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PART I: ACTUAL ISSUES IN MODERN PEDAGOGY

JEL: A29

PARADIGMS OF MULTICULTURAL PEDAGOGICS AND POSTMODERN ETHNO-CULTURAL DISCOURSE OF EDUCATION

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Abstract: *Problems of multicultural pedagogics' main paradigms and postmodern ethno-cultural discourse of education are discussed in our article based on analysis of works of prominent American representatives in this field. In author's opinion, postmodern ethno-cultural discourse of education shows a number of difficulties and contradictions of multicultural pedagogics, on the background of which the role and importance of traditional, i.e. classical pedagogics that has survived the centuries and has been stayed eternally new increase even more.*

Keywords: *multiethnic and global education, assimilation, pluralization, race discrimination, internationalization, globalization, education and identity, language and educational policy, poly-cultural approach*

INTRODUCTION

Recent intrusion of reformist thinking into the educational system is one of the components of globalized processes. Nowadays, world striving for transition to the unifying educational system is increasing more and more. Not only economy and politics, but also knowledge becomes universal in the world. In this situation, small countries should be more cautious, as the mechanical and thoughtless bringing in of various educational practices and pedagogics will not be useful. Thus, so-called multicultural educational practices should be subjects of particular attention.

Ethnic problems of education are special consideration in postmodern society that, obviously, is not accidental. In the opinion of Western sociologists, the rise of regional nationalism and various movements of minority defenders characterize XXI century. It is a fact that the number of different social movements raise, e.g. various minorities, feminists, ecologists, homosexuals, anti-globalists etc. They increase every day in the world. Each of them opposes the "consumer culture" of a society that equalizes and de-individualizes a person. The educational phenomenon of poly-culturalism is the part of the global movement and feature of postmodern educational discourse. Similar problem becomes the component of postmodern discourse of education and acquires actuality.

MATERIALS AND METHODS

During theoretical and sociological study of abovementioned problem authors of the article use the method of logical analysis. Research is based upon the primary

scientific sources (J. Banks, C. Camilleri, K. Mayer, P. Erni, G. Gillborn, K. Mullard, D. Williams) and secondary sources existing on the theoretical problem under study.

RESEARCH RESULTS

At the beginning of 1970s American educational space worked over the problems of racial, cultural and linguistic differences, having assimilated them in the vast "American pot". Sociological researches of that time showed, that teaching reduced racial differences. Discrediting of the assimilation idea took place at schools. Later the idea of studying of those cultural differences and ethnic groups emerged which not only did not lose themselves in common national space, but even perfected their cultural traditions. Thus, the necessity of cultural peculiarities supporting of students arose. Cultural movements of 1960-1970s in US are fighting for civil rights, women movements, pacifistic campaigns and many others. They were mainly related to these processes.

Since 1990-s poly-culturalism has become popular in US schools. Researches have shown that American schoolchildren are distinguished from the pupils of the rest of the world by their low academic grades in mathematics and natural sciences. School lags far behind national requirements, as it pays much attention to small cultural entities and is less interested in instillation of European values among schoolchildren. Teaching of serious disciplines is very weak, skills necessary for elementary writing and reading are insufficient, the same it is possible to say about foreign languages. Research has shown that it could be the results of the multicultural pedagogics. This situation causes serious anxiety in representatives of business sphere. Educational crisis negatively affects competition existing on the world market. As a result, role and importance of traditional classical pedagogics increase more and more, though multiculturalism, which is deprived of its old privileges, still remains in the center of American educational discourse. Its main features are respect of heredity and cultural values and criticism of Eurocentrism.

Multiculturalism opposes the practice of totalitarianism. Educational problems of ethnic minorities are analyzed in Camilleri's work "Cultural anthropology and education". According to the author, immigrants moving to the West come across subculture associated with privileged classes in the West, where immigrants cannot get in. As a result, some specific problems and contradictions appear which were given first attention in America, were expressed in the research of life style and value orientation of large groups of immigrants. Besides, special features (physical, intellectual, psychological) were, i.e. representatives of other ethnic groups were taken into account as well. E.g. the studying tasks, which unite auditory, visual and motor activities, will be desirable for Afro-American students, whereas discussing math problems that does not require motor activity, can be characteristic of Euro-American students. Representatives of Hispanic minorities also did not go unheeded. Teachers were occupied by studying such peculiarities of Mexicans as identification with family, ethnic communities, certain roles and statutes, Catholic ideology and personalization of interpersonal relations (Camilleri, 1986). Majority of "Third world" countries come across the problems associated with interrelation of

educational and cultural changes, e.g. those countries of Latin America, which are considered developing and distinguishing with their loyalty towards Western civilization. Local Indians are still marginalized in this matter. Culture and dominating educational system in Latin America are submitted to double series of influence:

- 1) Western and indigenous cultures are characterized by equal significance;
- 2) In social reality, statute of ethnic communities carrying the indigenous culture is very low and it is facilitated by the existing educational system (e.g. Mayer's studies were directed to the inclusion of ethnic minorities, living in the South of Brazil, into intercultural educational discourse).

The problem of dialogue of Euro-American global culture and local ethnic cultures has not still been resolved in educational policies of many countries. There is an opinion in postmodern discourse, that school education is conducive to distortion of ethnic inequality. Representatives of this direction see solution of this problem in the openness of educational system. In this respect, Japan has an exemplary educational system. Japanese educational concept places particular emphasis on high professional (technical) education, which is integrated organically with traditional, national and religious ideology. Japan spent a lot of effort to get high effect in educational sphere that was conditioned by rejection of clan system of social mobility.

Erni analyzed experiments conducted in Africa in the context of ethno-cultural problems of education. However, these experiments were far from the desired results. In this case, educational reforms carried out in Guinea in 1959 and Mali in 1962, as well as the introduction of special educational and cognitive channels in Kenya and Tanzania are implied. Based on the analysis of a number of documentary materials, the researcher concluded that educational institution and socio-economic factors did not correspond to each other, moreover, the reform did not envisage ethno-cultural peculiarities of the local African tribes. Erni's research showed that African schools were encouraging mechanisms of segregation. Researcher sees a way out of the situation in the rejection of the European model. These people need not European education, but the educational system appropriate for their culture and traditions, their everyday mode of life. Thought and care for European education is possible only after that.

Gillborn drew particular attention to the educational problems of multinational English schools in his book "Race, Ethnicity and Education: Teaching and Learning in Multi-Ethnic Schools". He notes that educational program became the subject of sharp discussions at the end of 1980s and beginning of 1990s, e.g. the question of so-called universal curriculum that should envisage peculiarities of polyethnic culture was controversial (Gillborn, 1990).

In 1970s the course "Of studying black people" was introduced in some schools, which was aimed at solving the problem of low self-estimation of Afro-Caribbeans, which, for its part, was considered reason of the low academic progress of black pupils; in addition, this course was taught by teachers-representatives of ethnic minorities. However, the matter was not settled. Similar attempts sharply posed the question of the essence and, generally, possibility of multicultural education.

Banks positively estimates policy of assimilation of different ethnic minorities

by means of education, as he considers that it is not just assimilation, but in this case, any representative of ethnic minorities receives equal opportunities for education and carrier promotion (Banks, 1994).

Mullard is also not indifferent towards antiracist educational programs. In this case, he means educational program oriented to the culture preservation of minorities, but it should be noted that the creation of universal curriculum, acceptable for all remains an acute problem. Diversity of opinions, accompanying the discussion of this question, was clearly reflected in the fact that took place in Manchester school, when black pupil was brought to the death by his white schoolmate.

Williams had attempts of systematization of similar discussions. He created the following typology, taking into account three mutually opposed situations:

1) *Technicist*, based on the idea of compensation and reflected in the program, which comprises necessity of "correctional labor" and knowledge of English as the second language;

2) *Moral*, based on the human-centered pedagogic idea and considers debates on contentious issues as a means of nullifying the ideas of anti-discrimination;

3) *Socio-politic*, based on modeling of pluralistic society, where various ethnic groups are in equal conditions in all respects.

Cohen & Manion worked out "Ideal educational program". Stereotypes of exotic, backward pupils are not reflected in its content, as well as western evaluations of other cultures, in this case, British culture. One more researcher of education, Brandt pays attention to the educational program built on anti-racist principles. In this case, he attaches great importance to the hidden program. In the result of researches, following principles of organization of educational program have been developed:

- Diversity of the cultural, ethnic and social groups of the world should be reflected in examples, stories, communications and information.

- Representatives of cultural, ethnic and social groups of the world should be represented and discussed as individuals, who possess international value orientations, common to all mankind.

- Diversity of cultures should be conveyed by terms characteristic of them. We should avoid their "ethno-centrist" or "Euro-centrist" estimations.

- Educational program should contain correct information on racial and cultural similarity and diversity.

- Educational program should give any pupil an opportunity to perceive cultural diversity of society positively.

- Problem of racism should be open for correction on both the individual and institutional levels.

Banks considered in detail abovementioned question in his book "Multiethnic education". Unlike the works of other researchers, his book concerns students. He suggested his own version of perception of multicultural world by students, which consists of six main stages (Banks, 1994):

I stage. Students are satisfied with their ethnic identity; that is why finding of interdisciplinary and humanitarian approaches for the further development of ethnic consciousness is obligatory.

II stage. Students realize their ethnic identity and feel hostility towards other outsider groups; that is why a teacher should help them to overcome negative attitudes towards other ethnic groups.

III stage. Students should objectively evaluate their ethnic identity and make right conclusions.

IV stage. Students need help to understand well the values and behavior manners of other ethnic groups.

V stage. Students should study live in polyethnic and global social environment.

VI stage. In this case, students get three – ethnic, national and global – levels of identification.

