

TRAFFIC, ECOLOGICAL AND ECONOMY PROBLEMS AND PERSPECTIVES OF SOLVING OF MENTIONED IN THE COUNTRIES OF WESTERN BALKANS WITH AN OVERVIEW ON BOSNIA AND HERZEGOVINA

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Abstract: Aside of the positive effects that traffic growth has on the economic prosperity of the cities, countries, regions, continents and the world, the negative consequences of today's policies, which are more emphasized in the field of traffic, alleviate the importance of the same growth and development. Negative effects are mostly emphasized in urban environments. The constant increase of the number of inhabitants in the cities and the activity rate of motorization results in the increasing traffic congestion on the street network, as well as the consequence of increasing use of cars, and the impossibility of further satisfying of demand by building new traffic capacities of the city. The negative effects of increasing the traffic volume and the more intensive use of motorized means of transport in the cities are: emissions of harmful gases, energy consumption, communal noise, traffic accidents, occupation of space and time in already bounded urban environments, reducing the ability to perform other activities. Special negative effects of traffic are manifested on the number of people who have died in our country and in the world, and an increasing amount of material damages reaching over than 5% of GDP. The general conclusion is that transport is, actually, a victim of its own success. Traffic congestions are continuously increasing and growth is the main cause of existing environmental pollution problems. All of this has led to the application of ITS in operation and traffic management, which has a significant impact not only on the efficient functioning of the traffic as a whole but also on the appearance of road traffic fatal accidents. Increasing the number of individual passenger vehicles requires the broadening of the traffic network, which results in a reduction of green areas in urban areas, increased air pollution and environmental degradation. As a result, traffic areas have been reduced for non-motorized flows and opportunities for free movement of citizens. Increasing levels of pollution and fewer opportunities for free movement of citizens on the traffic network (hiking, bicycle use ...) lead to a decline in quality levels in urban areas.

Keywords: Road traffic safety, Intelligent transport system (ITS), Sustainable development, knowledge as a resource, entrepreneurship, import and export, employment and unemployment.

INTRODUCTION

In the modern world, the automotive industry has an extremely important role and position in the global economy.

According to IOCA (International Organization of Motor Vehicle Manufacturers), when the automotive industry was a state, it would be the sixth largest world economy. The production of cars to IOCA is close to 90 million cars a year, while the total value of the annual production of auto industry can be estimated at over \$ 2,100 billion. According to the latest data, it can be concluded that the growth trend of automobile production will continue, primarily driven by demand in the US and developing countries, such as China and Brazil.

Road traffic is one of the essential features of modern civilization. All the benefits of this phenomenon, unfortunately, are further

paid to the high cost of unnecessary human suffering. Road traffic is a part of a comprehensive traffic system, which is a significant factor of social events, because it is an inseparable companion for the development of modern society and today is the most common form of mass and individual transport thanks to the advantages it has in relation to other modes of transport. Traffic does not pose a problem for itself, but the problem arises in the phenomena, relations and activities of human society. The increase in the number of motor vehicles and the relatively small extent of the increase in the modern road network, as well as the fact that in the traffic accidents today there are far more people being killed by the world than for any other reason (fires, floods, earthquakes, etc.) traffic. According to the degree of social danger and consequences, traffic insecurity could be equated with criminality. Although crime losses are numerically higher and potentially more dangerous due

to deliberate action, uncertainties in road traffic outweigh it in irreparable and irreparable losses.

The Global Road Safety Report for 2015 of the World Health Organization, including and processing data from 180 countries, shows that the total number of deaths in traffic in the world is around 1.25 million a year, that is, each day in traffic accidents around the world are 3,500 people. Traffic accidents cost \$ 518 billion globally, and individually each country will cost about 1-2% of their annual GDP. It is predicted that in low- and middle-income countries, traffic accidents will be the cause of financial losses of about 5% of GDP. In Bosnia and Herzegovina, traffic accidents cost the state about 5.8% of GDP. According to the statistical data on road safety for 2015, published by the European Commission, it is confirmed that European roads are still the safest in the world, despite stagnation in reducing the number of deaths on roads. On the EU roads last year, 26,000 people lost their lives, 5,500 less than in 2010. However, there was no improvement at the level of the EU compared to 2014. In addition, the Commission estimates that 135,000 people have been severely injured on the EU's roads. It is estimated that social costs (rehabilitation, health care, material damage, etc.) caused by fatalities and road injuries amount to at least 100 billion euros. In Bosnia and Herzegovina roads, in the past 2016, there were a total of 39,543 traffic accidents, of which 321 persons were killed and 11,188 injured. In the course of the previous year, 884 accidents were registered in comparison to 2015, which in percentage shows the increase in the total number of traffic accidents by 2.29%. The number of accidents with dead or injured persons was also increased for 89 traffic accidents or 1.17%.

I ROAD TRAFFIC

1. The place and role of road traffic in the world economy

In the modern world, the automotive industry has an extremely important role and position in the global economy. According to OICA (International Organization of Motor Vehicle Manufacturers), when the automotive industry was a state, it would be the sixth largest world economy. The production of cars to OICA is close to 90 million cars a year, while the total value of the annual production of auto industry can be estimated at over \$ 2,100 billion.

According to the latest data, it can be concluded that the growth trend of automobile production will continue, primarily driven by demand in the US and developing countries, such as China and Brazil. Auto industry is one of the leaders of the globalization process. Easy globalization is not a newer date, but goes far back into the past, only new policies and technologies in recent decades have led to the acceleration and deepening of global interdependence and integration. The world was affected by a new wave of globalization in which the markets for goods, services, labor and capital are increasingly integrated internationally. International trade, foreign direct investment, international portfolio¹ investment and international lending are growing faster than world production.

2. Road traffic problems

Road traffic is one of the essential features of modern civilization. All the benefits of this phenomenon, unfortunately, are further paid to the high cost of unnecessary human suffering. Road traffic is a part of a comprehensive traffic system, which is a significant factor of social events, because

¹ A portfolio is a set of financial assets that an individual or company owns, composed of different

financial instruments (securities). The business portfolio is the total business and product of a company.

it is an inseparable companion for the development of modern society and today is the most common form of mass and individual transport thanks to the advantages it has in relation to other modes of transport. Traffic does not pose a problem for itself, but the problem arises in the phenomena, relations and activities of human society. The increase in the number of motor vehicles and the relatively small extent of the increase in the modern road network, as well as the fact that in the traffic accidents today there are far more people being killed by the world than for any other reason (fires, floods, earthquakes, etc.) traffic. According to the degree of social danger and consequences, traffic insecurity could be equated with criminality. Although crime losses are numerically higher and potentially more dangerous due to deliberate action, uncertainties in road traffic outweigh it in irreparable and irreparable losses. In today's conditions of using traffic techniques, antisocial behavior, inattention, inadequacy, as well as increase in number preconditions for creating dangerous situations, and consequently for the occurrence of traffic accidents. The main indicators of the state of road traffic safety in a particular area are traffic accidents and the victims of these traffic accidents. habits, technical malfunction of motor vehicles, and increase of density of population, have led to a significant vehicles operated by persons who have not fully acquired professional management vehicles, high percentage of participation of of financial losses of about 5% of GDP. In Bosnia and Herzegovina, traffic accidents cost the state about 5.8% of GDP. Unless adequate activities are undertaken, it is predicted that traffic accidents will become the fifth leading cause of death in 2030.

as the effects of many objective factors can turn the danger into a traffic accident. High density and intensity of traffic flows, improvement of driving dynamics of motor

Modern traffic demands today require, in addition to the basic knowledge of traffic regulations and management skills, the need for better preparation of people for traffic, which means behavior in traffic and traffic education. Developing and qualifying traffic safety is a set of measures, actions and other activities that are organized as a complex system with multiple subsystems. Improving traffic safety implies compliance with various factors that can reduce the danger that is actually present in the performance of the traffic activity.

3. The current state of traffic safety

3.1. The current state of traffic safety in the world

The Global Road Safety Road Safety Report for 2015 of the World Health Organization, including and processing data from 180 countries, shows that the total number of deaths in traffic in the world is around 1.25 million a year, that is, every day in traffic accidents around the world are 3,500 people. Between 20 and 50 million people suffer minor injuries, but in many cases, as a result of injuries sustained in a traffic accident, permanent disability occurs. If something does not change urgently, the UN estimates that by 2020, the number of deaths in road traffic will rise to 1.9 million a year. More than half of all deaths in road traffic occur among young people aged 15-44. Traffic accidents are the 9th leading cause of death and account for 2.2% of all deaths worldwide. Traffic accidents are the leading cause of death among young people aged 15-29, and the second leading cause of death in the world of young people aged 5-14 years. Every year, almost 400,000 people under 25 die

on world roads, on average, that's more than 1,000 a day.

More than 90% of all road deaths occur in low- and middle-income countries.

Traffic accidents cost \$ 518 billion globally, and individually each country will cost about 1-2% of their annual GDP. It is predicted that in low- and middle-income countries, traffic accidents will be the cause

3.2. Traffic safety in Europe

According to the statistical data on road safety for 2015, published by the European Commission, it is confirmed that European roads are still the safest in the world, despite stagnation in reducing the number of deaths on roads. On the EU's roads last year, 26,000 people lost their lives, 5,500 less than in 2010. But there was no improvement at the EU level in comparison to 2014. In addition, the Commission estimates that 135,000 people are severely injured on EU roads. It is estimated that social costs (rehabilitation, health care, material damage, etc.) caused by fatalities and road injuries amount to at least 100 billion euros.

The average mortality rate in the EU was 51.5 deaths per million people in 2015, similar to the last two years. On roads in the European Union, in 2015, 26,100 people were killed, a half less than in 1995.

Although the number of those killed on the roads of the EU 2015 has increased by 0.5% compared to 2014, this number has decreased considerably compared to 20 years ago. Looking individually according to the total number of deaths in EU countries, the highest number of road accident victims is in France (3,461), Germany (3,459) and Italy (3,428) and Poland (2,938).

The smallest traffic deaths in the country are in Malta (2.6 deaths per 100,000 inhabitants), while Croatia is at the peak of 8.2 deaths per 100,000 inhabitants, followed by Lithuania (8.3), Latvia (9.5), Romania (9.5) and Bulgaria (9.8), according to Eurostat² data.

