried out in such a way that the banks pays a certain amount of money to the beneficiary of the letter of credit. This amount of money often comes from a loan granted to the issuer by the bank, but it may also come from the issuer's own funds. If the amount of money comes frome the issuer's own funds, the bank acts merely as the issuer's agent. If the amount of money comes from a loan, the bank retains all the rights it is entitled to under the prior loan agreement. (Antonijević, 1960, p. 70).

The legal relations between the banks participating in documentary letter of credit transaction

The legal relations between the banks participating in the letter of credit transaction are independent and completely separate from the underlaying contract. In this sui generis relation, different forms of cooperation can be established, con-sidering the numerous financing options available in the letter of credits field. Prof. Vasiljević identifies three situations in this regard:

- first, for the buyer in the underlaying transaction, it is the simplest to approach a bank located in their headquarters. Since this bank cannot physically deal with the seller in the underlaying transaction, the bank, at the request of its client may engage another bank, usually in the country of the beneficiary. This second bank is called correspondent bank and performs honoring of documents, acceptance of bill of exchange, or negotiation;
- second, the issuing bank may instruct another bank to add its confirmation to the issued letter of credit. If the issuing bank's instruction is accepted by the second bank, the letter of credit becomes a comfirmed letter of credit. The bank providing the comformation is called the confirming bank. The role of the comfirming bank, as the fourth party in the letter of credit transaction is to honor the documents upon request. The confirming bank assumes this obligation as its own, meaning the beneficiary has two joint debtors – the issuing bank and the confirming bank. This provides the beneficiary with the highest level of protection, as they can demand payment from either issuing bank or the confirming bank, or from the both together. A legal relation is established between these two banks, where the

confirming bank acts as a commission agent in relation to the issuing bank. As with commission contract, the issuing bank, as the principal, is obligated to pay, in this case to the confirming banks, the letter of credit amount and to reimburse any costs incurred.

- third, besides the option of engaging another bank to honor the documents, the issuing bank may instruct the other bank to inform the beneficiary that a letter of credit has been opened in their favor and to convey the terms of opened letter of credit (e.g., the deadline for submitting the documents, the moment of payment of the letter of credit amount...). In this case, this second bank is called advising bank. The issuing bank may authorize this bank to perform other actions, such as receiving and examining documents, accepting or purchasing a bill of exchange, etc. In such cases, this bank takes on the role of the paying bank. However, it is important to conclude that this bank, wheter acting as the paying or advising bank, does not act independently in relation to the beneficiary. (Vasiljević, M., 2019, p. 403 – 404)

The legal relation between the bank and the beneficiary

The legal relation between the bank and the beneficiary of the letter of credit is established at the moment when the written notification of the opened letter of credit reaches the beneficiary. (Vukadinović, 2021, p. 727) Although the UCP does not contain a provision regarding the moment when the obligation of the issuing bank arises, it states that the issuing bank is obliged to honor documents from the moment it issues the letter of credit. (Article 76, UCP) The moment of issuing the letter of credit is understood as the moment when the written notification of the opened letter of credit is received by the beneficiary or delivered to their business premises. (Vukadinović, 2021, p. 727) In practice, other solutions have developed regarding this matter, linking the moment of opening the letter of credit to:

- the moment when beneficiary became aware that the issuing bank accepted the order from the applicant to open the letter of credit;
- the moment when beneficiary took actions in response to the opened letter of credit. (Vukadinović, 1989, p. 103)

If the beneficiary wishes to realize their claim under the opened letter of credit, they must fulfill certain conditions, which can be specified as follows:

- submission of documents on time;
- submission of documents in the place specified by the issuing bank;
- the documents must comply with the conditions of the opened letter of credit. (Vukadinović, 2021, p. 728)

On the other side, the bank also assumes certain obligations, namely:

- the obligation to examine the documents;
- the obligation to settle the debt based on the letter of credit. (Đorđević, 2013, p. 155)

Conclusion

Documentary letter of credit plays a crucial role in international trade, providing security and trust between buyers and sellers in international transactions. The legal relations established through the letter of credit transaction involve multiple parties, including the buyer, seller, issuing bank, and advising of confirming bank. These relations are governed by a complex framework of International rules, most notably the Uniform Customs and Practice for Documentary Credits (UCP), as well as national laws. The UCP, established by the International Chamber of Commerce, serves as a backbone for harmonizing practices across jurisdictions, ensuring consistency and reliability.

In examining the legal relations within letter of credit transaction, it becomes evident that the bank play a critical role as intermediaries, ensuring payment to the seller upon fulfillment of documentary conditions, while simultaneously safeguarding the buyer's interests. The independence principle, which separates the credit transaction from the underlaying contract, reinforces the autonomy of the letter of credit, making it a self – contained mechanism of payment.

Ultimately, letter of credit remains a cornerstone of international commerce, offering a reliable payment mechanism that balances the interests of all parties involved. Nevertheless, continuous harmonization of laws and practices across jurisdictions is necessary to mitigate potential legal conflicts and ensure the smooth functioning of international trade.

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PRAVNI ODNOSI U DOKUMENTARNOM AKREDITIVNOM POSLU

Rezime: U ovom radu analiziraćemo pravne odnose inherentne akreditivnoj transakciji, ključnom finansijskom instrumentu u međunarodnoj trgovini. Akreditiv, regulisan prvenstveno Jedinstvenim običajima i praksom za dokumentarne akreditive (UCP), obezbeđuje sigurnost i za kupce i za prodavce obezbeđujući plaćanje po podnošenju propisanih dokumenata. Ovo istraživanje doprinosi dubljem razumevanju složenih pravnih odnosa i uloga glavnih uključenih strana, bez kupca, prodavca, banke izdavaoca i banke koja potvrđuje, i analizira njihova prava i obaveze prema UCP.

Ključne reči: akreditiv, međunarodna trgovina, pravni odnosi, UCP, bankarsko pravo

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ECONOMIC PROPAGANDA AS A FORM OF BUSINESS COMMUNICATION

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Abstract: Economic propaganda, as a form of promotion, is a paid method of business communication that aims to transmit information, develop preference and encourage action in favor of the company's products and services. Economic propaganda as an activity consists of a series of procedures and methods through which the company establishes a communication link with potential consumers. For successful growth and development, companies must count on the long-term effects of their activities, which leads to the fact that new tasks are set before propaganda. Considering that the purpose of business communication is the promotion of products and services, image building, employee orientation, we can say that business communication is of great importance for the promotional activities of companies.

Keywords: business communication, economic propaganda, method of communication, consumer, communication skills

Introduction

Business communication is the exchange of information between people inside and outside a social organization. It involves the commercial benefit of the organization and means the giving and receiving of business information in order to achieve certain business goals and specific results. Business communication is of utmost importance in customer and consumer relations, public advertising and marketing, public relations, corporate communications, community engagement, management reputation, interpersonal communication, employee engagement. The importance of business communication in an organization is great because it can be crucial in achieving success, or failure, of the organization itsel (Zolak, 2024; Ćitić, 2017). Business communication is a very important part of business, organization, and management system. Transmitting messages, conducting correspondence, exchanging and processing information, issuing and receiving orders between structures in the organization, contacts with business partners, economic propaganda - all of this constitutes an integral part of communication, without which an organization would not be able to operate. Successful business communication is essential for managers, since they are the ones who inform the organization about strategies, communicate with the public and business partners, give orders, and more (Perić, et al., 2014; Marković, Radošević,2014). When choosing a communication medium, it is important to consider who we are sending the message to, as well as the essence and goal of the message itself. Business communication involves the use of certain media: the Internet, the press, radio, television and personal communication.

The concept and importance of economic propaganda as a form of business communication

The word propaganda itself comes from the Latin word propagatio, which means spreading. This promotional instrument has numerous synonyms, such as: economic propaganda, advertising, promotion, propaganda, commercial propaganda. Recently, the term "advertising" has increasingly been used for this concept. Commercial, i.e. economic propaganda is a paid form of communication and is widely used in the business approach (Mihic, et al., 2023; Durlević, et al., 2024; Mihić, 2024).

One of the generally accepted definitions of economic propaganda is: "propaganda is a massively paid form of communication, the ultimate goal of which is to inform, attract attention and encourage actions beneficial to the advertiser". "Propaganda is a deliberate, systematic attempt to shape perception, manipulate cognition and direct behavior in order to achieve the effect that the propagandist seeks." Therefore, propaganda is a method of promotion where the advertiser (company, non-profit and non-profit organizations) finances the presentation of information about itself and its products and services to existing and potential customers, through means of communication (Vuković, et al., 2024; Dašić, Jeličić, 2016; Dašić, 2018). Economic propaganda is the most important form of communication between a company and the market. It should: transmit information, develop a preference and encourage action in favor of the products and services of a particular company. On the other hand, it helps the company to retain loyal consumers, reduce the number of those who could switch to competitor products, and expand sales to new categories of customers. Economic propaganda allows the consumer to quickly find the products and services they need, make a choice according to their needs, be informed about the existence of new or improved existing products, contributes to consumer education, i.e. acquiring knowledge about products and services, and is also an effective means of changing lifestyle habits. The emphasis in economic propaganda is on the benefits of the product to consumers, which is why its features are often compared with existing products (Dašić, et al., 2022). Demonstration of the product leaves an impression on potential buyers. The message is more convincing if the manufacturer has an established reputation in the market. Commercial propaganda is aimed at the buying center. The business market is better segmented and it is easier to adapt the promotional message to individual segments.

Commercial propaganda is an instrument of the promotional mix by which the communicator informs, educates and achieves some profit. It is implemented on the basis of a previously defined plan, through a mix of media and resources, aiming to satisfy the principles of efficiency and effectiveness.

There are numerous participants involved in propaganda. "Here, first of all, we mean:

- advertisers,

- commercial propaganda agencies,
- media,
- consumers,
- competitors,
- government

An advertiser is any company that uses propaganda to promote its products and services in a specific market and a given segment of potential customers. It bears all costs and responsibility for any problems that may arise during the implementation of propaganda, and in turn is the beneficiary of the economic effects of propaganda.

Propaganda agencies refer to specialized organizations that provide services to advertisers in planning and implementing propaganda tasks, for which the advertiser is not qualified in terms of personnel and organization, or has no economic interest in performing these tasks in its own organization.

Media - transmitters, channels, intermediaries are different terms that imply the same essence, and represent such objects (persons) through which the transmission of a message to consumers, i.e. the target segment, is activated in various forms. The media make space, time, technical characteristics and established connections with the market available to advertisers, for a certain financial compensation. The choice of media depends on the following conditions: advertising goals, target segments, product (service) characteristics and life cycle, general market situation, promotional activities, seasonal sales, sales rhythm, number and availability of media, quality, content, location and cost of media, etc.

Consumers are the recipients of advertising messages, regardless of whether they are existing or new. Advertising, as well as all other activities of advertisers, are directed towards them (Kovačević, Dašić, 2022). The role and importance of this advertising element is determined by their number, income, level of education and social status. The price of advertising sometimes depends on these conditions.

Competitors as elements of advertising are important, because advertising is considered one of the sharpest instruments of competitive struggle for the market and customers.

"The government, or rather the state administration, is an important element of the propaganda system, because it has the role of creator of economic policy that defines the conditions and frameworks for the functioning of the economic system." All these actors taken together form a complex, intricate and dynamic activity that characterizes and shapes the market system of the country and shapes the market situation.

Forms of propaganda

The classification of propaganda actions can be carried out according to different criteria. Numerous classifications are given in the literature. The role of the sender of the message, i.e. the advertiser, is played by producers or marketing channels, which in modern business conditions often jointly initiate and finance a certain propaganda campaign (so-called joint or cooperative commercial propaganda). Advertisers can be both government and non-governmental organizations that often promote social goals and point to certain social problems. Depending on who is the recipient of the propaganda message (target audience), it is possible to speak of propaganda aimed at individual consumers and business buyers (producers, intermediaries). Different types of commercial propaganda can be differentiated based on the characteristics of the propaganda message: so-called informational, transformational, institutional, selective vs. generic message (a message aimed at promoting a specific brand or product category) and a message aimed at building goodwill or stimulating a specific action (purchase). Economic propaganda can be classified depending on the means used to broadcast propaganda messages (print media, electronic media, etc.).

In addition to the above, the following types of commercial propaganda can be mentioned:

Individual and joint propaganda - Depending on the number of entities participating in the creation and financing of propaganda, we distinguish between individual and joint propaganda. Individual propaganda is organized and financed by a single advertiser. A larger number of advertisers participate in joint propaganda. The problem with this type of propaganda is the method of financing, because it requires large financial resources, so this role is most often taken on by a producer association or some state institution.

Primary and selective propaganda - The focus of primary propaganda is the product, but not the producer, unlike selective propaganda, which promotes a specific product, but also a specific producer, or its product brand. Both can contain elements of other types of propaganda. Producer associations and other institutions play a significant role in financing primary propaganda, while selective propaganda is financed by the company.

Institutional and product propaganda - Depending on the content of the propaganda message, i.e. whether it promotes the manufacturer or a specific product, propaganda can be divided into institutional and product propaganda. The essential difference is that institutional propaganda builds the image of the company in the market, while product propaganda is aimed at creating the image of a specific brand.

Propaganda aimed at business customers and individual consumers. Depending on the entity it is directed at, we divide it into propaganda aimed at business customers (marketing channels, organizations and institutions) and individual consumers. Propaganda aimed at business customers is carried out by the company in order to convince them to decide to sell its products. Here, the manufacturer applies the strategy of "pushing" the product through marketing channels to final consumers. The propaganda aimed at the final consumer can be realized by the company or in cooperation with marketing channels. The manufacturer uses the so-called "demand attraction" strategy. The company's goal is to stimulate the demand of final consumers to decide to purchase its products, and the marketing channel's goal is to make this decision in its sales facilities.

Economic propaganda and small advertisements - It is necessary to make difference between economic propaganda and small advertisements. The essential difference is that economic propaganda is implemented based on the long-term goals of the company, unlike small advertisements that most often appear in the media and are aimed at providing information and establishing contact with the recipients of the message. The sender of the message creates the message and possibly determines the broadcast time, while the media provides the space or place where the advertisement will be printed.

Propaganda on the national and international market - Given that there are pronounced differences in the environment and the markets whose needs they satisfy, companies use economic propaganda adapted to the segments of the national, or international market (multinational and global). In this sense, we can talk about local, regional, national and global propaganda. Focusing on certain market segments requires adapting both the message and the means of commercial propaganda. Commercial propaganda on the international market requires greater engagement and communication with intermediaries because it is difficult to coordinate activities on the international market. It must respect the rules and laws of the country in which it is implemented, given that there are specificities of the specific marketing environment.

Elements of the communication process and means of transmitting propaganda messages

Successful communication requires from the sender to determine in advance who receive the message and how and why the recipient would react to a particular message. The sender correctly shapes the message by choosing words that are in the recipient's vocabulary, taking into account nonverbal signals, the recipient's education and culture. Knowing the recipient's educational level, experience, point of view, culture and other information helps the sender to encode the message in such a way that it is understood correctly. The sender's primary goal is to encode the message in such a way that it is as close as possible to the message intended to be sent. Senders and recipients must also anticipate other factors that could complicate the communication process. These factors are called barriers. Barriers can occur at various stages. These include differences in the level of education, experience, culture, and other characteristics of the sender and receiver, physical obstacles that occur in the channel, and mental distractions such as preoccupation with other things and focusing on constructing a response instead of listening to the message. The process of interpreting a message is called decoding. Since words and nonverbal signals have different meanings for different people, a number of problems can occur at this stage of the communication process:

- “The recipient does not understand the words used or the words are ambiguous
- Nonverbal cues can interfere with understanding the verbal message
- The recipient is intimidated by the sender’s position or authority, creating tension to focus on the message
- The recipient may come from a different culture and may not interpret the message as intended due to different values and customs

- The recipient is narrow-minded and not open to new and different ideas
- The recipient may have prejudices against the sender or their organization or product that prevent them from being open to new ideas."

Today, business activities are mostly conducted in a global market. One of the important tasks of marketing managers is to be familiar with the culture, language, and specificities of the target market. The more precisely a company defines its goals and target audience, the more effective its propaganda will be. Setting clear and appropriate goals, along with measuring them before and after the campaign, is a key step in assessing success. Propagandists neglecting this process rely only on an intuitive feeling about the effectiveness of their campaigns, which is not enough for an accurate evaluation.

The choice of media in propaganda depends on their characteristics and ability to achieve a specific promotional goal. There is no one universally best medium, because audiences and message requirements vary significantly. Therefore, it is important to analyze the basic characteristics of each medium, as well as their advantages and disadvantages.

"The media available for mass communication can be divided into three main groups:

- Print media: newspapers, general magazines, specialized and professional magazines.
- Electronic media: radio, television, film and online platforms.
- Outdoor propaganda: static (billboards, posters) and mobile forms (promotional cars, public transport)."

Every propaganda message needs to be adapted to the medium according to its characteristics in order to reach the target audience most effectively.

Research-propaganda and business communication

In this section, we analyze propaganda as a form of business communication in the company Klas Leposavić, which operates in the retail sector. The goal of our research is to analyze economic propaganda as a form of business communication and to show the cause-and-effect relationship between successful business communication and successful business. The research tasks arise from the set goals:

- determine how the company communicates with entities in the business environment,
- analyze the effectiveness of propaganda strategies in business communication,
- analyze the impact of commercial propaganda on consumer decision-making.

The basic hypothesis is:

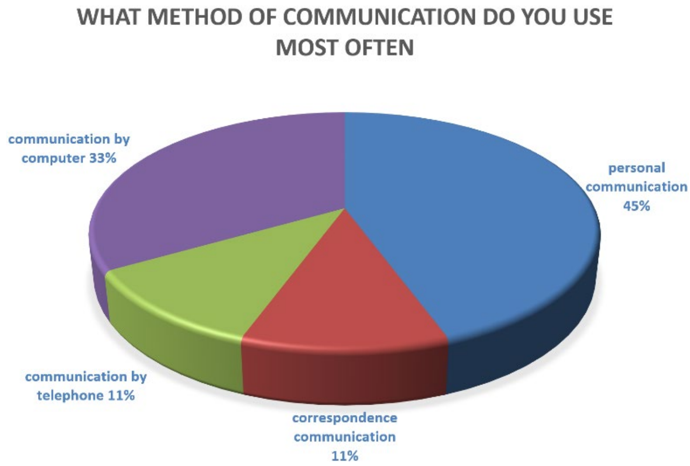
Economic propaganda as a form of business communication significantly influences consumer decisions and preferences, product and manufacturer image, product recognition and differentiation, and market competitiveness.