In Banks' opinion, multiethnic and global education got its own problems, such as the question of collision of global and national educational aims; the problem of correlation of identification levels etc. In identification, sociologist envisages socio-psychological process of adaptation of values, standards, expectations and roles by the person. Identification of person with certain groups means internalization of social roles and interests. In accordance with it, student experiences family, racial, ethnic and other formal or informal identifications. This is evolutionary, dynamic and not static process. During socialization, students experience identification with different groups (Banks, 1994).

I stage is ethnically closed. In this case, student evaluates his/her own ethnic identity and feels discord towards dominant culture.

II stage is ethnically open. At this stage, the student is ethnocentric. Members of outsider ethnic group are fanatics and extremists for him.

III stage is stable ethnic identity. In this case, the student is tolerant towards other ethnic groups. He is able to overcome conflict psychology, understands his own identity and identity of others.

IV stage is bi-ethnic. Student attaches equal importance to his ethnic identity and ethnic identity of others, i.e. he acquires necessity of acting within the frameworks of two ethnic cultures.

V stage is multiethnic. Student realizes the importance of various ethnic groups within the single national state. He passes from the idealizing rule of thought to the reflective one.

VI stage is globalism. The person performs internalization of universal ethnic identities.

Banks' intention is directed to globalism, which requires solving of numerous problems of relations among peoples. The stage of global identification is more important for students in the globalized conditions of knowledge and education; that is why Banks is supporter of denationalization, which we could not agree with.

Banks considered the following types of paradigms of multicultural education in his book (Banks, 1994):

- *Paradigm of ethnic appendix.* Special data have to be added to curriculums, e.g. list of ethnic events, special lessons at home, studying of biographies of ethnic heroes etc.

- *Concept of ethnic self-development.* It is oriented to such types of classes,

where contribution of ethnic groups in nation building is underlined.

- *Paradigm of cultural losses*. It is oriented to the small groups, whose cultural and cognitive deficiency is filled with special studying programs.

- *Language paradigm*. It means improvement of difficult situation of ethnic minorities with regard to knowledge of languages.

- *Racism paradigm*. Racism is considered the main educational paradigm problem. So, teachers bear the great responsibility; accordingly, special classes should be conducted for them.

- *Radical paradigm*. It is directed to the creation of environment of cultural freedom for ethnic minorities.

- *Genetic paradigm*. Because of biological characteristics, representatives of ethnic and lower social strata come across a number of educational difficulties. Therefore, they are in need of such additional classes, which put emphasis on meritocracy.

- *Paradigm of cultural pluralism*. Education should correspond to ethnic identity and tolerance. Educational programs should take into account ethnic characteristics and characteristics of other minorities.

- *Paradigm of cultural differences*. Peculiarities of multiethnic and multicultural environment must be reflected in educational program.

- *Assimilation paradigm*. It is oriented to the formation of common educational space, acceptable for all (that is hardly achievable).

All mentioned paradigms are expression of poly-cultural education, where the main problem refers mutual relations of language and educational policy. Particularly the question of language globalization in the framework of educational policy has an interest. According to Banks, the main its stages are assimilation, pluralization, internationalization and usage of dialects (Banks, 1994).

Assimilation is a stage of language policy, which acknowledges dominance of major linguistic and cultural groups within a nation. It means introduction of common language standards. Such is English language in US. Pluralization connects with recognition of cultural pluralism. In this case, different languages are presented in educational program equally. Internationalization implies multi-language curriculums. The example of it is Switzerland, where four languages are functioning. Usage of local dialects refers educational programs of those countries, which have gone through the process of decolonization.

Banks and other western representatives of educational sociology know well that language is the basic element of culture; that is why national languages always consider such educational programs as opposing them. In this case, careful and thoughtful approach should be applied. Individual ethnic groups should not be sacrificed to multiethnic education. According to foreign researchers, interdisciplinary education does not help the cause.

CONCLUSION

Finally, we should conclude that subjects of postmodern ethno-cultural discourse is limited by ethnic discrimination and international; global educational system opposes it and, in this aspect, by adoption of a number of educational programs, which are

characterized by certain shortcomings. Namely, more dominant in it is that "must be" than "is" in reality. Consequently, it is difficult to consider them as theories adequate to the real state. In spite of it, their topics are relevant.

Although postmodern educational discourse rejected existing educational practice, it could not offer something valuable. We think that educational ethno-cultural postmodern discourse shows many difficulties and contradictions of multicultural pedagogics, on the background of which the role and importance of traditional, classic pedagogics increase even more.

In our opinion, education should return to traditional system. Tradition is based on the morals, moral connects with religion and that is why religious education and upbringing should become privileged. It is impossible that traditional, national pedagogic principles were bad, because they are based on deep spirituality and esthetics, humanity and tolerance.

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JEL: A21

**TARGETED MOTIVATION OF THE FUTURE TEACHERS FOR
FORMING HEALTH-SAVING COMPETENCE OF PRESCHOOLERS
BY MEANS OF ACTIVITY**

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***Abstract:** The essence of the definitions of "motive" and "motivation" has been analyzed in the article; types, structural elements of motivation have been highlighted. The significance and stages of targeted motivation of the future teachers of preschool education institutions for forming health-saving competence of preschoolers by means of game activity have been revealed. The factors of influence of the teacher of higher education institution on the formation of the indicated motivation have been determined.*

***Keywords:** motive, motivation, future teachers, preschoolers' health-saving competence, game activity*

INTRODUCTION

The social order, put forward by the modern society to higher school in specialist's training, is manifested in the need for the formation of conscious personal motives that can guide the personality to defining the educational goals of his/her own activities and formation of internal motivation for the future sphere of professional activity. World pedagogical experience testifies that modern educational system is aimed at the education of a healthy person, who cares about his own health and health of others, seeks to lead a healthy lifestyle and form it in the younger generation. The state standard of preschool education in Ukraine directs modern teachers of preschool education at such search for means, methods and techniques of influence on pupils, which will help not only to provide health-saving information to children, but also to teach them to use it consciously in everyday life. Taking into account the fact that in preschool age the game is a leading activity of children and a decisive factor in development, it can be considered the optimum means of forming health-saving competence of preschool children, because through games takes place a primary attempt to realize what the child has learned. The solution of this problem is possible when training of the pedagogical staff for work in the system of preschool education, which will be based on targeted motivation of students to form health-saving competence of preschoolers by means of game activity, is provided.

MATERIALS AND METHODS

Theoretical basis of research were the works of the scientists: Yu. Babanskyi,

V. Bondar, H. Kruhliakova, S. Matviienko, S. Petrenko, P. Jacobson, R. Nemov, E. Iliin, L. Viatkina & L. Yaremenko, in whose studies the problem of motivation of behavior and activity is one of the central ones. The validity of the obtained results is confirmed by the use of didactic methods: theoretical generalization and abstraction, systematization, classification, specification and comparison.

RESULTS

Relevance of targeted motivation of the future teachers for forming health-saving competence of preschoolers by means of game activity is determined by dependence of the high level of training of the future specialist not only on the acquisition of health-saving knowledge and skills, but also on professional motives. In the psycho-pedagogical studies of motives and motivation, the term "motivational sphere of the personality" is often encountered. In the result of consideration of a number of positions of well-known psychologists (Vyhotskyi, Davydov, Leontiev, Mechinskyi and Rubinstein) it has been found out that motivational sphere is the driving force of human behavior, which occupies the leading place in the structure of the individual. The initial theoretical positions of our scientific search require the study of the essence of the terms "motive" and "motivation". An analysis of reference and scientific sources has shown different interpretations of the concept of "motive". In particular, according to the Ukrainian pedagogical dictionary, "motive" is a driving reason for the person's actions (something that pushes for action). The basis of the of human activity motives is his/her diverse needs. As a result of awareness and experience of the primary (born) and the secondary (material and spiritual) needs in a person appear certain incentives for action, through which these needs are met" (Honcharenko, 1997, p. 217). According to Boichuk, "deep, strong, emotionally painted and meaningful motives will ensure the effectiveness of the educational processes; become the generator of creative self-improvement of the students" (Boichuk, 2008). As Zhadlenko notes that "full moral and ethical development and self-development of a person can become a reality only if the internal source is awakened. This is what ultimately serves as the motive of activity and defines the central vector of the personality" (Zhadlenko, 2017). As we see from the explanations, the motives are conditioned by the needs and encourage and stimulate for definite activity.

Concerning the term "motivation", in the studies of Petrenko we find its justification as "a concept used to explain the sequence of behavioral actions aimed at a specific goal, which may vary depending on the situation. The concept of "motivation" includes such moments as activation, guidance and implementation of purposeful human behavior (Petrenko, 2007). Researcher P. Shavir interprets "motivation" as "a complex multi-level regulator of human life, his behavior and activities" (Shavir, 1981). A variant of positive motivation, an internal driver of a person, an incentive that forces a person to carry out any act is considered an incentive. Scientists distinguish two types of motives: situational (what will be appreciated by others: moral incentives, material reward, punishment) and personal (what needs to be done by the person himself: personal and professional goals).

Taking into account all the accents concerning the phenomena "motive" and "motivation", we agree with the opinion of Lytovchenko, who states that "the whole set of motives of behavior and activity is the basis for the motivation of the individual, which scientists consider as: a process that supports the mental human activity at a certain level at any given time" (Lytovchenko, 2008).

In the certain studies (Babanskii, 1982; Bondar, 2005; Zimniaia, 2002) we find justification of the structural elements of motivation: (1) needs as a mental state of the personality, through which regulation of behavior, orientation, controllability, thinking is realized; (2) motives that determine the direction of the activity; (3) guides that reflect the state of motivation. The set of directions generates an orientation that determines behavior of the individual.

In order to solve the problem, which is the subject of our study, it is also worth considering types of motives. There is no consensus among researchers about their classification. In particular, psychologist Jacobson introduced such classification of motives: (1) "negative" caused by the awareness of the future teachers of certain inconveniences and troubles that may arise when they don't perform the task; (2) "positive": motives related to personal interest, i.e. fulfillment of the tasks for personal well-being; motives, weighty for the personality by social aspirations (sense of duty); motives associated with satisfaction with the increase of one's own knowledge (Jacobson, 1969).