Further efforts need to be made to achieve the EU's strategic goal, halving the number of road traffic deaths from 2010 to 2020. Technological advances in the last decade have significantly improved the safety of vehicles. Significant progress in innovation and technology has a strong potential to improve road safety in the future, especially in the area of automated and networked driving. In order to open the way to automation and better traffic management, the Commission intends to develop a master plan for the development of a cooperative intelligent transport system (ITS), two-way communications between vehicles and road infrastructure. These systems allow vehicles to send warnings (for example, in case of emergency braking) or through infrastructure (eg future road works).

	Putnička/ osobna mv	Mopedi i motocikli	Autobusi	Teretna vozila	Ostalo	Ukupan broj reg. vozilaza 2016
Federacija BiH	534.936	6.373	2.730	47.610	15.813	607.462
Republika Srpska	300.351	3.763	1.498	31.240	14.902	351.754
Distrikt Brčko	26.286	871	80	2.613	1.664	31.514
Ukupno u BiH	861.573	11.007	4.308	81.463	32.379	990.730

3.3. Traffic safety situation in Bosnia and Herzegovina

In Bosnia and Herzegovina roads, in the past 2016, a total of 39,543 traffic accidents occurred, of which 321 persons were killed and 11,188 injured. In the course of the past 2016, 884 accidents were registered in relation to 2015, which in percentage shows

² The Statistical Office of the European Communities (Eurostat) collects and publishes statistical data from Member States, countries

outside the European Union and from international organizations in order to inform the institutions of the European Union and enable the monitoring of the effects of Community policies.

the increase in the total number of traffic accidents by 2.29%. The number of traffic accidents with dead or injured persons was also increased for 89 traffic accidents or 1.17%. In the case of traffic accidents with pecuniary damage, over the past year, 795 accidents were registered in comparison to 2015, or 2.56% in percentage terms.

From the above facts, it can be concluded that the trend of increasing the total number of traffic accidents commenced in 2013 will continue in 2016. According to the above data, we can conclude that on average 108 traffic accidents occurred on the territory of BiH daily during 2016, of which about 21 traffic accidents with dead and injured persons.

4. Motor vehicles

4.1. Number of registered motor vehicles

In the past 2016, 990,730 motor vehicles were registered in Bosnia and Herzegovina, which is an increase of 38,135 vehicles, or 4.00% compared to 2015.

Table: Total number of registered motor vehicles by areas and categories for 2016



Diagram 1: Percentage share of register number. vehicles of individual entities / districts in the total number of registered motor vehicles for 2016. year

4.2. Number of registered new motor vehicles

During 2016, 10,653 new motor vehicles were registered in Bosnia and Herzegovina, out of which 8,308 were sold new passenger cars or 78%.

Of the total number of registered motor vehicles in Bosnia and Herzegovina, 0.84% were registered new vehicles that were purchased by physical or legal entities in 2016.

4.3. Number of registered imported motor vehicles used

Every year, a number of used motor vehicles are imported into Bosnia and Herzegovina. During 2016, 64,003 imported motor vehicles were registered, which is a decrease of 5,973 vehicles compared to 2015. The registered vehicles used in our country during 2016 represent about 6.46% of the total number of registered motor vehicles in Bosnia and Herzegovina. When comparing 2015 and 2016 with regard to imported vehicles, we conclude that the number of imported vehicles used in 2016 declined significantly by about 8.54%.

4.4. Age structure of motor vehicles

Detailed analysis of the data revealed that the economic crisis, as well as the introduction of new regulations on the import of road motor vehicles (by abolishing the age limit when importing a vehicle), more precisely the introduction of the regulations³ on vehicle type-approval, significantly affected the age structure of the fleet in our country. The following table shows the number of registered vehicles in Bosnia and Herzegovina according to Euro standards, based on which the age structure of the vehicle can be estimated:

Table: Number of registered vehicles in BiH

³ Approval of motor vehicles, ie equipment and parts of a vehicle, represents the procedure for assessing and confirming whether a particular

vehicle as a whole, or any part thereof or equipment, complies with the requirements of the ECE Regulation or the EEC Directive.

according to Euro standards

Eurostandard*	Godištevozila	Broj vozila	Procenat
Konvencionalno vozilo	Do1991.	236.366	24,9%
Euro1	Do1992.	37.737	4,0%
Euro2	Do1996.	85.215	8,96%
Euro3	Do2000.	327.122	34,4%
Euro4	Do2005.	170.136	17,9%
Euro5	Do2009.	79.730	8,4%
Euro6	Od 2009.	13.711	1,4%
EEV	Od 2005.	357	0,04%
			100%

Looking at the table above, it can be seen that more than 72% of registered vehicles in Bosnia and Herzegovina are older than 15 years and more than 90% of the fleet is over 12 years old. More than 70% of the vehicles use diesel as a fuel, more than 28% petrol, while there is negligible number of vehicles with alternative propellant (less than 1%).

5. Infrastructure

5.1. New Infrastructure Policy of the European Union

By promoting the principles of intermodality, the EU seeks to integrate various transport sectors into effective logistics chains in order to optimally use the sectors, and to reduce transport congestion. The existing fragmented network of European roads, railways, airports and channels will be transformed into a single trans-European transport network (TEN-T) with the new EU infrastructure policy. This new EU policy sets for the first time an essential transport network based on nine major corridors: two north-south corridors, three east-west corridors, and four diagonal corridors.

This basic network will significantly alter the links between the East and the West, remove bottlenecks, improve infrastructure, and simplify cross-border traffic for travelers and businesses across the EU. Links between transport modes will be improved and contributed to the achievement of the EU's climate change goals. The basic network needs to be completed by 2030.

The new traffic network, if viewed in its entirety, will enable safer traffic with fewer stops, easier and faster travel. The goal is to

ensure that gradually, by 2050, most European citizens and businesses of this comprehensive network are not more than 30 minutes away.

5.2. Core corridor networks as the backbone of the new EU transport policy

The new legal basis for the development of the Trans-European Transport Network (TEN-T), which was adopted in December 2013 marks the beginning of a new era in Europe's transport infrastructure policy. In relation to the approach over the last 20 years, the main innovation of the new TEN-T policy lies in the definition of an integrated, multimodal core of the network that will be developed by the Member States and relevant stakeholders by 2030, such as infrastructure managers, regions and others, as well as EU. This basic network connects large knots (urban nodes, ports, airports and other transport terminals) through key railways, roads, inland waterways, maritime and air transport links. Such an enhanced network access across Europe-in relation to the past individual project financing programs-significantly strengthens the infrastructure base for an efficient, secure and high-quality multi-modal transport chain for freight and passengers. It provides a strong integrated policy framework, overcoming the current mosaic of infrastructure projects, which aims to smooth the functioning of the internal market and ensure economic, social and territorial cohesion and improve accessibility across the EU. Investing in many of the projects that contribute to this goal will be vital to - European Memory, inclusive and sustainable growth, and will have enormous potential for job creation-during construction and after completion-in many sectors of the economy.

The new TEN-T set guidelines will establish a clear basis for action by 2030. The core network will be completed, that is, the entire network will be in operation, the missing links between member states will be completed and bottlenecks that hinder

the free flow of traffic, which causes high costs for the economy, will be removed.

Core corridor networks play a key role in coordinated implementation of the new TEN-T policy. The corridors are based on three pillars: 1. Increase of cross-border connection and removal of throats, 2. integration of means of transport (multiple variants), 3. promoting technical interoperability. The nine basic network corridors are defined, each of them comprising between four and nine different Member States, and contains a whole range of modes of transport.

In addition, the European Commission has appointed European coordinators for two horizontal priorities:

European Railway Traffic Management System (ERTMS) and Highway (MoS). A special review of the new EU transport policy relates to an example of innovations that are directly related to access to the corridor, which will enable the possibility of a new priority offered by the new TEN-T Guidelines.

By designing such a European transport network, bottlenecks would be removed and the most distant regions linked to the common road system would be removed. According to the European Commission's earlier interpretations, for BiH it should be a network agreed within the P21 Trans-European Network.

The core network includes only those parts of a comprehensive network that are strategically most important, and should be established no later than December 31, 2030.

With the decision of the European Commission on October 18, 2013, nine corridors of the EU's Basic Transport Network have been defined as the backbone for connecting 94 major European ports and 38 key airports with railways and roads in the capital cities of European countries, as well as the development of 15,000 kilometers of railway infrastructure that enables its capacity achieving satisfactory speeds for passenger and freight trains, as

well as 35 border crossings.

These nine corridors are a priority for the EU's traffic policy, with an additional funding of EUR 26 billion under the name CEF (Connecting Europe Facility), from which the Member States, in addition to the existing Structural and Cohesion Funds, can also finance projects on those corridors based on the competition will be announced by the European Commission. The nine corridors are: Baltic-Adriatic, North Sea-Baltic, Mediterranean, Middle East Mediterranean, Scandinavian-Mediterranean, Rhine-Alpine, Atlantic, North Sea-Mediterranean, Rhine-Danube. Each of them must include three types of transport infrastructure, Member States and two border crossings.

5.3. The state of the road infrastructure in Bosnia and Herzegovina

According to data collected from the relevant institutions, the total length of the road network in Bosnia and Herzegovina is 22,871.96 km, of which 83.50 km of the highway, 30.71 km of roads reserved for traffic of motor vehicles, 3,843,20 km of main roads, 4,714,55 km regional, and about 14,200.00 km of local roads. BiH's road network is one of the least developed in Europe. The age of asphalt roads in BiH is about 30 years, and the density of the network is 0,414 km / km², or 4,69 km / 1,000 inhabitants, which is 2.5 to 4 times less than in the countries of Western Europe. The development of the Master Traffic Development Plan in BiH foresees activities to further study all potential directions in BiH. Planned traffic needs by 2020 indicate that on certain sections, especially in the vicinity of large cities, it will be necessary to carry out construction interventions that will enable higher level of service and traffic safety. The master plan of traffic is the concept of the basic network of development of the main corridors, and the main longitudinal and transversal directions in BiH are considered. According to the proposed, the main road network in BiH (4,073 km) is the international corridors, the primary first

routes (1,908 km) and the primary other routes (1,170 km).

5.3.1. Average annual daily traffic (PGDS)

The total length of the highway on the corridor Vc is 51.5 km, where the PGDS in 2013 amounted to 11.455 vehicles / day, while the Banja Luka-Mahovljani highway section, in length of 9 km PGDS⁴, was built at 11.822 vehicles per day. According to data obtained from JP Ceste FBiH for 2012, the highest frequency of road traffic was recorded on the main road M4, that is, on the section Sićki Brod - Tuzla where PGDS was 18,807 vehicles / day. According to the data on average annual daily traffic, we conclude that certain sections of the main roads are overburdened. In support of this conclusion, the fact is that there is a steady increase in the total number of registered vehicles in BiH, and therefore passenger cars, which are not accompanied by adequate improvement and expansion of road infrastructure, which contributes to the poor road safety in Bosnia and Herzegovina, resulting in a large number of traffic accidents, and therefore an increase in costs.

