

SECOND SIX-MONTH REPORT ON THE IMPLEMENTATION OF WORK PACKAGE 2

Basic activities during the implementation of Work Package 2 are aligned with its basic outcomes:

D2.2. Report: Circular Economy in EU Development Strategies (M17)

During the field research, it was established that there is a relatively low level of knowledge of the basic concepts that are the subject of the project (sustainable development, European strategies, circular economy), and the project team adopts the proposal to publish the mentioned material in the form of *an educational-informative brochure*. The brochure was designed in a way adapted to the respondents and the wider community in rural areas, where the project is focused.

Member of the project team responsible for the preparation and printing of the brochure:
Prof. Dr. Simonida Vukadinović

The brochure was prepared according to the project plan in September 2023 (M6), printed and distributed at the project promotion points. In addition, it was presented at the First Round Table held on November 23, 2023 in Vrdnik:

<https://www.educirc.rs/radni-paketi/>

D.2.3. Monograph: Circular economy in the creation of a new economic identity of the Republic of Serbia (M18)

It was established that the name and possible content of this monograph largely coincides with the monograph that is the result of Work Package 3. Bearing in mind the above, as well as the fact that the basics of economic development are mostly unknown to the target group of respondents and residents of rural areas (which was irrefutably established during surveying respondents) the project team adopts the proposal **to make a change** and to prepare and publish a monograph entitled: "Policy of economic development", with a chapter that will clarify the place and role of the circular economy in the policy of economic development of society.

JUSTIFICATION OF THE CHANGE

By complying with the current regulations of the European Union concerning the Green Deal, as well as the Green Deal for the Western Balkans (which was also signed by the Republic of Serbia <file:///C:/Users/User/Documents/Downloads/Leaders%20Declaration%20on%20the%20Green%20Deal>)

[20Agenda% 20for% 20the% 20WB.pdf](#)), it is a clear fact that major changes are expected in terms of the economy model.

The traditional linear model of the economy is replaced by a circular one - which is a big change, which is at the very beginning in the Republic of Serbia. I spoke about this in more detail on RTV Vojvodina on February 25, 2024:

<https://www.educirc.rs/prikaz-rezultata-terenskog-istrazivanja-u-ruralnim-sredinama-republike-srbije-u-emisiji-brazde-na-rtv-vojvodina/>

Bearing the above in mind, it is extremely necessary to conceive a monograph that will contribute to laying the foundations for the mentioned change in the Serbian economic identity, which is the name and comprehensive goal of the project.

The composition of the monographic part consists of an analysis of conventional and modern policies of economic development at the national and local level. Emphasis is placed on the current stage of economic development, characterized by the growing importance of knowledge and innovation in the production process and the imperative of building a green economy, which, among other things, implies the transition from a linear to a circular production model.

Today, the dominant linear model of production is unsustainable in the long term, since the available natural resources are of a limited nature. The linear model of production contributes to the increase in the emission of harmful gases, the growth of pollution of soil, water, barren land and waste generated by industrial production and agriculture, construction, as well as the dominant forms of consumer culture and the existing way of life. That is why it is extremely important to switch to a circular economy, a production model that involves the sustainable consumption of available natural resources, as well as their processing and shaping into final products or semi-products in a sustainable way.

After the description of the development aspects of standard economic policies embodied in monetary and fiscal policy, special attention in the monograph is devoted to looking at the development dimensions of innovation policy, local and rural development policy. In the monograph, the essential importance of the policy of sustainable development and the imperative of building a green economy with reference to the place of the circular economy model in achieving the goals of the sustainable development are highlighted in the monograph.

The concept of a circular economy focuses on a model of production and consumption that implies less use of limited natural resources, more efficient management of waste as a raw material, and reduction of pollution to a minimum. The economy plays a key role in the process of building a circular economy through the application of new production and business models. The state plays a supporting, and often initiating, role in the process of transition to a circular economy.

