


URBAN DEVELOPMENT IN SERBIA – THE ECONOMIC POSITIONS AND DEVELOPMENT PROCESSES OF MAJOR CITIES

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Abstract

The aim of the paper is to review the development of the five largest cities of Serbia in the post-Yugoslav period. In the introduction, the general development of the urban network and spatial structure of the Balkans will be presented in a historical context, as well as the geographical location and geopolitical situation of Serbia. Over the last three decades, the state structure of Serbia has undergone several fundamental transformations, which have had a significant impact on the development of these cities. This is analysed in terms of the transformation of administrative and spatial characteristics. Finally, the development, economic and demographic processes of Belgrade, Novi Sad, Nis, Kragujevac and Subotica are examined in detail.

Keywords: urban development, economic transformation, Western Balkans, Serbia, Belgrade, cities

INTRODUCTION

The urban network bears the marks of the fundamental spatial implications of social, economic and political processes, but it is also the object of future aspirations. The urban network is characterised by a high degree of stability, exhibiting changes only in the long term. In order to unveil its deep-seated structures, it is worth providing a brief overview of the historical development of the urban system. The evolution of the settlement network in the Balkans was shaped to a large extent by three overlapping clusters of factors (Hajdú & Rác, 2011): 1) complex natural geographical features; 2) its perception as a space of changing empires due to the frequent modification of state borders and shifting centres of power, and the permanent reorganisation of its core; 3) ethno-cultural specificities.

Natural geographical assets have fostered or sometimes hindered the development of various inter-settlement linkages. The presence of mountains meant that connections between the coastal and inner areas were hard to establish. Only those inland cities and towns situated in basins were able to maintain their position against the tempests of history that lay at the intersection of major roads and rivers. Almost each state has an internal axis attached to its

rivers. The majority of cities are located in coastal areas, on the fringes of the Balkan Peninsula or along the major rivers. As a result of its topography, the middle area of the peninsula is less suitable for the development of cities with large population concentrations and a wider catchment area. The fragmented spatial structure undermines the extension of urban functions (Rácz, 2014). Belated urbanisation characterises the peninsular states even in comparison to Central Europe, and the urban network of the region is much sparser, owing to its unique topography and historical backwardness (Hajdú & Rácz, 2011). With the exception of Bulgaria and Greece, the level of urbanisation in the countries of the Balkan Peninsula is still below the continental average (Hajdú et al., 2018). A defining feature of the region is the absence of a centrally located city with a potential to exert a strong and durable influence at the level of the macro-region.

Despite the fact that the coastal zone of the Balkan Peninsula was the earliest hotbed of the development of European civilisation, over the past few centuries, the Balkans always remained a periphery, never becoming the development center of a larger region. The main factor shaping the development of the urban network was the permanently changing state structure: the region was either a part of different empires (under periods of integration) or saw the formation of autonomous small states (periods of disintegration). This political instability also triggered cyclical demographic, economic and administrative changes (Table 1). While integration (EU, NATO) appears as the dominant trend over the last decade, exogenous factors of disintegration (great powers) and internal (ethnic) movements are also discernible.

Table 1 The effects of cyclical development on the urban network and space structure in Southeast Europe

	Integrating (imperial) period	Disintegrating (in-between, small-state) period
Co-operation	territorial	ethnic
Borders	easy to cross (connecting)	ethnic borders are difficult to cross
Ethnic space	mixed, more heterogeneous	homogenising
Settlement network development	even, structurally and territorially balanced	fragmenting 'subsets', increasing differences
'Lacks' in the network	developed small towns	regional centres with rich functions
Large town functions	interregional, macroregional	national (state)
Imperial capital(s)	strong development, rich functionality	relative power and social decline
Historic centres	relative recession, becoming peripheral	'selective' development
Ethnic centres	stagnation, limited growth	outstanding development
Gateway cities	mostly monopolistic	gateway cities nationally developed

Source: Rácz, 2011, 214.

The frequent shifting of borders was accompanied by the transformation of urban catchment areas. Various attempts were made to mitigate ethnic divisions within the South Slavic state, to which the new constitution of 1974 provided a definitive resolution. Widespread decentralisation led to the reinforcement of member state interests and the fragmentation of the settlement network along national lines. The catchment areas of cities extended beyond subnational borders only in cases where the ethnic settlement area required. Thus, only these latter areas were significantly affected by the “internationalisation” of borders with the dissolution of Yugoslavia (Reményi, 2011).

Besides the changing state authority, the different cultures and their heterogeneous uses of space contributed to the differential development of cities and their relations (Rácz, 2011). It is common knowledge that the ethnic and religious composition of the Balkans is very diverse, exhibiting a spatially mosaic-like distribution. No other European macro-region shows a similar degree of multiculturalism. The peninsula has always been home to a colourful mosaic of different ethnicities, cultures and religions, underlying the high intensity of historical processes (Hajdú et al., 2007). Western and Central Europe and Southeastern Europe meet here not only in geographical terms. The fact that the majority of the states, regions and cities are located in the border area or contact zone of the Balkan Peninsula and the Carpathian Basin lends a special perspective to the internal processes. Each respective macro-region and spatial category has (political, political geographical) meanings that are cyclically reinterpreted, making their legitimacy rather problematic.