6. Traffic safety strategy

The starting points of the strategy should serve as the basis for the reform of the road safety sector, and can be changed and adapted to the extent of innovating and improving the security system. In Bosnia and Herzegovina, as well as in the entities and cantons, certain activities are undertaken, but they do not function as a complete system of traffic safety (program) with established contents, points to the need to coordinate and monitor all programs from the state level.

⁴ Continuous counting (GA, GM) during 365 days of the annual average value of daily load in both directions. For the GS, counting is also sufficient for

6.1. Transport Security Strategy in the EU

The European Union continuously proposes new directives with measures to increase traffic safety in order to meet road safety objectives and plans in road transport through the European Commission.

The EU has brought a number of documents aimed at raising the level of traffic safety. The two basic EU documents that cover elements related to road traffic safety are:

White Paper,

Road Safety Action Program. The EU has set itself the goal of creating European road safety in the range of 2010-2020. Competence in this area is mostly national. Therefore, the EU focuses its measures on the state of the vehicle, the transport of dangerous goods and the safety of the road network.

Legal basis for such a matter as in Title VI of the Treaty of Lisbon, and in particular its member of the 91st Treaty on the Functioning of the European Union (UFEU).

In June 2003, the Commission published a program of activities of the European Road Safety Agency 2003-2010.

The Commission highlighted in its statement released on July 20, 2010, as the 2003-2010 Program. has not achieved success in reducing the number of victims, the new Road Safety Policy Roadmap Program 2011-2020 has announced. "

Year 2020 was listed as the year to halve the number of fatal traffic accidents. However, the New White Paper published on March 28, 2011, has brought about changes in the sense that, instead of the previously set goal, it will be completed by 2020, as the target year, in 2050, with a "zero percent death rate" in traffic accidents. On 11 March 2014, Parliament

at least seven consecutive days in one of the typical months. PGDS = total vehicle per year / 365 days [vehicle / day]

adopted a set of minimum common standards for periodic vehicle inspection, vehicle registration documents, and road haulage inspection of freight vehicles.

In October 2011 and in March 2015, the European Parliament and the Council adopted two Directives (2011/82 and 2015/43) on facilitating the cross-border exchange of information on road safety in relation to traffic offenses.

In order to implement the traffic safety strategy, the European Union has adopted a number of measures in the form of directives whose implementation is expected to improve the security of transport in the EU. The first EU Commission directive should increase security on major roads in the European Union, or the trans-European road network (TEN-T). The new directive defines guidelines and the most efficient ways for all phases of traffic infrastructure management. The second directive of the European Commission includes the obligation that all trucks registered in the EU have mirrors for the so-called. Dead corner. According to the Commission proposal, all vehicles weighing over 3.5 tonnes (t) will have mirrors covering the dead spot.

Measures to address the causes of traffic accidents should be directed at sources of danger and in proportion to the level of danger that certain sources emit and their correlations with other sources of traffic accidents. In order for the measures to be implemented consistently and provide appropriate effects, an operational plan should be drawn up to determine the content of the work, the time needed and the operators.

6.2. Security Strategy in Bosnia and Herzegovina

The plan and objectives of the security activities require strategic, operational and additional activities that will include the following items: - clearly defined activity programs, - the scope and quality of the

precise objectives of the activity, - clearly defined bearers of the activity, - the definition of how to execute the activity, monitoring and evaluating the results of programs and activities. Bearing in mind the traffic safety situation in Bosnia and Herzegovina with all the negatives in this segment and the goal set out, real opportunities should be reflected as well as the level of security in the past period. Analyzing the state of traffic safety in the past period, its reduction, ie increase both in the total number of killed and in the total number of traffic accidents, is noticeable. Reducing the number of traffic accidents and reducing the number of deaths by about 5% annually, or 30% for a period of 6 years, would represent realistic frameworks that are feasible. The above reduction in both the total number of killed and the total number of traffic accidents can be implemented with taking clearly defined measures and activities in all fields of security as well as in all organizational forms of the state of Bosnia and Herzegovina.

6.2.1. Action Plan 2011-2020.

The rising trends of traffic accidents and victims have led the BiH Council of Ministers to recognize road safety as a key problem for the nation, and the traffic safety components are included in the overall loan from the World Bank, which is intended to finance transport projects in the RS and FBiH entities . This action plan is one of the results of road safety projects.

At the state level, very significant progress was made in 2006, when a basic national traffic safety law was passed. Although the overall framework for action has been provided, the lack of support through sub-laws and regulations has reduced its potential impact and effectiveness. However, the existence of this state law has encouraged the Federal Ministry of the Interior (FMUP) to coordinate key actors and to initiate the development of a traffic safety strategy in the FBiH and the accompanying Road Safety Action Plan for the period 2008-2013. Unfortunately, this

strategy and action plan, although they solve many problems, have not been implemented due to lack of funds.

A limited database shows that common international risk factors such as inadequate use of the safety belt, speeding, driving under the influence of alcohol and inadequate protection for pedestrians are also common risk factors in BiH, which is also an excessive influence of young drivers (20-24 years aged) among the dead and injured. The Action Plan will:

1. Increase the traffic safety activities in key BiH-level agencies responsible for road safety,

2. Strengthen the capacity of these agencies to improve traffic safety by reducing the number and type of traffic accidents that most often cause deaths and injuries in BiH,

3. Focus on known major risk factors:

Use of the seat belt,

Fast speed,

Driving under the influence of alcohol,

Safety of pedestrians.

The framework of the Action Plan for the ten years from 2011 to 2020 has a goal, vision and mission. Goal: Reduce the number of people killed on the roads of Bosnia and Herzegovina by 50% by 2020
Vision: Safe and efficient transport, which will contribute to economic growth and development, through the establishment of a safer road network, improved behavior of road users, and coordinated government, and non-governmental organizations at entity, cantonal and municipal levels, and through targeted interventions to reduce the number of people killed and injured on the roads.

Mission: Using strong political will and dedication to encompass all road users, using a system-based approach based on the recommendations of the 5 Pillars of the UN Decade Action 7 to develop safety, security and mobility management, safer vehicles, and safer road users and reactions after the accident.

Key targets at the BiH level: 1. 7% of the annual reduction in the total number of deaths compared to the previous years

(around 50% reduction over 10 years), 2. 7% of annual reduction in accidents caused by excessive speed compared to the previous year, 3. Reduced percentage of killed pedestrians by 30% by the end of 2015, and 17% by the end of 2020, 4. The incidence of accidents caused by driving under the influence of alcohol is reduced by 7% each year compared to the previous year.

6.3. Measures to increase traffic safety in Bosnia and Herzegovina

Based on the observed trends and differences between BiH and developed countries, it is necessary to define first the weak points of the domestic transport system, to define the objectives for improving the general situation and define a strategy for achieving these goals. Goals are heterogeneous and need to group them into several groups.

In order to revive transport and improve the economic situation, the following objectives can be defined:

1. The adoption of a new transport policy in line with world and European commitments, which primarily respect the basic principles of the market economy,

2. Road transport should be permanently reduced to a minimum of negative impact on the environment and consumption of propellant.

In the framework of the measures adopted with the aim of reducing traffic accidents, short-term and long-term measures that have been taken over fully in BiH are especially emphasized, which should contribute to changes in the behavior of all participants in traffic.

6.3.1. Strategic road safety measures

Road traffic safety has certainly become a part of the global policy of all countries, especially the countries of Western Europe. Without a systematic and continuous implementation of measures, there is no long-term goal. In order to gain access to the European Union, Bosnia and

Herzegovina must accept the directives and guidelines binding on member states to increase road safety. Strategic Road Traffic Safety measures should focus on the following activities:

- reduction of the most serious consequences of traffic accidents in conditions of constantly increasing traffic,
- bringing Bosnia and Herzegovina into an appropriate group of European countries according to the number of killed persons on the roads in relation to the number of inhabitants or 100,000 registered vehicles,
- Significantly increasing the modern repressive action of the police and appropriate preventive action,
- raising public awareness of the problem of traffic safety through media campaigns, adequate public (media) communication about traffic in traffic,
- Adapting legislation to the consequences and causes of traffic accidents,
- Inclusion in the implementation of programs of all state and entity institutions and professional organizations whose scope of work is related to the safety of road traffic. Strategic activities in increasing the level of traffic safety should refer to:
 - reducing vehicle speeds and adhering to the highest allowed speeds,
 - Protection of children, young people and the most vulnerable road users,
 - Adjust traffic areas to the movement of persons with physical disabilities,
 - Suppression of driving under the influence of alcohol and narcotic drugs in traffic,
 - remediation of dangerous places,
 - improvement of the activity of "Emergency medical aid",
 - increase the level of technical safety of vehicles,
 - improvement of traffic statistics and analysis,
 - the use of seat belts and daytime running lights on vehicles, respecting the traffic light.

7. Importance of the traffic system in contemporary society

The traditional role of the transport system can be viewed through the prism: -

Economic policies, with respect to socio-economic efficiency and rules and requirements of business economics, - Establishing regional and social equity, with special emphasis on enabling mobility for all regions and social structures, - Environment and security, which includes minimizing the harmful effects of traffic on people and on nature, adapting to the construction and preservation of the environment and natural resources. In other words, the existence of a strong connection between transport, transport and the overall economic system is argued by the fact that the participation of transport and transportation services in the sales price of products in primary products is on average 30%, in secondary 40%, in tertiary 30%, in quartile and quintile at 25 %.

It is impossible to talk about the synergistic effects of transport and transportation without emphasizing their role in protecting the environment, developing underdeveloped areas and sustainable development in the broadest sense of the word. The traffic system also gets an additional dimension in the context of the process of globalization, where accelerated economic growth and development must be accompanied by an adequate transport and transport network, especially in terms of treating three of the four freedoms of the single market. The importance of the transport sector is confirmed by the fact that its share in the total GDP of the European Union is 7%, in which 40% of the EU's investments in employment are directed to this sector, and 30% is its share in total energy consumption. Demand for transport services is constantly rising, and in the last 20 years at an average rate of 2.3% per year for goods and 3.1% for travelers.

