

**Facta
Universitatis,
Series:
Economics and
Organization**

an open access
peer-reviewed
international journal
published by the
University of Niš
(Republic of
Serbia). The Journal
publishes papers in
the field of
Economics and
Organization in 4
issues per year
since 1993.

The Journal is
indexed in the
following databases:
EconLit, DOAJ,
ERIH PLUS, Index
Copernicus
International,
CEEOL, EconBiz,
SCIndex (Serbian
Citation Index),
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International Scientific Conference *Sustainable Finance, Insurance and Reporting: Principles, Practices and Challenges*

Considering the importance of Sustainable Finance, which has become an anchor of sustainability in the EU's financial regulatory framework, the International Scientific Conference organized by the University of Niš was focused on principles, practices and challenges in Sustainable Finance, Insurance and Reporting.

Sustainability is no longer just an issue managed by the social responsibility departments of individual companies. It became a part of the core business of entire industries. Due to its strong influence, Sustainable Finance is assumed to play a central role in introducing sustainability standards across the board. At the same time, investors, especially institutional investors, increasingly require a broader range of information that go beyond the framework of traditional financial reporting in order to link companies' strategy, governance, environmental and social performances to their long-term competitive advantage and value creation.

The conference was held online, due to the Covid-19 situation, on May 24th. The conference brought together 42 scholars from seven countries and eleven universities. Academics from Austria, India, Netherlands, North Macedonia, Romania, Slovenia and Serbia presented 18 papers that were focused on Sustainable Finance and Corporate Governance, Insurance for Inclusive and Sustainable Growth and the Future of Corporate Reporting in a Sustainable Economy.

A keynote speaker was Dr. Stefan O. Grbenic, Assistant Professor at the Institute of Business Economics and Industrial Sociology at Graz University of Technology. He presented a research on the carbon beta estimation using a multifactor model framework and value creation through carbon risk reduction.

Following a double-blind peer review, selected papers from the Conference will be published in a special issue of the journal *Facta Universitatis, Series: Economics and Organization* (FU Econ Org), published by the University of Niš.

The Role of a New Accounting Paradigm in Sustainable Development



Dr. Ivana Medved

currently holds an assistant professor position at the Faculty of Economics in Subotica, University of Novi Sad. At the Department of Finance and Accounting she teaches courses in Management Accounting, Accounting of financial organizations and the public sector and Controlling at the undergraduate level of studies, and Public Sector Accounting at the graduate level of studies.

At the existing level of economic development, the economic activities of business entities often exceed the limits of sustainability of ecological systems. Therefore, it is necessary to control economic activities in line with the sustainable development principles and to establish systems of records and reporting on environmental aspects, both at the levels of business entities and national economy. Increasing environmental issues are the result of human awareness and irresponsibility towards their own future, as well as the orientation towards personal well-being. The degree of impact on the environment is directly conditioned by the business activity performed by business entities. The processing industry is mostly oriented towards the use of natural resources. It would be wrong to conclude that business entities outside the processing industry do not exert a detrimental effect on the environment. The only difference is in the level of damage they generate. All business entities have an impact on the environment, to a greater or lesser extent. Therefore, a number of measures should be taken in order to preserve and protect the environment, since this is an important prerequisite for sustainable development. One of these measures is the development of a new accounting paradigm, often called environmental accounting. The new accounting paradigm has emerged from environmental management, a relatively new branch that has developed within management and is oriented towards environmental protection. Accounting has historically observed natural resources in terms of ownership, asset classification, initial recognition and subsequent valuation. The development of a new accounting paradigm was conditioned by these reasons. Environmental accounting arose as a need to assess the environmental value of natural resources, to adequately cover them in the business books and present them in the financial statements of a business entity. In this way, environmental

accounting indirectly contributes to the preservation of the environment and sustainable development. Environmentally responsible business entities should, in addition to their regular financial reports, compile the so-called A Report on Environmental Protection, which would include those activities aimed at the environment. This would imply the development of a special accounting paradigm within traditional accounting, i.e. green accounting. Green accounting should contribute to a completely new approach of business entities to the environment, which will increase their social responsibility towards the environment, predominantly the preservation and protection of the environment. Environmental financial reporting is still not mandatory in all countries, although it is a goal to be accomplished. Furthermore, there is no standardized form of reporting. Financial statements do not usually provide adequate and organized data on costs aimed at preserving the environment. Therefore, there is a need in modern business conditions for compiling additional financial reports, the so-called environmental efficiency balance sheets (environmental income statements) that should reflect the benefits that a business entity has had in its business on the basis of raising environmental awareness and increasing the environmental efficiency of its business.

The new accounting paradigm in Serbia is still in the formative stages, which is not surprising considering the situation in the industry sector and its biggest polluters. Apparently, Serbian industry has a long way to go to meet all the environmental requirements, but it should first complete the reconstruction and reengineering processes. The process of pollution reduction needs to be approached in a systematic and planned manner, which includes the replacement of old plants, the introduction of new technological operations and procedures, all with the aim of preserving the environment and human health.