A survey was used as a research instrument. The respondents answered anonymously to questions about propaganda as a form of business communication. The following methods were used in the paper: analysis, inference, statistical and comparative methods. The research sample consisted of employees and consumers from the local area. The total number of respondents was 45.

Question number 1: What form of communication do you most often use when working with your colleagues in the company?

Response	Number of respondents	Percentage of respondents
Personal communication	20	44,44
Correspondence communication	5	11,11
Communication by telephone	5	11,11
Communication by computer	15	33,33

Chart 1: Forms of communication in the company

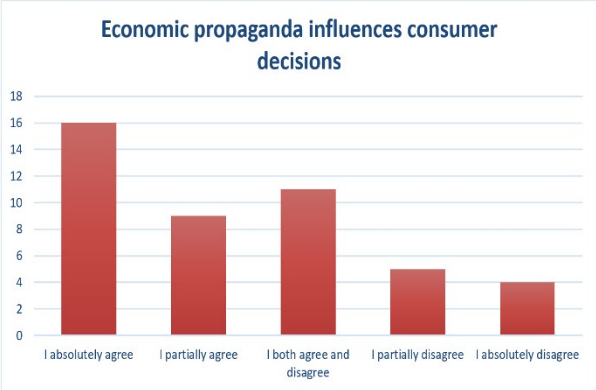


The most common form of communication in the company is personal communication, used by 44.44% of employees. Co-mmunication via computer is represented by 33.3%. The least represented forms of communication are correspondence and telephone with 11.11%. Based on the results obtained, we can conclude that the company uses personal communication the most in performing its business tasks.

Question number 2: Does economic propaganda influence consumer decisions?

Rensponse	Number of respondents	Percentage of respondents
I absolutely agree	16	35,55
I partially agree	9	20
I both agree and disagree	11	24,44
I partially disagree	5	11,1
I absolutely disagree	4	8,8
Total	45	

Chart 2: Economic propaganda influences consumer decisions

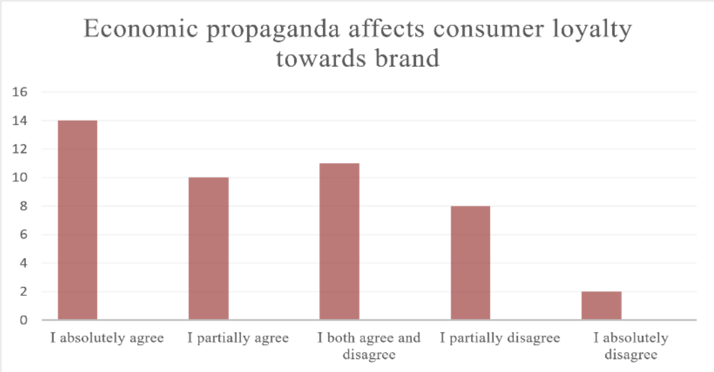


The largest number of respondents, 35.5%, absolutely agree with the above statement, while only 8.8% of respondents expressed absolute disagreement. Of the total number of respondents, 24.4% both agree and disagree with the above statement.

Question number 3. Does commercial propaganda affect consumer brand loyalty?

Rensponse	Number of respondents	Percentage of respondents
I absolutely agree	14	31,1
I partially agree	10	22,2
I both agree and disagree	11	24,4
I partially disagree	8	17,7
I absolutely disagree	2	4,4
Total	45	

Chart number 3. Economic propaganda affects consumer loyalty towards the brand

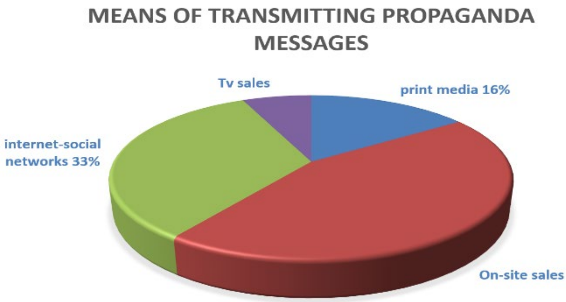


The largest number of respondents, 53.3%, absolutely and partially agree with the stated statement, only 4.4% of respondents express absolute disagreement. Of the total number of respondents, 17.7 partially disagree with the given statement.

Question number 4. Which means of transmitting promotional messages has the greatest impact on consu-mer decisions?

Response	Number of respondents	Percentage of respondents
Print media-newspapers-magazines	7	15,5
On-site sales	20	44,4
Internet-socal networks	15	33,3
TV sales	3	6,6

Graph 4: Means of transmitting promotional messages that have the greatest impact on consumer decisions



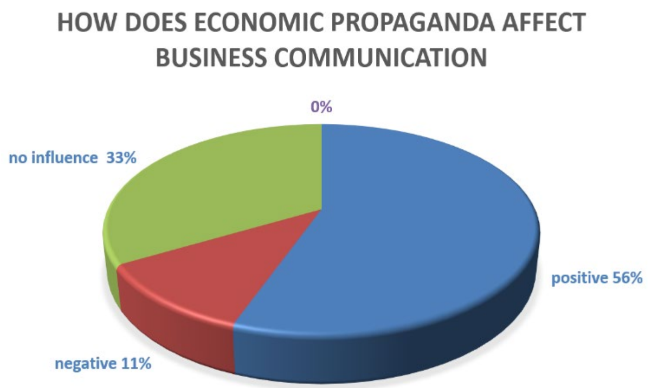
Source: Author's research

Among the respondents, the majority believe that on-site sales have the greatest influence on consumer decisions (44%), followed by social networks (33%), print media (16%), and TV sales (7%). Based on the results obtained, we can conclude that consumers most often make decisions on the spot where they buy a certain product.

Question 5: How does commercial propaganda affect business communication?

response	Number of respondents	Percentage of respodents
positive	25	55,5
negative	5	11,1
no influence	15	33,33

Graph 5: Opinion about the influence of economic propaganda on business communication



To this question, more than half of the respondents (56%) stated that commercial propaganda has a positive impact on business communication. 11% of respondents believe that propaganda has a negative impact on business communication, and 33% of those surveyed believe that propaganda has no impact on business communication.

Conclusion

If there is no good communication, there is no progress, neither on a personal nor a business level. Good and successful communication can increase profits, while bad and incorrect communication can reduce them. That is why there are certain standards and codes of conduct that need to be respected, so that the behavior of employees in the work-place is not left to chance. Good communication skills guarantee better business communication and success. Communication skills should be constantly improved. Economic propaganda is one of the most effective ways of business communication, allowing companies to send their messages to a large number of consumers. Its essence lies in establishing an emotional and rational connection with the target group, using a variety of media and communication channels. Modern forms of propaganda, especially those on digital platforms, make high personalization of messages and direct interaction possible, which significantly improves the experience of communication with consumers.

The basic hypothesis: Economic propaganda as a form of business communication significantly influences consumer decisions and preferences, product and manufacturer image, product recognition and differentiation, and market competitiveness has been confirmed as correct.

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PRIVREDNA PROPAGANDA KAO OBLIK POSLOVNE KOMUNIKACIJE

Sažetak: Privredna propaganda, kao oblik promocije je plaćeni način poslovne komunikacije koji ima za cilj da prenese informaciju, razvije sklonost i podstakne akciju u korist proizvoda i usluga preduzeća. Privrednu propagandu kao aktivnost čine niz postupaka i metoda pomoću kojih preduzeće uspostavlja komunikacionu vezu sa potencijalnim potrošačima. Za uspešan rast i razvoj, preduzeća moraju da računaju na dugoročne efekte svojih aktivnosti što dovodi do toga da se pred propagandu postavljaju novi zadaci. Imajući u vidu da je svrha poslovne komunikacije promocija proizvoda i usluga, izgradnja imidža, orijentacija zaposlenih, možemo reći da poslovna komunikacija ima veliku važnost za propagandne aktivnosti preduzeća.

Ključne reči: poslovna komunikacija, privredna propaganda, način komunikacije, potrošač, komunikacione veštine

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TRANSPORT ECONOMICS: THE IMPACT OF TRANSPORT INFRASTRUCTURE ON THE ECONOMIC DEVELOPMENT OF RURAL AREAS

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Abstract: Transport services represent a vital component of modern society and the global economy. They encompass a wide range of activities—from the movement of people and goods to complex logistics, intelligent systems, and digital technologies that enhance transport efficiency. With the growth of globalization and increasingly interconnected markets, the development of transport infrastructure has become a fundamental prerequisite for economic growth and international competitiveness. A historical analysis of transport services offers valuable insights into how states have used infrastructure as an instrument of economic policy, and how the concept of sustainability has become indispensable in shaping new strategic approaches to infrastructure planning.
This paper examines the evolution of transport infrastructure, the role of transportation in economic development, and the contemporary challenges associated with sustainability and environmental criteria. Special emphasis is placed on the historical development of transport systems and various examples of economic policies that have used transportation as a mechanism of economic influence and national development.

Keywords: transport services, infrastructure, sustainability, economic policy, transport history, development, transportation, environmental policy

Introduction

Transport, as an essential component of infrastructure, is far more than a physical network of roads, railways, ports, and airports—it is a reflection of societal structures, economic ambitions, and political priorities throughout history. The development of transport services has consistently mirrored the evolution of civilizations, revealing how societies have used mobility not only to facilitate the movement of people and goods but also to establish economic connectivity, extend their geopolitical influence, and assert territorial control. From the earliest trade routes to complex modern logistics systems, transport has always played a central role in shaping human progress. The construction and upgrading of transport infrastructure have historically gone beyond technical undertakings-they represent strategic decisions tied to national development, social integration, and geopolitical stability (Ivanović et al., 2020).

In today's global context-where sustainability, environmental responsibility, and technological innovation are integral to development policy-it is increasingly important to reexamine the evolving role of transport services. Modern transport systems significantly influence a country's international image and competitiveness. Efficient, safe, and sustainable infrastructure sends a powerful message about a nation's level of modernization, economic vitality, and openness to global exchange. Well-connected railway networks, state-of-the-art airports, and intelligent logistics solutions not only improve mobility but also enhance international trade, tourism, and cultural exchange, thus reshaping the way a country is perceived globally (Dašić et al., 2023; 2024).

High-speed trains, digitized logistics hubs, and integrated multimodal transport systems have become hallmarks of technological advancement, innovation, and global relevance (Dašić, 2013; Dašić & Savić, 2020). The transition from ancient Roman roads to 21st-century smart mobility and "green logistics" exemplifies how transportation remains at the forefront of socio-economic transformation (Ahmić et al., 2016). As we confront the challenges of climate change, urban congestion, and resource depletion, the integration of sustainable practices into transport planning is not only desirable but imperative.

This paper aims to explore the historical evolution of transport systems, analyze their impact on economic and social development, and highlight the importance of embedding sustainability principles in future infrastructure strategies. By viewing transportation through a historical and forward-looking lens, we can better understand its transformative role in building resilient, inclusive, and future-ready societies.

Historical Development of Transport Infrastructure

Trade, human interaction, and transportation have always existed, as very few societies throughout history relied solely on a self-sustaining economy (Zolak, 2024). As trade expanded and the need for political dominance grew, the development of transport systems accelerated and often paralleled the rise and expansion of empires. The evolution of transportation from prehistoric times to the Industrial Revolution was a gradual yet continuous process. Roman road networks, for instance, were among the first organized forms of infrastructure, enabling both economic integration and military supremacy (Chisholm, 1990). These roads supported Roman hegemony, just as transport routes had previously supported the ambitions of Persian, Chinese, and New World rulers. Soon after, grain trade flourished across the Mediterranean, and new routes emerged linking the Orient with Europe. Eventually, the Iberian, Dutch, French, and British empires were fundamentally based on trade and maritime transport (Stanković & Dašić, 2023).

Major transformations in transportation that laid the foundation for the modern world began to appear in Europe several centuries before the year 1300. During this period, a network of trading centers began to replace the feudal economic order. One of the key catalysts for this shift was the series of Crusades, which contributed to breaking down the feudal barriers that had limited the free movement of people and goods. The military campaigns of Charlemagne, whose armies often raided between agricultural cycles of sowing and harvest, illustrate the growing mobility of the population by the 9th century-frequently accompanied by violence. His military journeys also facilitated the exchange of knowledge-bringing back expertise in building bridges and monumental architecture.

By the 11th century, overland transport had already incorporated several technological innovations, such as iron horseshoes, improved harnesses for draft animals, pivoted axles for carts, and more advanced techniques for constructing bridges. However, due to the high cost of road transport, most traffic still relied on coastal and riverine routes. In this regard, Europe held a natural advantage as a peninsula with a highly indented coastline and abundant river systems that facilitated internal trade.

Advancements in navigation further stimulated maritime commerce (Radaković & Marinković, 2021). States began issuing official charters to ports, mechanical handling of cargo improved, and new types of ships designed specifically for trade emerged (Stanković, 2021; Stanković & Virijević-Jovanović, 2024). As early as the 1430s, Portugal initiated its first Atlantic expeditions. At the same time, projects were launched to improve inland waterway navigation and construct canals. The Peace of Westphalia in 1648 granted broader access to German rivers for various stakeholders. In the centuries that followed, Europe developed an extensive canal network, and road infrastructure was gradually modernized, including the introduction of toll roads.

A new wave of transport innovation emerged nearly two centuries ago with the introduction of the steam engine in both water and land transport. Roughly a century later, the technological foundations laid by the steam age evolved into a range of modern transport modes-including aviation, maritime, rail, and road systems-that continue to dominate today's global communications and logistics networks (Garri-son, 2003). The true expansion of transportation occurred during the 19th century with the rise of the railway, a symbol of industrial progress and urbanization (Hobsbawm, 1962).

In the 20th century, the rise of the automobile industry and the construction of highway systems-such as the U.S. Interstate Highway Sys-tem-enabled mass transport on an unprecedented scale (Kovačević, Dašić, 2022). Meanwhile, the development of the aviation industry after World War II revolutionized global connectivity (Rodrigue, 2020). Infrastructure development became increasingly tied to national economic policies, as investment in transportation was recognized as a vital stimulus for economic growth, regional integration, and global competitiveness.

Infrastructure as an Instrument of Economic Policy

Infrastructure represents the structural foundation of economic growth in market economies. The absence of a comprehensive approach to infrastructure planning reflects a broader neglect of long-term economic growth as a core goal of economic policy-especially within the framework of Germany's social market economy since its inception after World War II (Vukša et al., 2024). Drawing from Jöchimsen's classification of infrastructure into material, institutional, and personal categories, infrastructure policy has been proposed as an indirect yet powerful mechanism to foster sustainable economic growth. The rationale behind this approach lies in the fundamental uncertainty surrounding future economic development and the limits of our current understanding of its processes and outcomes (Buhr, 2009).

Transport corridors-vital arteries of the global economy-enable the circulation of people and the vast flows of goods and services that underpin modern life. These corri-dors connect production and con-sumption zones, promote intern-ational trade, support tourism, and enhance the mobility of labor, all contributing to economic activity valued in the trillions of dollars. Within this interconnected global landscape, transport infrastructure allows countries to specialize in sectors where they have comparative advantages, fostering increased efficiency and overall global economic progress.

By reducing geographic and temporal barriers, transportation facilitates the integration of distant economies and cultures, encouraging not only economic cooperation but also cultural exchange. This exchange contributes to greater mutual understanding among nations, forming a crucial basis for global peace and stability-particularly sig-nificant in a world still shadowed by the threat of thermonuclear conflict (Dašić et al., 2020; Cvijanović et al., 2023). In such an environment, the development of inclusive global communities based on cooperation and mutual respect becomes both a strategic and moral imperative. Moreover, these interactions spur intellectual, artistic, and social creativity, enriching humanity with a more diverse, dynamic, and spiritually vibrant global society (Dempsey, 2002).

In many countries, transport infrastructure has also been strategically employed to mitigate regional inequalities, stimulate employment, and support rural development. Keynesian economic policy during the interwar period and the post-WWII era relied heavily on large-scale public works-including the construction of roads, railways, and bridges-as a tool for economic recovery and crisis management (Skidelsky, 2009).

Because infrastructure facilitates the exchange of goods and services, it plays a critical role in shaping a country's economic trajectory. When a nation experiences an exogenous increase in GDP per capita, political decision-makers are faced with a fundamental dilemma-whether to invest the additional income in infrastructure (which involves immediate fiscal costs but delayed benefits), or to allocate it toward consumption (which offers instant political gains but little long-term impact) (Brueckner, 2021).

In recent years, large-scale infrastructure initiatives-such as China's Belt and Road Initiative-have illustrated how infrastructure has evolved into a key geopolitical instrument and a means for exerting long-term economic influence (Summers, 2016). However, economic profitability is no longer the sole metric of success. Increasingly, sustainability and environmental considerations are integrated into infrastructure planning and evaluation (Pavlović et al., 2023; Stanković et al., 2024).

Infrastructure has thus become a cornerstone of modern economic policy-directly influencing GDP growth, employment, productivity, and a nation's global competitiveness. Strategic investments in road networks, railways, energy systems, and digital infrastructure not only enhance economic performance but also strengthen regional and international connectivity.

According to the World Bank (2020), a 1% increase in infrastructure investment relative to GDP can yield a 0.4% growth in the short term and up to 1.5% in the long term-underscoring the critical importance of such investments for macroeconomic stability. Moreover, infrastructure spending has a multiplier effect, boosting activity in associated sectors such as construction, industry, and transportation (Calderón & Servén, 2010).

