

III International Science Conference SER 2020

September 17th – 19th, 2020
Igalo (Herceg Novi), Montenegro

"NEW TRENDS AND BEST PRACTICES IN SOCIOECONOMIC RESEARCH"



Conference program

Organized by:

**Economic Laboratory for Transition Research,
Podgorica, Montenegro**

**Adriatic University Bar,
Faculty for Mediterranean Business Studies Tivat,
Montenegro**

**Center for Sociological Research
Szczecin, Poland**

**University "Mediterranean, Podgorica
Montenegro**



Publisher: *Economic Laboratory for Transition Research*, Podgorica, Montenegro; *Center for Sociological Research Szczecin*, Poland; *Adriatic University Bar, Faculty of Mediterranean Business studies Tivat*, Montenegro; and *University Mediterranean, Podgorica*, Montenegro

Editors: Professor *Veselin DRASKOVIC*, Montenegro, and Professor *Yuriy BILAN*, Poland

Scientific Committee: Academician Prof. *Veselin DRASKOVIC*, the Chair, University of Montenegro, Maritime Faculty Kotor, Montenegro; Prof. *Yuriy BILAN*, the Co-Chair, Rzeszów University of Technology, Faculty of Management, Poland; Prof. *Radislav JOVOVIC*, Rector of the University of Mediterranean Podgorica, Montenegro; Academician Prof. *Bagrat YERZUNKYAN*, Laboratory of the Economic Reform Strategy, Central Economics and Mathematics Institute, Russian Academy of Sciences, Moscow, Russian Federation; Laszlo VASA, Associate Professor, Széchenyi István University, Győr, Hungary

Program Committee: Prof. *Yuriy BILAN*, the Chair, Rzeszów; University of Technology, Faculty of Management, Poland; Academician Prof. *Veselin DRASKOVIC*, the Co-Chair, University of Montenegro, Maritime Faculty Kotor, Montenegro; Assit. Prof. *Pero NIKCEVIC*, Metiterranean University, Montenegro

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Printing: 150 Copies / **Printed:** “3M Makarije” , Podgorica

CIP - Каталогизација у публикацији
Национална библиотека Црне Горе, Цетиње
ISBN 978-9940-673-18-5

COBISS.CG-ID 35499792

Foreword

We would like to thank all the contributors, discussants and participants of the International Scientific Conference SER 2020, entitled “*New Trends and Best Practices in Socioeconomic Research*”, successfully organized and held in Igalo (September 17th-19th, 2020), which contributed to the same success and has a high scientific quality.

Special thanks to the organizers:

- Adriatic University Bar, Tivat, Montenegro,
- University of Mediterranean, Podgorica, Montenegro,
- Center for Sociological Research, Szczecin, Poland,
- Economic Laboratory for Transition Research, Podgorica, Montenegro and
- Palmon Bay Hotel & Spa, Igalo, Montenegro.

We had 102 authors from 19 countries (Australia, Bosnia and Herzegovina, Canada, Czech Republic, Croatia, France, Germany, Hungary, Italy, Lithuania, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, South Africa and Ukraine).

Conference participants submitted 68 scientific abstracts, which were reviewed by the International review board (Prof. *Dalia STREMIKIENE*, Prof. *Veselin DRASKOVIC*, Prof. *Yuriy BILAN*, Prof. *Vyacheslav V. VOLCHIK*, Prof. *Daniil FROLOV*, Russia, Prof. *Radislav JOVOVIC*, Assoc. Prof. *Mimo DRASKOVIC*, Prof. *Bagrat YERZUNKYAN* and Assist. Prof. *Milica DELIBASIC*).

I hope that the conference participants, in dynamic, interesting and original reports and discussions, will succeed in moving the boundaries of knowledge about the current theme of this conference. I believe that many of the old questions, problems and dilemmas will get some new arguments, information and evidence.

Chair of Scientific Committee



Academician *Veselin DRASKOVIC*, Professor

PROGRAM

DAY ONE:	Thursday 17th september 2020
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13:00-14:00	REGISTRATION of the participants
14:00-14:10	<p>OPENING THE CONFERENCE (Hotel Palmon Bay Igalo)</p> <p>Radislav JOVOVIC, Professor, Vicerektor of the University of Mediterranean Podgorica, Montenegro</p> <p>Srdja POPOVIC, Associate Professor, Director of the Agency for Control and Quality Assurance of Higher Education, Podgorica, Montenegro</p>
<p>PLENARY SESSION : Introductory Papers – Keynote Speeches</p> <p>Head: Yuriy BILAN, Associate Professor</p>	
14:10-14:30	<p>RELATIONSHIP BETWEEN FORMAL, INFORMAL AND ALTERNATIVE INSTITUTIONS AS THE BASIS OF PROGRESS (REGRESS)</p> <p><u>Keynote Speaker</u>: Academician Veselin DRASKOVIC, Professor, University of Montenegro, Maritime Faculty Kotor, Montenegro...</p>
14:30-14:50	<p>ASSESSMENT OF TRENDS AND PRECONDITIONS FOR THE SOCIAL CAPITAL DEVELOPMENT OF ENTERPRISES</p> <p><u>Keynote Speaker</u> : Yuriy BILAN, Associate Professor, Rzeszów University of Technology, Faculty of Management, Poland</p>
14:50-15:10	<p>PROBLEMS OF THE GLOBAL ECONOMY</p> <p><u>Keynote Speaker</u> : Radislav JOVOVIC, Professor, Vicerektor of the Mediterranean University Podgorica, Montenegro</p>
15:10-15:30	<p>APPLICATION OF STATED PREFERENCES METHODS TO ASSESS WTP FOR RENOVATION OF MULTI-FLAT BUILDINGS</p> <p><u>Keynote Speaker</u>: Dalia STREMIKIENE, Professor, Lithuanian Energy Institute, Lithuania</p>
15:30-15:50	<p>CORRELATIONS AND ANY QUESTIONS OF THE EFFICIENCY AT STATE AUDIT OFFICE (SAO) CONTROL FOR STATE-OWNED PUBLIC UTILITY COMPANIES IN HUNGARY</p> <p><u>Keynote Speaker</u>: Laszlo VASA, Associate Professor, Széchenyi István University, Győr, Hungary & Csaba LENTNER, Professor National University of Public Service, Hungary</p>
15:50-16:10	<p>THE IMPORTANCE OF THE CULTURAL AND INSTITUTIONAL CONTEXTS FOR MANAGING THE DEVELOPMENT PROCESS</p> <p>Academician Bagrat YERZNKYAN, Professor & PhD Karine FONTANA, Central Economics and Mathematics Institute, Russian Academy of Sciences, Moscow, Russia</p>