Roundtable discussion

Keynote speakers



EYE ON IT

Innovation Trends and Sustainability Practices in Insurance Industry

Digital revolution and demands for sustainability are the most important determinants of the economic development in the last years. Considering a miscellaneous role of insurance industry in the society, its engagement in sustainability issues can be considered as a milestone in achieving a sustainable financial system and, moreover, a sustainable economic development. The Principles for Sustainable Insurance that are launched at the 2012 UN Conference on Sustainable Development are a framework for the global insurance industry to address environmental, social and economic risks and further straighten the initiative to build a green economy. Implementation of ICT in insurance can have numerous benefits, such as expansion of scope and reducing the cost of risk pooling, as well as novel risk insights. Moreover, included in multi-stakeholder and policy and regulatory actions, insurance companies may utilize its potential for the purpose of achieving sustainable development.

Some of the most important topics on sustainable insurance and tech trends in insurance industry are discussed at the roundtable organized by the University of Niš, such as:

- Innovative insurance products and how to narrow the protection gap
- Digital transformation in insurance industry
- Sustainable insurance - the current trend at EU level



Professor Karel Van Hulle

lectures at the Economics and Business Faculty of the KU Leuven and at the Economics Faculty of the Goethe University in Frankfurt where he is attached to the International Centre for Insurance Regulation (ICIR). He is a member of the Public Interest Oversight Board and of the Board of the Bermuda Monetary Authority.

He served as head of insurance and pensions at the European Commission until March 2013, where he was responsible for the development of Solvency II. In that capacity, he represented the EC within EIOPA and was a member of the technical committee of the IAIS.



Gorazd Čibej, LL.M

has been the Director of the Insurance Supervision Agency of Slovenia (AZN) since January 2018 and since November 2017, he has also been President of the Council of Experts of AZN. He is a member of the Board of Supervisors of the European Insurance and Occupational Pensions Authority (EIOPA) and has also been appointed as a substitute member of the Mediation Panel.

He is a regional coordinator for the CEET region within the Executive Committee of the IAIS.

Since 2019 he has also been a member of the Council of Securities Market Agency of Slovenia.



Michael Brandstetter

is Manager of EU and International Affairs at the Austrian Insurance Association (VVO) based in Vienna. He is responsible for VVO's relations with EU institutions and the insurance markets in Central, Eastern and Southeastern Europe (CESEE). He joined the VVO in 2014.

Before joining the VVO Michael was from 2008 until 2014 advisor at the EU-office of the Austrian Federal Economic Chamber (WKO) at the Austrian Permanent Representation to the EU in Brussels and responsible for financial services, trade policy, tax policy and foreign trade promotion.



Dunav Insurance Company

Dunav Insurance Company is the leader on the Serbian insurance market with a wide range of more than 180 services and total market share of 27%. It is the company that boasts the longest tradition and experience in life assurance business in Serbia, and the growth of more than 20% recorded in the past two year.

Dunav Insurance Company has always looked for the opportunities to become a partner in the projects designed for the youth and everyone in need.

Source:
<https://www.dunav.com/en/about-us/company/>

Upcoming Events

- **Ursula von der Leyen answers questions about the Green Deal.**

The event is organized by the School of Transnational Governance and offers possibility to participants to pose questions to European Green Deal Special Advisor **Kurt Vandenberghe** via the YouTube chat.

More info: <https://live-eui.cloud.contensis.com/events?fbclid=IwAR2cUaiVMc-3jmFy9zVVyCixbWh-lqFoCJaQhSWnNIMPJRZpYvKd4EzWNew&id=540519>



- **The 9th World Sustainability Forum**

September 2021 marks the sesquianniversary of much of the world entering into various forms of lockdown or pandemic management as well as the 6th anniversary of the 2030 Agenda for Sustainable Development and the UN Sustainable Development Goals. In the 9th World Sustainability Forum, all aspects of these new and evolving relationships and their impact on sustainability will be considered. Following the initiative in WSF 2020 of making an event on sustainability more sustainable, the 9th World Sustainability Forum will be an online global event and registration is free of charge.

More info: <https://wsf-9.sciforum.net/#program>



- **Competition for the best student papers on the EU**

The Ministry of European Integration of the Republic of Serbia is announcing a competition for the best individual student papers on Serbia's European integration and EU accession process. The aim of this competition is to directly involve young academic citizens in an open argumentative debate on important aspects of the accession process and membership of the Republic of Serbia in the European Union.

More info: <https://www.mei.gov.rs/srp/vesti/2364/detaljnije/w0/raspisan-konkurs-za-izbor-naiboljih-studentskih-radova-o-eu/>



With the support of the
Erasmus+ Programme
of the European Union



The European Commission's support for the production of this publication does not constitute an endorsement of the contents, which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

Erasmus+ Programme

Jean Monnet Activities
 Jean Monnet Academic Modules
 Project Reference:
611831-EPP-1-2019-1-RS-EPPJMO-MODULE