GEOGRAPHICAL AND GEOPOLITICAL POSITION OF SERBIA

The largest and most populous country in the Western Balkans stretches between the south-eastern part of the Pannonian plain and the central part of the Balkan Peninsula, an area where agricultural plains in the north alternate with hilly and mountainous regions traversed by river valleys in the southern territory of Central Serbia. The main transport corridors are defined by the Danube, Tisza, Sava and Morava Rivers, with their confluence in Central Serbia. The region is of geostrategic importance, traversed by routes connecting Western and Central Europe with the Balkans and the Middle East. The spatial organising and intermediary role of its central areas – the nodal cities – is highlighted as an important benefit of its geographical position.

The fact that Serbia is bordered by the EU and NATO has important implications for the axes and trans-Balkan routes traversing the country (figures 1 and 2).

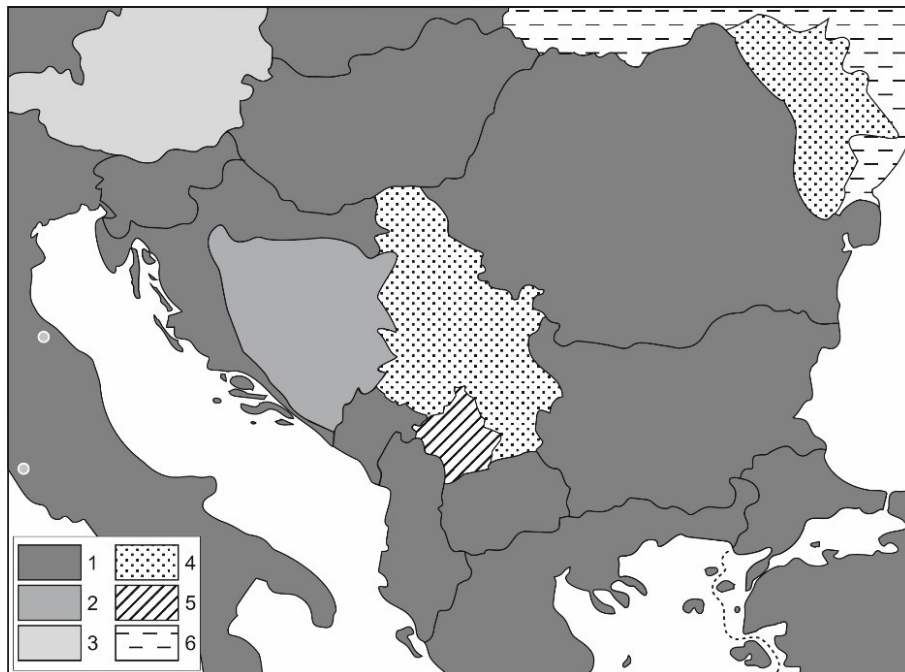
Figure 1 EU integration relations in Southeast Europe, 2023



Legend: 1 – EU member; 2 – EU candidate; 3 – Potential EU candidate; 4 – Eurozone member; 5 – Unilaterally uses Euro; 6 – EU Eastern Partnership; 7 – Schengen border.

Source: Own compilation.

Figure 2 NATO integration relations in Southeast Europe, 2023



Legend: 1 – NATO member; 2 – NATO candidate (Membership Action Plan); 3 – NATO Partnership for Peace (PfP) partner; 4 – NATO PfP partner (Individual Partnership Action Plan); 5 – NATO Potential PfP partner; 6 – Potential NATO candidate (Application for membership submitted).

Source: Own compilation.

The milestones of Serbia's EU integration are as follows (Lőrinczné, 2018): 2008 – Stabilisation and Association Agreement; 2009 – Application for membership; 2012 – Candidate country status granted; 2014 – Formal start of accession negotiations.

The advanced state of Euro-Atlantic integration has contributed to the apparent stabilisation of the status of Serbia's neighbourhood, however, below the surface, deep-seated uncertainties remain. Importantly, Serbia has developed particularly stable and intense relations with Hungary in recent years (Bakó & Rácz, 2020).