Yaremenko in the variety of educational motives distinguishes two large groups: cognitive (related to the content of educational activities and the process of its implementation) and social (related to various social interactions of the student with other people) (Yaremenko, 2014). Matviienko proposes a peculiar division of motives, emphasizing on "internal motives" (the student's inner attraction; the stimulus that forces certain actions) and "external motives" (encouragement, punishment, other types of stimulation) (Matviienko, 2014). As a result of comparison of various scientific approaches to the classification of motives, we have determined that targeted motivation of training future teachers for the formation of health-saving competence of preschoolers by means of game activity is impossible without awareness of their own internal positive motives. Therefore, we consider the search for ways of forming this motivation as a complex innovative task of modern higher school. In our opinion, its decision will be facilitated by the substantiation and introduction of factors that: (1) will motivate the activity of the future teachers; (2) will help students to realize the importance of their own knowledge and abilities in the future professional activity. In the context of our study, motivation involves the use of factors that are related to the need of students to understand deeper and comprehend the essence, content, forms and methods of forming health-saving competence of preschoolers by means of game activity and their use in pedagogical practice. In this connection, there is a need to generate an interest in the future teachers in the game activity of preschoolers, the problems of health preservation and to actualize students' health-saving consciousness (a change in their attitude towards their own health and health of others, an understanding of responsibility for their own health and health of their children; awareness of the degree of influence of the teacher's profession

on the formation of the personality of a preschool child).

Relying on the study of a number of scientists, we have generalized the factors of the influence of the teacher of a higher education institution on the formation of a positive targeted motivation: (1) Use by the teacher of methodological principle of organization of the educational process as a subject-subject interaction (position of a mutual participant in acquiring knowledge) (Kruhliakova, 2007); (2) "Dialectical thinking" of the teacher (the ability to carry out heuristic information exchange) (Zhelezovskaia & Yakushkina, 1998); (3) Broad scientific outlook of the teacher (Zhelezovskaia & Yakushkina, 1998); (4) Availability of a complex of skills: gnostic, design, constructive, communicative, organizational (Viatkin, Kapichnikova & Drizhkin, 1997); (5) Use by the teacher of methods of stimulating active learning: cognitive interest formation (cognitive games, educational discussions, analysis of life situations, creation of situations of success); methods of responsibility in education (beliefs; positive example; practical training to fulfill the requirements; condemnation); innovative methods (multimedia presentations, electronic editions, electronic tutorial, electronic encyclopedia) (Matviienko, 2014); (6) Manifestation of the active-positive style of communication between the teacher and the students, which is characterized by an emotional-positive orientation of the teacher towards students (creation of a friendly atmosphere in the class) (Danylyuk, 2014); (7) State of socio-psychological climate: satisfaction of the staff members with relations, process of activity, leadership; mood that dominates; mutual understanding of students with teachers; cohesiveness, conscious discipline; productivity of educational activity (Nemov, 1995).

In our opinion, the identified factors will positively influence upbringing of the future teachers' targeted motivation for the formation of health-saving competence of preschool children by means of game activity, as they will promote the activation of health-saving educational and cognitive activity, humanization of pedagogical interaction between teachers and students, stimulation of activity and development of reflection in students and teachers in learning a healthy lifestyle; a combination of educational and upbringing effects aimed at health-saving activity of the future teacher. An important step for our study is the stage model of the motivational process, developed by Iliin, which includes three stages (Iliin, 2000). The essence of this model is presented at *Figure 1*.

Analyzing presented stages in the model of the motivational process; we can argue that it is expedient to use it, reflecting the features of targeted motivation of training of the future teachers for the formation of health-saving competence of preschoolers by means of game activity.

In particular, the task of the first stage consists in the formation by the teachers of target-oriented need and inducement to the cognitive-search health-saving activity of the future teachers. Students, gaining in the process of educational activity certain health-saving knowledge, are aware of the need for the successful fulfillment of their professional duties related to the health preservation of children of preschool age. The urgency of the introduction of health-saving knowledge, skills and abilities of children in their daily lives contributes to the emergence of an abstract goal –

formation of health-saving competence of preschoolers.

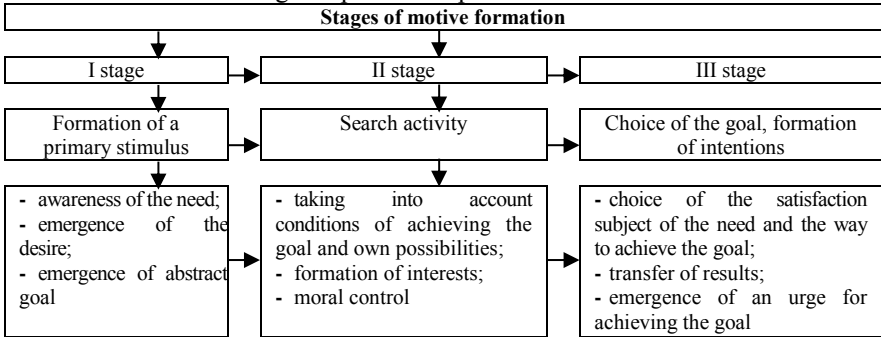


Figure 1: The stage model of the motivational process (by I. Iliin)

Source: created by I. Iliin

The essence of the second stage is to determine the subjective probability to succeed, associated with the search for a means to achieve the goal. The search activity of the future teachers involves selection of specific means of satisfying needs. Taking into account the fact that play is a leading activity of children, an effective activator and intensifier of the educational process it can become a means of forming health-saving competence of preschool children.

The third stage aims at the choice of a specific goal and formation of the desire for its achievement, which is expressed in the conscious incentive of the future teachers to form health-saving competence of preschoolers by means of game activity. Students set priorities, define the goal, develop a plan of their own activities, anticipate the results.

DISCUSSION AND CONCLUSIONS

Thus, summing up all the above mentioned, we can state that training of the future teachers for theoretical and practical activity is impossible without awareness of the motivation that is formed in the process of educational-cognitive activity. Therefore, the teachers of higher education institutions face with an important task to form the ability of students to develop their own activity purposefully, according to their own motives, which will promote its activation, optimization and improvement. In the context of the problem under investigation, it should be noted that the effectiveness of the targeted motivation of the future teachers to form preschool children's health-saving competence by means of game activity will depend on: 1) the student's own instructions, desires and efforts aimed at developing reflection in the upbringing of a healthy lifestyle; 2) search activity, which will help to understand the value of game activity in the formation of health-saving competence of children of preschool age; 3) emergence of an incentive to achieve the goal, aimed at satisfying their own and public health-saving interests.

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JEL: A22

**BERUFS- UND LERNERORIENTIERTER FREMDSPRACHEN-
ANFÄNGERUNTERRICHT FÜR WIRTSCHAFTSSTUDIERENDE**

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***Abstract:** The goal of non-linguistic university foreign language teaching is the development of action-oriented competences in the foreign language for the study time and for the professional future through university-adequate, student-oriented and career-oriented goals, methods, tasks and content. Experience in the university foreign language classroom shows that many students have little or no knowledge of the foreign language. There is a need for beginner's lessons, which should still be profession-oriented and learner-oriented. This paper presents concrete needs-, career- and learner-oriented concept for a beginner course for students of economics, based on needs analysis and multi-year implementation and evaluation in the classroom. It also presents the principle of choosing topic and content that are appropriate for each country and for each foreign language for beginner lessons at university level.*

***Keywords:** business studies, foreign language teaching, professionally, learner-oriented, needs-oriented, beginner classes, content*

EINLEITUNG

Das Ziel des studienbegleitenden Unterrichts "Deutsch als Fremdsprache" (SDU) ist die Entwicklung einer Handlungskompetenz in der Fremdsprache für die Studienzeit und für die berufliche Zukunft über handlungsorientierte, hochschuladäquate, studentenorientierte und berufsorientierte Ziele, Methoden, Aufgaben und Inhalte. "Die Studierenden stehen im Zentrum des Unterrichtsprozesses, der ihrem Ausgangsniveau und ihren Vorkenntnissen Rechnung trägt und ihre Interessen bei der Themenauswahl berücksichtigt" (Baric u. A., 2013, S. 53). Der Marktbedarf an spezifischen Fremdsprachenkenntnissen von Absolventen und die berufsorientierten Situationen für den SDU wurden über Bedarfsanalysen herausgefiltert (Cickovska, 2013). Sie beziehen sich auch auf Wirtschaftsstudierende. Der größte Teil der Situationen setzen aber schon vorhandene Fremdsprachenkenntnisse voraus.

Die Erfahrungen im SDU zeigen, dass viele Studierende keine oder geringe Fremdsprachenkenntnisse besitzen. Daraus folgt die Notwendigkeit für einen Anfängerunterricht, der trotzdem berufsorientiert und lernerorientiert ist. In diesem Beitrag wird ein konkretes bedarfs-, berufs- und lernerorientiertes Konzept für den Anfängerunterricht für Wirtschaftsstudierende mit der Wahl von Themen und Inhalten dargestellt. Das Konzept entspricht allen Studierenden, für jedes Land und für jede Fremdsprache.