8. Development of the traffic system in BiH in the following period

With regard to the assessment of the future development of BiH. of the transport system so far, and the previously presented development trends and structural changes in the production and demand of material

goods point to the conclusion that the following general development tendencies should be expected in the near future: Further increase in the total volume of transport work as the expected growth of all types of production and consumption of material goods, an increase in national income and social standards. The opening of new natural resources and the increase in tourist traffic, which will undoubtedly positively affect the future growth of these branches of transport, with the further distribution of transport substrates between certain modes of transport and in accordance with their role and function in the market of transport services as well as measures of socio-economic policy.

More efficient taking measures for the realization of the traffic policy agreement, especially in the domain of coordination of the work of transport branches between the different branches and modes of transport, as well as between the transport processors and the users of transport services, which will undoubtedly condition the future increase in efficiency and social rationality of the transport system, , techniques and transport organization, increasing the quality of transport services by organizing integrated and combined transport.

9. Intelligent systems in traffic and transport

The current state of traffic congestion in all modes of transport and the growth of transport needs have prompted the development of new approaches and ways to address mobility and traffic management issues at the end of the 20th century. This led to the emergence of intelligent transport systems.

Intelligent transport systems provide information transparency, better management and improved response to the traffic system by means of which it acquires intelligent attributes. The "intelligent" attribute indicates the ability of adaptive action in a changing environment, where it is necessary to collect enough data and process them in the real sector.

ITS develops intelligent vehicles, intelligent roads, wireless smart cards for toll payment, dynamic navigation systems, adaptive traffic lights, more efficient public transport, online dispatch distribution, automatic reporting and positioning of vehicles in accidents. The essence of ITS is the integration of individual solutions based on a common ITS architecture and well-integrated system specifications. The development and creation of ITS is the integration of the transport and telecommunication system, experiencing their constant changes as independent systems that directly influence the development, form and organization of intelligent transport systems.

The field of intelligent transport systems combines eight basic areas:

1. Traffic control and management systems,
2. Navigation systems,
3. control systems and non-cash collection,
4. maintenance,
5. public transport,
6. commercial transport,
7. pedestrian traffic,
8. Itineraries for emergencies.

The European Union puts ITS development elements into its common transport policy in all aspects, which implies the development of technical standardization to provide technical and technological compactness in a single market for ITS services.

Today's modern information technologies have a special importance and the role of creating conditions for safe traffic and the quality of transport services, because: 10. they reduce the number of traffic accidents and their consequences, 11. recognize dangerous situations and enable avoidance of incidents, 12. reduce traffic requirements to drivers, 13. reduces the number of decisions made by the person, the pace of decision making is more in line with the limited ability of man to handle and respond, 15. automate driver tasks, 16. provide a greater fund of reliable information, 17. prevent certain subjective failures, 18. prevent and publish vehicle

breakdowns, etc. According to the place where the information is transferred to users, we distinguish: Intelligent means of transport, Intelligent traffic routes. The functions of an intelligent vehicle for preventing traffic accidents help the driver to avoid and prevent accidents by using the vehicle's system and assessing the nature or significance before it, taking into account the driver's condition. Intelligent roads represent systems that are part of road equipment and serve to increase the level of traffic safety and improve the efficiency of the traffic system. Depending on the role in the system, we distinguish several types of ITS based on infrastructure: traffic management systems on roads, traffic control systems, passenger information systems, traffic management systems at intersections, pedestrian protection systems.

Since ITS help eliminate the negative impacts of factors on the safety of vehicles and passengers, their effect can be viewed through two main vehicle safety segments: □ Active safety, □ Passive safety, with each of these segments having sufficient influencing factors, most commonly difficult to state everything. The application of ITS in the active and passive safety of vehicles is a wide range and covers all segments. From the aspect of the vehicle, the basic elements of active safety are: - Safety of driving, - Conditional safety, - Safety management and handling, - Timing of observation. Passive vehicle safety implies: - Reducing the consequences of injuries to passengers and drivers in traffic accidents; - Reduce the consequences of injuries to other road users, including pedestrians.

II SUSTAINABLE DEVELOPMENT

1. The concept of sustainable development

The concept of sustainable development is, most often, linked to environmental protection, social development planning, environmental, economic and political issues. The concept of sustainable development represents a new development paradigm, a new strategy and a philosophy of social development. Sustainable development brings together one concern for the living world on the planet Earth and for the preservation of the capacities of natural systems (natural resources) with the social and ecological challenges facing each society, state and mankind as a whole.

The relevance of the concept of sustainable development is a major contribution to the challenges that come with the environmental threat. Some of these challenges are: global warming, ozone depletion, "greenhouse effect"⁵, disappearance of forests, the transformation of fertile soil into the desert, the occurrence of acid rain, the extinction of animal and plant species, etc. One comprehensive definition of sustainable development is: - sustainable development is an integral economic, technological, social and cultural development, in line with the needs of environmental protection and improvement, which enables current and future generations to meet their needs and improve the quality of life.

A little over a decade ago, the World Commission on Environment and Development, also known as the Brundtland Commission, published a report titled "Our Common Future, pointing to the danger, humans and the planet, of the policy of economic growth without taking into account the possibility of regenerating the planet Earth. This commission, chaired

⁵ The greenhouse effect is the process of warming the planet Earth, which has been caused by the

disruption of the energy balance between the amount of radiation that Earth receives from the Sun and the Earth into space

by Canadian Jim McNeill, defined sustainable development as a development that fulfills the needs of the present, without depriving the possibility of future generations to meet their needs. At the Zemun Summit in Rio de Janeiro in 1992, World leaders adopted Bruntland's recommendations, and one of the results of the summit was Agenda 21, which provides recommendations for the sustainable management of land, water and forest resources in the 21st century. One of the key documents adopted at the Rio de Janeiro summit is the Agenda 21 Declarations of Intent and Commitment to Sustainable Development in the 21st Century.

Since 1992, onwards, the UN has begun to increasingly count on the role of these groups in their programs, unlike previous practice, which excluded all actors other than national governments and several favored observation organizations. One of the chapters of Agenda 21 on important groups is the chapter on the role of local authorities. From all over the world, various bodies emphasized their key role in the concrete application of - the local level.

This resulted in the recommendation given in Chapter 28 - that local authorities should consult with the population in terms of designing a Local Agenda (LA) 21 strategy. Today, many local councils work in accordance with the Local Agenda principles. Each of the processes has its own characteristics, it is marked by local conditions, including public opinion, geographical conditions (eg urban and rural areas are different in their shortcomings), which are taken into account when making decisions, which is also true for political attitudes, as well as for the problem of resources.

1.1. Sustainable development as an ecological principle

This ecological principle can be applied to a variety of natural resources and ecological systems, and to the Earth's atmosphere. It is a relationship that is oriented towards the

future.

In the field of economy, new ways of doing business must be introduced, which when taking into account the price take into account the nature factor as a factor of further production. Not only does this raise the question of how this should be done in individual cases, political or administrative management, or the economic obligations themselves, but also how much the economy can adapt to the decentralized world market, if steps can not be agreed on the road to sustainable development at the international level.

In the social field, new challenges are posed to principles and practices of just distribution - from three points of view: the basic picture of sustainable development that comes from the developmental political debate is, above all, the creation of equal opportunities for development in the North-South issue. Furthermore, it is about the sustainability of ecological modernization within a society that is not only related to new possibilities, but also with numerous burdens.

Following the Environmental and Development Conference held in Rio de Janeiro in 1992, the term -SUSTAINABLE DEVELOPMENT has become a leading concept in the field of environmental policy. This certainly constitutes an advancement for environmental policy, because in this way the relationship between environmental, economic and social problems within which environmental problems of environment must be addressed, if we want to solve them professionally and in a socially acceptable way. This means that citizens, as actors, must assume great responsibility for achieving a sustainable development policy, which in turn entails structural, institutional and financial consequences.

2. Sustainability of transport

In addition to the positive effects that traffic growth has on the economic prosperity of

cities, countries, regions, continents and the world, the negative consequences of today's policies, which are increasingly evident in the field of transport, diminish the importance of the same growth and development. Negative effects are most pronounced in urban areas. The constant increase in the number of inhabitants in cities and the degree of motorization results in increasing traffic congestion in the street network, as well as the consequence of the increasing use of cars and the inability to further meet the demand by building new capacity of the city's traffic supply. The negative effects of increased traffic volume and the increasingly intense use of motorized transport vehicles in cities are: emissions of harmful gases, energy consumption, communal noise, traffic accidents, taking up space and time in anyway restricted urban areas, reducing the ability to perform other activities. The special negative effects of traffic are manifested in the number of those killed in our country and in the world, and a growing amount of material damage reaching over 5% of GDP.

The general conclusion is that transport is actually a victim of its own success. Traffic congestion is constantly increasing and growth is the main cause of existing environmental pollution problems. All this has led to the application of ITS in operation and traffic management, which significantly affects not only the efficient functioning of traffic as a whole, but also the occurrence of traffic accidents with fatal consequences.

The increase in the number of vehicles is conditional on the expansion of the transport network, which leads to a reduction in green areas in urban areas, to an increase in air pollution and consequently to environmental degradation. As a result, traffic areas for non-motorized flows and citizens' opportunities for free movements have been reduced. Increasing pollution levels and fewer opportunities for free movement of citizens on the transport network (hiking, using bicycles ...) lead to a decline in

quality levels in urban areas.

3. Knowledge as a factor of competitive advantage

Today, the highest value of property is made up of people, that is, their capital is based on knowledge, skills, skills and intellectual property. In this sense, human capital should be directed towards innovations and thus develop products and services that create a new value. There are two basic forms of knowledge: first it is explicit, objective, formal, open, and this is knowledge in the form of skills, data, scientific knowledge, manuals, etc. This knowledge can easily be transmitted, accepted and remembered, but it also changes. The other form is the so-called. implicitly, quietly, invisibly, personally, subjectively, hidden, and difficult to transmit. Implicit knowledge is key to creating new knowledge in the organization. Investing in human resources has a crucial impact on sustainability. Knowledge, skills and abilities of employees are not always given, but it is necessary to continuously train and acquire new knowledge. Knowledge-based culture is one of the most important factors for success, so the concept is "an organization that learns one of the basic characteristics of the time in which changes occur, and they are precisely the condition of survival and the main characteristic of development.

Intellectual capital consists of human capital, structural capital and external capital. Human capital is: a set of knowledge, skills, experiences, intuitions and attitudes of the workforce. Structural capital makes a wide range of patents, models, and computer and administrative systems. The company's structural capital is in fact the system, structure, strategy and culture. External capital represents the overall relationship of the organization and network of associates (suppliers, customers), their satisfaction and loyalty to the company.

