



EUROPEAN CLUSTER  
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# Country factsheet

Serbia

An initiative of the European Union





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## Introduction



This document presents an overview of the cluster policy in Serbia. Given the importance to contextualise the cluster policies (and related) analysed in the factsheets, a comprehensive outlook of the country can be consulted in the [Serbia 2021 Report](#), which highlights the country's recent developments, economic outlook and the state of play of its relations with the EU. In October 2020, the European Commission adopted a comprehensive €9 billion [Economic and Investment Plan for the Western Balkans](#), which aims to address the emergency of the COVID-19 pandemic, spur the long-term economic recovery of the region, support a green and digital transition, and foster regional integration and convergence with the European Union.

The war in Ukraine and increasing total energy costs, however, have disrupted a strong recovery from the COVID-19 pandemic. The IMF projects [in its most recent country report Serbia](#) economic growth of only 3.5 percent in 2022, dampened by the impact of high inflation on consumer demand, curtailed trade with Russia, and lower external demand. Policy responses by the Serbian government include support for companies to navigate the international sanctions regime and supply chain disruptions and the provision of financing for energy imports.

In the following, a succinct overview of the cluster policy in Serbia will be provided. The structure of this factsheet generally encompasses:

- 1) an overview of the broad cluster policy in Serbia,
- 2) an assessment of the state of play of the broad cluster policy.

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# National cluster policy, programmes and initiatives



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## 1. National cluster policy, programmes and initiatives

In this section we provide an overview of the existing Serbian support for cluster development. While there is no national cluster policy itself, cluster support is part of the national “Industrial Policy Strategy of the RS (2021-2030)”. The below table showcases information on related aspects which constitute the approach (beginning with ‘Policy Objectives’, following with ‘Policy Focus’, etc.).

Within the table the text presented in bold (black) depicts standardised categories across country factsheets (56 in total for 2022), which is applied for the comparative purposes. This is followed by a complementary descriptive text to provide more insights about the cluster policy in Serbia.

Policy type:	Broad policy
Policy name:	Industrial Policy Strategy of the Republic of Serbia (2021-2030)
<p><b>POLICY OBJECTIVES</b></p> 	<p><b>Supporting internationalisation activities</b></p> <p><b>Fostering R&amp;D activities, technology development and implementation</b></p> <p><b>Fostering innovation and strengthening innovation ecosystems</b></p> <p><b>Promoting resilience and sustainable economy and other solidarity-based initiatives</b></p> <p><b>Promoting employment and upgrading skills and competences</b></p> <p><b>Strengthening the network of cluster organisations/cross-clustering</b></p> <p><b>Increase supply chain resilience</b></p> <p>The Industrial Policy Strategy of the Republic of Serbia (2021-2030) and Smart Specialisation Strategy of the RS (2020-2027) are the key reference documents, including cluster policy in the broad policy concept. Both documents state that the association of companies through clusters is under-developed, but it represents an important opportunity for the improvement of the economic competitiveness, in particular regarding the cooperation between the industry and IT clusters on digital modernising of staff and companies, as well as, support to the modernisation of manufacturing production process and job skills via industrial, institutional infrastructure projects. The Industrial Policy is sector-neutral, and it needs to be harmonised with selected policy areas under Smart Specialisation Strategy (i.e. information and communication technologies, production and processing of food and beverages, creative industries, production of machines and electric devices, environmental</p>



Policy type:	Broad policy
Policy name:	Industrial Policy Strategy of the Republic of Serbia (2021-2030)
	protection and energy efficiency, key enabling technologies) with objectives to achieve the economic growth supported through R&D, better education focused on innovations and entrepreneurship, improved business environment through optimisation and digitalisation, and internationalisation of the economy through involvement in regional and global value chains.
<b>POLICY FOCUS</b> 	<b>No specific focus</b>  The Industrial Policy is sector-neutral, but it needs to be harmonised with selected policy areas under Smart Specialisation Strategy (i.e. information and communication technologies, production and processing of food and beverages, creative industries, production of machines and electric devices, environmental protection and energy efficiency, key enabling technologies)
<b>RESPONSIBLE AUTHORITIES</b> 	<b>Both drafting and implementation</b>  Ministry of Economy
<b>BENEFICIARIES</b> 	<b>Cluster organisations</b> <b>SMEs</b> <b>Research organisations</b> <b>Academic institutions</b> <b>Start-ups</b> <b>Business associations</b> <b>Large firms</b> <b>Technology centres</b>