The role of the state in shaping infrastructure policy is pivotal. Within the European Union, infrastructure investment is closely aligned with cohesion policy and regional development objectives. Initiatives such as the Trans-European Transport Network (TEN-T) and financial instruments like those of the European Investment Bank serve to reduce disparities among regions and promote integrated development (European Commission, 2022).

In Serbia, the National Investment Plan and programs like "Serbia

2025" aim to modernize the country's road, rail, and digital infrastructure. According to the Ministry of Construction, Transport and Infrastructure (MGSI, 2021), investments in infrastructure from 2020 to 2025 will exceed €14 billion, marking the largest infrastructure program in the nation's history. These investments are expected to generate tens of thousands of jobs and significantly improve the business environment and quality of life.

Beyond economic outcomes, infrastructure contributes to social inclusion, poverty reduction, and greater access to public services-especially in underserved and rural areas (OECD, 2017). Investments in sustainable infrastructure-such as green transport, energy efficiency, and digitalization-are increasingly prioritized as part of the transition toward a green economy and resilience to climate change.

In conclusion, infrastructure as an instrument of economic policy is not merely a means of physical connectivity-it is a driving force behind comprehensive development. Its role in post-crisis recovery and in transitional economies like Serbia highlights the strategic importance of well-planned, sustainable infrastructure investment for long-term growth and societal well-being.

Sustainability in Transport Planning

In the context of accelerating urbanization, sustainable transport has become one of the key goals of modern transport policy-one to which numerous cities and transportation authorities around the world have increasingly committed. Transportation plays a pivotal role in strategies for urban sustainability and the reduction of greenhouse gas emissions. Public transport, walking, and cycling are increasingly promoted due to their lower environmental impact compared to private motor vehicles.

Although transport is not listed as a standalone Sustainable Development Goal (SDG), it plays a crucial role in achieving many of the 17 goals, as numerous targets depend directly or indirectly on the development of sustainable transport systems. Its contribution includes reducing greenhouse gas emissions, enhancing food security, improving health and well-being, increasing access to education, empowering women and supporting their employment, ensuring the dignity and independence of older adults and persons with disabilities, as well as advancing access to clean and affordable energy, developing sustainable urban environments, and preserving biodiversity and ocean health (Selenić & Krstić, 2024). Several of the 169 SDG targets explicitly reference transport's enabling function.

Achieving these goals is a complex and multifaceted challenge. Policymakers are increasingly required to respond to the emergence of new technologies and organizational models-such as the sharing economy, autonomous vehicles, and the Internet of Things (IoT)-which can either support or complicate efforts toward sustainability. In this process, conceptual frameworks, practical tools, and cross-sectoral knowledge can provide important guidance. Addressing sustainability challenges requires multilevel cooperation, involvement of diverse stakeholders, and coordination across sectors-with national governments playing a critical role as the dominant political entities in the current global governance system.

The three pillars of sustainability-social, economic, and environmental-form the foundation of the sustainable transport concept in both academic literature and strategic policy documents. An illustrative example is the declaration of the EU Council of Transport Ministers, based on the definition from the Canadian Centre for Sustainable Transportation, which emphasizes accessibility, economic viability, efficiency, and the reduction of environmental harm as key principles of sustainable transport. Similar guidelines have been adopted by the United Nations, highlighting the importance of access, safety, equity, emission reduction, and addressing urban traffic congestion and prolonged commuting times (Karjalainen & Juhola, 2019).

Sustainable transport entails the balanced integration of economic, environmental, and social considerations. Transport is responsible for approximately 23% of global CO_2 emissions (IEA, 2021), making it a priority area in climate policy. In recent decades, many countries have introduced measures such as investment in public transportation, the development of electric vehicles, and the implementation of "green" logistics systems (Banister, 2005).

The European Union, through the European Green Deal, has set an ambitious objective: to achieve a climate-neutral transport system by 2050. This requires substantial investments in rail infrastructure and alternative fuels (European Commission, 2019). In this context, economic policy must provide both financial incentives and regulatory frameworks to support the transition toward sustainability.

Conclusion

The historical development of transport services has demonstrated that infrastructure is far more than a physical network-it is a mirror of societal values, political priorities, and economic strategies. Roads, railways, ports, and digital corridors are not merely channels of co-nnection; they are instruments through which a nation's development, its vision for the future, and its capacity to address global ch-llenges are reflected (Penezić, Bajić, 2024).

Today, in an era marked by climate change, energy crises, and geopolitical instability, sustainability has become a central element in the planning and implementation of transport systems. Modern infrastructure projects are no longer evaluated solely based on kilometers built or project costs but are increasingly judged by their environmental footprint, social inclusiveness, and long-term economic benefits.

Economic policy can no longer ignore the ecological and social consequences of transportation development. Instead, these aspects must be integrated into every phase of infrastructure planning and implementation. This holistic approach requires coordination across various sectors-urban planning, finance, environmental protection, and technological innovation. In this way, infrastructure is transformed into a tool that not only drives economic development but also enhances the quality of life for all citizens (Lunić, Penezić, 2024).

A historical perspective helps us understand the importance of long-term strategic thinking and the need for integrated approaches that link transport, economy, and sustainability. Only through such integrated frameworks can we develop resilient, efficient, and inclusive transport systems that serve not just the economy-but also the people. This is why, more than ever before, infrastructure today represents both the foundation of contemporary economic policy and a cornerstone of a responsible and sustainable future.

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EKONOMIKA SAOBRAĆAJA: UTICAJ SAOBRAĆAJNE INFRASTRUKTURE NA EKONOMSKI RAZVOJ RURALNIH SREDINA

Sažetak: Saobraćajne usluge predstavljaju ključnu komponentu savremenog društva i ekonomije. One obuhvataju širok spektar aktivnosti, od prevoza lica i robe, do logističkih, inteligentnih i digitalnih sistema koji unapređuju efikasnost transporta. S povećanjem globalizacije i umrežavanja tržišta, razvoj infrastrukture za transport postao je preduslov ekonomskog rasta i međunarodne konkurentnosti. Istorijska analiza saobraćajnih usluga pruža uvid u to kako su države koristile infrastrukturu kao instrument ekonomske politike, te kako je koncept održivosti postao neophodan u novim strateškim pristupima planiranju. Kroz ovaj rad analiziraćemo evoluciju transportne infrastrukture, ulogu saobraćaja u ekonomskom razvoju, kao i savremene izazove povezane sa održivošću i ekološkim kriterijumima. Poseban akcenat biće stavljen na istorijski razvoj i primere različitih ekonomskih politika koje su koristile transport kao mehanizam ekonomskog uticaja.

Ključne reči: saobraćajne usluge, infrastruktura, održivost, ekonomska politika, istorija saobraćaja, razvoj, transport, ekološka politika

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THE ROLE AND POSITION OF THE TAX BALANCE IN THE FINANCIAL REPORTING SYSTEM

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Abstracts: To understand the essence of the tax balance, one must start with the functions of a company within the economy of a country in general. The state demands financial resources from companies based on the profit earned, so each company is interested in minimizing the profit it achieves in the market in order to reduce the tax base upon which the state claims resources. Since the tax balance is a report that shows the amount of taxable profit, i.e., the tax base, the state is interested in its most accurate definition. It is also necessary to present the importance of understanding the tax balance in a way that is acceptable to the company's management, especially in economies that are in development, like ours. The paper presents the position of the tax balance within the financial system, the role, and place of the tax balance in the family of other financial statements. It particularly highlights the role of the risks that arise when preparing and controlling the tax balance, as well as the dependence of the tax balance on the form and structure of the company.

Keywords: balance, taxes, reporting

Introduction

In this paper, a comprehensive analysis will be provided of the weaknesses in the current corporate income tax system, along with proposed solutions for overcoming these weaknesses from both accounting and normative perspectives. The corporate income tax represents one of the most substantial sources of budgetary revenue, with a tendency for continued growth. This form of fiscal revenue serves as an instrument through which domestic economic development can be indirectly stimulated, which will be emphasized throughout the paper.

By addressing the shortcomings of the current tax balance structure and deficiencies in tax control, the paper will highlight the necessity of adopting international accounting standards and ensuring their proper implementation (Dašić, B., 2023; Pušonja, 2024). The implementation of international regulations is of critical importance for the corporate tax balance, as this specialized financial report, included in the broader set of financial statements, is based on tax law aimed at protecting the state against tax evasion-a common issue associated with this type of tax. Both revenue and expense components within the tax balance will be analyzed, with special emphasis on certain revenue positions, despite the prevailing literature focusing predominantly on the expense side.

The comprehensive application of international standards-which cannot be applied selectively-will be presented, along with relevant experiences from developed countries adapted to the local context. During the research and preparation of this thesis, several scientific methods were applied to confirm the established hypotheses, including the analytical-synthetic method, inductive-deductive method, empirical method, descriptive method, comparative analysis method, normative method, and comparative legal method.

Society functions through permanent interrelations between the economic and non-economic sectors. Within these interrelations, tax policy occupies one of the most significant positions. Taxation is the process through which resources are collected from taxpayers and redistributed to the non-economic sector, requiring the adherence to certain essential principles (Tošić, 2023b).

The importance of profit is reflected in the fact that it is linked to numerous actions and procedures throughout the business year, and its relevance is reinforced by the wide array of users who rely on this metric (Pikelj, 2020; Janaćković & Pejčić, 2024). Users of profit-related data include owners, managers, employees, suppliers, the state, and others. From a theoretical economic standpoint, profit can be defined in various ways: as the difference between all revenues and expenditures affecting the performance of an accounting period; as an increase in value across successive periods; or as the excess of output value over the input value used to generate it (Vasić, 2022).

In this paper, profit will be observed in the context of a fundamental instrument for the distribution of gross domestic product. A practical example will demonstrate how a correctly determined tax base affects the distribution of GDP. To adequately understand the essence of profit, it must be clearly distinguished from capital (Metzger, 2019). While corporate income tax treats profit as a measurable amount, it is often mistakenly equated with capital. The relationship between capital and profit can be viewed as the relationship between state and change-capital being the state, and profit being the change. The concept of profit can be interpreted both economically and from an accounting perspective. Economically, profit represents the incentive for rational behavior, defined as an increase in enterprise wealth during a period. However, for the purpose of this paper, the accounting concept is more relevant-defining profit as the positive difference between a company's revenues and expenses.

The Need to Respect Taxation Principles and the Risks Arising in Tax Balance Reporting

The principles of taxation represent a significant factor in the process of preparing a corporate tax balance. These principles are categorized into several groups, among which four major categories are distinguished: financial, economic, socio-political, and legal-administrative principles. Another classification includes: financial (tax yield and elasticity), economic (appropriate choice of tax base and tax type), social (universality and equity of taxation), and technical (certainty, affordability, and convenience of taxation). Thus, the importance of these principles is diversified according to various factors. The role of taxation principles in the preparation of the corporate tax balance takes on a different character, as not all principles hold the same level of relevance in the context of corporate income tax (Malinić, 2013). For instance, economic principles are considered more significant than financial ones in the context of corporate income tax, and their role and importance will be emphasized.

In the tax balance, the synchronization of tax principles is achieved through its function as an instrument for determining and controlling corporate income tax, as the business cycle of an entity is seen as a closed system-where total income equals total expenditures plus profit (Škarić-Jovanović & Spasić, 2012). We begin with economic principles, which require that taxes should exert minimal influence on business decisions. Specifically, these principles involve the proper selection of the tax source and the most effective form of taxation in terms of its optimal economic impact (Buettner & Thiemann, 2017). To most effectively explain the relationship between the tax balance and taxation principles, we will clarify the societal role of these principles. A well-chosen tax base should indicate that tax revenues must be collected in a manner that does not adversely affect the business activity of the entity (Ilić Popov & Kostić, 2016). Since the business entity is the fundamental unit of societal development, the tax treatment of profit must be progressive and ensure a favorable competitive position in the international market. The moderation of tax burdens is typical in economies that prioritize domestic economic development, viewing the economy through the lens of organic theory. For example, in the United States (USA), it can be observed that as corporate profits increase, the tax rate also increases, representing a significant step toward the equitable redistribution of national income (DeYoung & Jang, 2023).

Financial principles require that taxation provides sufficient resources to cover public expenditures. Essentially, these principles are based on two core requirements: tax yield and elasticity (Popović & Ilić Popov, 2021). The yield requirement is viewed through the collection of sufficient funds through taxation, which, alongside other public revenues, should be adequate to cover public spending. The elasticity requirement stems from the notion that the tax system should be designed to allow for easy adjustment of tax rates as needed. Social principles are based on the assumption that tax obligations are universal, emphasizing fairness in taxation and the proper distribution of tax burdens. Technical principles of taxation are concerned with how tax obligations are determined, the regulation of tax procedures, and the collection of taxes. The core requirements here are tax certainty, payment convenience, and cost-effectiveness in tax collection.

The corporate tax balance, viewed through the lens of economic principles, serves as a tool for the implementation of tax norms in practice (Raičević & Ranđelović, 2008). Many authors commonly illustrate this principle through the Laffer curve, which symbolizes the relationship between tax rates and tax revenue, although its practical application is somewhat different. As seen in the case of the United States, the role of economic principles in the economy is primarily reflected in the tax burden rate within a given economy (Hemed, 2022).

The Dependence of the Tax Balance on the Legal Form and Structure of the Enterprise

Tax balances are reports that differ depending on the entities preparing them (Mear, Bradbury, & Hooks, 2020). Based on the form of the business entity, we can distinguish between: the tax balance of an entrepreneur, the tax balance of a company, and the consolidated tax balance. According to the type of business entity, we differentiate between the tax balance of profit-oriented and non-profit organizations. Based on the circumstances under which the balance is compiled, we distinguish between: the regular tax balance and the special tax balance (Zekić & Brajković, 2022). According to the residency status of the taxpayer earning income within the territory of a specific country, we distinguish between: the tax balance of a resident and the tax balance of a non-resident.

The family of tax balances is extensive, which is why it is necessary to explain each type of tax balance individually according to these classification criteria (Tošić, 2023). To highlight the specific features of each individual tax balance, we will begin with assumptions that are essential to each category.

In the previous section, we discussed the distinction between regular and special tax balances. Therefore, in this part, we will focus on the two groups of tax balances defined by the form and type of the business entity.

A graphical presentation of the classification of tax balances is provided in the following example, which clearly illustrates the distinctions among the various tax balance groups.

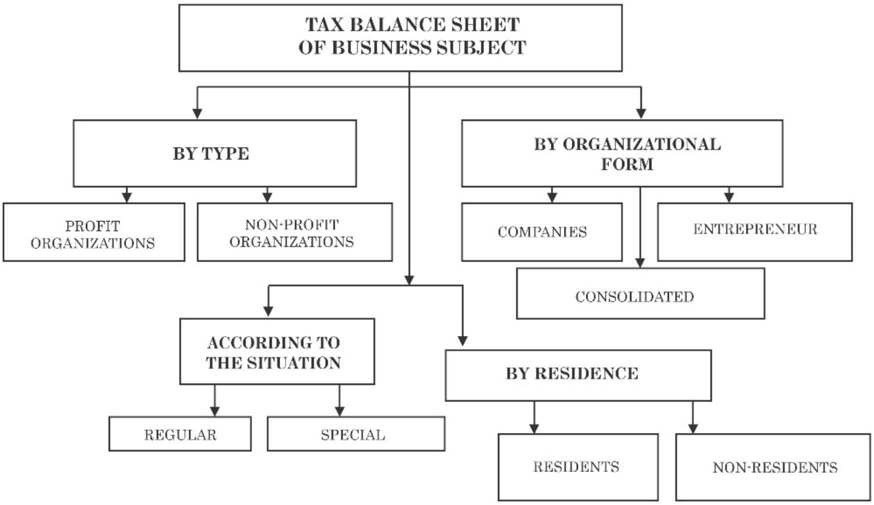

Figure 1. Types of tax balances

A company, as the bearer of economic activity in a society, assumes different forms and possesses a different economic structure depending on the goals and tasks it seeks to achieve (Milojević et al., 2015).

The Role of the Tax Balance in the Tax System

The effectiveness of any system depends on the characteristics of its elements; if any component fails, the entire system may collapse. The functioning of the state, as a highly complex system, relies on the interplay of its various elements. One of the most critical elements for the functioning of the state is the budget (Auerbach, Gorodnichenko, & Murphy, 2020; Dašić, 2024). For the budget to fulfill its functions, it must be securely and stably supplied with fresh financial resources, meaning a continuous inflow of funds must be ensured.

The inflow of financial resources is secured by the state apparatus through institutions and instruments embedded within a system known as public finance (Golubović & Janković, 2023). In all societies-regardless of their stage of development-the share of revenue derived from corporate income tax tends to be substantial. The more developed a country is, the higher its revenue from this type of tax is expected to be. The tax balance is an instrument by which the state establishes a link between taxpayers and the government (Gogić, 2018).

Through this instrument, each business year is closed by allocating a portion of profit to the state in the form of corporate income tax. For the budgetary revenue system to operate in a stable manner, the state enacts tax laws that all taxpayers are obligated to follow. However, despite these measures, a certain level of tax avoidance in the form of tax evasion always persists (Schandlbauer, 2017).

The tax balance serves as a mirror of the state apparatus-an indicator of the government's ability to supervise its economic entities, encourage their development, and establish an appropriate redistribution of GDP. It is not appropriate to adopt the tax balance model of developed countries, nor to apply the models used by less developed countries (Jovanović, 2018). Every country should design its tax balance based on its own economic structure and modalities. Within the tax balance, priority should be given to those elements that align with the country's strategic goals.

It is essential to establish the criteria upon which the recognition of income and expenses for tax purposes is based. These criteria vary depending on the legal and economic frameworks of individual countries (Milošević & Stankov, 2023). As the global system of financial reporting is based on International Accounting Standards (IAS), which prescribe legal norms relating to the content and form of the tax balance, the formal structure has become widely harmonized, while the substance remains dependent on the specific tax regulations of each country.

From the perspective of both form and substance, it is evident that the quality of tax balances has significantly improved compared to previous periods, a fact supported by comparative observations of countries at different levels of economic development (Numa, 2024). The corporate income tax balance, as a tool for determining corporate tax liability, comprises both formal and substantive aspects. On the formal side, international standards have contributed to the unification of the tax balance's presentation.