LERNER- UND BEDARSORIENTIERTER STUDIENBEGLEITENDER FREMDSPRACHENUNTERRICHT

Ein handlungsorientierter SDU ist ein Unterricht, in dem die Studierenden "im Rahmen authentischer, d.h. unmittelbar realer oder lebensecht akzeptierter Situationen kommunikative Handlungen durchführen" (Bach & Timm, 2009, S. 13). Das Prinzip der Berufsbezogenheit impliziert eine Analyse des Bedarfs. Erst wenn der Bedarf ermittelt ist, kann man feststellen, ob Materialien oder Lehrwerke den Aufbau von nötigen Kompetenzen für die ermittelten Situationen berücksichtigen und aufbauen. Vorrangige übergreifende Situationen aus dem beruflichen Bereich, zu denen Studierende unterschiedlicher Fächer handlungsorientierte kommunikative Kompetenzen in Deutsch als Fremdsprache entwickeln sollen, über die Bedarfsanalysen festgestellt, sind folgende Situationen (Cickovska, 2013):

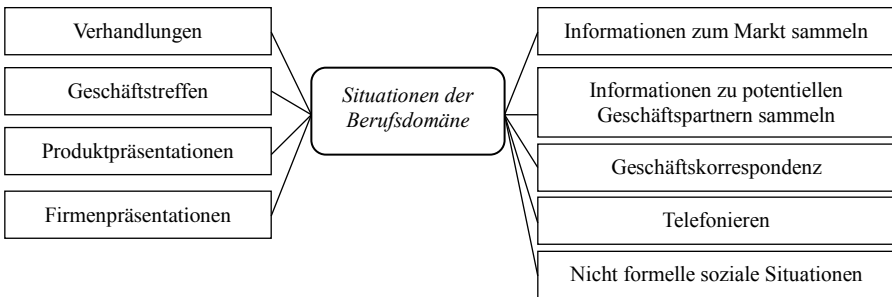


Abbildung 1: Vorrangige Situationen der Berufsdomäne für den SDU

Quelle: Cickovska, 2013

Der Aufbau eines thematisch orientierten Curriculums soll folgende Schritte berücksichtigen: die Auswahl entsprechender Themen um professionelle Kompetenz aufzubauen, die Identifikation der wichtigsten Konzepte der Inhalte, die Identifikation von Fertigkeiten und Fähigkeiten, die Strategien und zuletzt die Bestimmung und Sammlung der Materialien, mit denen man am besten jedes Konzept lehren und lernen kann (Gianelly, 1991). Die Situationen beziehen sich auf den Bedarf aus der beruflichen Zukunft zum Aufbau von professionellen Kompetenzen. Die Identifikation der Fertigkeiten ist mit dem lernerorientierten Bedarf gebunden. Die Vorkenntnisse der Studierenden und ihre Interessen müssen entsprechend zum Bedarf auch gleichzeitig berücksichtigt werden. Beide Elemente haben Einfluss auf die Wahl der Themen und Inhalte für den SDU. Die meisten ermittelten Situationen, wie Firmen- und Produktpräsentationen, Geschäftstreffen und besonders Verhandlungen, können nicht niveaurorientiert im Fremdsprachenunterricht bearbeitet werden, wenn die Studierenden keine oder wenig Fremdsprachenkenntnisse besitzen.

AUTHENTISCHE MATERIALIEN DES EIGENEN LANDES FÜR DEN STUDIENBEGLEITENDEN ANFÄNGERUNTERRICHT

Ermittelte Situationen aus der Bedarfsanalyse, die mit Anfängern vorbereitet werden können, sind nicht formelle soziale Situationen im Kontakt mit Geschäftspartnern. Gespräche beginnen, den ersten Kontakt herstellen und Gespräche

aufrechterhalten sind Situationen die im Anfängerunterricht entsprechend aufgebaut werden können. Die Frage, die sich dabei stellt sind die Themen und Inhalte, die bedarfs-, lerner- und niveaurorientiert für jede Gruppe und jedem Land entsprechend sind. Die Materialien sollen folgende Voraussetzungen, die sich auf die Lernprozesse beziehen, erfüllen: verständlicher Input; Aufmerksamkeit durch Herausuchen des Bekannten und das Bilden von Hypothesen zum kontextuell Umgebenden; Grad der aktiven Beteiligung durch Momente des Suchens; Interaktion und Output. Erst wenn sich die Lernenden bemühen, auf produktiver Ebene tätig zu werden, werden sie ihrer Sufzite oder Defizite bewusst und lernen dadurch intensiven (Timm, 2009).

Die Förderung wissensgesteuerter Verstehensprozesse geht von der Voraussetzung aus, "dass die Verstehbarkeit eines Textes zu einem wesentlichen Teil darauf beruht, dass er Wissen verspricht, das zumindest in Teilen, beim Leser schon vor der Lektüre vorhanden ist" (Stiefenhöfer, 1986, S. 300). Je mehr Wissen der Leser aktiviert, desto weniger Informationen muss er dem Text selbst entnehmen; korrekt aktiviertes Wissen macht das Verstehen zum Wiedererkennen. "Wenn die zu rezipierenden Inhalte das Wissen des Lernenden bestätigen, müssen sie nur identifiziert werden" (Autorenkollektiv, 1986, S. 265). Der Unterricht muss Neugierde und Interesse an Sachverhalten wecken, Vorwissen abrufen und organisieren.

Inhalte und Materialien zum eigenen Land erfüllen diese Voraussetzungen und sind Themen, die zum Bedarf der informellen Situationen und zum Gespräch beginnen und aufrechterhalten entsprechen. Materialien und Texte über das eigene Land ermöglichen auch die Verstehbarkeit über das Vorwissen. Die Studierenden haben schon Vorkenntnisse über die Informationen, die in solchen Texten beinhaltet sind. Ihr Weltwissen soll nur korrekt aktiviert werden und der Verstehensprozess geleitet vom Bekannten und den Kontext führt zum Entdecken neuer sprachlicher Mittel in der Fremdsprache. Die neu entdeckten sprachlichen Mittel vernetzen sich mental kontextuell mit dem weltlichen Vorwissen und können im ähnlichen Kontext zum Gespräch angewendet werden. Ein breites Spektrum an kontextualisierten sprachlichen Mitteln, wie allgemeine Informationen über ein Land, Bevölkerung, Landschaften, Sehenswürdigkeiten, Naturschönheiten, Städte werden als Grundlage zu einem Gespräch über das eigene Land und das Land des Gesprächspartners aufgebaut.

ÜBERSICHT ÜBER DEN UNTERRICHTSPROZESS

Die Effektivität der Arbeit mit authentischen Materialien zum eigenen Land mit dem Ziel Gespräche über das eigene Land und das Land des Gesprächspartners im studienbegleitenden Deutschunterricht mit Anfängern führen zu können, wurde über mehrere Jahre an der Fakultät für Tourismus und Gastgewerbe in Ohrid, Republik Makedonien, an der Fachrichtung Tourismus, Versicherungs-, Zoll- und Speditionswesen sowie an der wirtschaftswissenschaftlichen Fakultät in Prilep, Republik Makedonien im 1. Studienjahr implementiert, ausprobiert, verbessert und evaluiert. Materialien zum eigenen Land oder eine bekannte Stadt im eigenen Land können für jedes Land, je nach Muttersprache der Fremdsprachenlerner, leicht gefunden und eingesetzt werden. Voraussetzung ist, dass die Studierenden weltliche Vorkenntnisse über den Inhalt haben, was bei solchen Texten zu erwarten ist.

"Für die Informationsverarbeitung benötigt man Wissen über die Wortbedeutung, also konzeptuelles Wissen. Das Textverstehen basiert also auf Weltwissen. Durch die Aufgabenstellung, das gemeinsame Erarbeiten und Präsentieren von Ergebnissen, wird dieser Prozess direkt erfahren und kann dann in der Rezeption von Texten wieder als Wissen und Kompetenz im Textverstehen aktiviert werden" (Hölscher, Piepho & Roche, 2006, S. 15).

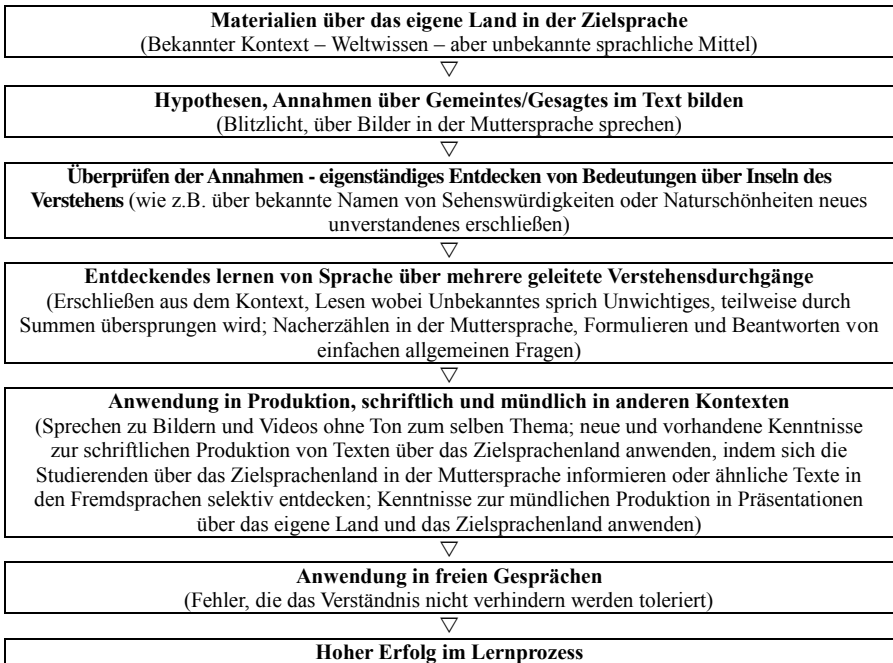


Abbildung 2: Globalstufen der Arbeit im Unterricht

Quelle: erstellt durch Autor

Die Vorbereitung als Lehrende lag darin, die Inseln des Verstehens und die neuen nötigen sprachlichen Mittel auszuwählen, die die Studierenden aus dem Kontext, über Internationalismen, über bekannte Wörter und über ihr Vorwissen erschließen können, um sie für die Arbeit im Unterricht zu markieren. Die Studierenden entdecken sehr schnell, fast automatisch selbstständig die Bedeutung neuer sprachlicher Mittel, weil sie mit bekannten Informationen verbunden sind.