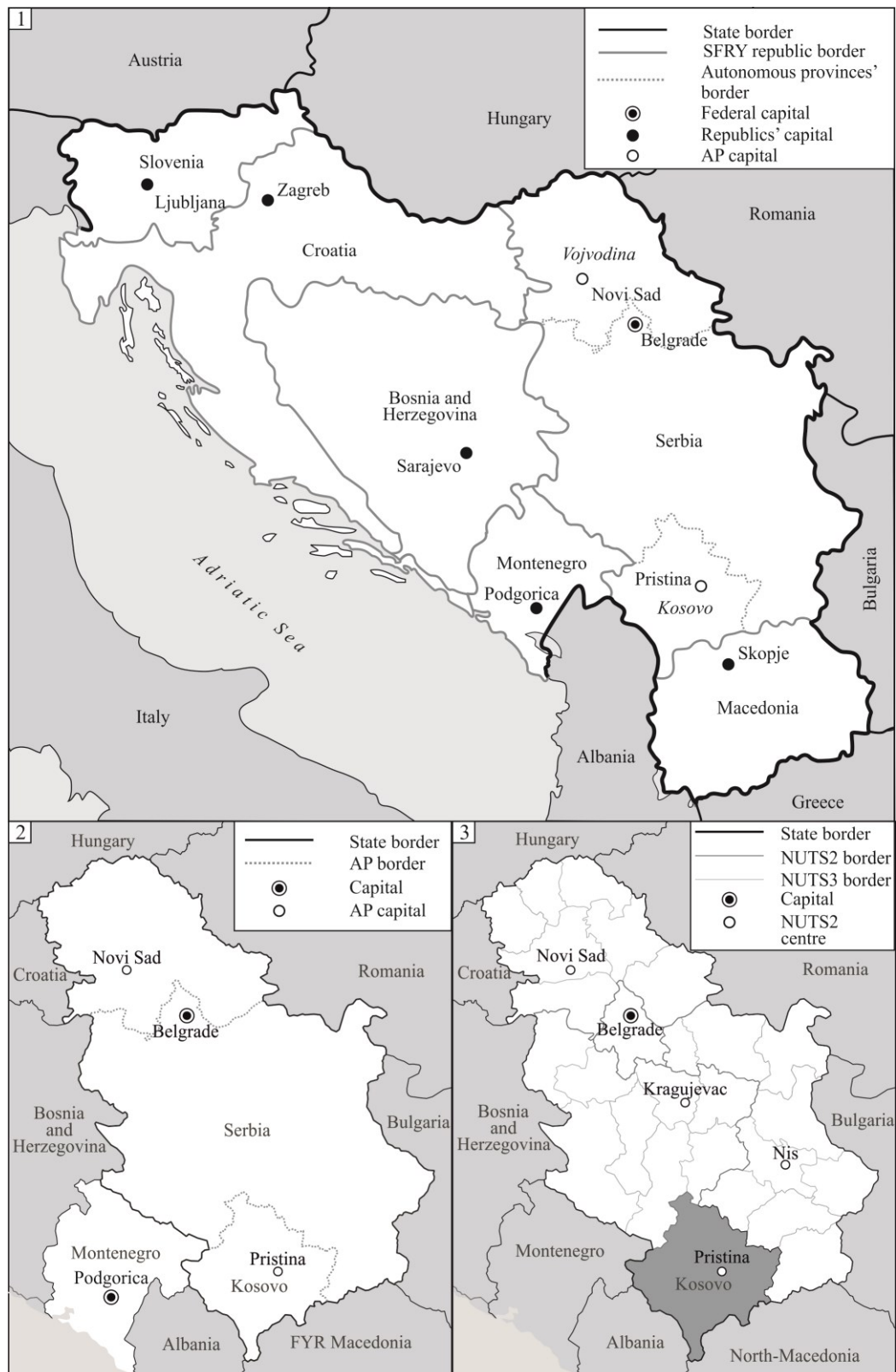
Serbia's foreign economic relations are defined by a “seesaw policy” inherited from the Tito era (Ramet, 2006). Although Serbia has upheld its commitment to EU integration, and strived to align itself to the German power axis, it has also maintained close ties with Russia. Meanwhile, its economic policy interests have prompted it to forge closer relations with countries such as China and Turkey, while also effectively asserting its position vis-à-vis the Kosovo settlement in the United States (Bakó, 2021).

On 17 February 2008, Kosovo unilaterally declared its independence, launching a host of new processes not only within Serbia, which still opposes it, but globally as well: who is entitled to self-determination, will Kosovo set a precedent for other countries? Among Serbia's neighbours (in chronological order), Albania, Hungary, Croatia, Bulgaria, Montenegro, and Macedonia have recognised Kosovo's independence, while Bosnia-Herzegovina and Romania have not.

ADMINISTRATIVE AND SPATIAL STRUCTURAL CHARACTERISTICS OF SERBIA

Serbia's statehood and state organisation have been fundamentally transformed several times over the past three decades, as illustrated by Figure 3. The Constitution defines Vojvodina and Kosovo-Metohija as autonomous provinces of the Republic of Serbia. This indicates an asymmetrical territorial division, with a special middle tier wedged between the central government and local governments (municipalities, towns and the city of Belgrade). Pursuant to the Law on Regional Development of 2009, Serbia is divided into NUTS regions and districts (Vuković et al., 2012; Bakó, 2021). Northern Serbia is one of the NUTS1 macroregions, constituted by the NUTS2 regions of Vojvodina and Belgrade. The other macroregion is Southern Serbia, covering the two NUTS2 regions of Šumadija and Western Serbia, and Southern and Eastern Serbia (and de jure Kosovo-Metohija as well).