However, the substantive side of the tax balance depends on the specific tax regulations applicable in each country, resulting in significant differentiation (Lučić, Dašić, 2015). For example, even though Serbia is at a relatively lower level of economic development, it has adequately addressed corporate income taxation-both for residents and non-residents-through appropriate tax regulations.

The substantive side of the tax balance is defined by various indicators that, as this paper has shown, significantly affect the level of tax evasion. The standardization and partial harmonization of international tax regulations have facilitated the interpretation and application of tax balances (Alstadsæter, Jacob, & Michaely, 2017). The tax balance, as an instrument by which the state monitors and influences budget revenues, contributes to improved control over public finances through international alignment, ensuring a more balanced relationship between revenue and expenditure at the national level.

It can be concluded that the methodology and formal appearance of tax balances are largely consistent with international standards. However, their substantive application must be analyzed separately for each country, as individual states maintain local discretion with regard to tax rates, tax bases, depreciation methods, and deadlines for filing tax returns (Vržina, 2022).

The core elements that vary from country to country and reflect the differentiation in corporate income taxation include the definition of the taxpayer and the determination of the tax base. With regard to the taxpayer, it has been shown that most legal entities operating for profit-excluding partnerships-are subject to corporate income tax. These elements are defined with the aim of reducing tax evasion, which tends to occur as a result of growing corporate profits in developed countries, where the amount of tax owed is often substantial.

Conclusion

With the completion of the transition process in the Republic of Serbia, an increase in corporate income tax will inevitably become necessary, as this form of taxation will represent one of the key components of the national budget. The current situation reflects efforts to attract foreign investments, increase employment, and stimulate economic development, particularly in underdeveloped regions.

The application of balance sheet principles during the preparation of the tax balance is crucial, with special emphasis on acknowledging relevant risks that may arise during the tax reporting process. A clearly differentiated accounting profit and taxable profit form the basis for a correct understanding of the tax balance, wherein accounting profit is viewed in a narrower sense than taxable profit. This distinction plays a clear and unambiguous role in the redistribution of national income.

A secure budgetary revenue stream implies that the state must establish a tax balance that enables precise and accurate determination of each taxpayer's liability. Stable revenue, on the other hand, depends on reducing tax evasion and ensuring that the state can effectively monitor and enforce compliance with tax laws by enterprises. The redistribution of national income concerns the balance between budgetary revenues and expenditures and refers to the equitable taxation of all corporate income taxpayers. The rate of tax evasion in this context should aim to approach zero in order to achieve a fair redistribution of national income.

To improve the theoretical and practical elements of tax balance reporting, we have highlighted key positions within the tax balance and suggested possibilities for relevant improvements in their presentation, which significantly contributes to the reduction of tax evasion.

It must be emphasized that, in the long term, taxation will gradually-but certainly-cease to exist as a primary instrument of state financing. In the future, the state will operate as a service provider for which citizens will pay specific fees, similar to paying for car servicing today. The state will lose much of the power it currently holds, as it will no longer manage such vast financial resources. In the future, all resources will become commodities, and their usage will be subject to payment. Consequently, services such as defense, healthcare, and education will become standard market commodities. These conclusions point toward the need for further expansion of this research, which will be presented in a future paper.

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MESTO I ULOGA PORESKOG BILNASA U FINANSIJSKOM SISTEMU IZVEŠTAVANJA

Sažetak: Da bi se shvatila suština poreskog bilansa mora se poći od funkcija preduzeća koju ono ima u privredi jedne zemlje uopšte. Država potražuje od preduzeća po osnovu ostvarene dobiti novčana sredstva, tako da je svako preduzeće zainteresovano da dobit ostvarenu na tržištu što više umanji kako bi se osnovica po kojoj država potražuje sredstva smanjila. Kako je poreski bilans izveštaj kojim se prikazuje iznos oporezive dobiti odnosno poreske osnovice, država je zainteresovana za njegovo što preciznije definisanje. Takođe je potrebno na što prihvatljiviji način približiti menadžmentu preduzeća značaj poznavanja poreskog bilansa, posebno u privredama koje se nalaze u razvoju, poput naše.

U radu je prikazana pozicija poreskog bilansa u finansijskom sistemu, uloga i mesto poreskog bilansa u porodici ostalih finansijskih izveštaja. U okviru čega je posebno istaknuta uloga riziika koji su prisutni prilikom sastavljanja i kontrole poreskog bilansa i zavisnosti poreskog bilansa od oblika i strukture preduzeća.

Ključne reči: bilans, porezi, izveštavanje

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CONNECTION OF ORGANIZATIONAL COMMITMENT AND MOTIVATIONAL STRUCTURE OF EMPLOYEES

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Abstracts: Successful organizations actively manage the potentials of their employees, and motivation and organizational commitment are the key issues of human resource management. The objective of this research was to estimate the correlation between motivational structure and organizational commitment (measured by the "Questionnaire of motivation and job satisfaction") among employees. The research was conducted with a sample of 120 workers of one Serbian corporation. The results show that there is a statistically significant correlation between personal importance and satisfactory presence of certain factors of work motivation with the level of organizational commitment among employees. These results provide an answer to the practical question what forms of motivation have influence on level of organizational commitment.

Keywords: motivational structure, factors of motivation, organizational commitment

Introduction

Successful organizations in the world consider their employees to be the primary developmental resource and for that reason place the great importance on active managing of their potentials (Raletić, Ratković, Dašić, 2015). Motivation and organizational commitment become key issues of modern business. An important element of human resource management of successful organizations is a system of motivation of employees. With appropriate combination of factors of motivation, management successfully develops the motivation of employees, and creates an good atmosphere for success of the organization (Dašić, et al., 2021).

In modern business conditions, organizational commitment is becoming increasingly important especially because of the fact that most employees do not spend entire working life in an organization, due to changes caused by transition processes as well as desires of the employer (dašić, Jeličić, 2016). Management of the organization should contribute to the development of organizational commitment of employee and attempt to increase the level of identification with the norms, values and success of the organization.

Work motivation

The complexity of the motivation phenomenon is especially underlined in the contemporary business where the significance and the notion of the key resource have been placed on man. Inadequate motivational activities, improper structure of employees, low expectations and weak motivation of the capable ones amount to the serious difficulties in management and thus to the prevention of the further development of an organization (Turčinović, 2021; Gavrilović, 2024). The essence of motivation is for organization to find the answer to the question of how to satisfy the needs of individual holders of business process activities. Adequate motivation which emphasises common interests and goals of all participants in the business process can have a stimulating effect on employees and make them work better (Zubić, 2022). This kind of complex, consistent, dynamic and integrative motivation fosters the creation of a profitable organization. Motivation represents introducing a stimulus – an award in a working process to persuade employees to behave in a specific manner that benefits the organization, while at the same time satisfying their personal desires and needs (Vujić, 2003).

Factors of motivation, stimuli or incentives, are situations or means by which certain activities are directly fostered or interrupted, accelerated or decelerated, strenghtened or weakened (Petković, 1994). In theoretical considerations and research motivational factors are usually divided into repressive and developmental (Radaković, et al., 2023). Repressive motivational factors include: individual earnings, righteousness or the distribution of the earnings, housing solutions, the possibility of losing employment. On the other hand, developmental motivational factors include: the satisfaction of performing a certain job, professional adjustment, advancement of staff, awards and acknowledgements and interpersonal relations (Mihajlović, Ristić 2007).

The most frequent subject in the work motivation research is the material motivational factors most clearly identified by the individual earnings. It is a widespread belief that the need for higher salary is the greatest work stimulus (Tošić, 2023), however, in the numerous research performed it has not been confirmed. Instead of the dominance of material factors, a dynamic hierarchy of motives for work engagement has been discovered. Material wellbeing gives a person certain social status and markers, therefore one cannot neglect the symbolic status or other values of presonal earnigns (Kovačević, Dašić, 2022).

While considering the amount of personal earnings as a stimulating work factor one can not ignore its important element - the righteousness of distribution. The way salaries are distributed among the organization often has greater importance than the salary itself. Employees are highly sensitive to the differences in salaries, especially when those differences arise in situation where two or more employees perform similar tasks. Unjust differences have a highly destimulating effect on employees (Ratković, 2023).

Global economic and social crisis in recent years, tranzition, decrease of real wages and of standards of living have influenced the revitalization of motivational values of personal earnings. In atmosphere produced by these factors higher motivational stimuli of self-development are lost, giving way to satisfaction of lower existential needs. Development of personal abilities and creativity lose their significance when there is a need to satisfy material needs of a family and individual. Therefore, material elements have had the highest motivational force. Personal earnings and their distribution must be understood as key motivational factors responsible for work efficiency.

The possibility of losing employment represents powerful, coercive factor of work motivation. However, in the process of tranzition and the conditions created by it, secure emlopyment has become very important motivational factor, especially in private organizations and in small and medium private enterprises.

Developmental motivational factors have a more subtle influence on a conduct of employees, therefore monitoring and analyzing their effect is more complex than that of repressive factors. Their connection to the goals of motivational behaviour is not very clearly expressed, and the goals alone are harder to set. It is often the case that employees are even not aware of the stimuli that guide them towards specific activities and goals.

There is also a belief that approval, awards and acknowledgements have a much greater motivational effect and that they are appriciated more than prize money. Having that in mind, management of an organization has to develop a practice of acknowledging the achievments of its employees. The acknowledgement given to employees can have different forms, for instance, verbal praise, acknowledgement in written form, effective messages left on a worktable, day off, or simply a pat on a shoulder to a person that deserves acknowledgement (Peters, 1996).

Advancement of the staff represents different kinds of vertical movement of employees. It can refer to professional development, which includes the opportunity to acquire higher knowledge, ranks and qualifications, or it can mean a promotion to a higher position, which includes the higher managerial role. The advancement can be directed towards better payed positions in a company, positions with better working conditions, positions with higher responsibility or reputation etc.

Inetrpersonal relations have is also concerned as important factors of work motivation. In a group where every employee accepts the common goals of a group as his own, where there is mutual cooperation of group members, there is also coordinated effort and provided help to group memebers with the aim of achieving certain goals. When such atmosphere is created, there exist positive incentives among employees which favorably affect the motivation of a whole group. On the contrary, conflicts in a group disturb its cohesion and have negative effect on productivity and other work characteristics.

In a certain organization in a specific period of time and according to obtained motive hierarchy it is possible to determine motivational structure of employees in that organization. It needs to be said that it is very important for defining motivation within an organization how employees experience what they are given, what pleases them and to which extent, and what is more and what less important to them. Those kinds of references, levels of satisfaction, relative strength and interrelationships of certain motivational needs can be labelled with the heading of motivational structure of certain individuals or groups of members of a given organization in a specific period of time (Čukić, 2004). It is necessary for managers to have an insight into the motivational structure of their coworkers, so that they can be able to propose an efficient motivational system, that is, to choose the right motivational activities. An important task for management of any organization is to recognize the motivational structure of employees and to implement strategies for motivation of employees.

Organizational commitment

Organizational commitment is a psychological phenomenon which strives to explain the nature of the relationship which an individual forms with an organization in which he/she is employed. There are numerous definitions of organizational commitment and what all of them have in common is the notion of connection of an employee to his/her organization. This connection is most of the time seen as closeness and loyalty towards an organization, therefore, as a positive emotional reaction of an employee. The connection affects the identity of an individual, that is, fosters the identification with norms, values and success of an organization.

Over the last ten years, multidimensional model of organizational commitment, which was first proposed by Allen and Meyer (1990), represents the foundation for the research of this phenomenon. This new concept of organizational commitment differentiates between three mutually independent components of organizational commitment: affective commitment, normative commitment and continuance commitment. Affec-tive commitment exists when an employee wants to remain a part of an organization because of emotioanl attachment to an organization and identification with its goals and values. Normative commitment stems from the feeling of duty of an employee to remain a part of an organization because of recieved incentives or services (for instance, paid cost of education), that is, it exists when a person feels that he/she is obliged to stay in an organization without questioning his/her decision. Continuance commitment refers to employee's awareness of the potential price of leaving an organization, that is, his/her awareness that there is accumulated invesment that may be lost if one leaves the organization (friends at the workplace, benefits specific to a cerain organization). Availability of alternative employment opportunities influences the level of development of this component of commitment (Lunić, Penezić, 2024; Penezić, Bajić, 2024).

Employees with highly developed affective commitment will stay in an organization because they want to, those with expressed normative commitment will stay out of a sense of duty and those with developed continuance commitment because they have to. Meyer, Allen and Smith (1993) point out that above mentioned components of commitment are psychological states that „characterize the relationship between the employee and an organization or have implications on employee's decision whether or not he/she will continue to work in an organization". These authors also underline that affective, normative or continuance commitment are only components of commitment, not its types. Therefore, a person can at the same time feel strong emotional commitment towards an organization and the duty to remain its member. Organizational commitment can be determinated with the certain level of desire, need and duty that a person feels towards the organization he/she works for. This is the reason why the organizational commitment of an individual is better understood if all three components of commitment are taken into consideration, that is, if organizational commitment is treated as multidimensional phenomenon. Meyer and Allen describe a „commited" employee as a person who stays in an organization, ensures that his/her work is done properly, expands corporate assets and believes in organization's goals.

Mathieu and Zajac (1990) divided antecedent factors of organizational commitment into five groups: individual characteristics, work characteristics, characteristics of management and interpersonal relationships, characteristics of an organization and characteristics of roles. Generally speaking, individual characteristics represent a weak predictor of organizational commitment. Positive, but weak, correlation with the age and years of service was found and negative, but also weak, correlation with education. Significant positive correlation with commitment was found in the variable of personal assesment of competency, while the antecedent factors such as gender, abilities and salary did not emerge as significant predictors. Characteristics of an organization also did not emerge as a good predictor, while on the other hand, characteristics of a manager such as initiative, concern for employees, communication skills, possibility of participation in the process of making important decisions for organization and providing feedback emerged as an important predictor. Results have also shown that tasks which employees consider more complex or enriched produce higher level of commitment. Dependancy on other employees in job perofrmance proved to be in moderate relation to organizational commitment, while the relation to the levels of group cohesiveness was very low. Negative correlates of organizational commitment also include conflict and va-guely defined roles.

Dornstein and Matalon (1998) describe eight variables that are important for the concept of commitment: the possibility to work on an interesting task, the attitude of an employee towards an organization, age of employee, education, the possibility of employment in another organization, dependancy of an organization, the attitude of family and friends towards the organization in which a person works. The stated variables can account for 65% of variance in organizational commitment.

Method

The objective of this research

The objective of this research was to estimate the correlation between motivational structure (personal importance and satisfactory presence of factor of motivation), and organizational commitment among employees.

Questionnaires

The motivational structure of employees was measured by the "Questionnaire of motivation and job satisfaction" (Čukić 2006, Čukić, 2013), specifically part of the questionnaire which was taken from the research of Robert Kan (by Likert, 1961). It consists of 20 items (10 items related to the personal importance of factor of motivation, as well as 10 items that relate to a satisfactory presence of factor of motivation). Resonses were collected using a Likert scale which ranged from 1 to 7. Cronbachs' alpha of the part of the questionnaire relating to the personal importance of factor of motivation is .752, while the Cronbachs' alpha of the part of the questionnaire relating to satisfactory presence of factor of motivation is .847.

Organizational commitment among employees is measured by the "Questionnaire of motivation and job satisfaction" (Čukić, 2006), specifically part of the questionnaire which was questionnaire OCQ (The Organizational Commitment Questionnaire). OCQ was constructed by Porter, Mowday, Steers in 1979. This questionnaire consists of 15 items and resonses were collected using a Likert scale which ranged from 1 to 5. Cronbachs' alpha of OCQ is .763.

The sample

The research was conducted with a sample of 120 respondents, both sexes, of different age and of different level of education and years of service. Respondents are administrative workers, production workers and managerial workers of one Serbian corporation. The research was conducted in an organization chosen to be the most conveniance, and the sample of respondents was random, stratified and representative for that organization. The sample is comprised of 35% workers with secondary school education, 8,3% with high school education, 34,2% with vocational education, 0,8% of workres with prequalification, 20,9% of qualified workers and 0,8% of highly qualified workers. The sample is comprised of 56,7% of male and 43,3% female workers. The number of managerial staff in a sample is 21, and the other positions comprise the group of remaining 99 respondents.

Statistical methods

The statistical methods used in this research are the techniques of descriptive statistics, and Pearson's correlation coefficient. Analytical results were processed using the software package "SPSS 22. 0 for Windows."

Results

Table 1. Correlation between personal importance of certain factors of work motivation and organizational commitment among employees

personal importance of certain factors of work motivation	organizational commitment	
equity of distribution of the salary	r	-,207 *
the salary	r	-,237**
pensions and security for old age	r	-,120
not so intensive labor	r	-,267*
good communication with colleagues	r	-,190*
good communication with executives	r	,348***
possibility of quality work	r	-,009
possibility of interesting work	r	,039
opportunities for advancement	r	,033
good physical working conditions	r	-,216*

* p < 0.05;
** p < 0.01;
*** p < 0.001.

Table 1 contains information about the correlation between personal importance of certain factors of work motivation and the level of organizational commitment among employees. The results show that there is a statistically significant correlation between personal importance of the following factors of work motivation: the salary, equity of distribution of the salary, not so intensive labor, good communication with colleagues and executives and good physical working conditions with the level of organizational commitment among employees.

The table 2. shows correlation between a satisfactory presence of certain factors of motivation and the organizational commitment among employees. The results show that there is a statistically significant correlation between satisfactory presence of certain factors of work motivation: the salary, equity of distribution of the salary, not so intensive labor, good communication with executives, possibility of quality and interesting work, opportunities for advancement, good physical working conditions with the level of organizational commitment among employees.

Table 2. Correlation between a satisfactory presence of certain factors of motivation and the organizational commitment among employees

satisfactory presence of certain factors of motivation		organizational commitment
equity of distribution of the salary	r	,345***
the salary	r	,521***
pensions and security for old age	r	,150
not so intensive labor	r	-,259**
good communication with colleagues	r	,169
good communication with executives	r	,524***
possibility of quality work	r	,540***
possibility of interesting work	r	,611***
opportunities for advancement	r	,562***
good physical working conditions	r	,687***

* $p < 0.05$;
** $p < 0.01$;
*** $p < 0.001$.