Policy type:		Broad policy
Policy name:		Industrial Policy Strategy of the Republic of Serbia (2021-2030)
		The Industrial Policy Strategy refers to different stakeholders coming from business, research, education with particular focus on the development of R&D clusters for the next decade (2021-2030).
<b>INSTRUMENTS</b> 	<b>Financial</b>	<b>Funding collaboration initiatives</b>  <b>Support to R&amp;D projects, SMEs becoming cluster members, etc.</b>
	<b>Technical assistance</b>	<b>Support for hard skill development: knowledge transfer, intellectual property, entrepreneurship, export advice, market intelligence</b>  <b>Support for soft skills development: coaching, management training, upskilling/reskilling</b>
	<b>Explanation</b>	The creation of R&D clusters as an objective should be supported with greater focus on entrepreneurial education and culture, English language skills, creating joint innovation projects between the private sector and R&D organisations and improved science and technology transfer. The strategy mentions, in particular, three programmes: "Promotion of industrial digital transformation", "Incentive programmes aimed at strengthening of the industry staff digital skills through informal education system", "Support to development and improvement of production processes via industrial institutional infrastructure projects".
<b>HISTORY</b> 	<b>Period</b>	<b>Limited period</b>
	<b>Ending year</b> (for policies with limited period)	2030
	<b>Starting year</b>	2021
	<b>Explanation</b>	Since 2005/2006 the Serbian government supported the policies that resulted in the creation of first clusters in Serbia (i.e. automotive, plastics and rubber, small agricultural machines, wood and IT software industry). The cluster policy was mentioned in national Economic Development Strategy (2006-2012). Afterwards, in 2007, the Serbian government and the GTZ / GmbH started together the project on the clusters development that had triggered the inclusion of cluster policy in the national



Policy type:		Broad policy
Policy name:		Industrial Policy Strategy of the Republic of Serbia (2021-2030)
		strategy for SMEs Development & Action Plan (2008 - 2013) and the successive strategy for the period (2015-2020). The SME strategy beyond 2020 is not published yet. Due to the lack of national cluster policy, the cluster policy of the Republic of Serbia is the part of national SMEs strategy and it is depending on the timeframe of strategy and annual budget allocation. Serbia's clusters policy is currently part of "Industrial Policy Strategy of the RS (2021-2030)" and "Smart Specialisation Strategy of the RS (2020-2027)".
<b>BUDGET</b> 	<b>Overall</b>	N/A
	<b>Annual</b>	N/A
	<b>Source of funding</b>	The cluster policy is financed by the state budget. However, there are other sources for clusters financing beyond the state budget (i.e. industry, EU funds, foreign states aid etc.)
<b>POLICY EVALUATION</b> 	<b>Availability</b>	<b>Ongoing monitoring and evaluation</b>
	<b>Results</b>	According to the strategy document, it is foreseen that the strategy results and performance are monitored and evaluated through clear and measurable indicators. However, no documents are publicly available.
<b>POLICY ALIGNMENT WITH THE EU PRIORITIES</b> 		<b>Green Economy</b> <b>Digitalisation</b> <b>Resilience</b>

02

## State of play of cluster policy



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## 2. State of play of cluster policy

This section presents an overview on the state of play of Serbian cluster policy in the form of a quantitative and qualitative assessment. The data below illustrates how the country ranks in terms of maturity of cluster policy at the national level. The maturity assessment is based on a combination of factors presented in Chapter 1, which receive a score based on the existence or absence of a given element in the cluster policy.

**Note:** the maturity assessment does not reflect the performance of a country, but only the degree of development of their national cluster policy at the moment of data collection (Q3 2022). The assessment illustrates how the country scores for each of the four criteria (policy scope, continuity of cluster policies, evidence of performance, cluster support instruments) compared to the maximum score that they can reach. Please refer to the Annex for the detailed overview of the categories and the scoring system.