Companies face a constant challenge of

change. Investing in knowledge and skills is the only way to respond to this challenge. Knowledge is the basis for innovation, and they help companies to develop in line with changes in the business environment. On the way to growth and improvement of conditions, innovation and corporate entrepreneurship play a special role. Innovation is a combination of ideas and information that bring about positive change. They include a set of scientific, technological, organizational, financial and commercial activities. To create a competitive advantage of vital importance, knowledge is the basis and innovation as a driving force.

As early as the seventies of the twentieth century, attention was paid to the contribution of classical factors to economic growth, such as labor and capital, which at that time amounted to 12%, and that knowledge as a factor of productivity contributed more than 80%. This tendency was even more pronounced in Japan, where over 95% of growth came from knowledge, and only 5% from the effects of other factors.

Traditional economic theory and practice are based on a material basis through land, equipment and money, and a directed market to an efficient distribution of labor and capital. Today, more than 50% of gross domestic product (GDP) in developed economies is based on knowledge, i.e. on the intellectual property and expertise of people. On the example of the US, one can see the role and importance of knowledge and human capital. Services in the US account for 76% of GDP. The basis of services (software, healthcare, communications, education, etc.) are intellectual and information processes that create the bulk of value for businesses. In production, the greatest contribution to the creation of values is R & D, process design, product design, logistics, marketing and technological innovation.

In the era of machines, the product and equipment were at the center of attention. Today, in the era of informatics, knowledge

is at the center of attention and value is created from knowledge, skills, intellectual property and abilities. It is all contained in people and it can be said that economy today is actually a knowledge economy, because wealth is created precisely by efficient management of knowledge. Investing in a company means gathering talents, abilities, skills and ideas what is intellectual capital and not physical and financial resources.

Significant evolutionary changes are taking place today to create a more modern enterprise in line with the changes initiated by internationalization of business, the development of information technologies and a particularly competitive economic environment. Although there are many-minded that the human factor is the most important-capital company, it can still not be shown in the accounting records as part of the company's assets (or capital).

3.1. Knowledge culture or "learning organization"

A good example is the General Electric company that employs 200 lecturers, 30 officers, 30 human resource managers and many young managers who actively participate in a professional orientation training program each year. Themes are competition, winning in the global market, as well as evaluating the most important values in relation to the value of the company. Training encourages employees to confront their own values. An essential element of the development of human capital is the transfer of unique and specialized knowledge. One of the training options is that managers analyze and observe the activities of other companies and transfer the acquired knowledge to their company. Within the company, the transfer of one's own knowledge to another plays an important role, but also the adoption of the so-called " - knowledge from other workers.

Companies conduct on-the-job training, organize training at or outside the workplace (eg cooperation with

universities), monitor the individual progress of the employee and promote the exchange of explicit and nonsense knowledge. It is important that employees practically use acquired knowledge, share them with others in the company and work together to achieve the goals of the company and thus create a new value. Therefore, there are evaluation systems.

They are usually from-down to the bottom, and many organizations use the evaluation system from all angles and the feedback system. There is a need to follow subtle features such as the art of communication and social virtue, personal values, conviction and attitudes. It is important for managers to achieve top-notch results, but not for employees, but through the development of the company's core values in the long run.

The concept of "learning organization" is one of the basic characteristics of the present time, in which changes occur continuously in all areas of life, and especially in the economy. Changes are the condition of survival and the main characteristic of development. They should be permanent and numerous in all segments of the organization. In addition to the changes, another important feature of this time is that this is the time of service. Services in developed countries already account for over 60% of total revenues, and the number of employees in this sector has exceeded 70%. For the organization to enter, these trends are particularly important because the services and its attributes are reliability, kindness, communicativeness, manners, etc., largely dependent on training and training. The whole process of organizational learning is permanent, lifelong. Excellence is just the basis for new successes and the creation of a new core of competence. This creates a learning organization. -The ability to learn faster than our competitors may be our only viable competitive weapon.

A global society does not have the capacity to create employment opportunities for those seeking employment and achieving

full employment, provided that the central importance of employment is recognized as a fundamental human right. Today, the main driver of social development is the creation of new jobs, not economic policies. Namely, public stimulus programs, money supply and interest rate manipulation can certainly have a short-term effect, but the growth and development of the base companies, which serves as a basis and context for economic growth. Full employment can be achieved through a broadly based social strategy that accelerates social development, including measures that improve the quality and quantity of education and training, promotion of entrepreneurship and self-employment, increasing the speed of communication and transport, encouraging research and innovation, and more fully using the power of a social organization . Of all measures, education and training are the most important, both for generating employment and facilitating the evolution of social consciousness and culture on a more mental and ecologically conscious basis, and less of a materialist basis.

During the period from 1970 to 2008, South Korea increased its GDP by eight times and reached \$ 25,500 per capita. At the same time, employees in the service sector experienced a dramatic transformation, increasing from 31% to 69%. The number of manufacturing workers has also increased, from 19% to 37% in 1991, in 2009 this figure would be 24%. Over the past decade, South Korea has had one of the lowest unemployment rates in the world.

III ECONOMIC TRENDS IN BIH AND THE WESTERN BALKANS COUNTRIES

1. The Reform Agenda for Bosnia and Herzegovina and the Stabilization and Association Agreement

The Council of Ministers of Bosnia and Herzegovina recognized the urgent need to launch a process of recovery and

modernization of the economy in order to strengthen a sustainable, efficient, socially just and stable economic growth, job creation, increase and better targeted distribution of social benefits, and the creation of a sustainable and equitable social environment.

The Reform agenda is closely linked to the objectives of the new EU approach to economic governance in the Western Balkans and is in line with the Economic Reform Program as a fundamental element that should encourage comprehensive structural reforms to maintain macroeconomic stability and enhance growth and competitiveness. The state of public finance of all levels of government in BiH is such that it is necessary to implement fiscal consolidation that will gradually lead to a reduction in the budget deficit and in the medium term lead to a reduction in the level of public debt. That is why the BiH authorities have opted for a strong three-year fiscal consolidation program. Regarding this goal, in order to avoid unfavorable external financing conditions, the authorities in BiH expect the conclusion of financial arrangements with the International Monetary Fund, the World Bank and the European Commission, which will provide financial support during the implementation of fiscal consolidation measures.

1.1. Business climate and competitiveness

Further growth and prosperity in BiH are based on attracting investments. There is a need to improve competitiveness by eliminating already well-known and documented barriers to investment. In addition, there is a need to equalize and straighten the investment ground by removing hidden grants and other forms of assistance to many large companies and improving bankruptcy procedures and continuing activities to address problems with some unsustainable businesses.

1.2. Labor market in BiH

In order to move steadily through sustainable growth, Bosnia and Herzegovina must accept its strategic advantages. They include significant potential in the workforce, which is currently not sufficiently exploited. The low rate of active working age and high unemployment rates, which is largely a consequence of the lack of supply and demand for qualified labor, limits development opportunities. There is also a significant number of long-term unemployed in BiH who are discouraged to seek employment. Existing labor laws to a significant extent no longer reflect social and economic relations in BiH, and are in some ways contradictory to other laws and in some terms vague and insufficiently flexible. The culture of collective bargaining and social dialogue is underdeveloped and often burdened with the unrealistic demands of social partners.

The increase in the number of employees in BiH in 2015 contributed to growth in the processing and wholesale and retail sectors.

The registered unemployment rate has been reduced, while at the same time stagnation of nominal net wages in BiH has occurred, with higher real growth due to deflation.

In addition, there has been an increase in the number of pensioners and the average pension in BiH. The labor market of the European Union in 2015 recorded a gradual recovery. Although the unemployment rate in the EU is still above the level before the economic crisis (7.2% was in 2007), it is noted that in 2015 it was lower compared to the previous year (10.2% versus 9.4 %) with an increase in the number of employees. Most EU Member States registered a lower unemployment rate compared to the previous year. Similar trends in the unemployment rate of the countries in the region were similar. On the contrary, there is a slight increase in the unemployment rate in BiH in 2015, which is in contrast to the registered unemployment rate, which declined by 0.7

pp. and amounts to 43.2%.

BiH continues to have one of the highest unemployment rates in the region. The average net wages in 2015 in most countries in the region were nominally increased with modest growth rates, while real growth was slightly higher due to deflation (the exception is Serbia and Montenegro). As in previous years, the highest average net salary is in Slovenia, while it is the lowest in Macedonia.

1.3. Stabilization and Association Agreement

A key instrument of the stabilization and association process is the Stabilization and Association Agreement. By signing the Stabilization and Association Agreement, Bosnia and Herzegovina has established the first contractual relationship with the European Union, which confirms its status as a potential candidate for membership in the European Union. In this way, Bosnia and Herzegovina entered the first phase of the Stabilization and Association Process, which has a number of obligations with it. The Stabilization and Association Agreement was signed on 16 June 2008 in Luxembourg. The signing was preceded by the initialling of December 4, 2007 in Sarajevo, and negotiations on the Agreement, conducted from November 2005 to December 2006.

The agreement will enter into force after ratification or ratification in the Parliamentary Assembly of BiH, the European Parliament and the Member States of the European Union. Until the end of the process of ratification or ratification of the Agreement, which may last up to two years, the Interim Agreement on the basis of which from 1 July 2008 the provisions of the Agreement relating to trade with the European Union and certain aspects of the internal market of the European Union. The Stabilization and Association Agreement allows Bosnia and Herzegovina to use the European Union's financial assistance in the form of grants and loans, including loans from the European Investment Bank. The aid is conditioned by

the progress made in meeting the Copenhagen political criteria, and in particular the progress made in meeting the European Partnership priorities and meeting the requirements of the Stabilization and Association Process. The financial assistance granted to Bosnia and Herzegovina will be intended to meet identified needs and agreed priorities. It can cover any area of cooperation, in particular justice and home affairs, legislative alignment and economic development. In order to optimally use the available funds, the consensus parties will regularly exchange information on all sources of assistance.

2. Globalization and regionalization

Globalization is a phenomenon of modern times and as such marks a modern era of civilization. Its foundation is the creation of a unique economic and political space on a global scale. Regionalization makes it an integral part and as such represents regional integration and integration of a group of geographically neighboring countries. In this way, the relations in the process of regionalization build on the principles and in the function of globalization, taking into account some specificities of countries that approach regional cooperation and cooperation. The economic content of globalization and regionalization implies the creation of a global economy in the world. Globalization is understood as - linking national economies to the world economy.