Discussions and conclusions

The aim of this research is to examine the correlation between motivational structure and organizational commitment among employees.

The employees who have more obviously expressed satisfactory presence of the above mentioned factors of work motivation are more commited to the organization. They feel a close relationship to their working environment, to the goals, values and successes of their organization, but also express loyality. The employees who are satisfied both with the economical means of motivation and those of other types - opportunities for specialization by attending seminars and trainings, possibility for advancement, praises, acknowledgements-have a positive attitude towards their job and organization. The sources of their satisfaction are both material incentives, such as salary, awards and benefits, and working conditions, such as interesting tasks, a chance to express creativity and possibility for further development. These kinds of employees have a positive emotional connection to their job and organization, they are ready to invest additional amount of effort which can lead to development of the whole organization and have a strong desire to stay in the organization.

Some of the employees do not expressed satisfactory presence the above mentioned factors of work motivation, therefore their organizational commitment is not on the high level. They are not satisfied with their salary, working conditions, high production norm, working in shifts. Their tasks are monotonous and uniform, do not offer the possibility of expressing one's creativity and developing one's potentials. They have a negative attitude towards work, since it does not allow them to express their skills and knowledge; they invest minimal effort in performing certain job, have a higher rate of absenteeism and are convicted that they can not advance if they stay in organization for longer period of time. Their negative attitude towards work is in a close conncetion to the negative attitude towrds the organization and its values, goals and policies. With this group of workers, there is a greater possibility of leaving both job and organization.

Employees who are motivated with satisfactory presence of the salary and with the equity of distribution of the salary mostly have a higher degree of organizational commitment. They feel a close connection to their working organization, with its goals and success in business, since their earnings and employment directly depend on it. Employees who participated in this research are contemporaries of tranzition process and economic crisis which our country has been going through these past years; in these conditions many enterprises cease to operate, many go through the process of privatization and thus many workers are made redundant or are fired and lose not only their job, but also their salary. The employees who are less motivated by the satisfactory presence of fairness of earning distribution and their salary have a lower degree of organizational commitment. It is assumed that, even though the employees are aware of the current economic crisis the country has been going through, they still feel they are not adequately paid for their work and responsibility, thus the degree of their organizational commitment is lower.

Higher degree of organizational commitment exist when employees have a satisfactory presence with factor-good communication with executives and greater understanding with their superiors. Satisfying level of this motivational trait includes: good communication, providing feedback about their achievements, acknowledgements and praises for good performance, interest and the initiative to solve employe's personal problems. Developing positive relationship between an employee and his/her superior fosters development of emotional conectedness and loyality between the two, and at the same time, towards the organization. Some employees do not have developed understanding with their superiors, which leads to lower degrees of organizational commitment.

Employees on whose motivation influenced satisfactory presence of high quality of working conditions, interesting tasks and the possibility of advancement are more commited to the organization. The corporation provides to some employees opportunities for permanent specialization through attendting different kinds of seminars, courses and trainings and in this way invests in the development of their careers. This further provides them with an opportunity fos self-actualization, strenghtens their self-respect and their feeling of belonging to the organization. By providing these possibilities to employees, identification of their personal values and goals with those of the organization is increased, that is, it fosters the identification which is an important component of organizational commitment. Providing these possibilities also strenhtens the desire of an amployee to stay in the organization, that is, his/her loyality.

On the other hand, some employees are less motivated by satisfactory presence of the quality and interesting work and the possibility of advancement, so their organizational commitment is on the lower level. We assume that this applies to the production workers whose tasks are uniform, monotonuos, where they can not express hteir creativity, and the possibility of advancement is very low.

Employees who on their job have satisfactory presence of good working conditions in the most cases show greater level of organizational commitment. It is assumed that in this group are administrative workers, who perform their tasks in airconditioned offices with modern and comfortable furniture and electronic gadgets. They are aware of the fact that their working conditions are better than those in production department, therefore they express strong desire to stay in the organization. Employees who are less motivated by satisfactory presence of the good working conditions have a lower degree of organizational commitment. We are assuming that these are the primarily production workers, whose job is difficult since production norms are high, they work in shifts, on high temperatures, with a lot of noise, chemical evaporation etc.

It has also been found that changes in satisfactory presence of factor of motivation-not so intensive labor have low and negative relation to variations in organizational commitment. In this case, organizational commitment is somewhat lower in degree with workers who are highly motivated with the possibility to work without investing much effort. These are the employees who perform their job half asleep, do what they have to and are not willing to invest an additional amount of effort. On the other hand, the employees who show lower satisfactory presence of factor of motivation-not so intensive labor have higher level of organizational commitment. Those are the employees who are willing to work hard to benefit the organization.

It is necessary that the management of the corporation stimulate labor efficiency consistently throughout applying system of rewarding and punishing employees based on the results they achieved and level of work discipline they reach. The largest reserves of motivating employees lies in increasing the height of wages and their equitable distribution of wages. However, due to many years of poor economic conditions and economic crisis, management of the organization is not able to increase motivation in this way. The greatest opportunities for increasing motivation are in the area of the ego motivation. The organization can increase the motivation of their employees without additional financial investment funds, such as for example: personal affirmation, respect of personality of emploee, to schedule employees in accordance with the degree of their skills and educational level, to praise them, giving them recognitions etc. Based on the results of our research, we suggest that, in the current economic climate management of the organization, should use in greater extent forms of motivation that meet the needs of growth and also needs for social interaction with coworkers. This would give the opportunity of professional development and career advancement of employees, encouraged them and valued their creative contribution to the execution of tasks, it also could improve interpersonal relationships with colegues, which would ensure an atmosphere of mutual respect and support.

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POVEZANOST ORGANIZACIONE POSVEĆENOSTI I MOTIVACIONE STRUKTURE ZAPOSLENIH

Sažetak: Uspešne organizacije aktivno upravljaju potencijalima svojih zaposlenih, a motivacija i organizaciona posvećenost predstavljaju ključna pitanja upravljanja ljudskim resursima. Cilj ovog istraživanja bio je da se proceni korelacija između motivacione strukture i organizacione posvećenosti (merene „Upitnikom motivacije i zadovoljstva poslom“) kod zaposlenih. Istraživanje je sprovedeno na uzorku od 120 radnika jedne srpske korporacije. Rezultati pokazuju da postoji statistički značajna povezanost između lične važnosti i zadovoljavajuće prisutnosti određenih faktora radne motivacije sa nivoom organizacione posvećenosti zaposlenih. Ovi rezultati daju odgovor na praktično pitanje koji oblici motivacije utiču na nivo organizacione posvećenosti.

Ključne reči: motivaciona struktura, faktori motivacije, organizaciona posvećenost

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PARADIGMS OF APPLICATION OF ARTIFICIAL INTELLIGENCE FROM THE ASPECT OF ETHICS IN IMPROVING QUALITY

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Abstracts: In this research paper, based on a systematic review of the relevant scientific literature, the results of research on the use of artificial intelligence in companies from the ethical aspect will be presented. In this context, the paper will investigate the issues arising from the need to establish ethical guidelines for the effective use of methods, techniques and tools of artificial intelligence. For the purposes of the work, various aspects of ethics related to artificial intelligence will be evolved and key challenges that appear in business processes of companies and business systems will be analyzed. The fundamental goal is to investigate how to act ethically in this dynamic environment, while achieving competitive advantage and sustainable business development, that is, to identify the ethical dilemmas of using artificial intelligence in the working environment of individuals and to formulate recommendations to companies and organizations for its ethical use and implementation. The research results point to the necessity of including ethical principles already in the planning and development phase of artificially intelligent systems. The results show that it is necessary for companies and business systems to recognize values such as fairness, transparency and accountability and to integrate them into their business practices. A quantitative methodological approach was used, conducted on the basis of a survey questionnaire. The results of research into the application of artificial intelligence in practice indicate that employees evaluate all organizational practices that would help reduce the occurrence of ethical dilemmas as extremely important and useful, where the biggest identified ethical dilemma is the reduction of work ability and skills due to the possibility of relying on artificial intelligence systems.

Keywords: artificial intelligence, business, ethics, quality management

Introduction

It is known that artificial intelligence significantly shapes current social processes, and that in this sense, the first priority is not technical features, but an ethical approach to application (Denić N., 2023). The question of the ethical application of artificial intelligence is gaining more and more relevance. Despite this, there is not enough number of scientific works in this field in the literature. Some authors state that companies and organizations have recognized the business opportunities of artificial intelligence, which are reflected in the promotion of competitiveness, the transformation of products and services, or the review of business strategies (Sestino and De Mauro, 2022). This is followed by actors who emphasize the need for education and raising public awareness about how artificial intelligence works and what challenges and opportunities it brings to society (Brundage, Avin, Clark, & Toner, 2018). In our environment, the ethical guidelines adopted in the Republic of Serbia certainly represent a significant initial step (Denić N., 2024). However, it is important to emphasize that these guidelines are recommendations and not legal provisions. In this sense, the conclusion is imposed that they function as an instrument that directs practice, but without legal obligation. The literature states that addressing the ethical challenges posed by artificial intelligence ensures that ethical standards are met and that the implementation of these technologies is aligned with societal norms and values, thus contributing to the public good (Kandasamy, 2024). In our country, a positive development is the fact that the law on artificial intelligence in Serbia is in the preparation phase (Denić N., 2024). . In this context, it is stated that it is important to develop guidelines, regulations and standards that enable the responsible and ethical use of artificial intelligence and protect the rights of individuals and communities (Toews, 2021). Research shows that the application of artificial intelligence opens numerous ethical and security challenges that need to be answered and prevented (Denić N., 2018). In this sense, the very process of implementing artificial intelligence is extremely important because if artificial intelligence systems are not implemented properly, they can threaten the physical safety and well-being of employees, which leads to a series of ethical challenges (Salvi del Pero et al., 2022). The ethical and safe application of artificial intelligence represents one of the five goals of the Strategy for the Development of Artificial Intelligence in the Republic of Serbia for the period 2020-2025. year. Some authors point out that business ethics is a key component of successful and sustainable business in today's globalized world (Chladek, 2019).

Artificial intelligence

The literature states that if it is true that with great power comes great responsibility, then artificial intelligence has become increasingly powerful and we are only beginning to understand its potential for its application (Krogue, 2017). The European Union has passed a law on artificial intelligence (AI Act), which should enter into force in 2025. The law classifies artificial intelligence into four levels of risk, from minimal to unacceptable, and prescribes penalties. Some authors state that due to the unique properties of artificial intelligence, such as its complexity, data mining, intelligence, etc. careful handling of these systems is required (Munoko et al., 2020). In this sense, human-machine interaction is dynamic, because artificial intelligence systems learn from human behavior and adjust their performance (Cebulla et al., 2023). It is important to emphasize that the inclusion of artificial intelligence in work environments brings many benefits, but at the same time raises significant ethical dilemmas and concerns (Saihi, 2022). However, with the rapid advancement of artificial intelligence, many ethical issues arise that need to be addressed (Esposito, 2019).

Ethics and artificial intelligence

Ethics, as a branch of philosophy, deals with questions about morality, right behavior and values that guide our decisions and actions (Dyzenhaus, Reibetanz Moreau, & Ripstein, 2007). The ethics of artificial intelligence includes the principles and guidelines that govern the responsible development, implementation and use of artificial intelligence. Despite the central role of ethics in evaluating human actions and intentions, there are other perspectives for evaluating these actions that are not necessarily tied to ethical standards. The ethical and safe application of artificial intelligence implies the introduction of preventive mechanisms that will enable the responsible development of artificial intelligence and ways of verifying that systems based on machine learning are in accordance with the highest ethical and security standards (Petkovic B., 2021). In this context, business ethics is a fundamental value that should not be neglected in a world where business goals are often emphasized (Bovee, Thill, & Mescon, 2007). Unfortunately, it is often applied in practice in the context of management, strategic planning or solving practical problems, that performance is the key, and not the ethical aspect of action (Gilbert, 2016). Experts in this field agree that there is a need for ethical boundaries when it comes to the creation and implementation of methods, techniques and tools, in order for this useful technology to serve society in a responsible manner. The essence of ethics in business lies in the moral values that companies adopt as their fundamental orientation (Baker, 2022). In this process, ethical dilemmas arise that can differ in their intensity, with some causing short-term confusion or discomfort, while others can cause serious personal distress (Tsiotsou et al., 2024). Well-known authors state that the starting points for considering ethics are really wide and varied (Pedulla, 2022). Ethics in artificial intelligence refers to moral principles and values that guide the development and use of artificial intelligence in business (Sokolov M., 2017). This includes issues such as privacy, bias, transparency, accountability and security. In that process, the first step in ethical work is understanding the ethical standards and codes applied in the IT industry. Some authors emphasize that artificial intelligence technologies are not inherently ethical or unethical (Poole & Mackworth, 2023). The ethical aspect of artificial intelligence requires a proactive approach that includes oversight, governance, and the constant pursuit of compliance (Eitel-Porter, 2021). Discrimination and prejudice are ethical dilemmas that have been present in the work environment for a long time (Salvi del Pero et al., 2022).

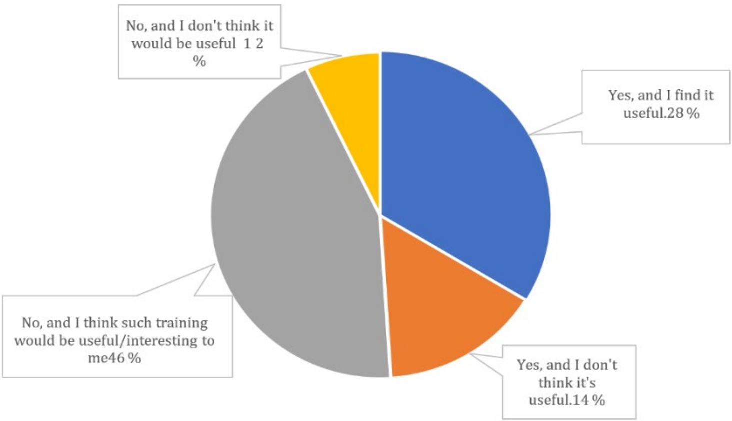
Research methodology

This research work is based on many years of scientific research work and theoretical knowledge, acquired during studies, studying domestic and above all foreign professional literature, as well as on practical experiences of studying and monitoring ethical aspects of artificial intelligence implementation in business. The method we use is a critical analysis of the literature. Research methods are based on description, critical analysis and observation, compilation method, presentation and assessment of the theoretical and practical aspects of the analysis of the ethical aspects of the application of artificial intelligence in practice from the point of view of business improvement. Essentially, the methodology of the combination of qualitative and quantitative methods of scientific research will be applied in the work. Synthesizing the results of the critical literature analysis allows us to formulate findings, recommendations or suggestions for further research, and contributes to the further development of this field.

Research results

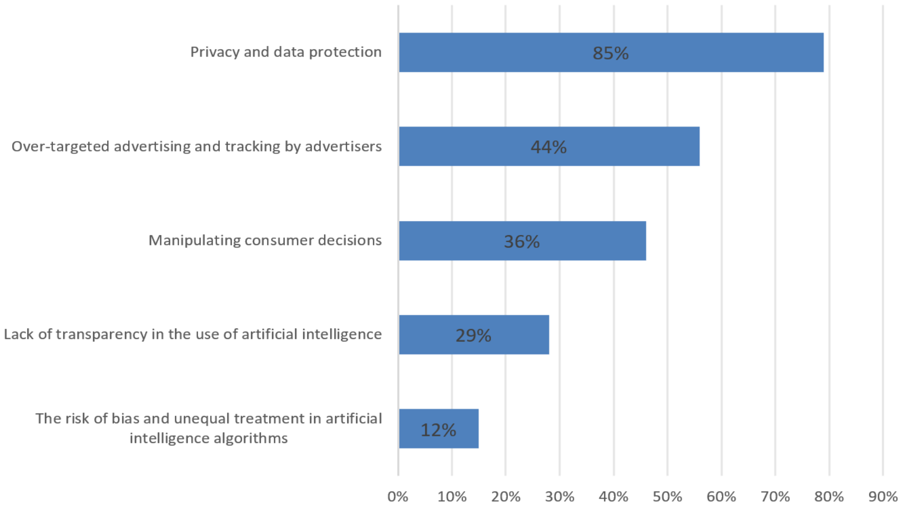
The first and key aspect of the ethical treatment of artificial intelligence in a business environment is transparency (Bostrom & Yudkowsky, 2011). It is known that transparency is very important in social relations and in every business branch and industry, because it brings trust. Well-known authors state that transparency is considered one of the ethical principles of using and implementing artificial intelligence systems (Todolí-Signes, 2019). An example from practice when Microsoft was forced to delete an artificial chatbot that it presented on Twitter with the aim of improving its communication skills by interacting with users of this social platform best speaks in favor of the lack of transparency (Horton, 2016). Some authors state that bias and discrimination are ethical issues in the application of artificial intelligence that can cause harm to individuals or groups (Belenguer, 2022). This is followed by the opinions of the authors who state that this shows that, despite the age of artificial intelligence, maintaining an influence on human behavior and embedding ethical values must remain at the forefront of any discussion of business ethics. In addition, it is extremely important that employees know how to answer questions such as: what data is collected, how it is processed and what criteria the algorithm uses to make a certain decision (Todolí-Signes, 2019). The research results show that data protection and privacy are one of the most important aspects of ethical behavior in the IT sphere, which directly interests users when they open profiles, buy or communicate over the Internet and use artificial intelligence methods, techniques and tools. On the other hand, excessive trust in artificial intelligence systems, here primarily referring to large language models, leads to misuse of artificial intelligence methods and tools and blind trust in these systems, which certainly leads to undesirable consequences from an ethical perspective (Fui-Hoon Nah et al. 2023). In this context, another aspect that needs to be explored and considered is fairness (Barocas, Hardt, & Narayanan, 2023). The literature states that the solution to the ethical dilemma is for employees using artificial intelligence systems to rationally check and engage in verification procedures of information or solutions they receive from artificial intelligence (Fui-Hoon Nah et al. 2023). In practical application, ethical principles in VI systems are manifested through program code, algorithmic processes and implemented filters. In order to avoid some of the ethical dilemmas as much as possible, attention should be paid to the development of algorithms, with an emphasis on the inclusion of elements that enable personal reasoning, choice and decision-making by employees (Todolí-Signes, 2021). Experts who produce and improve artificial intelligence should possess professional integrity and independence, which means that they are completely independent from external influences of organizations and personal interests, which may influence their decisions. Well-known authors state that developers, users and organizations dealing with the use of artificial intelligence have a key role in taking responsibility for their actions (Corcoran, 2023). This is followed by authors who point out that responsibility faces many ethical challenges in the context of artificial intelligence (Stahl et al., 2023). In this context, machines are certainly not inherently moral agents and therefore cannot be held responsible for their actions (Johnson, 2006). Some authors point out that responsibility means that a certain person or organization can be associated with the responsible use of a certain artificial intelligence system (Salvi del Pero et al. 2022). When a certain task is transferred from an employee to an artificial intelligence system, there is a gap in responsibility between them, i.e. who takes the blame for mistakes or takes credit in such a case (Munoko et al., 2020). As part of this, the challenge of motivating employees arises when their achievements are attributed to artificial intelligence tools (Flöther and Hoffmann, 2024). Companies should mitigate these effects by investing in retraining programs and hybrid approaches that combine artificial intelligence with human emotional intelligence (Kumar and Suthar, 2024). Fairness and non-discrimination, central to stakeholder theory, remain critical to ethical business practices when dealing with artificial intelligence (Harvard Business Review, 2020). The main challenge of the ethical dilemma of responsibility in the use of artificial intelligence is related to taking responsibility, because the development and operation of artificial intelligence systems involve the roles and resources of different individuals, organizations, hardware components, software algorithms and users, often in complex and dynamic environments (Stahl et al., 2023). Efforts to develop and implement artificial intelligence must be in accordance with ethical standards to ensure that the technology serves a good purpose, while companies and states must invest in the development of the technology in order to exploit its potential and at the same time minimize possible risks (Nosova et al., 2023). Developers of artificial intelligence systems are responsible for ensuring the ethical and responsible development and application of their technologies, which means they should help reduce bias, ensure transparency, and provide adequate documentation (Salvi del Pero et al., 2022). In this sense, companies and business systems must ensure transparency in handling data and enable consumers to control their personal data (Naz and Kashif, 2024). Research in practice suggests that although the employer often bears primary responsibility for the consequences of decisions made by artificial intelligence in the workplace, it remains a complex and intricate issue with shared responsibility among stakeholders involved in the development, implementation and use of artificial intelligence (Salvi del Pero et al., 2022). The latest research showed that respondents in the sample (N=126) have a divided opinion on the use of artificial intelligence, the results also show that the more educated, those employed in the IT sector, and respondents who have more knowledge about artificial intelligence have more positive attitudes.