Die Phasen der Arbeit mit den Materialien über das eigene Land im Unterricht werden in der folgenden Übersicht dargestellt.

Zum Vergleich des Prozesses und der Erfolge wurde derselbe Text mit mehreren Gruppen im 2. Studienjahr eingesetzt. Diese Studierenden hatten im 1. Studienjahr nach einem anderen Programm und mit einem Lehrbuch und ähnlichen Themen mit der deutschen Sprache angefangen. Obwohl sie eigentlich alle markierten Wörter (unbekannt und zu erschließen aus dem Kontext für die Studierenden vom 1. Studienjahr) kennen sollten, hatten sie große Schwierigkeiten mit dem Verstehen

des Textes. Sie hatten sofort Probleme mit der Größe des Textes und danach mit dem Erschließender Bedeutung. Sie gaben sehr schnell auf, hingen an jedem unbekanntem Wort und wendeten sehr schwer die Anweisungen an. Entsprechend entwickelten sich die produktiven Fertigkeiten nur gering. Die Art, wie sie die Fremdsprache zu lernen begannen, bildete ein großes Hindernis.

"Wenn solche Prozesse verkümmern, weil sie vom muttersprachlichen nicht in den fremdsprachlichen Lernkontext umgesetzt werden können und deshalb auch nicht angemessen eingesetzt werden, wird nicht nur die Sprachverarbeitung (Sprachverstehen) als erste Stufe des Sprachenlernens behindert; es werden auch die notwendigen weiteren Umsetzungsprozesse, die zur Rekonstruierung des bereits vorhandenen Wissens und zur Automatisierung führen, eingeschränkt" (Wolff, 1990, S. 621). Wichtig ist gerade schon im Anfängerunterricht mit dem Erschließen aus dem Kontext in authentischen Texten zu arbeiten. Durch die Arbeit mit Inhalten, die aus dem weltlichen Vorwissen bekannt sind, durch die Inseln des Verstehens, die Aktivierung von Vorwissen und die Orientierung auf Bekanntes und Verstandenes, erschließen die Lernenden Unbekanntes und Unverstandenes und erweitern und vertiefen ihr sprachliches Wissen über den Kontext. Dieses Kontextwissen ist anschließend die vernetzte Grundlage für die eigenständige Produktion unter Einbeziehung des neuen sprachlichen Wissens. Die eingesetzten Texte sind "fassbare Sprache als Anlässe zum Verstehen und äußern". Die Lernenden erlangen auf diese Weise die Fähigkeiten, "mit globalen sequenziellen Erwartungen in Gesprächen produktiv und rezeptiv kontextualisierend umgehen zu können" (Quasthoff, 2009, S. 88).

SCHLUSSBEMERKUNG

Das Prinzip, lerner-, bedarfs- und handlungsorientierte Ziele, Aufgaben und Methoden im Anfängerunterricht für Studierende an nicht philologischen Fakultäten für unterschiedliche Inhalte über das eigene Land zu nutzen, kann für Studierende in jedem Land und für jede Fremdsprache eingesetzt werden. Auf diese Weise schafft man auch eine Abhilfe für die Lehrenden, die dann nicht nach entsprechenden Lehrbüchern oder Materialien, ohne den Bedarf zu kennen, suchen müssen. Dieses Prinzip legt die Möglichkeit nahe, einen Katalog mit ausgearbeiteten Zielen, komplexen handlungsorientierten Aufgaben und Methoden entsprechend des gemeinsamen europäischen Referenzrahmens für Sprachen und den ermittelten Bedarfssituationen zu erstellen. Der Katalog würde zusätzlich Anweisungen und Hilfen anbieten, wie man ihn mit Inhalten füllen und im Unterricht einsetzen kann. So ein "Füllrahmen-Katalog" könnte in mehreren Sprachen erstellt werden, d.h. für mehrere Fremdsprachen verwendbar sein und dadurch die Transparenz der Sprachkurse und deren Ergebnisse sichern.

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JEL: A22

**FORMING MODEL OF BACHELOR'S PROFESSIONAL COMPETENCE
BY MEANS OF MATHEMATICAL AND INFORMATIONAL DISCIPLINES
INTEGRATING**

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Abstract: *The article presents the author's forming model of bachelor's professional competence in system analysis by means of mathematical and informational disciplines integrating. Characteristics of its basic blocks are target, methodology, content-procedural analysis and diagnostics. Developed model solves the problem of individualization, intensification and optimization of training. During the model's development, special attention has been paid to updating the content of education, what is based on the mathematical and special informational disciplines integration.*

Keywords: *vocational bachelor's training in system analysis, forming model of professional competence, mathematical and informatics disciplines integration*

INTRODUCTION

Speciality "System Analysis" is universal in contrast to unitary specialties, focused on narrow practical applications. Such universality is determined by the fact that bachelors will develop and will use methods and tools of system analysis to solve complicated problems of different activities (environmental, technical, economic, social et al) and to develop intersectoral projects.

The educational program for bachelors in the field of system analysis is based on applied mathematical disciplines, modern IT, mathematical methods and computer modeling.

Looking at forecasts of IT-development and the specifics of training bachelors of system analysis, the formation of professional students' competence by means of integration of mathematical and special informational disciplines is actual.

MATERIALS AND METHODS

Conducted theoretical analysis showed that researches of many scientists are aimed at improving the training of IT-specialists (A. Vlasiuk, P. Gritsiuk, G. Kozlakova, I. Medzebrovs'ky, T. Morozova, I. Pododimenko, S. Popershniak, S. Seidametova, S. Semerikov, R. Sharan, D. Shchedrolosiev et al). However, the problem of high-qualified professional training of bachelors of system analysis still exists.

Our practical analysis showed that training of bachelors of system analysis does not correspond to the social order; while students study mathematical disciplines without any interest, they do not consider them as necessary for the development of their professional competence. It was found that the integration of mathematical and informational disciplines is a tool for increasing the professional competence of future specialists in system analysis.

The *aim of our article* is a description of the forming model of the bachelors' professional competence in the field of system analysis developed by the author and its implementation in the educational process by means of integrating mathematical and informational disciplines.

RESULTS

The modeling is used successfully in pedagogy in optimizing studies of the educational process' planning, the educational materials selection, the management of the students' cognitive activity, the formation of students' competences etc. Thus, S. Mel'nyk singled out the stages of pedagogical modeling: 1) setting the goal of solving the pedagogical problem with the help of the model; 2) defining the main components of the pedagogical system that create its essence; 3) identifying the objectively existing relations between the components of the system; 4) transition of system components into an abstract language; 5) choice of ways of the modeling and its construction (Mel'nyk, 2006, p. 26). I. Fursa emphasizes that the study of the constructed model helps to determine the main properties of analyzed processes, to reveal structural and functional, cause-and-effect and other connections between its elements (Fursa, 2016, p. 87).

Constructed model of forming the professional competence of the bachelors of system analysis through the integration of mathematical and informational disciplines was created on the basis of allocated organizational and pedagogical preconditions: 1) training direction for the formation of the professional competence of the future specialist; 2) using the integration in all components of the study; 3) modernization of the studying content in mathematical and informational disciplines on the basis of interdisciplinary integration; 4) forming the system of knowledge integration through the need for students to acquire new competences and skills (Diachenko, 2017).

The integrity of the model is established by the organic connection of the goal and the result of the experimental research, i.e. by the formation of the professional competence of future bachelors of system analysis in the process of integration of mathematical and special informational disciplines. The expected result is the formation of this phenomenon for the future bachelors, which implies the ability to independently perform professional actions based on the acquired knowledge, skills, experience and value attitude to the future professional activity.

Structural components of the developed by us prognostic model are:

1) targeted; 2) methodological; 3) substantive-procedural; 4) diagnostic.

The *targeted unit* defines the goals, objectives and a motive of students' training based on the state order for the bachelors of systems analysis and directs them to develop their professional competence (Project of the Higher Education Standard of Ukraine for the first (bachelor) level in the field of knowledge 12 "Informational technologies", Speciality 124 "System analysis"). The motivational component is aimed at increasing the students' interest in the study of mathematical disciplines as to the disciplines, which are necessary for mastering the profession, development of responsibility for the formation of high-quality professional competence.

The *methodological unit* defines the pedagogical mechanisms of integration (i.e. integration of the training content and integration of activities modes). It is proposed to use the system, complex, activity-oriented, personally-oriented, competent and integrative approaches and principles: scientific, systematic and consistent training, consciousness and activity, interactivity, renewal of the educational content, organic unity of theoretical and practical training, differentiation and individualization, integrity of personality's development, orientation toward self-education and self-development of students. The implementation of these principles and approaches will allow for the students in the process of integration of the mathematical and informational disciplines to achieve rapid assimilation of knowledge, skills and professional experience.

The *substantive-procedural unit* includes justifying the features of the education content projecting focused on the professional competences' formation on the basis of integration. Contextual and informational inter-subjects' connections are established in the formation of the knowledge elements' content (facts, imaginations, concepts and theories). At the same time, the content of mathematical disciplines is directed to the formation of skills to use knowledge gained to solve problems of informational disciplines; and the content of informational disciplines is focused on the deep professional training through the usage of mathematical knowledge. Content integration is manifested into the integrated courses.

The main methods of teaching are problematic, research (finding information by means of the Internet, collecting, analyzing and interpreting data, simulating situations, justifying the algorithm of actions, evaluating of alternatives, thematic search, etc.), as well as contextual training (business games, cases and tasks, etc.), developing training, project methods, etc.

Organizational forms of training are intracurricular (lectures, practical classes, laboratory works and integrated studies) and extracurricular (self-educational and research work, course papers and diploma thesis). The forms of integrative learning include lectures, practical and laboratory classes on integrated courses. Such classes require good both-sided preparation the teacher and the student. Teaching means are scientific and methodical literature, electronic teaching materials, software, Internet resources, individual tasks, virtual simulators, mathematical computer programs, STEM-education, correction means of knowledge and skills.