Figure 3 Political geographical changes of Serbia since 1991



Legend: 1 – Socialist Federal Republic of Yugoslavia, 1991; 2 – Federal Republic of Yugoslavia (Serbia and Montenegro from 2003), 1992-2006; 3 – Republic of Serbia and its division into NUTS regions and districts, 2009.

Source: Own editing based on Bakó 2021.

Vojvodina is a multi-ethnic autonomous province, whose political status and nature of autonomy has undergone several modifications over the past decades (having the status of a province between 1945 and 1974, then an autonomous province with extensive autonomy between 1974 to 1990, and turning into an autonomous province once more from 2000 on). Historically, it was relatively developed compared to the southern territory of the country, with its contribution to the national GDP going beyond its 26%-share in the country's population. Its urban network is polycentric (Živanović et al., 2021) due to the presence of a dense network of small and medium-sized towns whose weight significantly exceeds their share in the national territory and population. Its settlement system is morphologically balanced, however, the northern and central Banat areas lying to the east of the Tisza River are less densely populated. Vojvodine outperforms the rest of the country's territories in terms of average settlement size, population density and the share of the urban population.

Central Serbia, due to its special topography, is dominated by small villages. Whereas in the case of Vojvodina, only 3% of the population lives in settlements with less than 1,000 inhabitants, this ratio exceeds 20% in the southern part of the country, highlighting the unique intermediary role of smaller towns (Lukić, 2013). Likewise, depopulation predominantly characterises the southern, especially mountainous and border settlements, but it is increasingly prevalent at the national (Živanović et al., 2022) and macroregional (Lukic et al., 2012) level as well.

The country's major – north-south – development axis follows the Danube and Morava Rivers, and connects important cities, e.g. Subotica, Novi Sad, Belgrade, Niš, Leskovac and Vranje. Other (secondary) axes run east-west. In southern Vojvodina, the major cities located along the route that traverses the capital city are Sremska Mitrovica, Šabac, Obrenovac, Belgrade, Pančevo, Smederevo and Požarevac. The axis running through Central Serbia strengthens the spatial organisation role of Užice, Kragujevac, Nis and Pirot. The transport network reflects the current urban hierarchy. The dominant sector for both freight and passenger traffic is road transport, while transit traffic is connected to Trans-European Corridor X. Serbia's river transport is under-utilised compared to its favourable assets.

The country pursued a very unique development path in the past three decades. Its isolation in the 1990s undermined its integration into global processes. Essentially, the building of the market economy began only with the fall of the Milošević regime in 2000 (Bakó, 2021). The impacts of war defeats and the economic transformation were manifest in the urban network with a spatially variable intensity (Zeković, 2009). After the dissolution of Yugoslavia, hundreds of thousands of Serbian families migrated from the territories falling under the

jurisdiction of the newly created states to the mother country (600,000 migrants, according to the most common estimates). The spatial distribution of the successive waves of refugees was highly uneven, with their focal point in cities in the proximity of the war-torn parts of the country and the settlements adjacent to large cities. The largest population increase was recorded in Novi Sad and its surrounding region (Hajdú & RÁCZ, 2011).

The role of local governments has been steadily declining over the past three decades. Local governments enjoyed the widest autonomy in the Socialist era (Table 2). Between 1990 and 2000, political and economic instability in Yugoslavia and then in Serbia led to growing centralisation and the marginalisation of municipalities. With the administrative re-establishment of cities post- 2000, the situation of non-urban local governments deteriorated further, as the newly strengthened cities became the main foci of political influence. Before 2008, several settlements (e.g., Subotica) were prevented from acquiring city status as defined by the Hungarian administration, mostly for political reasons. The development of cities and corresponding local governments only became possible in 2008 (Bakó, 2021).

Table 2 History of the administrative development of cities and municipalities in Serbia

1943-1975	After the Second World War, the districts and larger districts were phased out. Several cities and villages were part of one larger district. The municipalities were established and their area expanded over time.
1975-1990	Municipalities are grouped into regional municipal communities. In the territory of the Socialist Republic of Serbia 8 regional municipal communities existed. The territory of Autonomous Province of Vojvodina, the Autonomous Province of Kosovo and the city of Belgrade were exceptions (several independent municipalities remained within the autonomous provinces).
1980-1989	In the city of Belgrade, of Novi Sad and Pristina a community of municipalities was established. This is the first form of association at city level.
1990-2000	Regional municipal communities have ceased to exist and many smaller municipalities have been established. In Novi Sad the community of the municipalities was dissolved and the Novi Sad municipality was formed.
2000-	Cities were formed as a result of the reorganisation of institutions and the enforcement of laws. In 2008, a decision was taken to adopt the Statute of the city throughout Serbia. As a result of this measure, it was possible to establish cities and their urban municipalities. As of 2017, Serbian cities have begun to introduce new Statutes to strengthen local governments.