The table below presents an overview of the **maturity assessment for Serbia** for 2022. The total score of Serbia is 2 points out of 8.

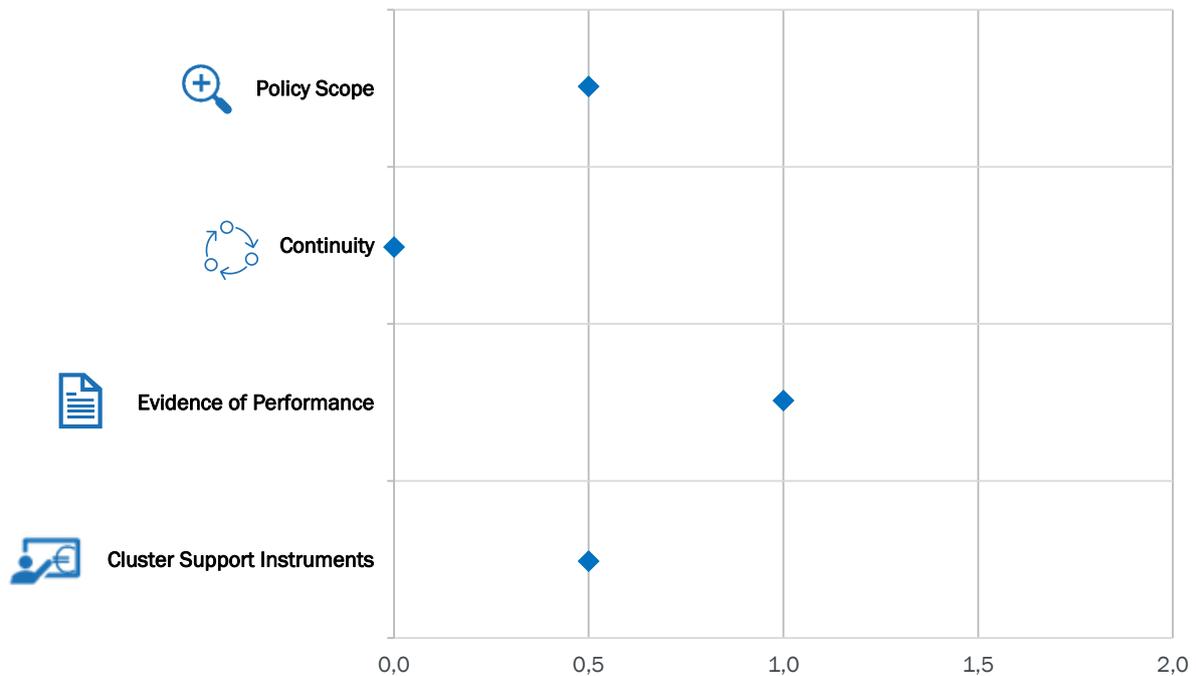
Serbia	MATURITY ASSESSMENT	Max score	Actual score
<b>POLICY SCOPE</b>	Absence of cluster policy	0	
	Broad policy	0,5	<b>0,5</b>
	Sectoral policy	1	
	National and/or regional cluster policy	2	
<b>CONTINUITY</b>	No cluster-specific policy available	0	<b>0</b>
	Cluster policy established recently	0,5	
	Cluster policy established between over 2 and 10 years	1	
	Cluster policy established over 10 years ago	2	
<b>EVIDENCE OF PERFORMANCE</b>	No evaluation and / or monitoring available	0	
	Existence of evaluations of past policies	0,5	
	Existence of monitoring or an ongoing / interim evaluation	1	<b>1</b>
	Existence of monitoring and ex-ante or ongoing / interim evaluation	2	
<b>CLUSTER SUPPORT INSTRUMENTS</b>	No instruments for cluster development	0	
	Financial support for cluster development in the broader and / or sectoral policy	0,5	<b>0,5</b>
	Financial or technical support for cluster development in dedicated cluster policy	1	
	Financial and technical support for cluster development in dedicated cluster policy	2	
<b>TOTAL (8)</b>			<b>2</b>

Source: ECCP (2022)



Drawing from the table above that showcases the scored points in Serbia's cluster policy, the Figure below portrays the **degree of maturity** across four categories related to the national level cluster policy.