Figure 1: Training on the use of artificial intelligence and its ethics (u %)



Research shows concerns about the disappearance of professions due to advances in artificial intelligence, as well as concerns about potential discrimination by artificial intelligence based on gender, race, sexual orientation and financial status. It is important for employers to provide employees with transparency regarding these systems, as this approach can reduce employee uncertainty and anxiety, and consequently provide them with more information to assess whether the algorithm is working properly, thus avoiding potential errors or detecting them more quickly (Todolí-Signes, 2019). It is important to ensure the wide availability of artificial intelligence and prevent the concentration of power in the hands of a few (Rosenstrauch et al., 2023). Automation of work processes through artificial intelligence inevitably leads to changes in the labor market (Kopalle et al., 2024). According to the same author, the ethical challenge is not the immediate loss of jobs, but the consequences at the macroeconomic level or the labor market (Kopalle et al., 2024). In this sense, industry must actively participate in designing workplaces that combine human skills and artificial intelligence, enabling sustainable growth and social inclusion (Kopalle et al., 2024). On the other hand, many ethical dilemmas arise, such as the loss or displacement of jobs due to automation, which can be reflected at the macroeconomic level as high unemployment rates (D'Cruz et al., 2022).

Figure 2: Ethical aspects of the use of AI



Of the 64 respondents who took part in the survey, 85% expressed concern about this aspect. This was followed by over-targeting and ad harassment, which was a concern for 44% of respondents. Manipulation of consumer decisions was a concern for 36% of participants. A less prominent, but still significant, concern was the lack of transparency in the use of artificial intelligence, which was highlighted by 29% of participants. While 12% indicated the risk of bias and unequal treatment. The ethics of using artificial intelligence in a business environment is of fundamental importance, as the technology becomes more and more present in decision-making processes, automation and interactions with customers.

Discussion of results

According to eminent authors, artificial intelligence will eliminate some jobs and at the same time create new ones, especially in fields or industries that require high skills (Gerlich, 2024). In the evaluation of ethical aspects, it is necessary to take into account both transparency and fairness (Simion and Popescu, 2023). The Law on Artificial Intelligence in the Republic of Serbia, which is in preparation, classifies systems into four categories according to the level of risk: Unacceptable risk, High risk, Limited risk and Minimal risk. The literature states that ethical practices in the ethical dilemma of job insecurity include ensuring a just transition and retraining opportunities for individuals (Kandasamy, 2024). Although it is known that AI can improve user experience and efficiency, challenges such as data quality, privacy issues and integration costs remain. Some authors in this context state that it is crucial that companies, as part of their social responsibility, actively support opportunities for retraining and development of competencies that enable employees to acquire the knowledge and skills necessary to work in an artificial intelligence environment (D'Cruz et al., 2022). Businesses and organizations must clearly explain how AI systems work and inform customers about the collection and use of their data (Naz and Kashif, 2024). In addition, it is necessary to develop strategies that will reduce the negative social and economic consequences of automation and ensure that all stakeholders benefit from technological progress (Kandasamy, 2024). In our environment, the focus of the recently implemented ethics and artificial intelligence project was, among other things, on two of the five special goals of the Strategy for the Development of Artificial

Intelligence in the Republic of Serbia, namely (1) the development of education aimed at the needs of modern society and the economy conditioned by the progress of artificial intelligence, and (5) the ethical and safe application of artificial intelligence. Some authors state that current discussions examine the best approaches that will minimize potential disruption, ensure that AI achievements are widely shared, and encourage competition and innovation, rather than suppressing it (Ford, 2015). Research results show that the use of artificial intelligence leads to a number of ethical problems, including issues related to bias, transparency, accountability and possible negative impact on employment and society. In the ethical context of the development and use of robotics and artificial intelligence, it is crucial to ensure that the technology benefits people and does not harm them (Doncieux et al., 2022). Authors Naz and Kashif (2024) emphasize that while privacy issues in AI-based business are well-researched, ethical issues such as consumer manipulation and algorithmic bias need to be better understood. Efforts to develop and implement artificial intelligence must comply with ethical standards to ensure that the technology serves a good purpose, while companies and states must invest in the development of the technology in order to exploit its potential and at the same time minimize possible risks (Nosova et al., 2023). Research results in practice show that artificial intelligence has large energy needs, which contributes to carbon emissions and environmental degradation and sustainable development. Some of the possible solutions to the ethical dilemma of environmental protection and sustainable development, i.e. achieving sustainability, are: investing in green technologies, optimizing algorithms for energy efficiency and using renewable energy sources in data centers and artificial intelligence operations (Kandasamy, 2024). In this sense, the development of digital literacy skills, engineering knowledge and critical thinking is crucial in order to overcome these difficulties (Walter, 2024). It also brings ethical challenges, such as data privacy and replacing human jobs with automated systems (Zawacki-Richter et al., 2019). The literature suggests that sustainable practices, such as using renewable energy sources and optimizing computing efficiency, can help mitigate these impacts (Kumar and Suthar, 2024).

Conclusion

Research results show that the accelerated development of new technologies and methods of artificial intelligence techniques and tools has the potential to help society, but also to cause harm. Based on the research, it can be concluded that ethics play a key role in the correct and useful use of artificial intelligence in the business world. In this context, it can be said that trust in artificial intelligence, as well as trust in those who manage it, is an ethical challenge. This research contains a theoretical and empirical part, on the basis of which it contributes to a better understanding of the complexity of ethical dilemmas brought about by the introduction of artificial intelligence into the working environment of individuals, and enables the creation of guidelines for its ethical and sustainable use. The research results indicate that solutions should be found for ethical challenges, especially related to privacy protection and transparency in the use of artificial intelligence for marketing purposes. It is clear that unacceptable or unethical use of artificial intelligence carries potential negative consequences, from discrimination and privacy violations to loss of trust in the technology. In this sense, understanding ethical standards, transparency, privacy protection, maintaining integrity, economic and social responsibility, continuous improvement and making ethical decisions are key steps that IT professionals can take to enable their solutions to work and serve a better and fairer society. Further research into the ethical application of artificial intelligence in business could focus on detailed research on, for example, the psychological effects of artificial intelligence in other areas, further linked to cultural and geographical contexts.

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PARADIGME PRIMENE VEŠTAČKE INTELIGENCIJE SA ASPEKTA ETIKE U UNAPREĐENJU KVALITETA

Sažetak: U ovom istraživačkom radu, na osnovu sistematskog pregleda relevantne naučne literature, biće prikazani rezultati istraživanja upotrebe veštačke inteligencije u kompanijama, sa etičkog aspekta. U ovom kontekstu, rad će istražiti pitanja koja proizilaze iz potrebe uspostavljanja etičkih smernica za efektivnu upotrebu metoda, tehnika i alata veštačke inteligencije. Za potrebe rada biće evoluirani različiti aspekti etike u vezi sa veštačkom inteligencijom i analizirani ključni izazovi koji se javljaju u poslovnim procesima kompanija i poslovnih sistema. Osnovni cilj je istražiti kako se etički ponašati u ovom dinamičnom okruženju, uz postizanje konkurentske prednosti i održivog razvoja poslovanja, odnosno identifikovati etičke dileme korišćenja veštačke inteligencije u radnom okruženju pojedinaca i formulisati preporuke kompanijama i organizacijama za njeno etičko korišćenje i implementaciju. Rezultati istraživanja ukazuju na neophodnost uključivanja etičkih principa već u fazi planiranja i razvoja veštački inteligentnih sistema. Rezultati pokazuju da je neophodno da kompanije i poslovni sistemi prepoznaju vrednosti kao što su pravičnost, transparentnost i odgovornost i da ih integrišu u svoju poslovnu praksu. Korišćen je kvantitativni metodološki pristup, sproveden na osnovu anketnog upitnika. Rezultati istraživanja primene veštačke inteligencije u praksi ukazuju da zaposleni ocenjuju sve organizacione prakse koje bi pomogle u smanjenju pojave etičkih dilema kao izuzetno važne i korisne, pri čemu je najveća identifikovana etička dilema smanjenje radne sposobnosti i veština zbog mogućnosti oslanjanja na sisteme veštačke inteligencije.

Ključne reči: veštačka inteligencija, poslovanje, etika, upravljanje kvalitetom

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THE CULTURAL AND ECONOMIC VALUE OF SPORTS EVENTS IN RURAL AREAS: MEDIA AND LEGAL CONTEXT

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Abstracts: The cultural and economic value of sports events in rural areas represents a multidimensional phenomenon encompassing local development, the preservation of cultural identity, and the strengthening of social cohesion. Research shows that sports manifestations in smaller communities contribute to economic activity through increased tourism spending, support for small and medium-sized enterprises, and the generation of seasonal employment. At the same time, they serve as a means of promoting cultural heritage and the local way of life, thus fostering a sense of belonging and community. The media context plays a crucial role in the visibility and sustainability of these events. Coverage in local and regional media enables better positioning of rural municipalities on the cultural and tourist map of the country and increases the potential to attract sponsors and investors. On the other hand, the legal framework governing the organization of sports events in rural areas must align with the principles of transparency, safety, and responsibility in order to ensure long-term benefits for the local community. Given all the above, an intersectoral approach is needed-one that integrates sports policy, cultural development, media strategy, and legal regulation. Only through such coordination can the full potential of sports events as a tool for integrated rural development be realized.

Keywords: sports events, rural development, cultural heritage, media, legal aspects

Introduction

Rural areas in Serbia have long been at the center of public policy efforts aimed at reducing regional disparities, demographic depopulation, and economic marginalization. Despite numerous strategic documents and incentive measures, many villages and smaller settlements continue to face structural problems such as youth outmigration, inadequate infrastructure, and weak cultural and tourism offerings (Cvijanović, Vujko, & Bojović, 2023). In this context, sports events are increasingly recognized as a potential driver for the multifunctional development of these areas-economically, culturally, touristically, and socially.

In rural communities, sport can be more than just a recreational activity-it becomes a tool for economic mobilization, the preservation of cultural identity, and the enhancement of media visibility. Studies indicate that sports events can directly contribute to tourism revenue growth, the creation of seasonal jobs, and the networking of local producers and hospitality providers. From a cultural perspective, sports manifestations in rural areas carry a strong identity-building character (Radaković & Marinković, 2021; Čolić et al., 2022). Their role in transmitting traditions, strengthening social solidarity, and affirming the local community is invaluable. These events enable young people to connect with the heritage of their ancestors while also facilitating intergenerational exchange of knowledge and values. In some cases, sport becomes a component of regional branding, which helps increase the recognition of rural areas both nationally and internationally.

Although sport carries positive economic and cultural implications, media support for sports events in rural areas is often insufficient or selective. Despite the shift in modern media toward digital, interactive, and locally oriented content, sports events in smaller communities receive limited attention, which in turn diminishes interest from sponsors and audiences (Durlević, Marković Obrenov, & Mihajlović, 2024). Media presence is essential not only for promotion but also for the legitimacy and institutional support of such events.

In addition to media, a critical component in organizing sports events in rural settings is legal regulation. The Sports Law of the Republic of Serbia defines the responsibilities of organizers, safety protocols, financial accountability, and the role of local government in supporting events

(Law on Sports, 2016). However, in practice, rural communities often lack the capacity to meet all legal requirements, which presents an obstacle to the planning of large-scale and sustainable sports events (Ivanović et al., 2020; Dašić, 2024).

The aim of this paper is to analyze the cultural and economic value of sports events in rural areas of Serbia through the lens of media visibility and the existing legal framework. Drawing from case studies and theoretical frameworks on rural development, the paper will highlight both the benefits and the limitations of using sports events as a tool for sustainable community development.

To improve the effectiveness of sports events as a development tool in rural areas, it is necessary to create integrated local strategies that link sport, tourism, culture, and media. Data from various studies show that intersectoral cooperation-among local governments, sports clubs, tourism organizations, and media partners-leads to better positioning of rural destinations and a higher social return on invested resources. Additionally, strengthening the capacity to implement legal regulations, including simplified administrative procedures and financial support for organizers in smaller communities, is a key precondition for the sustainability of these initiatives. Therefore, improving the regulatory framework and empowering local stakeholders should be an integral part of comprehensive rural development policy (Stamenković, 2017; Dašić, 2021).

The Economic and Cultural Significance of Sports Events in Rural Areas

Sports events in rural regions of Serbia represent an important instrument for economic development, cultural heritage preservation, and the strengthening of social cohesion. These events contribute to increased tourism, the creation of new jobs, and the promotion of local products and services.

Beyond the economic dimension, sports manifestations play a vital role in preserving and promoting the cultural identity of rural communities. Through the organization of traditional sports competitions and accompanying cultural programs, these events strengthen social cohesion and facilitate the transmission of cultural values to younger generations. They also provide opportunities for youth to connect with the heritage of their ancestors and enable intergenerational exchange of knowledge and values (Dašić, 2016; Dašić, 2018).

The development of sports tourism in rural parts of Serbia holds potential for contributing to the sustainable development of these regions. Research shows that destinations in early development stages-particularly those in rural areas-possess significant potential for sports tourism, which can lead to both eco-nomic and social progress in these communities.

In short, sports events in rural Serbia have considerable potential for stimulating economic development, preserving cultural heritage, and fostering social cohesion. Through an integrated approach that encompasses economic, cultural, media, and legal aspects, a sustainable development model for rural communities through sports manifestations can be created (Kovačević & Dašić, 2022).

To fully realize this potential, it is necessary to enhance institutional support and develop local capacities for organizing and promoting sports events. It is particularly important to involve media and digital platforms in the promotion process to increase visibility and attract sponsors, visitors, and participants from a wider region. Furthermore, the legal and administrative framework should be adapted to the specific needs of rural areas, enabling easier access to financial and logistical resources. Development strategies for sports tourism must be grounded in the principles of sustainability, community inclusion, and cultural authenticity to ensure long-term and broadly distributed benefits (Jeličić & Vlajković, 2023; Dašić et al., 2024).

A concrete example illustrating the economic significance of sports events in rural Serbia is the "Marathon on the Fruška Gora Trails," held each spring within the territory of the Fruška Gora National Park. According to the Tourist Organization of the City of Novi Sad, this event attracts over 10,000 participants and visitors annually, generating direct tourism spending exceeding 25 million dinars in the local community (TO Novi Sad, 2022). Local caterers, accommodation providers, and producers of traditional goods report increased revenues during the event, while cultural and educational programs are organized in parallel, contributing to the cultural value of the event. This case study confirms that sports events can serve as a powerful catalyst for economic growth and the promotion of rural areas when strategically linked with local resources and cultural heritage.

The Role of Media in Promoting Sports Events in Rural Areas

Media play a crucial role in promoting sports events, particularly in rural areas where increased visibility is necessary to attract participants and audiences. In the modern digital age, the internet and social media have become the primary communication channels, enabling the rapid and efficient dissemination of event-related information.

Research shows that the use of digital media - such as the internet and social platforms - has significantly contributed to the promotion of cultural tourism in Vrnjačka Banja, suggesting strong potential for these tools in promoting sports events in rural regions. Additionally, media can influence greater youth participation in sports activities. A study on youth sports and recreational involvement in rural Serbia found that media promotion can motivate more young people to take part in sports events.