It is therefore about cooperation and economic and other connection of countries in a certain geographical area. The forms of this cooperation and networking can be different starting from liberalization of mutual trade relations, development of common economic infrastructure, industrial cooperation, joint appearance on third markets and others. In doing so, their mutual relations are built on the principles of globalization in small ones. By regional integration and cooperation, it is easier to solve economic problems in a certain area

and accelerate its economic development.

As the data shows, the Balkans represent a relatively large geographical area that must be respected by all integration processes and economic associations in Europe. It participates with about 15% in the total area of Europe and with about 19% in its population. From the point of view of economic development and economic problems, the Balkans is a very heterogeneous area. This is one of the objective reasons for its slow economic integration and slow connection with Europe, which is an additional reason to help the least developed countries of the Balkans to loosen their economic development. If this does not work, the differences in economic development between the Balkan countries will pose a serious disruption to its faster regionalization. The economic development of the Balkans over the past ten years brings with it a series of contradictions and variously directed processes.

A particular problem is the Balkan countries in transition, which are the most numerous and whose political and economic problems will significantly affect the situation in the region and beyond. The transition process takes place slowly, which is best seen by the results of economic development and the standard of the population. In addition to Slovenia, all other countries in this group are still far from the level of economic development they had a decade ago. There is a deindustrialization in the scene, which is reflected in the mass extinguishment of numerous industrial capacities as well as of all industrial branches.

Instead of restructuring production and adapting it to new conditions, it is often the closure of factories and shutdowns of production. Obviously, this has an impact on the macroeconomic movement of production, employment of the workforce and the standard of the population.

2.1. Balkan and European Union

An important role in the relations between the Balkans and the European Union, especially in the field of economy, has activities within the framework of the Stability Pact for South East Europe. Obviously, international actors also realized that political stability in this area is closely linked to economic development and economic stability.

As economic priorities in the following period, the Pact defined: 1) the development of trade and the increase of investments (in particular the signing and implementation of mutual free trade agreements and improvement of the investment climate); and 2) the development of infrastructure (including energy). Considering the geographical position of the region, a special activity will be focused on the development and modernization of transport corridors and energy systems. In this great help, especially in the form of long-term loans, it is expected from the European Union - its funds, banks and financial institutions.

The interests of economic cooperation and integration with the European Union are expressed individually by all Balkan countries. This is reflected in the way and the way of accelerating their economic development and raising the general level of their economic development. She is already their biggest foreign trade partner.

This high share of foreign trade from the EU to each Balkan country individually is the result of the fact that it is a geographically close market with large production and a high demand for products and services. Prospectively, the scope and importance of EU exports and imports to the Balkan countries could be even greater. The condition for this is the faster economic development of the Balkans, especially of its part in transition. Such development would enable greater quantities and value of goods from this area intended for the EU market, as well as greater opportunities for acceptance (in the form of imports) of

goods and services produced in the EU.

3. Economics of knowledge and justice for all

The emergence of the knowledge economy, historically, was preceded by two periods of economic life development in society. The first period refers to agriculture as the dominant form of production, while the second period relates to the transition from agricultural to industrial production. This second development period encompassed both technological aspects of changes in production itself and changes in the demographic structure of society. The third developmental period is characteristic, among other things, that knowledge becomes the main factor of production with a creative, informed, innovative and entrepreneurial individual as its bearer. The economy that we know today is constantly changing and adapting to the needs of society. At the same time, there are two different types of economy at the same time. These are the so-called. mass economics (ie the economy of the industrial age that still exists due to the mass consumption of material goods, the accumulation of material wealth and economies of scale and the massive exploitation of material raw materials and energy in the production process), and the so-called. The information economy, which, in contrast to the mass economy, uses a lot less energy, raw materials and labor, and achieves better effects due to knowledge, ie information embedded in the product, gives these products a new, additional value in terms of improved quality, design, functionality and multiple utility. Claims that education becomes decisive for the functioning of modern information-based societies based on knowledge, that is, that the knowledge economy uses knowledge as the best quality goods, as a means of production and guarantees of competitive advantages on the market.

The knowledge economy now stands at its lowest developmental form called corporate capitalism, characterized by labor

exploitation, unlimited consumption of natural resources, changing fundamental values, social, economic and political structures, deliberately provoking economic and social crises in the world, and working the self-interest of multinational corporations based on doctrines of neoliberalism and supported by globalization processes.

In order for the knowledge economy to evolve to a higher level of development, a higher level and quality of democracy in all countries of the world is needed, ie it is necessary to create conditions for a compromise, equal and united membership of countries in the globalized world.

We live in a time and world full of constant, rapid and unpredictable changes. These same changes relate to every aspect of life, either private or business. The fact that today only the uncertainty is certain is valid both for the individual, for the wider social community, for companies, for national economies, for regional associations. In a word, for the whole world. The causes are attributed to globalization trends and the growing information, economic, technical, technological, sabotage, media ... networking of the world. In such a globalized economy, traditional factors of production and belief in the importance of owning physical property and manual labor give way to the intangible property that manifests in the form of knowledge and information ie, intellectual capital.

4. BiH and the European Union

The EU and Bosnia and Herzegovina have established diplomatic relations. In Thessaloniki in 2003, the Council of the European Union declared on the Western Balkans: "The region is rich in the European Union, so Bosnia and Herzegovina has a prospect of EU membership, and the relations between the Union and this country are developing in that context.

4.1. Current status of relationship

The first visible effect of the European integration process for BiH citizens was the introduction of a visa-free regime for those with biometric passports on December 15, 2010. The Stabilization and Association Agreement (SAA) on 16 June 2008 in Luxembourg established a framework for the implementation of legal, administrative, economic reforms that will bring the country closer to the EU. An Interim Agreement on Trade and Issues (as of July 1, 2008) was put into effect, thus establishing a free trade area between the EU and BiH, and the EU is the main trading partner of the country. In addition, BiH also benefits from the unilateral autonomous trade preferences of the EU for countries and territories that are participating or in connection with the stabilization and association process.

This has significantly increased BiH's obligations as the scope of reforms has been expanded from trade issues to EU regulations as a whole.

On this basis, on February 15, 2016, a request for membership in the European Union was submitted to the Presidency of the EU Council. The following steps in the process of EU accession are: 1. The European Commission sends a detailed BiH Questionnaire, 2. The Commission evaluates the responses submitted by BiH and makes recommendations to the Council of the EU (28 Member States), 3. After the conclusion of the negotiations, a Treaty of Accession ratified by the Member States, and the European Parliament gives its consent, 4. The country joins the EU on a specific date.

4.2. Financial assistance and trade relations between 2007 and 2013

Bosnia and Herzegovina received € 615 million from the Instrument for Pre-Accession Assistance (IPA) that provides targeted financial assistance to candidate and potential candidate countries. The

second phase of the IPA is currently underway, from 2014 to 2020 with at least € 165 million allocated to Bosnia and Herzegovina in the first stage. IPA particularly helps strengthen democratic institutions and the rule of law, reform public administration, conduct economic reforms, promote respect for human and minority rights and gender equality, support civil society development and promote regional cooperation, and contribute to sustainable development and poverty reduction. The EU is BiH's main trading partner. BiH has benefited from access to the EU market through the introduction of the so-called autonomous trade measures since 2000. Following the entry into force of the Interim Agreement, EU access to the market for products from Bosnia and Herzegovina has increased further, and trade preferences have been granted for imports from the EU to the country.

According to the findings of the Progress Report for 2014, BiH has achieved a high level of trade integration with the EU. The EU remains the main trading partner of Bosnia and Herzegovina, additionally strengthened by the accession of Croatia to the EU as of July 1, 2013. Accordingly, the share of exports to the EU has increased to 73.5%, while EU imports have slightly decreased to 60% of total imports. The most important trade partners from the EU are Germany and Croatia. CEFTA countries remain the second most important trading partner and account for some 16% of exports of goods and 11% of imports.

5. The economic situation in BiH

In April 2017, the representative office of the German economy in BiH presented the results of the economic research conducted annually among members of the Wirtschaftsverein BiH association. The goal is to detect the satisfaction of German and other investors in BiH, and companies engaged in bilateral economic relations with Germany.

For the first time since this survey, none of the respondents expects a deterioration in

their own business development. Even 72% of the total number expects better business development. None of the companies involved in the survey expects a decrease in turnover, while 71% of respondents consider increasing traffic. An important benchmark for better quality business is new investments. Thus, 90% of the surveyed estimate that investments will remain equal or higher in the year before. Unfortunately, such a result has interrupted the trend of expectations for growth in investments.

All companies expressed dissatisfaction with the fight against corruption and crime, political and social security, public administration, legal security, the tax system and tax administrations. All have been highlighted as one of the biggest problems of political instability. Research has shown two results. On the one hand, bh. companies are developing positively, and at fairs outside BiH they have noticed notable results.

On the other hand, we do not have political stability in BiH, which is a prerequisite for a stable business climate. On that occasion, it was pointed out that there was an effort to bring new investors to BiH, but that the political situation boycotted these efforts because information abroad about BiH as an unstable country was transmitted abroad. It will be emphasized that the geographical position of BiH is excellent, because all the companies that work here are fictitious in the center of Europe, but also that such a position must be better used. Despite all the challenges of the BH market, 73% of respondents would choose BiH as a business location again. Companies were mostly established by domestic investors, 1,233 of them, while the number of newly founded companies was 468 foreign investors.

Maybe we do not see it, but in Bosnia and Herzegovina, new firms are still open. Thus, according to the Statistical Office, a total of 1,780 new market-oriented companies were opened in the past year, excluding craftsmen / individuals. Of this,

1,716 enterprises with fewer than 10 employees, 58 from 10 to 50 and six enterprises with 50 to 250 employees.

By areas, the most newly established companies in 2016 are in wholesale and retail trade, repair of motor vehicles and motorcycles (486), then in the field of professional, scientific and technical activities (221), manufacturing industry (200 companies), real estate (198), administrative and auxiliary service activities (140), and construction (109 enterprises). All other areas (catering, transport, agriculture, education and other activities) have less than 100 newly established companies, according to the Statistics Bureau of FBiH. When it comes to the number of newly founded companies per canton, the most were established in Canton Sarajevo - 807 enterprises, 233 were founded in the Tuzla Canton, 216 in Zenica, the 155 in Herzegovina-Neretva and 150 companies in the Una-Sana Canton. According to the data available to us, the companies were mostly established by domestic investors, of which 1,233, while the number of newly established companies is foreign investors 468, and the number of mixed companies where foreign and domestic investors are 79. Most foreign investors are from the United Arab Emirates - 83 companies, from Turkey 62, Kuwait 45 and from Croatia 31 company.