Among the common educational technologies (structural, logical, integrative, gaming, informational and computer, interactive), an important place is given to the problem-based learning (structural and logical technologies); integrative technologies of natural-science education (integrative technologies); multimedia technologies (informational and computer technologies).

The *diagnostic unit* determines the methodology for assessing the level of the professional competence formation based on the integration of mathematical and informational disciplines; it contains criteria and indicators, levels and methods of diagnostics. We identified the following criteria and indicators: 1) motivational (formation of motives, needs and interests); 2) operational-activity (educational and cognitive activity, effectiveness of self-organization); 3) cognitive (effectiveness

of studying mathematical and informational disciplines, analysis of the ability to solve professionally directed problems, usage in the process of solving problems of both special and mathematical knowledge). There are levels for a diagnostics: 1) low level, where students recognize and reproduce separate fragments of knowledge in both mathematical and informational disciplines without tying them together; 2) at the medium level reproductive effect is carried out in solving professionally directed problems, but mathematical justification of actions is not always existing; 3) high level supposes the ability to use the acquired informational and mathematical knowledge in solving professionally directed problems.

In addition, a high level is characterized by an internal positive motivation for professional activity, the ability to recognize own values that determine attitudes; the thoroughness of theoretical knowledge and skills of their implementation in the professional activity; the formation of such personal qualities as principality, independence, tolerance, communicative, social autonomy, social adaptability, efficiency, activity, initiative and responsibility. The medium level is characterized by an external positive motivation for professional activity, the ability to realize own values, to comprehend own actions in concrete situations; fragmentation of theoretical knowledge, the formation of individual skills for the future professional activity; initiated development of such personal qualities as principality, tolerance, independence, communicative, social autonomy, social adaptability, self-confidence, efficiency, activity, initiative and responsibility. Low level is characterized by negative motivation to the professional activity, inability to realize own values, unformed reflexive skills; lack of theoretical knowledge and skills for the future professional activity; insufficiently formed personal qualities (principality, tolerance, independence, communicative, social autonomy, self-confidence, efficiency, activity, initiative and responsibility). During our research we have used such diagnostic methods, as: 1) motivational (observation and questioning); 2) operational activity (monitoring the rationality of educational activities planning and the results of students' self-work); 3) cognitive (analysis of the studying results of mathematical and informational disciplines, using practical-oriented problems of both special and mathematical knowledge in the solving process; the analysis of self-education, research work and educational practice.

CONCLUSIONS

Presented model has been implemented into the practice of students' trainings; it is an effective tool for organizing the process of the professional competence forming of bachelors of systems analysis by means of integrating mathematical and special informational disciplines.

The model has an open non-linear character, it is constantly evolving and, if practice requires, it can be replenished with new components.

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JEL: A29

**UNDERSTANDING PSYCHOLOGICAL CHANGES
FROM URIE BRONFENBENNER¹ PERSPECTIVE
(A THEORETICAL OVERVIEW ANALYSES)**

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Abstract: *This article is a theoretical overview that attempt to analyze living condition and human development from Urie Brofenbrenner Perspective. Thus, analyses the ecology of human development theory evolved by him, ecological paradigm of human development and time perspective evolved later in his work have been described. Central concepts of his theory (structural settings, molar activities, interconnections, roles, person-in context, etc.) are uses to make this analysis. The main argument is that problems in individual system and family (microsystem according to this theory) are related with what happens in other settings like school, neighbors, work (meso and exo system according to the theory) and also in reference to what culture and subculture we have, what about the traditions and life styles and in the end how we think as a society inside society (macrosystem). Principal goal is to understand his perspective in explaining and understanding psychological changes.*

Keywords: *psychological change, development, system, interconnection, molar activities*

INTRODUCTION

In Brofenbrenner's work development is defined as a lasting change in the way, where a person perceives and deals with environment. His concept of environment is a kind of difference from the classic one and he means ecological environment. As it was mentioned earlier in his works (Brofenbrenner, 1993, 1970, 1974, 1976, 1977, 1979) the theory is also a reaction to the restricted scope of most research conducted by developmental psychologists².

The *ecological environment*³ is conceived as a set of nested structures, each inside the next, like a set of Russian dolls. At the first level (the inner one) is the immediate setting containing the developing person (home, classroom, testing room). The central in his theory is that it is necessary looking beyond single settings to the relations between them. He argues that such interconnections can be as decisive for development as events taking place within a given setting. A child's ability to learn

¹ Bronfenbrenner, Urie (1979), *The Ecology of Human Development, experiment by nature and design*, Harvard University Press.

² Bronfenbrenner, U. (1993), p. 37.

³ Bronfenbrenner, U. (1979), pp. 3-4.

may depend on how he is taught than on the existence and nature of ties between the school and the home of child. The third level evokes the hypothesis that the personal development is profoundly affected by events occurring in settings, where the person is not even present.

The final level is the blueprint of culture and subculture within these levels takes place. The detection of such wide-ranging developmental influences becomes possible only, if one employs a theoretical model that permits them to be observed. Such findings can have important implications both for science and public policy. As it is conceived in the proposed schema, the environment differs from the earlier formulation not only in scope but also in content and structure. This ecological orientation takes seriously and translates into operational terms a theoretical position often lauded in the literature of social science. This is the thesis (expounded by psychologists and sociologists) that what matters for behavior and development is the environment as is *perceived* rather than as it may exist in objective reality. Evidence exists of consistent differences in the behavior of children and adults observed in the laboratory and in actual life settings. These differences illuminate the various meanings of these types of settings to the participants, as partly a function of their social background and experience.

Different kinds of setting are also analyzed in terms of their structure. Having this approach departs in yet another respect from that of conventional research models: environments are not distinguished by reference to linear variables but are analyzed in systems terms. At the innermost level of the ecological environment theory, one of the basic units of analysis is the dyad or two-person system. From dyadic perspective it appears that if one member of the pair undergoes a process of development, the other does also. Recognition of these relations provides a key to understanding developmental changes not only in children but also in adults who serve as primary caregivers- mothers, fathers, grandparents, teachers, and others caregivers. Same principle applies do husband and wife dyads, brother-sister, boss-employee, friends, etc.

Bronfenbrenner's ecological system model of the immediate situation extends beyond the dyad and accords equal developmental importance to what are called in his theory N+2 systems⁴. Otherwise, triads, tetrads and larger interpersonal structures appear. According to Bronfenbrenner, several findings indicate that the capacity of a dyad to serve as an effective context for human development is crucially dependent on the presence and participation of third parties, such as spouse, relatives, friends and neighbors. If such third parties are absent or if they play a disruptive rather than a supportive role, the developmental process, considered as a system, breaks down; like a three-legged stool, it is more easily upset if one leg is broken or if it is shorter than others. In same way, the triadic principle is applied to relations between settings. Thus, according to him, the capacity of a setting (home, school, workplace, etc.) to function effectively as a context for development is seen to depend on the existence and nature of social interconnections between setting, including joint

⁴ Bronfenbrenner, U. (1979), pp. 5-6.

participation, communication and the existence of information in each setting about the other. One question that can develop from this principle for example is: does a young person enter a new situation such as school, college, camp, work alone or in the company of familiars' peers or adults? Are they provided with information about these new settings? How does such knowledge affect the subsequent course of behavior and development in the new setting?

By addressing this kind of questions, he highlights the developmental significance of what are called *ecological transitions*, shifts in role or setting, which occurs throughout the life span, e.g. the arrival of a younger sibling, changing jobs, etc. the developmental importance of ecological transitions derives from the fact that they involve, almost invariably, a *change in role*, that is in expectations for behavior associates with particular positions in society. Roles have a big power to alter how a person is treated, how person acts, does, even what thinks or feels. Role changing is applied not only in the developing person, but to the others in its living world. The most immediate and potent affecting a person's development are environmental events, where activities that are engaged in by others with that person or in its presence. Once a child begins to talk, it constitutes evidence that development has actually taken place in the form of newly acquired molar activities⁵. A molar activity is different from an *act* like smile, a knock at the door or a question. Examples of molar activities are building a tower, reading a book, etc. The molar activities engaged in by a person constitute both the internal mechanisms and the external manifestations of psychological growth.

Theoretical concept of environment extending beyond the individuals' behavior to encompass functional systems both within and between settings, systems that can also be modified and expanded, emphasize Brofenbrenner, contrasts sharply with prevailing research models, which typically employ a scientific lens that restricts, darkens or even blind the researcher's vision of environmental influences on development.

Ecological environment extends beyond the immediate situation directly affecting the person, which are the objects, where person responds or the people with whom person interacts face-to-face. It is called in this view the *microsystem*. The concept extends also to the equal importance of connection between persons present in the setting and the nature of these links. The principle of interconnections is applying not only within settings, but also with equal force and consequence to linkages between settings, both those where developing person participates and those that he/she may never enter, but where events occur that affect what happens in the person's immediate environment. These are called the *mesosystems* and the later *exosystems*. At the end of these intersettings view are ideology and organization of the social institutions common to a particular culture or subculture, where the complex of nested, interconnected systems is viewed as its manifestation. Such general patterns are called as *macro systems*.

⁵ Definition 12: "A molar activity is an ongoing behavior possessing a momentum of its own and perceived as having meaning or intent by the participants in the setting".

What is new in his view from other theories on social science is the way in which entities like molar activities, dyads, role, setting, social network, institution, subculture, culture (even familiar concept) are related to each other and to the course of development.

As he argues, as far as the external world is concerned, what he presents is a theory of environmental interconnections and their impact on the forces directly affecting psychological growth.

An ecological approach to the study of human development requires a reorientation on the proper relations between science and public policy. He leads a contrary thesis: *in the interests of advancing fundamental research on human development, basic science needs public policy even more than public policy needs basic science*⁶.

Knowledge and analysis of social policy are essential for progress into the developmental research, because they alert the investigator to those aspects of the environment, both immediate and more remote that are most critical for the cognitive, emotional, and social development of the person.

