

III International Science Conference SER 2020

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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



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15:40 - 15:50	<p style="text-align: center;">BEHAVIORAL BARRIERS OF CLIMATE CHANGE MITIGATION IN HOUSEHOLDS</p> <p style="text-align: center;"><i>Gintare STANKUNIENE</i>, Lithuanian Energy Institute</p>
15:50 -16:00	Sweet, tea, coffee, seasonal fruits
16:00 - 16:10	<p style="text-align: center;">IMPACT OF SYSTEMIC RISKS ON SOCIOECONOMIC COUNTRY DEVELOPMENT</p> <p style="text-align: center;">Professor <i>Tetiana VASILYEVA</i>, Sumy State University, Ukraine & Ph.D. researcher <i>Pavlo KOSTETSKYI</i>, Sumy State University, Ukraine</p>
16:10 - 16:20	<p style="text-align: center;">MODERN INDUSTRIALIZATION AND MODELS OF TECHNOLOGICAL DEVELOPMENT</p> <p style="text-align: center;">Professor <i>Oleg Sergeevich SUKHAREV</i>, Chief Researcher, Institute of Economics, Russian Academy of Sciences, Moscow, Russia</p>
16:20 - 16:30	<p style="text-align: center;">SMART ENERGY-MODERNIZATION TRANSFORMATIONS IN UKRAINE</p> <p style="text-align: center;">Associate Professor <i>Svitlana KOLOSOK</i>, Sumy State University, Ukraine</p>
16:30 - 16:40	<p style="text-align: center;">BUSINESS CLUSTERS' CONVERSION TO BLOCKCHAINS AND DEVELOPMENT OF SUSTAINABLE PRODUCTS</p> <p style="text-align: center;">Associate Professor <i>Mantas SVAZAS</i>, Kaunas University of Technology, Lithuania, <i>Valentinas NAVICKAS</i>, Kaunas University of Technology, Lithuania & Associate Professor <i>Marcin RABE</i>, University of Szczecin, Poland</p>
16:40 – 16:50	<p style="text-align: center;">QUASI-ORIGINAL THEORETICAL APPROACHES AS A NEW TREND IN ECONOMIC THEORY</p> <p style="text-align: center;"><i>Milica DELIBASIC</i>, Assistant Professor, University Mediterranean, Faculty of Business Studies, Podgorica, Montenegro, University of of Adriatic Bar, Faculty for Metiterranean Business Studies Tivat, Montenegro</p>
16:50 – 17:00	<p style="text-align: center;">CAUSALITY BETWEEN SYSTEMIC RISK AND REAL ECONOMY DEVELOPMENT IN UKRAINE</p> <p style="text-align: center;">Associate Professor <i>Victoria BOZHENKO</i>, Sumy State University, Ukraine <i>Anastasia KIRILIEVA</i>, Sumy State University, Ukraine & Professor <i>Tetyana VASILYEVA</i>, Sumy State University, Ukraine</p>
17:00 – 17:10	<p style="text-align: center;">DYNAMIC ECONOMETRIC MODEL OF PUBLIC TRUST IN THE FINANCIAL SECTOR</p> <p style="text-align: center;">Associate Professor <i>Maryna BRYCHKO</i>, Sumy State University, Ukraine</p>
17:10 – 17:20	<p style="text-align: center;">SYSTEMIC RISK IMPACT ON THE SOCIO-ECONOMIC DEVELOPMENT OF THE COUNTRY</p> <p style="text-align: center;">Associate Professor <i>Anton BOYKO</i>, Sumy State University, Ukraine, Associate Professor <i>Victoria BOZHENKO</i>, Sumy State University, Ukraine & <i>Victoria RADKO</i>, Sumy State University, Ukraine</p>
17:20 – 17:30	<p style="text-align: center;">ASSESSMENT OF AGRICULTURAL PRODUCTIVITY WITH UNDESIRABLE OUTPUTS</p> <p style="text-align: center;"><i>Justas STREIMIKIS</i>, Lithuanian Institute of Agrarian Economics</p>
17:30 – 17:40	<p style="text-align: center;">FOREIGN DIRECT INVESTMENT, TOURISM, ECONOMIC GROWTH AND TRADE: PANEL VECTOR AUTO REGRESSION (VAR) MODEL</p> <p style="text-align: center;"><i>Jelena PEROVIC</i>, professor, Faculty of Economics and Business, Mediterranean University, Podgorica Montenegro & <i>Milica RAICEVIC</i>, MSc, Faculty of Economics and</p>

DYNAMIC ECONOMETRIC MODEL OF PUBLIC TRUST IN THE FINANCIAL SECTOR

ABSTRACT

Trust has long been a question of great interest in a wide range of fields. Recently, a considerable literature has grown up around the theme of public trust in the financial sector due to its relevance to the real sector development and growth. Various socio-economic events encourage economic agents to implement or terminate credit and deposit relations with financial corporations. Thus, the stability of the economic environment for a long time encourages economic agents to entrust their own financial resources to the financial system. In the opposite extreme, adverse events of the current or previous periods, in particular, the devaluation of the national currency, a large number of bankrupt financial institutions, high court costs for the return of own funds from liquidated banks, leads to the formation of funds in national or foreign currency outside the centralized financial sector and therefore demonstrates the erosion of public trust in it.

The purpose of this paper was to develop a dynamic econometric model of public trust in the financial sector of the economy, which allows taking into account the lag of consumer investment decisions of economic agents in the financial market, formed under the influence of socio-economic events, and previously achieved levels of trust in the financial sector.

It was shown that level of public trust in the financial sector of the economy is not a permanent category, and therefore depends on the magnitude of unexpected economic and financial upheavals of economic agents due to adverse social and economic events. Thus, the level of public trust of the current period depends on the level of public trust in the financial sector of the economy of previous periods. This means that the current level of public trust in the financial sector of the economy depends on the number of financial losses due to the negative impact of the global financial and economic injustices and imbalances that economic agents were suffering at the national and international levels, which enabled it to form a corresponding level of trust or distrust in the financial sector.

KEYWORDS: public trust, distrust, financial sector, financial imbalances, economic agents.

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