Source: Bakó & RÁCZ 2020, 195.

The war and the successive embargoes redesigned the regional economic map of Serbia, which were compounded by massive internal migration. This triggered the decline of various cities and regions. However, the position of Novi Sad within the country was strengthened and despite the unfavourable circumstances its development was relentless in almost every domain, as demonstrated by statistical data. The FDI and infrastructural investments of the consecutive period brought a fundamental shift in the balance of power (which was heavily

impacted by the policies of local governments, their relations with the government and their capacities of interest enforcement). The spatial structure of cities, their settlement development and agglomeration policies were transformed; and despite the changing nature of urbanisation challenges, the Yugoslav/Serbian commonalities of cities continue to persist. The tendency to move to the capital and the cities was intensified, which further strengthened the role of the latter. However, the much needed infrastructural developments were only partially implemented, and in many cases, the lacking financial and political conditions were compounded by a shortage of state/local government competences (Bakó, 2021).

THE DEVELOPMENT OF THE MAJOR CITIES IN SERBIA

In multi-ethnic Yugoslavia, the excessive dominance of Belgrade was less evident in the process of capital city building, and the centres of the member republics were also sufficiently developed. Belgrade's growth was somewhat counterbalanced by the decentralised governance of the country. The urban network appeared to be fairly balanced. Each nation/region disposed of its own centre. This was also manifest in the balanced proportion of small, medium and large cities and the geographical position of the network. Polycentricity is a natural phenomenon for a “synthetic state” whose central areas never co-existed within a single country. It is not surprising therefore that from the birth of the South Slavic State even to its dissolution (Živanović et al., 2019), the shape of the rank-size curve showed extreme polycentricity.

Socialist industrialisation significantly boosted migration and urbanisation. Between 1966 and 1991, the population of the five major Serbian cities showed steady growth. Before the 1990s, the increase was globally significant and led to a rise in the population of cities and the expansion of their territory. Population growth and the changing status of settlements also entailed a modification of their administrative rankings. Nonetheless, despite persistent urbanisation and urban development, the rate of urbanisation in Yugoslavia, even before its dissolution, was lagging behind the continental average, and the degree of urbanisation in the various regions of the country showed significant disparities. Population growth peaked in 1991, and was reversed in certain cases. Industrial jobs were destroyed, and many people found themselves in a hostile ethnic environment, constrained to move back to the countryside offering them ethnic and livelihood security. In addition to large-scale internal migration, a large share of the urban population moved to foreign countries. The South Slavic war further disrupted the development of several cities. Entire settlements fell into ruins or

were hollowed out and large-scale ethnic migration (homogenisation) was witnessed. Rapid urbanisation in the successor states stalled, mainly due to the relocation of former centres to other countries, while a couple of new towns were created due to administrative reasons. Following the break-up of the Yugoslav state, the main priority of the successor states was consolidating the integrated state space and establishing their own state administration. This implied the development of their national capital and new administrative centres. The political changes triggered a modification of the functions and position of several cities within the settlement network. By examining the spectrum of „loser” and „winner” cities, we can identify several distinct yet (spatially and temporally) overlapping processes in the transformation of the region: 1) the break-up of Yugoslavia, 2) armed conflicts, 3) nation-state building, 4) Euro-Atlantic and global integration (Rácz, 2011).

For reasons of space, the following section of the paper will provide only a brief overview of the post-1991 development of the five major Serbian cities, which have pursued divergent development paths. In functional terms, fifteen to sixteen large and medium-sized cities are identified in the literature (Živanović & Tošić, 2017). The growth, splintering, decline and shrinkage of these cities is a popular area of scientific research (Miljanović et al., 2023).

Belgrade represents the summit of Serbia's urban network in every respect. The administrative and economic functions of the former federal capital have been significantly downsized with the removal of cca. 70% of the population and territory of the FRY from its jurisdiction. The Belgrade – Serbia nexus mirrors that of post-Trianon Budapest. From one moment to another, it became the oversized capital of a small country. With the dissolution of Yugoslavia (1991-1992), the break-up of the Commonwealth of Serbia and Montenegro (2006) and the secession of Kosovo (2008), Belgrade is currently the capital of a country of a mere 6.6 million people. Compared to the actual size of the state territory, Belgrade's capacities are oversized in every respect. Situated at the intersection of major transport corridors, the catchment area of the capital city of nearly 1.7 million people (Belgrade is composed of 17 municipalities according to the law on the capital city) also includes mid-sized towns such as Smederevo and Pančevo (Tošić & Đorđević, 2004). Belgrade concentrates 25% of the total population, almost one-third of all employees, 40% of the highly skilled workforce, 40% of the national GDP (gradually increasing every year), 40-50% of greenfield investments, and over half of university students and foreign visitor nights (Hirt, 2009; Graovac & Djokic, 2008; Uvalić & Bartlett, 2021; Arandarenko et al., 2021). The capital city is witnessing a particularly dynamic period in terms of urbanisation (Hirt, 2009; Graovac & Djokic, 2008).