In the past year, a total of 595 market-oriented companies were shut down, 583 enterprises under 10 employees and 12 companies with 10 to 50 employees. By areas, the most extinguished companies were in wholesale and retail trade, repair of motor vehicles and motorcycles - 241 enterprises, 72 in the processing industry, 52 in the field of professional, scientific and technical activities 52 and 51 in the construction industry.

The most extinguished companies are in Sarajevo Canton, 148 in TK 121, in the ZDK 92 enterprises were closed, 81 in the HNK 81 and in the USK 73 enterprises. Domestic investors in this period

extinguished 501 company, page 68, and the number of blown companies was 26. Most of the foreign investors with extinguished companies are from Croatia, followed by Slovenia, Serbia, Germany and Italy.

5.1. Import and export

The most important partner of BiH in the exchange is the EU, in which we participate with 72.2% of exports and 68.7% of imports. In the first quarter of this year, Bosnia and Herzegovina realized exports worth more than 2.5 billion KM, and the export increase was higher by 14% compared to the same period of the previous year. Imports in the first quarter amounted to almost KM 4.1 billion, which is 17% more than in the same period last year. Such changes resulted in coverage of import by export of 63.10%, and the total volume of foreign trade increased and its value amounts to about 6.61 billion KM.

5.2. Export of goods in 2015

The higher level of economic activity in the Eurozone and the countries of the region, which manifested itself through the increase in economic growth, has positively influenced the production processes in Bosnia and Herzegovina and, ultimately, in BiH. export. Thus, according to preliminary data of BHAS10, BHAS10 achieved total export of goods of KM 8.9 billion for 2015, representing a nominal increase of 3.5% compared to the previous year, while real growth due to the decrease in export prices was something higher and amounted to about 3.8%.

If BH. exports of goods in the mentioned period are observed by the main industrial groups of products, except for the categories of energy and unallocated, where there was a decrease in exports to about 25% and 10% respectively, in all other categories growth of exports was recorded, with growth rates being non-durable consumer goods 11.2%, capital goods 10.6%, intermediary products 6.1% and durable consumer goods 2.3%.

5.3. Foreign direct investment

Foreign direct investment in the world in 2015 increased by 36.5% y / y. According to data in the Balance of Payments in BiH, SDUs in 2015 were reduced by 34.8% y / y. In BiH, it is mostly invested in telecommunications, financial activities and insurance.

5.4. Investments in the world and the region

According to the latest estimates of UNCTAD 11, foreign direct investments in the world in 2015 amount to about 1.699 billion. USD with an increase of 36.5% g / g. Of this amount, 55.1% refers to developed countries, 43.6% to developing countries, while only 1.3% apply to transition countries and achieve the largest decline in investment (54.3% g / g).

5.5. Markets

The increase in exports from Bosnia and Herzegovina, compared to the same period last year, was achieved with almost all countries, except Italy, where a slight decline in exports was recorded at 1.4%. The highest export growth was recorded in Croatia, Serbia, Montenegro and Turkey, and the highest increase in imports was recorded in imports from Switzerland, Hungary and Croatia.

From these indicators it can be concluded that BiH is increasingly turning to regional partners, and for example Serbia can be used, which this year is second only in terms of the volume of foreign trade, immediately after Croatia.

The most important partner of Bosnia and Herzegovina in foreign trade by volume of trade, whose share is 70.7% in the total volume of trade, is the EU (71 exports and 70.5% of imports). Exports from BiH in 2016, compared to the previous year, increased by 6% and amounted to KM 9.7 billion, while imports in the same period also increased by 5.58% and amounted to

KM 16.2 billion. Such changes resulted in 60.1% export coverage coverage, which is by 0.40% more than the coverage in the previous 2015. The total volume of foreign trade increased by 5.74% and its value was 26 billion KM, while the deficit in 2016 was almost 6.5 million KM.

The most important partner in terms of exchange from the European Union is Croatia. In 2016, compared to the previous year, total exports of products to Croatia increased by 7.59%, while imports increased by 5.03%. Total exports from BiH to Croatia amounted to about KM 1 billion, while goods imported from Croatia to BiH market amounted to KM 2.55 billion.

After the EU, CEFTA 12 participates in trade with BiH with 15.5% of exports and 15.6% of imports. In the CEFTA market in 2016, goods worth KM 1.5 billion were exported from BiH, and exports increased by 5.79% compared to the previous year. From the territory of CEFTA we imported goods worth KM 2.5 billion, which is 6.92% more than in the previous year. This relationship between the value of exports and imports resulted in an export coverage coverage of 59.6%. The most important foreign trade partner from the CEFTA region is Serbia with which we have the least coverage of export imports. We exported goods to the Serbian market in 2016, amounting to 882,044,000 KM, which is 8.08% more than in the previous year. From the territory of Serbia, we imported goods worth 2.3 billion KM and thus increased the import by 7.3% in relation to 2015.

13.9% of imports and 13.5% of exports belong to the participation of EFTA 13 and other countries. EFTA's most important partner is Switzerland, with which almost all the foreign trade with BiH is done. In 2016, imports from Switzerland decreased by 39.89% while exports increased by 13.80%.

Among the so-called "other markets", BiH's most important foreign trade partner is

Turkey, followed by China.

In 2016, the volume of trade with Turkey amounted to 998 million KM. Export to Turkey amounted to KM 401.32 million and was 13.16% higher than in the previous year. Imports from Turkey increased by 9.83% and amounted to about 597 million KM. Import coverage by export was 67.2%. With the NR China, there was also a decline in both exports and imports, where exchange was mainly done in the textile industry.

5.6. Industrial production growth in 2016

Last year, Bosnia and Herzegovina achieved an industrial production growth of about 4.3% compared to 2015, according to the Directorate for Economic Planning of BiH in the information on the movement of macroeconomic indicators. This growth was accompanied by an increase in the number of employees.

5.6.1. Export markets

Observed by sectors, based on data, it can be noted that all sectors contributed positively to the increased production volume. Growth in the first half was caused by increased production in the manufacturing industry, while in the second part of the year, when there was a weakening in that branch, the energy sector compensated for the losses incurred. The most significant contribution to the growth of total industrial production in BH was achieved within the manufacturing industry, which, due to positive economic trends in the export markets, increased by 3.1%.

Within the processing industry, the highest growth rates were achieved in the production of chemical products, 14.2%, finished metal products, 12.5%, and in the manufacture of furniture, food products, where the increase was 8.8% and 7.3% respectively.

5.6.2. Price reduction

The most significant reductions were recorded in the production of basic metals 4.7%, and of coke and refined petroleum products by 5.7%. The decline in production is mainly the result of prices on the world market where there has been a reduction in prices and weakening demand for these products. In the mining sector, production increased by 3.4%, which is, to a large extent, a consequence of the increase in coal and lignite production.

6. Employment and unemployment

6.1. Economic Policy on Unemployment

Unemployment in BiH is not only the unemployment of young people; it is not just the unemployment of those who have lost their jobs after the privatization, nor is the unemployment of only NKV and KV workers and those who have lost their jobs after the plundering privatization. Today, in the structure of the unemployed, there is a whole series of subcategories. There are also young people, but also middle-aged people, as well as those who are missing a few years to retirement, and uneducated, but also masters and doctors of science, there are graduates of social and humanistic sciences, as well as mathematicians, physicists and chemists, doctors etc.

The unemployment rate is an extremely important indicator of the situation in which the society is located. It is possible to talk about a whole series of causes that generate high unemployment, that is, a structural disorder in the labor market between labor supply and labor demand. Also, unemployment produces a whole range of negative, not only economic, but also social, socio-psychological, demographic consequences. A high unemployment rate is the generator of social dissatisfaction. The higher the unemployment rate, the greater the likelihood of social unrest and protests (which in modern societies are mainly intelligently controlled and politically exploited), the rise in all forms of violence, as well as the criminalization of society, then suicide, the intensification

of emigration waves ... However much this problem was trying to ignore, and redirect attention to the surrogate of the topic, high unemployment indicates a deep disorder in society and remains a threat to society.

A tolerable unemployment rate is the one that moves between the hypothetical zero percent and 5%. This means that the majority of the working-age population has a job that provides at least minimum conditions for their existence, if it remains without work, it easily finds a new job, there is no danger of unrest and protest in the society, and the economic system is efficient in exploiting the workforce itself to include the majority of the working age population regardless of the qualifications they possess.

The unemployment rate at the level between 5% and 10% is alarming. Such a high unemployment rate indicates a disparity in the supply of labor and labor demand in the labor market, the decline in economic activity, the slowdown in the creation of new jobs, the lack of competitiveness of the economy ...

A society with an unemployment rate of over 15% and above 20% is already a seriously socially divided, antagonistic and socially divided, in which feelings of social injustice prevail, and a large number of people already have almost no chance of exercising their right to work, in other words to provide conditions of one's own survival. Such a high rate of unemployment can easily be caused by a wave of social unrest and protests, emigration waves, the rise of crime, suicide, and even the problem of physical and mental health of socially vulnerable categories of the population.

In early 2014, the International Labor Organization published a publication - Global Trends in Employment 2014. The figures published in this publication show that the global unemployment rate in 2013 was 6% of the total global workforce. The number of unemployed in the world reached the number of 201.8 million people, which is 4.9 million more than in

2012, when the total number of unemployed in the world was 196.9 million people. In 2013, 31.8 million people were out of work more than in 2007 by the end of 2014, the ILO foresees an increase in the global unemployment rate from 6% to 6.1%, as well as the long-term inability to solve this problem on a global scale.

According to MoR14 data, in developed economies of the EU countries, 8.6% of the unemployed are from the total labor force. This is about 3% more than the level at which the unemployment rate in the EU was in 2007. According to unemployment data that can be found on Eurostat's website, the unemployment rate in the euro area for April 2014 amounts to 11.6%, while in the EU itself (28 members - 10.46%) it is known that Greece, Cyprus has the highest unemployment, Portugal, Spain, Ireland.