**Figure 1: Maturity of cluster policy - Serbia**



Source: ECCP (2022)

The text below provides a **qualitative description** of the state of play of the cluster policy in Serbia, which is complementary to the maturity assessment presented above.

### **Policy scope**

The Industrial Policy Strategy of the Republic of Serbia (2021-2030) and Smart Specialisation Strategy of the RS (2020-2027) are the key reference documents, including cluster policy in the broad policy concept. In terms of policy scope, the Industrial Policy is sector-neutral, and it needs to be harmonised with selected policy areas under Smart Specialisation Strategy (i.e. information and communication technologies, production and processing of food and beverages, creative industries, production of machines and electric devices, environmental protection and energy efficiency, key enabling technologies) with objectives to achieve the economic growth supported through R&D, better education focused on innovations and entrepreneurship, improved business environment through optimisation and digitalisation, and internationalisation of the economy through involvement in regional and global value chains.

### **Continuity**

Since 2005/2006 the Serbian government supported the creation of first clusters (i.e. automotive, plastics and rubber, small agricultural machines, wood and IT software industry). The cluster policy was mentioned in the national Economic Development Strategy (2006-2012). Afterwards, in 2007, the Serbian government on the proposal of the Ministry of Economy and Economic Development commissioned a "project to encourage the development of clusters in Serbia" from the German firm



Gesellschaft für Technische Zusammenarbeit GTZ / GmbH. The project triggered the inclusion of clusters in national strategy for SMEs Development and Action Plans (2008 - 2013) and successive period (2015-2020). The first Action Plan (2008-2013) mentions cluster policy under 4th pillar with title "Competitive advantages of SMEs on export markets" while the second Action Plan (2015-2016) mentions it under 4th pillar, "Encouraging business associations and creation of the chain of values".

At first, the national cluster policy was oriented supporting activities relevant to initial and early development of clusters. The "Programme to development of innovative clusters" financed the following activities regarding the early stage development of clusters: covering operational costs (i.e. office rent, personnel etc.), networking between cluster members, courses for acquiring knowledge and skills for operating in EU market, seminars, courses, knowledge exchange between cluster members, developing common cluster service, project support for infrastructural projects, service or goods associated with cluster, testing production, new product design, prototypes, protection of intellectual property rights, fair and promotion activities. As part of "Programme of support to development of innovative clusters", (2008-2016) the beneficiaries of cluster policy from state funding were only clusters. Clusters are independent registered organisation and the composition of clusters should include at least 12 enterprises (i.e. 60% should represent micro, small, medium enterprises) and three institutions for support (i.e. Research/Academia/Innovation) (i.e. obligatory one Science/Research organisation). The last stage of programme implementation on innovative clusters (2015-2016) envisages the continuation of the program of financial support for cluster development, with particular emphasis on the development of joint products and joint bids for the export markets.

The National Agency for Regional Development (i.e. NAIR) implemented the programme that was directly targeting the cluster development and early stage consolidation (2008-2016) (annually approved) while from 2017 and onwards (i.e. 2022) it started with the implementation of a new "Programme on standardised service for micro, small and medium enterprises", where the support for clusters are mentioned alongside the support of micro, small and medium enterprises (annually approved, too). The Industrial Policy Strategy of the RS (2021-2030) and Smart Specialisation Strategy of the RS (2020-2027) are the key reference documents, including cluster policy in the new decade (2021-2030). The strategy aims to ensure industrial digital transformation. Regarding the role of clusters in pursuing this objectives, the strategy proposes closer collaboration between traditional sectors and ICT clusters and the development of new R&D clusters.

### **Evidence of performance**

According to the strategy document, it is foreseen that the strategy results and performance are monitored and evaluated through clear and measurable indicators. However, no documents are publicly available (Q2 2022).