In his development approach he emphasis that more than psychological process themselves such as perception, motivation, thinking or learning, is the *content* – what is perceived, desired, thought, etc., and how the nature of this psychological material changes, as person's function exposures to and the interaction with environment. Development is defined as the person's evolving conception of the ecological environment and his relation to it, as well as the person's growing capacity to discover, sustain or alter its properties⁷.

It is central in his theory the *development-in-context*. Further advance in the scientific understanding of the basic intrapersonal and interpersonal process of human development requires their investigation in the actual environments both immediate and remote, where human beings live. This task demands the construction of a theoretical schema that will permit the systematic description and analysis of these contexts, their interconnections and the processes through which these structures and linkages can affect the course of development, both directly and indirectly⁸.

In alter version of his development theory (1994) he speaks about an additional concept as *time* and present us a model such as process-person-context-time model (PPCT)⁹ and proximal process, giving an important role to changes that happens in context through time.

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JEL: A21

**UNDERSTANDING THE EXPERIENCES OF CHILDREN
FROM 10-18 GROUP AGES ON PARENTAL INCARCERATION**

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Abstract: *Imprisonment is considered by literature and studies as a factor that interferes in functional aspects of a family with multiple negative effects on the emotional and behavioral level, placing the child in an unforeseen, stressful, ambiguous and uncertain event related to their future. The children of incarcerated parents usually experience an intense mixture of feelings as they struggle to cope with many losses - not just the loss of their inmates but also the loss of their former life. Participants in the study described their experiences regarding the reality of having a father in prison and how this affected their life cycle. Children described the moments of parent absence and what that meant for their family in terms of family roles. Also visiting the imprisoned parent represents a challenge in its self. We are going to analyze them according to the children's experiences. This study attempts to answer the question: What face children of imprisoned parents? This is a qualitative study, with phenomenological methodologies. The instrument used is semi-structured interviews. The sample involved was $n = 9$ children of the age group 10-18, where 5 were female children and 4 males. Among the findings of this study are the lack of parenting and changing roles in the family, the problems in the school sphere versus co-perpetrators, the secrecy of imprisonment, guilt, mistrust of authority and the social system. Among the limits of this study we mention: lack of a control group and the involvement of two groups: those who have a parent in pre-trial and the group who has a parent in prison, small sample, the role of language and terms.*

Keywords: *imprisonment, perception, community, lie, self-isolation*

INTRODUCTION

Qualitative studies suggest that children react to parent custody by developing internal behavior and external behaviors (Murray, & Farrington, 2008, Parental imprisonment, long lasting effects on boys' internalizing problems through the life course; development and psychopathology 20, pp. 273-290). In internal behaviors are included reactions such as depression and difficulty in forming attachments (Fritsch & Burkhead, 1981, Johnston, 1995a-c, Johnston & Waldfogel, 2002, unpublished manuscript, Parke & Clarke-Stewart, 2002, unpublished manuscript, Philips, Burns, Wagner, Kramer & Robins, 2002, Simmons, 2000), and external behaviors involving aggression and delinquent behaviors (Fritsch & Burkhead, 1981, Gabel & Shindedecker, 1993, Johnston, 1995b, Parke & Clarke-Stewart, 2002, unpublished manuscript, Springer, Lynch & Rubin, 2000).

This study aims to fill an important gap in how prisoners relate as parents and the impact of incarceration on prisoners' children, by exploring and highlighting

the voices of children who are placed in this new situation in their lives. The research is focused on understanding the experiences of children who have an incarcerated parent.

The research study aimed at deepening the understanding of the lives of children of prisoners by exploring their experiences of parenting incarceration.

The objectives of this study were: 1) provide new information that will make a major contribution to understanding how parental imprisonment can be a traumatic event for the child as well; 2) exploring the incomplete psychological needs of children with imprisoned parents; 3) understanding the situation of parental imprisonment in children in Albanian culture; 4) understanding how a parent's imprisonment affects a child's relationship with other family members; 5) understanding how the parent's image is perceived by the child.

LITERATURE REVIEW

Father's imprisonment usually has a negative impact on children. Prison conditions can amplify this impact and stop a man from fulfilling his role as a father. If the children go out to keep in touch with the inmate father, and if the father feels unable to properly parent under the conditions of imprisonment, the negative effects on children will most likely be amplified. Relationships with the father are more based on activities and are characterized by instrumental involvement, from childhood games to watching television at the earliest age (Umberson, 2003). Although baby-to-child relationships have multiple dimensions, national research on the level of father's home involvement has found that children spend more time with their fathers in accompanying games (Yeung et al, 2001; see also Collins & Russell, 1991; Pleck, 2010; McBride & Mills, 1993).

In the concept are two pillars that aim to distinguish a father from another man what he / she wants: a father who takes certain behaviors and becomes part of the expectation as well as the identity he creates on his role as a parent (Eurochips-children need dads too: children with fathers in prison; QUNO, 2009).

In the context of imprisonment, the father has difficulties in fulfilling his role and leads to a roll out. The child takes the role of a missing parent as he sees more power than he is leading to feelings of confusion and fear. In this form, it is of particular importance what is done at the time of the meeting than the number of times children visit their father.

Parental imprisonment can cause negative results to children because of the trauma of parent-child partition. The idea that parent-child separation is harmful to children is suggested by Theory of Applause (Bowlby, 1969, 1973, 1980) and the social connection theory (Hirschi, 1969), which we refer to as trauma theory. In accordance with traumatic theories, small-scale studies often report that children show sadness and feel the absence of their inmate parent (Sack, Seidler & Thomas 1976; Sack, 1977; Fritsch & Burkhead, 1981; Skinner & Darts, 1989, Kampfner, 1995; Boswell & Wedge, 2002; Poehlmann, 2005). In a recent inter-sectional study of 54 children with inmates, Poehlmann (2005) found that most children (63%) felt unsafe applause for their mothers imprisoned (Murray & Farrington, (Eds.), Crime

and Justice: A Review of Research, Vol. 37, pp. 133-206). Separation due to parental imprisonment may be a damaging form of separation for children because it is often unexpected, sometimes violent at the time of arrest, and often unexplained and because children are severely restricted to their contacts with imprisoned parents (Shaw, 1987; Bernstein, 2005; Poehlmann, 2005). Parental imprisonment has so severe impacts on children as it harms their physical or mental health. The extent of perception and the degree of health impact varies from study to study, but the observed problems have included: changes in sleep cycles or behavior related to eating; beginning or increasing use of drugs, alcohol and tobacco; stress; depression; and symptoms of post-traumatic stress disorder such as "flashbacks" about crime or arrest.

METHODOLOGY

This study will consider the impact of parenting on children. The methodology will aim to answer the question: *What face children of imprisoned parents?*

Research Project The sample of this study is intentional with qualitative data, which includes the Phenomenological Methodology, while the collection of data will include semi-structured interviews. Secondary data will also be used that do not have the function of extracting the achievements and results of the study but identifying the children and young people who will become part of the study. The sample included in the study is n = 9 children of the age group 10-18 years old, where 5 were female children and 4 males.

The reason for choosing this method is because it offers the opportunity to a better understanding of this topic. This method allows us to understand and interpret the way facts and events are experienced and give us the ability to produce concrete practices that will help improve the treatment of children and their rights to have meetings with family members.

This method will aim at identifying issues and integrating them into a larger issue. The research was conducted from March 2013- August 2017, and involved: 1) children and young people between the ages or 10-18 years; 2) children whose father was in prison; 3) parents should not have been divorced; 4) they had to have lived in the same house before the moment of arrest; 5) families should have maintained contacts with the inmate.

Recruiting the required sample was problematic because most parent detainees were unwilling to give consent for their children to be part of the research.

SAMPLE SPECIFICATIONS

The size of the sample was determined by the saturation criterion, meaning that new cases were added to the drop-down point when no new information was available. To meet the saturation criterion, the most common sample strategy used in quality research can be called intentional sampling. In this form, our study aims to outline the crucial, important or decisive aspects of the phenomenon, and the sample should provide their coverage. To reach valid and reliable conclusions, quality content analysis included a number of systematic and transparent procedures for processing data. The steps are as follows:

Step 1: Data Preparation: Data was transformed into written text before the start of the analysis. In the case of this study, besides field research, the literature search focused on the variables taken in search, which sought to find new meaning and to answer the research questions raised. Interviews were fully transcribed.

Step 2: Determine the Analysis Unit: refers to the base unit of the text that will be classified during the analysis content. Messages were united before being encrypted.

Step 3: Development of categories and encoding scheme: An initial list of coding categories from the model was created, and then the model was modified within the course of the analysis as new categories emerged inductively. To ensure the consistency of coding, a coding manual was developed, which consisted of categories, definitions, or rules for assigning codes and examples. Some code-books have an additional field to keep notes as the encoding process continues. Using the constant comparison method, the coding manual was developed throughout the data analysis process and added interpretive memories.

Step 4: Testing the coding scheme in a part of the text: In order for the coding process to be as standardized, valid and in the interest of analysis it developed from the first steps of the coding scheme. The best way to test the clarity and consistency of category definitions was by encoding a portion of the data as a champion. After coding a portion of the data (the sample used for this step), the consistency of the coding was checked, by evaluating the agreement between the coders. In cases where the sustainability level was low, the coding rules underwent the review process. Doubts and problems related to category definitions, coding rules, or categorization of special cases were discussed in the group and attempted to be given a solution. In this form, the coding model text, coding stability control, and coding rules were subjected to a recurring process that continued until sufficient encoding compliance was achieved.

Step 5: All text encoding: after consistency was reached, coding rules applied throughout the text where new concepts were added manually.