DAY TWO:	Friday 18th September 2020
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<p>PLENARY SESSION – EXTENSION : Introductory Papers - Keynote Speeches</p> <p>Head: Mimo DRASKOVIC, Associate Professor</p>
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Professor **Bagrat YERZNKYAN**
Central Economics and Mathematics Institute,
Russian Academy of Sciences,
Moscow, Russia

PhD in Economics **Karine FONTANA**
Central Economics and Mathematics Institute,
Russian Academy of Sciences,
Moscow, Russia

TRANSFORMING HARMFUL OUTPUT INTO USEFUL INPUT

ABSTRACT

This paper attempts to constructively solve the problem of negative externalities in terms of turning them into positive ones by transforming the negative side effects into the harmless resources necessary for the production of the same or other useful products necessary for consumption. Harmful output, as a rule, is not a core product, but a by-product – what is commonly referred to as the term of negative externalities. The idea of this paper is simple enough: to transform harmful products into useful resources necessary for production or direct consumption.

The problem of negative side effects is solved not so much as such, but as necessary for the production and consumption of alternative resources. For example, water, being a public or quasi-public good, is at the same time a meritorious good (the demand for which on the part of economic agents does not coincide with the normative guidelines of society) (Musgrave, 1987), which, as a result of pollution, can turn into a de-meritorious good. To prevent such pollution of water, either protective mechanisms in the form of, say, government intervention / guardianship, or other ways to solve the problem of negative externalities are needed. In the case of water, it is an alternative water supply. The need for this is dictated by both economic and environmental considerations. Economic reasons are explained by the fact that traditional methods of water supply by reducing the specific consumption of water resources and/or reducing water losses during transportation in water supply and drainage systems (including through reconstruction and modernization of water supply and sewage facilities), reconstruction of various kinds of systems, including irrigation, at present are insufficient. Environmental reasons do not need to be clarified at all, since the problem of negative externalities exists as much as economic science. It is important to underline, that a transition to alternative methods of water supply is necessary, which are based, in particular, on wastewater treatment and reuse of purified water (Fontana, Fontana, 2016). It is one of the alternative sources of water in regions with limited water resources, in addition it is an effective way to mitigate water stress and solve a number of environmental problems associated with the pollution of natural water resources.

A feature of this approach is that alternative water supply, energy supply, etc., can compensate for the shortage of water, energy, etc., where it is possible to implement technologically and institutionally and where it is advisable to implement it from an economic point of view. The technological solutions concern technical methods, such as

wastewater treatment and their repeated or better regular reuse, as it is practiced in the circular economy, the institutional ones affect solutions that can be divided into three types from a theoretical and methodological point of view: government intervention (practiced in a situation of "market failures"); a Coasen solution (involving market contracting between producers and consumers of negative externalities); a hybrid way of problem solving (combining the market efforts of the parties involved and non-market activities of organizations interested in the public good).

The alternatively produced resources of water, energy, etc., are in this case not general assets, but specialized ones. This means that we are not interested in waste as such, the solution of which is a separate global task, but in waste that can be transformed by relatively local efforts. That is why we are talking about them as specific (by location) assets (resources). In fact, an internalized solution is proposed, without resorting to state guardianship, in other words, a local solution, in which the participants are potential producers and consumers of resources. In a sense, this decision can be considered based on an extended interpretation of Coase's theorem: stakeholders who can agree without significant transaction costs of interaction and without special legal delays can achieve a Pareto optimal result (Yerznkyan, 2012). Of course, it is difficult to do this nationwide, but on a local scale – taking into account the specificity of assets by location – it is possible. The appeal to the alternative can be caused by various reasons. For example, countries that do not have their own traditional resources or have a limited amount of them will try to make up for their absence or shortage by resorting to alternative methods of generating them.

The approach considered in the paper opens the way to a circular economy, which serves to represent a type of economy based on the use of renewable resources, say, water, energy, etc., in this sense, contrasted with the traditional, linear economy based on the creation, use and disposal of them. A detailed analysis and identification of the emergence and development of the circular economy in the sphere of innovation-driven water supply oriented to the sustainable development of urban economy is considered. In the situation with water, the circular nature of the economy is manifested in the waste water reuse. Barriers to the implementation of its principles in Russia are: lack of incentives for the introduction of innovative technologies and methods of water supply; inadequate local conditions and technological solutions institutional support for wastewater water reuse; weak linkage of the policy pursued by the city (municipal) authorities with the essence of specific problems of water reuse, etc.

KEYWORDS: input, output, negative externalities, technological and institutional solutions, water reuse.