With regards to past programmes, there is no policy evaluation of "Development Strategy. & Action plan (2015-2020)". However, another independent study, written by InTER (i.e. Institute for Territorial Economic Development), a local think tank, provided more detailed analysis of clusters development under the "Programme of support to development of innovation clusters" for the period 2007-2015. The study provides following insights: the effects of clusters did not increase significantly productivity and competitiveness of SMEs (i.e. since 2012 Program was allocated less funding than previous years, allocated funds were not sufficient for achieving goals, administrative burden, inconsistent project selection criteria); the Programme did not have equal treatment towards different sectors (i.e. the programme did not have any sector focus, the gap between funds allocation between different sectors), a small number of clusters received the majority of available funding (i.e. 11,1 % of registered clusters received 54% of the whole budget, moreover, only 7 clusters received 62,5% of the budget); the programme contributed to greater visibility of clusters and fostered networking and joint activities between firms; better cooperation between members of clusters and contact with Academic/Research institutes; the programme had positive effect on the cluster development at early stage while it did not have significant role in supporting more consolidated clusters; clusters have a few personnel (i.e. on average 2 people per cluster), so the operational capacity of cluster is limited.



Overall, the Programme achieved its goal that was introducing clusters and fostering their development before organisational consolidation. However, 'consolidated' clusters should be included in relevant national strategies and sector policy developments.

### **Cluster support instruments**

The "Programme on standardised service for micro, small and medium enterprises" mentions support for clusters alongside the support of micro, small and medium enterprises. The Industrial Policy Strategy of the RS (2021-2030) and Smart Specialisation Strategy of the RS (2020-2027) are the key reference documents. The strategy aims to ensure industrial digital transformation. Regarding the role of clusters in pursuing this objectives, the strategy proposes support for closer collaboration between traditional sectors and ICT clusters and the development of new R&D clusters.

### **Cross-regional / international cooperation**

The European Cluster Partnerships have been launched by the European Commission to encourage clusters from Europe to intensify collaboration across regions and sectors. Serbian cluster organisations have not been involved in any consortia of the European Strategic Cluster Partnerships. Six Serbian cluster organisations participated in the INNOSUP-1 initiative.

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## Annex

Criterion of maturity assessment	Description	Scoring (points between 0 and 2)
<b>Policy scope</b>	assessment whether the country has a dedicated cluster policy, or cluster creation and/or development is targeted through broader policies, e.g. foreign trade policies, labour and social policies or specific sectoral policies, e.g. industrial policy tourism policies, agriculture policies	<p><b>absence of cluster policy = 0</b></p> <p><b>existence of broader policies = 0,5</b></p> <p><b>existence of specific sectoral policies = 1</b></p> <p><b>existence of targeted cluster policies = 2</b></p>
<b>Continuity of cluster policies</b>	assessment of the duration and experience of the country in carrying out cluster policies. This criterion assesses only existence of targeted cluster policies and not broader policies or sectoral policies	<p><b>absence of policies supporting cluster development = 0</b></p> <p><b>cluster policy established recently (within the last 2 years) = 0,5</b></p> <p><b>cluster policy established between over 2 and 10 years = 1</b></p> <p><b>cluster policy established over 10 years ago = 2</b></p>
<b>Evidence of performance</b>	assessment whether there are evaluations of past and ongoing policies and a monitoring system in place. The existence of monitoring and evaluation mechanisms determines the degree of policy development in the country	<p><b>no evaluation and / or monitoring available = 0</b></p> <p><b>existence of evaluations of past policies, e.g. ex-ante = 0,5</b></p> <p><b>existence of monitoring or an ongoing / interim evaluation =1</b></p> <p><b>existence of monitoring and ex-ante or ongoing / interim evaluation =2</b></p>
<b>Cluster Support Instruments</b>	assessment whether the policies provide any instruments to support the policy implementation, being these financial and/or technical support	<p><b>no instruments for cluster development =0</b></p> <p><b>financial support for cluster development in the broader and / or sectoral policy = 0,5</b></p> <p><b>financial or technical support for cluster development in dedicated cluster policy = 1</b></p> <p><b>financial and technical support for cluster development in dedicated cluster policy = 2</b></p>