Table 3 shows the evolution of the population in the respective cities in the period between the last four censuses. Internal migration and the inflow of refugees from the former Yugoslav republics contributed to population growth primarily in Novi Sad and the Belgrade region, and in the southern cities following Kosovo's secession. Examining long-term trends, between 1991 and 2022, Novi Sad saw a steady increase of 39%, with over 100,000 surplus inhabitants. The population of Belgrade has also increased by 4.9% (+79,000 people) since 1991. In terms of internal migration, large cities, and Belgrade in particular, are popular destinations due to the availability of adequate education opportunities and attractive jobs, which has led to overcrowding in the central districts of the capital (Bakó, 2021). The successful growth of mid-sized cities notwithstanding, the population's preference for settling down in the large cities, and Belgrade in particular, has been prominent since World War 2 (Živanović et al., 2019).

Table 3 Population change in Serbian cities, 1991-2022

	Number of inhabitants				Growth rate (%)		
	1991	2002	2011	2022	1991-2002	2002-2011	2011-2022
Belgrade	1,602,226	1,576,124	1,659,440	1,681,405	-1.63	5.29	1.32
Novi Sad	265,464	299,294	341,625	368,967	12.74	14.14	8.00
Nis	248,086	235,159	260,237	249,501	-5.21	10.66	-4.13
Kragujevac	180,084	175,802	179,417	171,186	-2.38	2.06	-4.59
Subotica	150,534	148,401	141,554	123,952	-1.42	-4.61	-12.43

Note: Population of the administrative unit (urban municipality/gradska opština).

Source: Own edition based on census data (RZS 2023).

The population of Nis was fairly stable between 1991 to 2022 (+0.6%), despite the anticipation of further population loss, as witnessed in the case of the two other large cities. Since the last Yugoslav census, the population of Kragujevac has decreased by 4.9% or roughly 9,000 people. Subotica was the only city to have experienced a steady (as well as the most significant) population loss (-17.7%, or over 26,000 people).

It is worth noting that Serbia's population has been permanently declining since 1991, due primarily to natural decrease and emigration to a lesser extent. The population peaked in 1991, at 7,822,795 (excluding Kosovo). According to the 2022 Census, the current population has dropped to 6,647,003, which implies a decrease of 15% or nearly 1.2 million people over a period of three decades. The combined population of the five major cities has increased by 148,617 since 1991, thus, their share in the total population has risen from 31.3% to 39%.

This trend is expected to continue in the future as well, with an anticipated rise in the number and proportion of urban residents.

The multi-stage dissolution of Yugoslavia provides an insight into the rapid transformation of the urban network in Serbia (e.g., the relation to the sea, the issue of a national port). For Belgrade, the break-up of Yugoslavia implied major losses in terms of its zone of attraction and functions. In the face of heavy losses, the fact that it remained the capital of newly formed Serbia and that its counterweight cities (Novi Sad, Nis) were considerably weaker than the previous ones (e.g. Zagreb, Ljubljana) offered meagre compensation. The macroregional centres of Serbia are weak compared to Belgrade and do not qualify as effective counterweights. In the functional hierarchy, the capital is followed by two urban areas of international significance (RAPP, 2010): Novi Sad and Nis.

Novi Sad was founded in 1694 as an „appendix” to adjacent Petrovaradin. Whereas Petrovaradin was populated by Serbian border guards, Novi Sad was transformed into a German bourgeois town. The city's elevation to the rank of a free royal town was largely explained by its favourable location, and it featured among the group of fast-growing centres with high potential already at the turn of the century. Within the Yugoslavian state formations, Novi Sad saw a gradual expansion of its economic and administrative functions. Currently, Novi Sad is the second most important city in Serbia and the provincial seat of Vojvodina. Its role in transport, industry (mainly chemicals, petroleum and food), culture and higher education is nationally significant. It is also the financial, commercial and power centre of its region. The impacts of the past decades of migration were the most pronounced in Novi Sad, with its current population reaching almost 370,000 people and its catchment area stretching between the Danube and Tisza rivers. The transport and functional axis of the settlement network of the province is the north-south Subotica-Novi Sad line, intersecting with the minor east-west axes. From an administrative perspective, Vojvodina's key significance (with important implications in other areas as well) is that it is an autonomous province (with its own House of Representatives and government). The framework, economic and legal content of autonomy have been subject to intense debate from the earliest period. The capital city and Novi Sad have recorded the most spectacular economic growth after the turn of the millennium. Novi Sad has developed into an export-oriented centre of science, innovation and technology, thanks to the city leadership's support for education policy and the massive influx of foreign investments. The proximity of Belgrade is also a major contributing factor (the distance between the two city centres is about 70 kms as the crow

flies, roughly an hour by motorway and half an hour by the new Intercity train), as most multinational companies and banks are headquartered in the capital.

