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IMPORTANCE OF SPECIAL ECONOMIC ZONES IN REGIONS' BUSINESS ENVIRONMENT DEVELOPMENT

Abstract:

The basis of balanced and sustainable development in regions is purposefully created regional development policy, region development planning and targeted progression according to the set strategy. In reality, the further the municipality is stationed from the capital, the lower are its socioeconomic indicators. The noticeable infrastructure problems in regions lower the business activity in these regions. Therefore, a trend can be seen where during a year the number of liquidated businesses in outermost municipalities exceeds the number of newly established businesses. As a result, the unemployment rate increases in the region and the workers receive the lowest gross salary in the country. Such circumstances pressure the citizens of the region to move elsewhere, where there is a much better socioeconomic situation. It can be concluded, that the outermost regions do not have effective business supporting tools and additional incentives are required for their development. To promote region development, special economic zones are created by attracting investments to production and infrastructure development and by creating new jobs.

Keywords:

region development, special economic zones, business environment.

JEL Classification: M21, M19, M20