The concept of circular economy is particularly applicable in the rural sector. The transition of the traditional rural economy to the modern rural economy implies the mass application of the circular model of production as a qualitatively new pattern of production and consumption in the rural

sector. Such a method of production is inextricably linked with the process of modernization of rural societies, which leads to the formation of a new identity of the population of rural areas.

Bearing in mind the fact that the inhabitants of a younger age are, as a rule, the most significant initiators of the changes in the economy and society so far, it is logical that they should also be the main actors of the transition towards a circular economy in general, and especially in the rural sector of the Republic of Serbia. By accepting a kind of circular challenge by producers in the rural sector who apply the principles of circular economy and sustainable development in their business, it serves to preserve the environment and show the widest concern for the social community.

Team member responsible for the preparation of D2.3. Monograph: Policy of Economic Development (M18): Prof. Dr. Andrea Andrejević Panić. A draft of the contents of the monograph was prepared and adopted.

D.2.4. Monograph: Circular economy as a driver for youth empowerment in rural areas (M19)

The monograph largely coincides with the materials prepared for young people in other work packages, and the results of the research during the project indicated the need to make a *change* in the form of a replacement for a much more useful and usable outcome:

"Prediction model for assessing the capacity of the Serbian economy for circularity", with the associated Guide for use.

The focus of the research is rural areas and agriculture, but the mentioned Model can also be applied to other sectors of the economy of the Republic of Serbia.

The envisaged Model is of an innovative character.

JUSTIFICATION OF THE CHANGE

During theoretical and field research, a low degree of familiarity with the possibilities offered by modern information technologies was observed in terms of modeling changes that are in the phase of forecasting and assessing their applicability, as well as the consequences that the said change would have.

The introduction of the circular economy concept into the Serbian economy is a complete novelty. On the other hand, the application of information technologies enables modeling that takes into account a high degree of uncertainty - which is the reality of the Serbian and world economy. The introduction of complex changes (which the circular economy certainly is) requires previous analyzes and scenario modeling, in order to see all the effects that the implementation of said change could have in the short, medium and long term.

Modeling of this type has never been done for the Republic of Serbia, and will be carried out with the help of experts of various profiles. The interest of colleagues from other universities to

participate in the development of the mentioned methodology is great, with the expressed interest of the representatives of the competent ministries and the provincial administration.

The project approved the purchase of analytical software that will be tested and used for this purpose, and selected members of the project team attended training provided by the software manufacturer.

The project team believes that the *Prediction Model* represents an innovative result of the project, which aroused interest even before the start of the project implementation. Namely, during the presentation of the project before the panel of reviewers at the Fund for Science, it was noticed that this project result aroused special interest of the reviewers.

The creation of the *Prediction Model* was announced during each promotion of the project, as well as at a gathering attended by Prof. Dr. Radovn Pejanović, who also expressed interest in being familiar with activities in this area.

It is envisaged that the *Prediction Model* will be used primarily by decision-makers at the level of local self-governments, provinces and the Republic of Serbia, so that they can assess the effects of making certain decisions in the area of transition to a circular economy model, before implementing them.

It indicates the sequence of project activities related to the new project result:

Software was purchased to create the *Prediction Model* (M2).

Training in using the modeling software was in M3.

The analysis of the variables that influence the modeling is done from M4-M12 (scientific papers are accordingly conceived in the published).

The field research required for the creation of the *Prediction Model* was completed in M12.

The development of the *Prediction Model* with the User Guide is planned by the end of M18.

Testing of the *Prediction Model with a User Guide* and Presentation is planned after M18, until the end of the project and beyond, with improvements.

The said *Prediction model* will further serve for the preparation of D 4.9. Elaborate: Circular Economy Knowledge Center (M24), as well as for the work of the Center after the end of the project.

Member of the project team in charge of the development of the "Prediction model for assessing the capacity of the Serbian economy for circularity", with the accompanying User Guide: Prof. Dr. Mirjana Radovanović.

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