With its population of 250,000, Nis is the regional centre of Southern Serbia. Its favourable geographic position, advanced electronics and machinery industries, administrative, cultural and commercial functions represent significant development potential. Historically, it has played an important role in Serbian state development, being the country's capital in the Middle Ages. The current influence of Nis extends in particular to the central and southern parts of the region, while the northern areas gravitate to the much closer and more developed Belgrade. It has a diversified industry, with IT as the leading sector, as demonstrated by the presence of hundreds of software developers and international multinational companies.

Kragujevac, with its population of 170,000 people, is the former (1818-1841) capital of Serbia, known for its automotive and arms manufacturing industries under the Zastava brand. It aspires to diversify its functions as a potential regional centre (ÖIR, 2006). Heavy industry used to provide remarkably high revenues for the city, and Kragujevac was a key player in Serbia's industrial sector for a long time (Zastava's armament factory, founded in 1853, marked the beginning of Serbia's industrialisation). The car factory was founded in 1953 and was acquired by FIAT in 2008. The previous functions of Kragujevac related to its capital city status have established it as a prominent educational and cultural centre of Serbia.

With a population of around 125,000, Subotica is the fifth largest city in Serbia. Its catchment area connects, in a semicircular form, the 200,000 inhabitants of northern Bačka settlements along the Hungarian border. Its significance is boosted by the presence of cross-border linkages with its EU-member northern neighbour, especially the city Szeged, at a 45-km distance (Nagy & Ricz, 2017; Ricz, 2018). Subotica, the northern „counterpole” of Novi Sad, represented the most populous city of the province for a long time, but its position has deteriorated due to the urban and spatial development policies of the previous decades. The two cities' relations are defined by both competition and cooperation. As a border city, Subotica has mitigated the impacts of the post-regime economic crisis partly through the black market, a thriving agricultural sector and previously negligible tourism revenues, which showed a significant rise in the 1990s. In recent years, it has efficiently valorised its potential as a free zone and its proximity to the EU, which has been a major force of attraction for a large number of multinational companies. More recently, labour shortages have come to represent the major obstacle to further growth. The key challenge is how the city can respond to the massive population outmigration occurring over the last decade and a half (Bakó, 2021).

Looking at the geographical location of the top ten Serbian companies by turnover, Table 4 clearly reveals the presence of a Belgrade–Novi Sad growth axis, where eight such companies are headquartered (the share of the capital city is 50%), in light of the most recent publicly available ranking of the Serbian Business Register. Compared to the neighbouring EU countries (Bulgaria, Croatia, Hungary, Romania), the location of the TOP10 companies is less capital-centric, as a clear indicator of the economic strength and potential of Novi Sad.

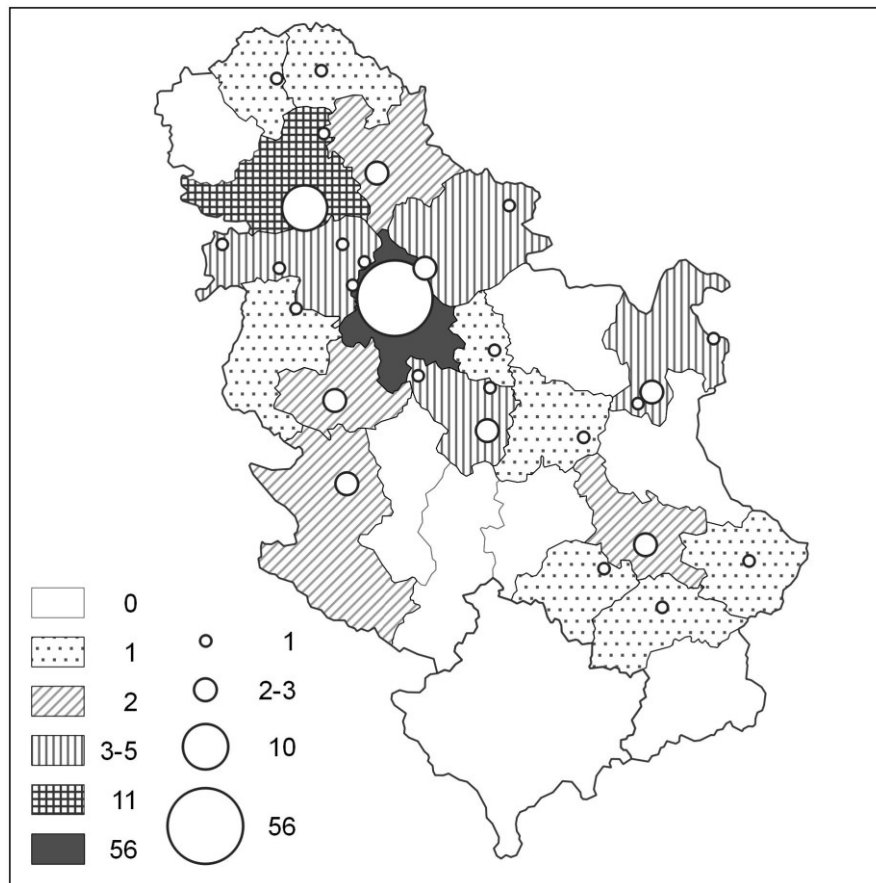
Table 4 Biggest companies in Serbia by total revenue, 2021