The role of media in promoting sports events in rural areas is multifaceted:

1. Information and Education: Media outlets provide information about upcoming events, participation rules, and the broader benefits of sports for health and social cohesion.
2. Community Mobilization: Through media coverage, local communities are encouraged to actively participate in organizing and attending events.
3. Promotion and Marketing: Digital media allow for targeted advertising and outreach to a wider audience, including potential sponsors and participants from other regions.

However, challenges persist regarding limited resources and underdeveloped technical infrastructure in rural areas, which can hinder the effectiveness of media promotion (Milačić, 2024; Zolak, 2024). Thus, investing in media literacy and technological capacity at the local level is necessary to fully leverage media potential in promoting sports events.

To strengthen the role of media in the development of sports events in rural settings, strategic partnerships must be established between local authorities, media organizations, and event organizers. Studies indicate that improving media visibility directly correlates with increases in participant numbers, tourism, and local economic activity. Moreover, the use of multimedia content - such as video reports, participant interviews, and live broadcasts - can significantly enhance audience engagement, especially among younger generations. Therefore, it is essential for rural communities to build capacities for producing and distributing high-quality media content. This not only promotes individual events but also elevates the cultural and tourism profile of rural areas overall.

Legal Framework and Regulation of Sports Events in Rural Areas

The organization of sports events in rural areas of Serbia is governed by a series of legal and regulatory acts that define the conditions, criteria, and procedures for the planning, financing, and implementation of sports activities. These regulatory frameworks aim to ensure transparency, efficiency, and equity in the development of sports at the local level.

The Law on Sports is the fundamental legal document regulating the sports system in the Republic of Serbia. It defines the public interest in sports, encompassing activities of societal relevance such as health improvement, education, upbringing, and social inclusion. According to this law, local self-government units are obligated to adopt development programs for sports, outlining activities and financial plans for implementing sports initiatives within their territories (Ministry of Youth and Sports, 2016).

The Rulebook on Approving and Financing Programs of Public Interest in the Field of Sports specifies the conditions and criteria for the allocation of budgetary funds. It stipulates that resources are distributed through public calls, with priority given to programs that promote sports development in rural areas, including the organization of sports events, construction and maintenance of sports infrastructure, and support to local sports organizations.

The Rulebook on Sports Disciplines of Special Importance for the Republic of Serbia identifies disciplines deemed nationally significant, such as Olympic sports, sports for persons with disabilities, and traditional sports. This rulebook enables additional financial and logistical support for events in these disciplines, which is particularly important for rural areas that preserve traditional sporting activities (Ministry of Youth and Sports, 2011).

The Handbook for Developing Sports Development Programs in Local Self-Government Units, created by the Sports Sector of the Ministry of Youth and Sports, provides guidelines for planning and implementing local-level sports programs. It highlights the importance of involving the local community in the planning process and stresses the need to tailor programs to the demographic, economic, and cultural specifics of rural areas (Ministry of Youth and Sports, 2021).

For example, the Rulebook on Financing or Co-financing Citizens' Needs and Interests in the Field of Sports from the Municipal Budget of Sjenica (2019) is a local regulation that governs the financing of sports activities at the municipal level. It states that funding is awarded via public calls, with priority given to programs that enhance sports in the rural parts of the municipality, including the organization of events, infrastructure development, and support to sports associations.

Despite the existence of these normative frameworks, rural areas often face challenges in regulatory implementation, such as a lack of professional staff, limited financial resources, and insufficient awareness of procedures. Therefore, it is necessary to enhance the capacities of local governments and sports organizations through training, technical assistance, and partnerships with relevant institutions.

In summary, the legal framework and regulation provide a foundation for sports development in rural areas, but their effective implementation depends on the capacities and engagement of local stakeholders. An integrated approach - combining regulatory, institutional, and financial support - can foster an enabling environment for sports events that contribute to the economic, cultural, and social development of rural communities (Jović, et al.,2024).

To ensure more consistent application of legal regulation in practice, it is important to develop models of institutional cooperation between local governments, sports federations, and the civil sector. Research in public administration suggests that establishing partnership networks and local coordination bodies is one of the most effective ways to overcome capacity limitations and increase the functionality of sports programs on the ground (Spilanis et al., 2012). Additionally, introducing monitoring and evaluation systems for funded sports events can enhance transparency and promote more rational use of public funds, which is especially crucial in small and economically vulnerable communities. Clearly defined accountability mechanisms and opportunities for continuous education of local actors are key elements for realizing the full potential of sports events in rural areas.

Conclusion

Sports events in rural areas of Serbia represent a powerful instrument for stimulating economic development, preserving cultural identity, and strengthening social cohesion. An analysis of the economic, cultural, media, and legal aspects reveals that these events have significant potential to contribute to the sustainable development of rural communities.

The economic impact of sports events is reflected in increased tourism, the creation of new jobs, and the promotion of local products and services. Their cultural significance lies in the preservation and promotion of the cultural identity of rural communities. Through traditional sports games and accompanying cultural programs, these events contribute to intergenerational transmission of values and reinforcement of community cohesion. The media play a crucial role in promoting sports events, especially in rural areas where greater visibility is needed to attract participants and audiences. In the digital age, the internet and social media have become key communication channels, allowing rapid and efficient dissemination of event-related information.

The legal and regulatory framework provides a foundation for the development of sports in rural areas. However, its effective implementation depends on the capacities and engagement of local stakeholders. With an integrated approach - encompassing legal, institutional, and financial support - it is possible to create a favorable environment for organizing sports events that contribute to the economic, cultural, and social development of rural communities.

To fully harness the potential of sports events in rural areas, the following recommendations are proposed:

1. Strengthen the capacities of local self-governments through education and technical support in the planning and implementation of sports programs.
2. Develop infrastructure to enable the hosting of sports events and attract more participants and visitors.
3. Encourage media promotion through cooperation with local and national media, as well as the use of digital platforms for disseminating information.
4. Ensure financial support through public funding programs and partnerships with the private sector to finance sports activities.
5. Include youth and marginalized groups in sports activities to foster social inclusion and community development.

By implementing these recommendations, sports events becoming a driving force for the development of rural areas, contributing to economic progress, the preservation of cultural heritage, and the strengthening of social bonds within communities across Serbia.

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KULTURNA I EKONOMSKA VREDNOST SPORTSKIH MANIFESTACIJA U RURAČNIM SREDINAMA: MEDIJSKI I PRAVNI KONTEKST

Sažetak: Kulturna i ekonomska vrednost sportskih manifestacija u ruralnim sredinama predstavlja višedimenzionalan fenomen koji obuhvata lokalni razvoj, očuvanje kulturnog identiteta i jačanje socijalne kohezije. Istraživanja pokazuju da sportske manifestacije u manjim sredinama doprinose ekonomskoj aktivnosti kroz povećanje turističke potrošnje, podršku malim i srednjim preduzećima i generisanje sezonske zaposlenosti. Istovremeno, one služe kao sredstvo za promociju kulturnog nasleđa i lokalnog načina života, čime podstiču osećaj pripadnosti i zajedništva. Medijski kontekst igra ključnu ulogu u vidljivosti i održivosti ovih manifestacija. Prisustvo u lokalnim i regionalnim medijima omogućava bolje pozicioniranje ruralnih opština na kulturnoj i turističkoj mapi zemlje, ali i povećava potencijal za privlačenje sponzora i investitora. S druge strane, pravni okvir koji reguliše organizaciju sportskih događaja u ruralnim sredinama mora biti usklađen sa principima transparentnosti, bezbednosti i odgovornosti, kako bi se obezbedila dugoročna korist za lokalnu zajednicu .S obzirom na sve navedeno, potreban je intersektorski pristup koji objedinjuje sportsku politiku, kulturni razvoj, medijsku strategiju i pravnu regulativu. Samo tako se mogu maksimalno iskoristiti potencijali sportskih manifestacija kao alata za integralni ruralni razvoj.

Ključne reči: sportske manifestacije, ruralni razvoj, kulturno nasleđe, mediji, pravni aspekti

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FINANCING OF LOCAL SELF-GOVERNMENTS WITH A FOCUS ON UNCONDITIONAL TRANSFERS FROM THE BUDGET OF THE REPUBLIC OF SERBIA

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Abstracts: Local self-governments, as a form of exercising and realizing citizens' authority, have access to certain material resources that serve the purpose of performing their original and constitutionally guaranteed functions. As decentralized levels of state power, local self-governments regulate and execute legally assigned tasks in the interest of their citizens, for which they require appropriate financial resources. The methods of financing local self-governments in the Republic of Serbia are regulated by legislation and guaranteed by the Constitution. There are several methods for financing local self-governments, i.e., for securing funds for municipalities, cities, and the City of Belgrade. This paper focuses on various methods of financing local self-governments, with particular attention to non-earmarked transfers from the national budget of the Republic of Serbia. The aim of the paper is to highlight the importance of national budget financing of local self-governments, as well as the need for its reform.

Keywords: local self-government, state authority, financial resources, budget, transfers, reform, legislation

Introduction

Local self-governments in the Republic of Serbia provide a wide range of services accessible to all residents. In order to carry out these tasks, local self-governments are financed from various sources (Brnjas, Dedeić, & Stošić, 2011; Dedeić, Brnjas, & Stošić, 2011; Đurković & Radojičić, 2024; Kecman, 2010). The existence and functioning of local self-governments presuppose the availability of adequate financial resources. It is no secret that many local governments face difficulties in securing the necessary funds to meet their needs (Dašić et al., 2021; Dašić, 2023). Today, local self-governments must strive to find new ways of securing additional funding, as a lack of resources hinders their ability to invest in infrastructure projects. In addition, one must not overlook the accumulated societal needs (public services, education, healthcare, etc.) and sustainable development initiatives (Begović & Parčina, 2021), which are essential for the well-being of the entire local community.

Fiscal decentralization has granted greater autonomy in financial management, enabling faster and more efficient responses to local demands (Aleksić, 2018; Anđelković, 2008; Bećirović, 2012; Brajković, 2025; Jović, 2006; Kamiguchi & Tamai, 2023; La Torre, Leo, Palma, & Zapata, 2024; Matić, 2024; Molnar, 2014; Radosavljević, 2017; Randjelovic & Vukanovic, 2021). From the above, it is evident that financing local self-governments is by no means a simple process (Đurković & Radojičić, 2024, p. 348), and therefore must be approached with care. In addition to existing financial mechanisms, the OECD (2024), UNDP (2024), and many other international organizations, national governments, and local authorities are continuously working to identify new ideas and opportunities for improving local government financing.

Legal Framework for Financing Local Self-Governments

The Constitution of the Republic of Serbia (Official Gazette of RS, Nos. 98/2006 and 115/2021), Article 91, stipulates that the funds for financing the competencies of the Republic of Serbia, autonomous provinces, and local self-government units are secured from taxes and other revenues determined by law. The budgets of the Republic of Serbia, autonomous provinces, and local self-governments include all revenues and expenditures used to finance legally prescribed functions. Together with the state and autonomous province budgets, local self-government budgets form the budgetary system of the Republic (Milosavljević, 2009, p. 107).

The responsibilities of local self-government units are financed from their own-source revenues, from the budget of the Republic of Serbia in accordance with the law, and from the budget of the autonomous province, when the latter delegates certain functions to local self-government units, based on the decision of the provincial assembly (Article 188, paragraph 4, of the Constitution of the Republic of Serbia).

The Law on Financing Local Self-Governments (Official Gazette of RS, Nos. 62/2006, 47/2011, 93/2012, 99/2013 – harmonized din. amount, 125/2014 – harmonized din. amount, 95/2015 – harmonized din. amount, 83/2016, 91/2016 – harmonized din. amount, 104/2016 – other law, 96/2017 – harmonized din. amount, 89/2018 – harmonized din. amount, 95/2018 – other law, 86/2019 – harmonized din. amount, 126/2020 – harmonized din. amount, 99/2021 – harmonized din. amount, 111/2021 – other law, 124/2022 – harmonized din. amount, 97/2023 – harmonized din. amount, and 85/2024 – harmonized din. amount) regulates the provision of funds to municipalities, cities, and the City of Belgrade for the execution of original and delegated tasks.

According to Article 5 of this Law, the budget of a local self-government unit is funded from own-source and assigned revenues, transfers, borrowings, and other revenues and receipts defined by law. Own-source revenues include those generated within the territory of the respective local self-government unit. These revenues include: property taxes (excluding transfer of absolute rights and inheritance/gift taxes); local administrative fees; local communal taxes; residence fees; fees for the use of public goods; concession fees; other legally prescribed fees; revenues from fines issued in misdemeanor proceedings for violations of local acts, as well as confiscated property gains in such proceedings; revenues from leasing or use of real and movable property owned by the Republic of Serbia and used by the local unit; revenues from leasing or use of the local unit's own property; revenues from services provided by budget users to individuals and legal entities; interest on budget funds; donations; and voluntary contributions (Article 6 of the Law on Financing Local Self-Governments).

Revenues from the national level, i.e., from the Republic of Serbia, include assigned revenues and transfers (Article 34 of the Law). A lower level of government than the Republic is the autonomous province, which may also allocate earmarked transfers to local units. The lowest level of government is comprised of local self-government units. Revenues between units on the same level include: (1) service payments and (2) other revenues as defined by law.

Assigned revenues include various tax revenues: personal income tax (from agriculture and forestry, self-employment, leasing of movable property, personal insurance, 74% of salary tax based on the residence of the employee, and other revenues according to law); inheritance and gift tax; and tax on transfer of absolute rights.

The total unconditional transfer is governed by Article 37 of the Law on Financing Local Self-Governments. The annual amount of this transfer, calculated for distribution among local self-governments, is set at 1.7% of the realized Gross Domestic Product, according to the latest data published by the national statistical authority. The estimate of the amount and structure of such revenues for each local unit is based on the most recent available data and fiscal strategy parameters.

In addition to total unconditional transfers, the Law also regulates: equalization transfers, compensatory transfers, general transfers, solidarity transfers, functional transfers, and strictly earmarked transfers.

The Law on Local Self-Government (Official Gazette of RS, Nos. 129/2007, 83/2014 – other law, 101/2016 – other law, 47/2018, and 111/2021 – other law) governs the establishment, competencies, organs, supervision, and protection of local self-governments. Article 15 of this Law provides that the financing of local governments and the conditions and procedures for their borrowing are to be regulated by a separate law—namely, the Law on Financing Local Self-Governments.

Finally, Article 5 of the Law on the Capital City (Official Gazette of RS, Nos. 129/2007, 83/2014 – other law, 101/2016 – other law, 37/2019, and 111/2021 – other law) states that the financing of the City of Belgrade, including the conditions and procedures for borrowing, is also governed by the Law on Financing Local Self-Governments.

Unconditional Transfers from the Budget of the Republic of Serbia to Local Self-Governments

Article 37 of the Law on Financing Local Self-Governments provides for the annual amount of the total unconditional transfer. As previously stated, the total unconditional transfer represents an accounting category for the allocation of funds to local self-government units, and it amounts to 1.7% of the realized Gross Domestic Product (GDP), according to the latest data published by the Statistical Office of the Republic of Serbia. The determination of the amount and structure of individual types of unconditional transfers to local self-governments is based on the realized revenues in the most recent year for which data is available, as well as on parameters from the Fiscal Strategy (Government of the Republic of Serbia, 2025).

The Law on the Budget of the Republic of Serbia regulates the planning, preparation, adoption, and execution of the national budget, as well as the budgets of territorial autonomy and local self-government units (Trklja, Dašić, & Trklja, 2015, p. 44; Pušonja, 2024). According to Article 38 of the Law on the Budget of the Republic of Serbia for 2025, the total annual amount of the unconditional transfer to be distributed to local self-government units is set at 33,307,366,000 dinars. The distribution covers 145 local self-government units (122 municipalities, 22 cities, and the City of Belgrade), excluding 29 units from the territory of the Autonomous Province of Kosovo and Metohija, which is under United Nations jurisdiction based on Resolution 1244 (Law on the Territorial Organization of the Republic of Serbia, Official Gazette of RS, Nos. 129/2007, 18/2016, 47/2018, and 9/2020 – other law).

The amounts allocated to individual local governments vary. Notably, the City of Belgrade is allocated 0 (zero) dinars under this transfer category. It is important to highlight that the funding of original functions is covered by local budget revenues and constitutes exclusive local expenditures, whereas the funding of delegated functions is treated as an expenditure of the Republic's budget, not the local authorities to whom the tasks have been delegated (Kecman, 2010, p. 161).

Local self-governments receiving less than 50 million dinars include: Bečin, Kosjerić, Lajkovac, Lapovo, and Sremski Karlovci. Of these, Lajkovac receives the lowest amount, with 23,463,193 dinars.

A total of 14 local self-governments will receive between 50 and 100 million dinars, including: Ada, Arilje, Vrnjačka Banja, Irig, Kanjiža, Mali Iđoš, Opovo, Pančevo, Pećinci, Senta, Srbobran, Ub, Crna Trava, and Čajetina.

The largest group, with 53 municipalities, will receive between 100 and 200 million dinars, such as: Alibunar, Apatin, Bajina Bašta, Batočina, Bač, Bačka Topola, Bački Petrovac, Bečej, Blace, Brus, Veliko Gradište, Vladimirci, Vrbas, Vršac, Gadžin Han, Golubac, Dimitrovgrad, Doljevac, Žabalj, Žabari, Žitište, Inđija, Kikinda, Kladovo, Knić, Koceljeva, Kula, Lučani, Ljig, Ljubovija, Mali Zvornik, Merošina, Mionica, Nova Varoš, Nova Crnja, Novi Bečej, Novi Kneževac, Osečina, Plandište, Požarevac, Ra-žanj, Rača, Raška, Rekovac, Sečanj, Sokobanja, Stara Pazova, Temerin, Titel, Topola, Ćićevac, Ćuprija, and Čoka.