According to the International Labor Organization's report, the youth unemployment rate in EU countries is 18.3%, and a particularly dramatic situation is in Serbia, Macedonia, and finally in Bosnia and Herzegovina, where youth unemployment is 63.1% for 2013. year. As a special category within the category of youth who are unemployed the so-called NEET15 group is distinguished, and these are young people who are not even involved in the work process, nor are they involved in the education and acquisition system. In most countries for which there are data on so-called NEET group, the level on which it is located is about 20%. In Ireland and Spain, where the percentage of those in the NEET group in 2007 was 9.4%, in 2013 it was above 20%.

According to the Statistical Office, in the first quarter of 2016, the unemployment rate in BiH was 27.5%.

In the structure of the unemployed in countries with a drastically high unemployment rate, over 20% are dominated by middle-aged unemployed. Everything is more noticeable unemployment of highly educated people

in EU member states that are affected by this problem (Spain, Greece, Portugal, Cyprus, Ireland, Italy) when it comes to BiH, the coalition governments that so far have marginalized the unemployment problem by replacing it with a surrogate topic. According to the data from 2016, the registered unemployment rate in the region is 7.3%, while according to the latest data, the worst is Bosnia and Herzegovina with 27.5% of the registered unemployment. In addition to Slovenia, all other countries in the region have an unemployment rate of more than 10%. The only one with registered unemployment is more than 20%, Apart from Bosnia and Herzegovina, is Macedonia. Thus, the unemployment rate in the third quarter of last year in Croatia was 12%, although data for November last year showed that this figure increased to 14.4% at the monthly level. The unemployment rate in the third quarter last year in Serbia was 13.8%, Montenegro was 16.9%, while in Macedonia it was 23.4%.

6.2. Employment

The average number of employed persons in BiH in 2015 continued to increase at a slightly faster rate of growth (1.8%) compared to the previous year and amounted to 713.6 thousand. Although in most areas of activity the number of employed persons is increased (comparison g / g), the most significant contribution to the growth of the number of employees is in the activities employed by the largest number of persons in BiH - industry and trade. With the increase in the volume of industrial production in BiH, the average number of persons in paid employment in the manufacturing sector increased by 2% g / g .

In both bh. Entities in 2015 registered the growth of the number of employed persons. The average number of employees in FBiH was 450.1 thousand, with a growth rate of 1.5% g / g . At the same time, the average number of employees in the RS increased by 1.8% y / y to 246 thousand. The most significant contribution to the growth in the number of employees in both entities is in

manufacturing and wholesale and retail trade, indicating that both entities contributed to the growth of the number of employees in BiH. In addition to the above mentioned activities in FBiH, the number of employees is significantly increased in administrative and auxiliary service activities and activities of health and social care. On the other hand, the activities of hotel and catering, education and professional, scientific and technical activities in the Republic of Srpska had a significant contribution to the growth of the total number of employees (in addition to industry and trade).

6.3. Unemployment

With an increase in the number of employed persons in 2015, the average number of unemployed persons in BiH continued to decrease (-1.4% g / g) and amount to 541.8 thousand. The intensity of the reduction in the number of unemployed was particularly pronounced in the second half of the year. The number of unemployed persons is lower in both entities (comparison g / g), with a slightly higher rate of decrease in the RS. In FBiH, the average number of unemployed persons was reduced by 0.3% y / y and amounted to 390.2 thousand, and out of the total number of persons removed from the register, 67% was due to employment. In the RS, the average number of unemployed persons is 4.4% y / y and it amounts to 139.5 thousand. Of the total number of deleted from the records in 2015, about 51% is due to employment and private activities. According to the qualification structure, the greatest contribution to reducing the number of unemployed (g / g) in both entities is in the categories of NKV and KV persons.

6.4. A drastic fall in the number of workers

The key problem in BiH is that today's BH. companies do not have their own product, but they are condemned to do so. lohn jobs. Out of the pre-war over 100,000 workers in the textile and footwear sector in Bosnia

and Croatia, around a quarter have remained. The drastic fall in the number of workers is the consequence of the destruction of the economy in this activity with the beginning of transition and privatization.

In a large number of cases, in the privatization process, many companies end up stealing and liquidating firms, which has led to the extinguishing of factories or companies. According to the FBiH Institute of Statistics, in October 2016, 21,415 workers were employed in that sector, and the average salary was 403 KM.

The key problem is that of today's BH. companies in the field of textiles, leather, footwear and tires do not have their own product but have been sentenced to do so. lohn jobs or product finishing jobs for major foreign companies that deliver all the materials, and our workers only sell their workforce. Formerly recognizable bh. companies, such as Borac Travnik, Aida, KTK or Vitex, no longer exist, and the newcomers have a completely different attitude.

6.5. Output for unemployment in BiH

Social entrepreneurship is a very topical issue and should be turned around because it is an outlet for the unemployment and poverty of particularly vulnerable and vulnerable categories. An example that 14 million people in European countries are employed through social entrepreneurship tells us that in some ways the future is in this. The Social Entrepreneurship Fair is one of the activities of the advocacy campaign - The adoption of new policies and measures in the field of social entrepreneurship, which the Foundation for Social Inclusion in BiH, the Initiative for Better and Humanitarian Inclusion and the Coalition of marginalized groups in BiH-KOMA are implementing with the support of the United States Agency for International Development (USAID).

The aim of this activity is to merge commercial and social enterprises, ie socially responsible companies that have

responded and ten companies that work in practical terms with marginalized groups.

7. Entrepreneurship

Entrepreneurs and small and medium-sized enterprises in their possession have always been seen as the main drivers of the economy, employment and the economy as a whole. Their basic characteristics were proactivity, flexibility and reactivity that differentiated them from large companies. However, with the development of small and medium-sized enterprises, entrepreneurs have encountered the challenges of survival and / or further growth of companies that are no longer just enthusiastic, willing to take risks and flexibility. More and more attention is devoted to the development of fundamental managerial skills, skills and programs that will enable the entrepreneur to manage quality and growth of his own company. The necessary knowledge and skills of entrepreneurs vary depending on the stage of development of the company. It is therefore interesting to observe that the needs for specific knowledge and skills are changing with the stage of enterprise development and the position of entrepreneurs within the company itself. In the European Union, out of three private sector employees, small and medium-sized enterprises employ two people and create more than half the total value added in the EU. Small-sized companies are the core of the European economy, because with their growth and development, and innovation, they drive the economy, employment and growth of the economy as a whole. It is interesting that 99% of companies in the EU are small and medium enterprises and that nine out of ten small and medium enterprises are micro enterprises with fewer than 10 employees. Their basic characteristics are proactivity, flexibility and reactivity, which differentiates them from large, multinational companies.

Every business today, and therefore small and medium enterprises, is confronted with global competition and the frequent and complex changes in the environment. We

are witnessing all the shorter product life cycles and different customers' wishes, which represents a continuous opportunity, primarily for new companies and startups 16, to take their place in the market, even in industries dominated by well organized and resource-intensive competition. At the same time, the short-term possibility is shown to small enterprises that, on the basis of their basic characteristics, they gain their share in the market. By doing so, entrepreneurs at the company's headquarters must build an organization that will be able to operate efficiently in this dynamic environment. However, with the development of the organization, entrepreneurs face the challenges of survival and / or further growth of companies that are no longer just enthusiastic, willing to take risks and flexibility. If we know that nine out of ten small and medium-sized companies are those with fewer than ten employees, with the dominance of those with less than four people, it is understandable that these companies do not have the necessary skills and corporate knowledge to adequately design new business models of enterprise development and the position of entrepreneurs within the company itself. The role of small and medium-sized enterprises is very important for every economy, but they are not enough for the economy to develop, yet the role of big companies is important for the development of each economy. Unfortunately, we have a rather unfavorable structure of the economy dominated by small and medium-sized enterprises with 99.5% of the total structure, of which 95% of small enterprises. This is rather bad and is the result of unsuccessful reforms and transformation of ownership that failed to bring the domestic economy into a liberalized approach to the economy and market, which is far removed from abroad in the processes of euro integration. This is contributed by the entrepreneurial spirit in BiH, which is at a very low level in relation to the EU countries.

These are the facts on the basis of which

appropriate policies should be created which should change our perceptions in the future in this regard. Young people who complete their education, either medium or high, are dreaming of getting employed in the public sector, in almost a hundred percent amount. In the West, the situation is different. About 65% of young people have the ambition to start their own business, about 20% of their imagination about employment that would allow them the knowledge and experience to start their own business in due course, while only 15% have a plan to get employed in the public sector. In the business of small and medium enterprises, strategic planning is very important. At the stage of introduction, strategic planning in the company is informal and guided by entrepreneurs - everyone knows why the company is founded and what its purpose is. Although the strategy of the company is not clearly articulated, it can be read from decision making. The initial strategy of the company is reduced to justifying, elaborating and communicating the strategy of the strategy based on the entrepreneurial vision. In the growth phase, it comes to the point when strategic planning needs to take on a formal form. The company must think of itself as a business, not a product / service. The truth is quite different, and many companies approach the growth stage with the same strategy they had when they started their life cycle. However, the environment is constantly changing; customer demands become more complex; competition is stronger and introduces new products and services. A growing company has to constantly develop its strategy and thus ways to compete in a dynamic environment. The consequence of the lack of strategic planning is slowing down the growth of the company.

Incorrectly managed, the growth of the company can lead to its decay. Many small businesses fail to realize their own growth potential because owners are busy with daily, routine and operational tasks in the company and fail to separate the time needed to work on planning the future of the company, its growth and development.

It is crucial for an entrepreneur to prepare his company for the upcoming growth phase through a business development plan, a plan for employment and training, both for himself and for people within the company. For the needs and development of small and medium-sized enterprises in BiH, it is very important that the Federal Government adopted a report of the Federal Ministry of Development, Entrepreneurship and Crafts on the implementation of the Action Plan for the implementation of the project "Development of Small and Medium Enterprises in FBiH" for 2016.

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BUSINESS ETHICS IN TRANSPORT, ECOLOGY AND ECONOMY OF SOUTH EASTERN EUROPE - METHODS AND INSTRUMENTS OF IMPLEMENTATION

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Abstract: Business ethics is a modern scientific discipline and adequate vocational guidance. This is an area of particular importance for the engagement of employees, work performance and the wider community. The concept of ethical behavior in traffic, ecology and economy provides a positive attitude towards social subjects of modern challenges. Implementation of the code of ethics in all spheres of public life positively affects the development of one country as well as South-Eastern Europe. Formulation and implementation of this concept represents an obligation of relevant factors of the country at all levels.

Keywords: Business ethics, traffic, economy, environmental ethics, government, company, Southeast Europe.