Rank	Name	Location	Industry	Turnover (billion RSD)	Employees
1	JP Elektroprivreda Srbije	Belgrade	Energy supply	319.7	23507
2	Naftna Industrija Srbije	Novi Sad	Oil industry	281.0	5108
3	HBIS Group Serbia Iron & Steel	Belgrade	Metals	130.6	4858
4	Serbia Zijin Copper	Bor	Mining	121.4	5724
5	Delhaize Serbia	Belgrade	Trade	118.9	11637
6	JP Srbijagas	Novi Sad	Gas supply	116.2	941
7	Tigar Tyres	Pirot	Tyre manufacturing	104.3	3634
8	Telekom Srbija	Belgrade	Telecommunications	102.9	7300
9	Elektrodistribucija Srbije	Belgrade	Energy supply	102.4	7817
10	Mercator-S	Novi Sad	Trade	81.4	8352

Source: Own edition based on the data of Serbian Business Registers Agency (SBRA 2022).

The examination of the TOP 100 companies according to turnover yields similar ratios (Figure 4). Belgrade concentrates 56 of the TOP 100 companies. Vojvodina has 23 such companies, 10 of which are located in Novi Sad. While Subotica has no such company headquarters, two are located in Zrenjanin and Pančevo, and among the larger settlements, Čantavir, Bečej, Vršac, Sremska Mitrovica and Zenta each hosts one company featuring on the top list.

The modest share of the two other southern NUTS2 regions reflects their generally low level of development. Šumadija and Western Serbia host 11 TOP 100 companies, with three located in Kragujevac. Only ten companies are found in Southern and Eastern Serbia, two of which are located in Nis. In the case of the seven development regions (oblasts) of the other three NUTS2 regions in the immediate vicinity of the capital, these NUTS3 regions concentrate a total of 19 TOP 100 firms (excluding the South Bačka district with Novi Sad as its centre). This provides a more accurate picture of position of the wider region of the capital (a 85% share with the inclusion of Novi Sad).

Figure 4 Map of TOP 100 companies in Serbia by total revenue, 2021

Legend: The location of the seats of TOP 100 biggest companies by NUTS3 regions (colouring); and by cities/settlements (pie chart).

Source: Own edition based on the data of Serbian Business Registers Agency (SBRA 2022).

CONCLUSIONS

The objective of the present paper in the context of the current thematic issue of *Deturope* was to situate, in space and time, the development of the five major Serbian cities. These cities are undoubtedly the key points of the urban network in Serbia. To this end, the interpretive framework applied was a narrative model assisting the historical and political geographical interpretation of processes (i.e., the overall implications of cyclical development for the urban network and the spatial structure of the Balkans). Serbia's statehood, state organisation, administrative and spatial features, as well as its geopolitical position and orientation have undergone fundamental changes over the last three decades. The latter have important implications for urban development, which are extensively analysed in the present paper by presenting the major economic and demographic trends of the selected five cities.

The regional differences from the past were not present only in the former Yugoslavia, but they can be recognised even today in Serbia. Since 2000, there has been no significant

decrease in the disparities of economic development between the cities, instead, they have increased. Another fact worth highlighting is that the development of Serbian cities is still influenced by the past. The spatial structure of major cities, their former settlement development and agglomeration policies have changed, the challenges of urbanisation have transformed the former uniform nature of the cities, but despite this, the Yugoslav and later Serbian similarities of the cities are still evident. The relocation of the population to the cities, as well as the importance of the capital and major cities have grown, in the meantime, the necessary infrastructure development has only been partially implemented.

Despite the identification of general trends, e.g., nation-wide and rural depopulation, the urban and spatial structural concentration of the population and the economy (FDI in particular), the cities under study have pursued highly divergent development trajectories. Belgrade has become a European-scale world city of Central European standards, showcasing the peculiarities of post-socialist capital city building and development. The prosperity of Novi Sad is stable and unique, thanks to a combination of highly specific factors. The development of traditional centres (Nis, Kragujevac and Subotica) was also detectable, however, several constraining factors were identified in their case.

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