Next, 43 local governments will receive between 200 and 300 million dinars, including: Aleksandrovac, Aranđelovac, Babušnica, Bačka Topola, Bela Palanka, Bela Crkva, Bojnik, Boljevac, Bar, Bosilegrad, Varvarin, Vladičin Han, Gornji Milanovac, Despotovac, Žagubica, Žitorađa, Zaječar, Zrenjanin, Kovačica, Kovin, Krupanj, Kuršumlija, Kučevo, Majdanpek, Malo Crniće, Medveđa, Negotin, Odžaci, Paraćin, Požega, Priboj, Ruma, Svilajnac, Svrljig, Smederevska Palanka, Sremska Mitrovica, Subotica, Surdulica, Trgovište, Užice, Čačak, Šabac, and Šid.

Local self-governments such as Bogatić, Bujanovac, Valjevo, Velika Plana, Vlasotince, Vranje, Ivanjica, Jagodina, Lebane, Pirot, Preševo, Prokuplje, Smederevo, and Sombor will receive between 300 and 400 million dinars.

Aleksinac, Knjaževac, Kragujevac, Kruševac, Petrovac, Prijepolje, Sjenica, Trstenik, and Tutin are expected to receive between 400 and 500 million din.

Finally, six local self-governments will receive more than 500 million dinars, namely: Kraljevo, Leskovac, Loznica, Niš, Novi Pazar, and Novi Sad.

Table 1: Local Self-Governments with the Lowest and Highest Allocated Annual Amounts of Total Unconditional Transfers Planned in the 2025 Budget (in dinars)

Serial No.	Local government unit	Non-purposed transfer by local self-government (in dinars)
1	Beograd	0
2	Lajkovac	23.463.193
3	Srenski Karlovci	36.768.320
4	Lapovo	39.445.348
5	Kosjerić	43.072.619
6	Beočin	48.627.273
.	……	……
.	……	……
140	Loznica	516.503.831
141	Novi Pazar	559.030.639
142	Niš	633.997.549
143	Kraljevo	746.288.490
144	Leskovac	896.973.298
145	Novi Sad	918.682.241
	Total	**33.307.366.000**

Source: Law on the Budget of the Republic of Serbia for 2025

An analysis of the Law on the Budget of the Republic of Serbia from 2014 to the present shows that the amount of annual unconditional transfers to local self-governments has remained unchanged, meaning that Article 37 of the Law on Financing Local Self-Governments - which prescribes that these transfers should equal 1.7% of the realized Gross Domestic Product - has not been respected.

Should the System of Financing Local Self-Governments in Serbia Be Reformed?

The Fiscal Council (2024) conducted a study concluding that, in the medium term, local public finances in the Republic of Serbia need to be reformed and permanently regulated. Every year, significant budgetary resources are redirected to resolve liquidity issues in numerous cities and municipalities. There are also substantial regional disparities in relative amounts allocated. All this indicates that the local finance system in Serbia is insufficiently regulated.

One of the main issues in financing local self-government units is the neglected system of unconditional transfers they are legally entitled to receive each year from the national budget. The legal provision on the share of these transfers is not observed. Despite a substantial increase in nominal GDP over the past decade, the volume of unconditional transfers from the Republic's budget has remained practically unchanged since 2014, still amounting to 33,307,366,000 dinars.

The freezing of unconditional transfers at levels set more than a decade ago, which have not changed in over ten years, is one of the main causes of budgetary difficulties in certain local self-governments. This issue is currently resolved at the discretion of the Government of the Republic of Serbia, through ad hoc allocations from the current budget reserve. However, such a solution is far from ideal. Long-term development of local self-governments requires stable and predictable sources of revenue - something that sporadic and discretionary reallocation from the reserve, without clear criteria, does not provide.

For these reasons, a systematic reform of local government financing is necessary. This should include a review of the optimal amount of unconditional transfers, improved oversight of local budgets, and the establishment of clear and economically sound criteria for the distribution of funds from the current budget reserve. Implementing these changes would also improve the state's reputation management (Dašić & Dašić, 2021, p. 162). The Fiscal Council estimates that a proper reform of local public finances could, in the medium term, reduce the need for using the current reserve by nearly 5 billion dinars annually, which represents around 9% of the funds currently reallocated through this mechanism.

Conclusion

The Republic of Serbia has faced a longstanding issue of insufficient fiscal autonomy at the local government level. As a result, local self-governments have become increasingly dependent on financial transfers from higher levels of government, along with a growing need for borrowing (Dašić, 2024). A new system of local government financing was introduced in 2007, marking the beginning of a new stage of decentralization in fiscal relations between territorial units. The Law on Financing Local Self-Governments provides the legal framework for financing local self-government units.

In addition to original and assigned revenues, local self-governments are financed through transfers, borrowings, and other revenues defined by law. Annual unconditional transfers from the budget of the Republic of Serbia are available to local self-governments and are allocated each year. However, one of the critical issues in the current financing system is the outdated structure of unconditional transfers, whose amounts have remained unchanged since 2014 and are not in accordance with the provisions of the Law on Financing Local Self-Governments, which stipulates that they should equal 1.7% of the realized GDP according to the latest data from the national statistical authority.

All of the above leads to the conclusion that the current system of financing local self-government units in Serbia is far from ideal and requires serious reform, which must be approached with careful consideration and responsibility.

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Zakon o glavnom gradu, "Sl. glasnik RS", br. 129/2007, 83/2014 - dr. zakon, 101/2016 - dr. zakon, 37/2019 i 111/2021 - dr. zakon

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Zakon o teritorijalnoj organizaciji Republike Srbije, "Sl. glasnik RS", br. 129/2007, 18/2016, 47/2018 i 9/2020 - dr. zakon

FINANSIRANJE LOKALNIH SAMOUPRAVA SA FOKUSOM NA BEZUSLOVANE TRANSFERE IZ BUDŽETA REPUBLIKE SRBIJE

Sažetak: Lokalne samouprave, kao oblik vršenja i ostvarivanja ovlašćenja građana, imaju pristup određenim materijalnim sredstvima koja služe za obavljanje njihovih izvornih i Ustavom zagarantovanih funkcija. Kao decentralizovani nivoi državne vlasti, lokalne samouprave regulišu i izvršavaju zakonom postavljene poslove u interesu svojih građana, za koje su im potrebna odgovarajuća finansijska sredstva. Načini finansiranja lokalnih samouprava u Republici Srbiji regulisani su zakonom i garantovani Ustavom. Postoji nekoliko načina za finansiranje lokalnih samouprava, odnosno za obezbeđivanje sredstava za opštine, gradove i grad Beograd. Ovaj rad se fokusira na različite načine finansiranja lokalnih samouprava, sa posebnim osvrtom na nenamenske transfere iz republičkog budžeta Republike Srbije. Cilj rada je da se ukaže na značaj finansiranja lokalnih samouprava iz republičkog budžeta, kao i na potrebu njegove reforme.

Ključne reči: lokalna samouprava, državni organ, finansijska sredstva, budžet, transferi, reforma, zakonodavstvo.

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UPUTSTVO AUTORIMA ZA PRIPREMU RADOVA

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Rezime. Rezime treba da obuhvati sadržaj rada i da sadrži najmanje 70 i najviše 150 reči. Veličina fonta za rezime treba biti 10, ceo rezime treba biti uvučen 1 cm sa leve i desne strane margine. Takođe, potrebno je razdvojiti rezime sa 2 prazna reda (veličina 10) sa gornje i donje strane. Potrebno je, takođe, naslov, rezime i ključne reči prevesti na engleski jezik i poslati ga na kraju rada...

1. Uvod

Instrukcije i odgovarajući šablon MS Word dokumenta dati u ovom radu predstavljaju formu koju autori moraju poštovati prilikom pisanja radova za časopis Ekonomski signali. Radovi predati u tehnički neodgovarajućoj formi biće vraćeni na ispravku, ili odbijeni ukoliko izmene ne budu završene na vreme.

2. Priprema rada

Redakcija časopisa „Ekonomski signali“ preporučuje da se koristi MS Word za pripremu radova, a zatim da se pošalje rezultujuća MS Word datoteka (file). Moguće je pisati rad i u LaTeX-u, pri čemu je, pored obaveznih LaTeX datoteka, neophodno poslati i PDF datoteku poslednje (odobrene) verzije rada. Mole se autori da se pridržavaju instrukcija i u ostalim stavkama, kako bi bilo moguće napraviti jedinstvenu formu za sve radove jednog broja.

Napomenimo da klasa/stil datoteka i šablon rada ne može biti promenjen. Zato je potrebno pridržavati se uputstva vezanog za format i veličinu fonta, sve u cilju da krajnji proizvod bude što je moguće više homogen.

2.1. Region za štampanje

Region za štampanje je 122 mm x 193 mm. Tekst treba biti poravnat sa obe strane kako bi se obezbedilo zauzimanje cele širine linije. Treba obezbediti da desna margina ne bude neravna, sa rečima koje su spojene crticom, kao što je uobičajeno.

2.2. Izgled, vrsta slova, veličina fonta i numerisanje

Koristiti font Century za sva formatiranja teksta. Koristiti veličinu 10 za ime (imena) autora i veličinu 9 za adresu (adrese) i rezime. Za glavni tekst koristiti veličinu fonta 10 i prored 1. Za naslove najvišeg nivoa (1., 2. itd.) koristiti veličinu 12, a za ostale nivoe koristiti veličinu 10. Italic stil može biti korišćen radi naglašavanja reči u tekstu. Podebljane i podvučene reči treba izbegavati. Sa ovim veličinama, prostor između linija trebao bi biti tako postavljen da na jednoj strani ima oko 45 linija punog teksta.

Naslovi. Naslovi treba da počinju velikim slovom i, sa izuzetkom naslova rada, trebaju biti poravnati sa leve strane. Veličine fonta date su u tabeli 1.

Leme, pretpostavke i teoreme. Brojevi koji se odnose na leme, pretpostavke, teoreme itd. treba da se pojavljuju u uzastopnom nizu, počev od broja 1, a ne, na primer, od broja 11.

Tabela 1. Veličine fonta za naslove. Naslovi tabela trebaju uvek biti pozicionirani iznad tabele. Poslednja rečenica naslova tabele treba biti završena bez tačke

Nivo naslova	Primer	Veličina fonta i stil
Naslov rada (centriran)	Predavanje o …	16, podebljan
Naslov prvog nivoa	**1 Uvod**	12, podebljan
Naslov drugog nivoa	**2.1 Region za štampan'e**	10, podebljan
Naslov trećeg nivoa	**Naslovi.** Tekst koji sledi …	10, podebljan
Naslov četvrtog nivoa	*Napomena.* Text koji sledi…	10, italic

2.3. Slike i fotografije

Autori se mole da svoje slike prave u elektronskom obliku, ukoliko je moguće, i integrišu ih u svoju tekstualnu datoteku. Ukoliko se koristi MS Word, potrebno je koristiti „In Line with Text“ opciju za integrisanje slike sa tekstom.

Treba proveriti da li su linije crteža prekinute, ili cele i da li imaju konstantnu širinu. Mreža i detalji unutar slike moraju biti jasno čitljivi. Linije crteža moraju imati rezoluciju najmanje 800 dpi (poželjno je 1200 dpi). Za digitalne crno-bele ilustracije (polutonove) 300 dpi je obično dovoljno. Natpis na slikama treba da ima širinu od 2 mm (veličina 10).

Slike treba da budu numerisane i da imaju naslov koji bi uvek trebao biti pozicioniran ispod slike, za razliku od naslova tabele, koji uvek treba da bude iznad tabele. Poslednja rečenica naslova, bilo da se radi o slici, ili o tabeli ne treba da se završava tačkom. Potrebno je centrirati naslov slike između margina i koristiti veličinu fonta 9 (Slika 1. na primer). Prostor između teksta i slike treba biti oko 8 mm, a prostor između slike i naslova oko 5 mm.

Napomena 1. U štampanim brojevima, ilustracije su generalno crno-bele (polutonovi) i samo u izuzetnim slučajevima, ukoliko je autor spreman da pokrije dodatne troškove za reprodukciju slika u boji, mogu se prihvatiti slike u boji. Ukoliko su slike u boji neophodne, molimo vas da nam pošaljete odvojene datoteke u boji.

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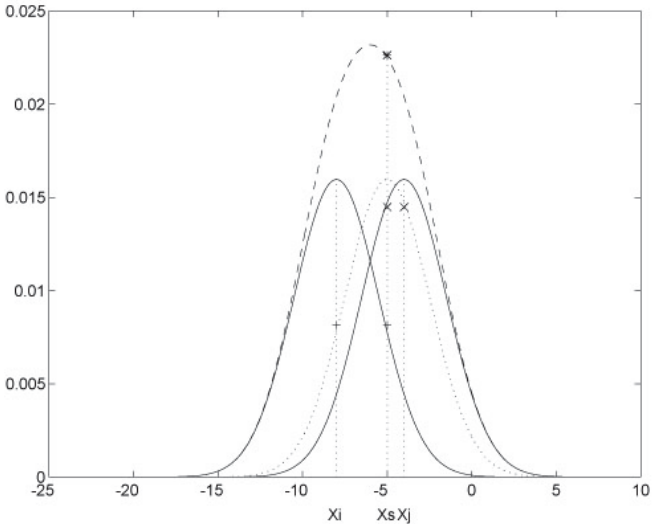

Slika 1. Ovo je prikaz slike koja se sastoji od različitih tipova linija. Elementi slike opisani u naslovu trebali bi biti napisani u *italic* stilu. Poslednja rečenica u naslovu slike treba, generalno, da se završava bez tačke

2.4. Formule

Prikazane jednačine ili formule su centrirane i stavljene u posebnu liniju (sa dodatnom linijom prostora iznad i ispod). Prikazani izrazi trebaju biti numerisani. Bro'evi trebaju biti uzastopni unutar svake sekcije, ili unutar priloga, sa bro'evima koji su zatvoreni zagradama i koji se nalaze na desnoj margini. Na primer:

$$x + y = z \; . \tag{1}$$

Molimo vas da punktirate prikazane jednačine kao i originalan tekst, ali sa malim razmakom pre interpunkcijskog znaka.

2.5. Programski kod

Programski listinzi, ili programske komande u tekstu se postavljaju u tekstu u fontovima Courier, ili Courier New.

Primer kompjuterskog programa Jensen K., Wirth N. (1991) Pascal user manual and report. Springer, New Mork

```
program Inflation (Output)
   {Assuming annual inflation rates of 7%, 8%, and
   10%,... years};
   const MaxYears = 10;
   var  Year: 0..MaxYears;
         Factor1, Factor2, Factor3: Real;
   begin
      Year := 0;
      Factor1 := 1.0; Factor2 := 1.0; Factor3 := 1.0;
      WriteLn('Year 7% 8% 10%'); WriteLn;
      repeat
          Year := Year + 1;
          Factor1 := Factor1 * 1.07;
          Factor2 := Factor2 * 1.08;
          Factor3 := Factor3 *1.10;
          WriteLn(Year:5,Factor1:7:3,Factor2:7:3,
              Factor3:7:3)
      until Year = MaxYears
end.
```

2.6. Endnote

Endnote treba smestiti na kraju rukopisa, ispred Referenaca.

Fusnote se ne prihvataju.

2.7. Citati

Prezime autora, godina publikovanja i strana izvora: na primer: (Wang, 1997, 144);

Direktno navođenje u tekstu, na primer: „Ako su ljudi zauzeti ceo dan ...“ (Heleta, 2008, 110). Ili, na primer: Heleta (2008, 112) navodi „... kreativnost predstavlja pobedu navika sa originalnošću“.

2.8. Numerisanje strana i zaglavlja

Rad ne treba da sadrži numerisane strane: njih će postaviti izdavač. Nije potrebno stavljati ni zaglavlja (Header and Footer).

2.9. Kvalitet štampe

Očekuje se da, pored elektronske verzije u MS Word, i PDF formatu, treba priložiti i štampanu verziju (jednostrano štampanu). Molimo vas da koristite štampače visoke rezolucije, preporučljivo je laserske štampače sa najmanje 300 dpi. Tekst treba biti poravnat sa obe strane. Format papira (A4, Letter) je irelevantan.

3. Lista za proveru

Prilikom slanja radova u redakciju, potrebno je proveriti da li sadrži sledeće:

- izvornu datoteku, npr. MS Word datoteku koje integriše tekst i slike;
- datoteku u PDF formatu;
- jednostranu štampanu verziju (ne fotokopiju) finalne verzije rada;
- datoteke sa stilovima, šablonima i specijalnim fontovima koji su, možda korišćeni;

Ukoliko postoji dodatni materijal, potrebno je poslati:

- kratak opis dodatnog materijala;
- datoteke sa slikama u boji u elektronskoj verziji

4. Reference

U tekstu:

- u slučaju jedne reference, izvor se navodi na sledeći način: (Keur, 2014, 423-425);
- u slučaju više referenaca, izvore treba poredati hronološki, na primer: (Heleta M,. 2008, 120-121; Frain, B. 2014, 166)
- ukoliko je referenca publikacija zvanične organizacije navodi se skraćenica naziv (RZS, 2010, 22)

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- treba navesti samo one izvore na koje se autori neposredno pozivaju i na njih upućuju u svom rukopisu;

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- ukoliko neka referenca posedu'e DOI bro', treba ga navesti na kra'u reference.
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Heleta M. (2008). *Menadžment kvaliteta*, Beograd, Univerzitet Singidunum

4.2. Knjiga sa dva autora:

Talbot, J. & McLean, J. (2014). *Programiranje Android aplikacija*, Beograd, CET

4.3. Knjiga sa više od dva autora:

Keur, C., Hillegass, A. & Conway, J. (2014). *Pragramiranje aplikacija za IOS*, Beograd, Mikro knjiga

4.4. Članak u časopisu:

Trkl'a R., Dašić B. & Trklja M. (2015). Budžet Republike Srbije - pregled prihoda i rashoda. Leposavić, *Ekonomski signali*, 10(2), str. 44.

4.5. Web site:

Krstanoski, N. (2015). Trunk with branches public transport scheduling under condition of uniform headway operation, *International Journal for Traffic and Transport Engineering, 2015, 5(4): 400 - 405*, Posećeno 01.06.2016, http://ijtte.com/issues/64/

4.6. Zvanična publikacija

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