Step 6: Evaluation of coding stability: After the entire data set was coded, the coding stability performed was reviewed. In order to avoid mistaken interpretations or assignment to non-representative categories, also attempting to eliminate the fatigue variable of human encoders in the coding process were carried out constant controls to ensure coding stability for the entire text. New codes have been added since the process of sustainability control. Another element that was attempted to minimize was over the understanding of encoders over coding categories and rules that may change over time but may in turn lead to inconsistencies in the defined categories. In this form, in order to minimize external influences in the coding process, a sustainability control process is performed.

Step 7: Completion of conclusions from encrypted data: through this step was intended to give meaning to their topics or categories and qualities. At this stage, it was possible to draw conclusions and introduce the meanings derived from the data. During this phase it was possible to explore the qualities and dimensions of the categories and the testing of categories against the entire range of data.

As a result, the themes were categorized into three phases: life cycles, emotional states and needs, and further followed their specifications in codes and indices.

STUDY FINDINGS

This study attempted to answer the research question raised at the beginning of the study through key terms.

Participants in the study describe their experiences regarding the reality of having a father in prison and how this affected their life cycle. Children described the moments of parent absence and what their absence in family means in terms of family roles, in which the oldest family son together with the mother already held the role of the head of the family who cares for family members and for the prisoner.

Parental imprisonment may also change the perception of children on punishment and the consequences of misbehavior, which in turn may affect their behavior. In cases where the children believed that the punishment of their parents was unfair, there was a hostile attitude towards authoritarian figures especially on the uniform. Also, their response persists in cases where imprisoned parents tried by themselves to explain their children that they had made a mistake and now had to stay in that "place" until it was corrected. This explanation was usually given to younger children, aged 10-12 years.

An important role was also given to the children about the parent lack. Thinking about the child's protection, caregivers lies or say nothing about the imprisonment of their father. In cases where there is insufficient information about the absence of the parent, the children tend to blame themselves, increasing the risk of negative reactions such as self-isolating behavior, crying, ambiguity, fear. In cases where children and young people were aware of their parents' situation, they had less sense of confusion and were more inclined to communicate with other family members.

Active parenting is extremely difficult to reach in the prison context. Visit to the prison may also include long-distance travel disturbances, stressful prison procedures regarding the next reception, lack of physical contact during visits, and difficulty leaving the parent at the end of the visit. Visit to prison may intimidate children and young people, may cause discomfort and increase feelings of hostility to prison uniforms. Although efforts have been made to mitigate these effects through the "Parenting in Distance" program, visits are still problematic due to their procedures due to physical control, the visits monitoring and the presence of staff observing the meetings.

Children's reactions to parents' detention may vary according to the type of crime committed by their parents. Crimes that are considered in the social context as shameful or macabre exacerbate the effects of parental imprisonment for children. In the context of the Albanian society, acts such as theft, rape, juvenile abuse are considered ordinary crimes and shameful acts, whereas the offenses that are committed for family protection and the preservation of honor are seen with a fabulous vest and are exalted as a right and proper action. All this leads to the

creation of stigma and stereotypes that are created by affecting directly the positioning of the child and youth in the community or social groups.

In a different perspective, community can also ease children if they are placed in groups with a high rate of detention in which children are more open about their moods and feelings and are less socially stigmatized. This is due to the fact that the prison population has increased among those four years (changes in the penal code and penalties for damages and offenses with low social risk, the opening of new prisons), and imprisonment turning into a commonplace community event and the stigma of imprisonment has been reduced. While for some of the cases in the study (included in the defense program), the community had problems as crime victims also lived there.

DISCUSSION

Apart from the elements aimed at mitigating consequences of imprisonment, there are other factors that serve as moderator of these causes as they are extended throughout the period of imprisonment and some of them are present during the time of the meeting.

As moderating factors, we mention: prison setting, transport, accompaniment, ban on visits, the schedule of meetings and planning, etc.

The situation of parent detention negatively affects many aspects of child's life and development. It affects the social life of the child by leading it to isolation due to social stigma and, in turn, to low self-esteem because of the inability to succeed in helping the parent but also because they are no longer sufficient to connect in relationships with others. Children experience feelings of ambivalence closely related to the opinion that perhaps the inmate parent deserves the punishment he is taking but also regrets as he is the protector of the family. Children are often placed with the situation in which they should take responsibility for the family and provide economic resources for family survival.

The criminal record also plays an important role in responding and attending children to the parent. Crimes that are considered as shameful are accompanied by children's contempt, also acts such as theft are considered as shameful and are associated with the child's devaluation. From the cases included in the study, 7 children were aware of the parent's situation, but not all were aware of the offense they were accused of or punished by their father.

ETHICS

The ethical principles from which this study was conducted were:

1. Information. Notifying study participants on the procedure and allowing them to participate in the study before the data collection starts.
2. Avoiding Fraud. Participants were briefed on the purpose of the study (together with the caregiver they lived with, and the prisoner was also notified).
3. The right to leave the study. Participants had the right to leave the study when they wanted without fear of being penalized.
4. After the data collection, the participants (their caretakers) were fully informed of the findings of the study.

5. Confidentiality (as a very important element, reinforced by the fact that some of the cases included in the study were under the family protection program). All young people were given written permission to the parent or caretaker with whom they live.

STUDY LIMITS

The phenomenological study limits are related to the role of language as the analysis supports the representative validity of the language. Another limit relates to the appropriateness of the data as it is not known whether the material received by the participant would be appropriate and if so to what extent to carry out a phenomenological analysis. The participants are capable of describing their relevance. How competent will the participants be to use the language in such a way as to describe their physical and emotional experiences?

Until now, no study on a large-scale has tested the effects of parent-child contact in children during parental imprisonment.

Future Research needs to investigate the effects of parent-child contact during parental imprisonment, using longitudinal design, and looking for factors like parent-child relationship quality before imprisonment.

Parental-child relations and parental practices before imprisonment are also likely to affect how children react to the story. Parental imprisonment is more worrying for children who are more affiliated and positively involved with their parent before detention. In some cases, where children have experienced abusive relationships, children may also benefit from parental imprisonment. However, there is no empirical test of how the characteristics of parents affect the child's reaction to the incident.

The effects of what children are told about their parents' imprisonment should be studied in longitudinal studies.

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ICT IN LEARNING AND TEACHING IN GEORGIA

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Abstract: *e-Learning is defined as learning facilitated and supported through the use of information and communication technologies (ICT). The e-Learning and pedagogy program aims to ensure that e-Learning should be pedagogically sound, learner-focused and accessible. The general background for this program is the ongoing need to support practitioners in realizing this aim. Designing for learning with a practitioner planning focus on e-Learning explores the process of designing, planning, sequencing or orchestrating learning tasks which may include the use of e-Learning tools. Outputs from this theme will help practitioners to make effective decisions about the use of e-Learning, and will help to support the effective design and use of learning design tools.*

Keywords: *e-Learning, pedagogy program, ICT, software, hardware, designing for learning, e-Learning tools, courseware technologies*

INTRODUCTION

The program will scope the range of available information on pedagogy for e-Learning, drawing on the practitioner, researcher and developer communities. It will evaluate the approaches that seem effective for learners; forms of information and support that are relevant to practitioners. The program will explore applications and approaches that support the design and delivery of learning activities, including learning design tools and commercial learning environments. The focus will be on evaluating specific applications of these tools in order to build up a repertoire of effective models and to identify those approaches that are both useable by practitioners and effective for learners.

THEORETICAL BACKGROUNDS AND METHODS

Widespread implementation and increasing use of Virtual Learning Environments in Georgia has led to demand from practitioners for more effective guidance on good pedagogical practice. A specific call has been for help in designing e-Learning activities in these environments. There is evidence that neither learning objects metadata, nor learning environments, nor existing practitioner-based vocabularies for describing learning and teaching are in themselves effective in supporting the development and transfer of effective e-pedagogical practice.

There is a growing and related awareness of a need for an effective dialogue among practitioner communities, educational research communities and developer communities (both systems and standards), who share a common focus on learning interactions and activities.

Objectives of the e-Learning and pedagogy program are to review and – where it is possible to enhance current knowledge on effective pedagogies for e-Learning, explore how this knowledge can be effectively applied by practitioners in its developing and teaching practice, promote the terminology development and frameworks that will improve understanding and sharing e-Learning practice, investigate approaches to the design of e-Learning activities and make recommendations for further development (software, guidelines or standards), create coherent tools and resources to communicate program outcomes (E-Learning Pedagogy Program).

As it is well known, the most effective method to learn foreign language is to live in the concerned country. It is the basis for a natural approach to learn language even when one cannot be physically there.

A pre-ICT version of this approach was called immersion and consisted of a series of role-play games controlled by a qualified teacher. CD-ROM versions provide similar simulated interactive environments with sounds and images. The ability to have written, and sometime in the future, oral interaction is the principal element of this concept.

The main stages of a designing-constructing cycle in learning are: a) defining needs, goals, requirements and limitations of a design; b) building up teams, defining working plans; c) writing down specifications and drawing first sketches and blueprints; d) making models and prototypes; e) checking and verification of specifications; and f) making the final model.

ICT are a base for a simplified CAD/CAM (Computer Aided Design/Computer Aided Manufacturing) system, in which a technical drawing on a computer screen can eventually be transformed to a real object made of material that is simple to process, but we extend the design concept well beyond this and thus, we continue with some other representative examples (ICT, 2005).

We turn now to the educational technology of the mind or an analysis of what is involved in learning. In most learning activities, the following phases can be recognized: (a) Accepting and analyzing a problem; (b) Making sure we have no ready-made solutions for it; (c) Deciding to launch a project, setting the main goals and objectives, weighing our mental and material resources; (d) Discovering that we are not equipped enough to cope with it successfully; (e) Seeing what additional specific knowledge, skills, or experience we must obtain to arrive at a solution; (f) Going through a corresponding process of research learning, training, drill and practice; (g) Designing a set of possible solutions (generating options, comparing alternatives, evaluating), and then choosing the one that seems most suitable; (h) Imagining what will happen if the chosen design is implemented. What changes will it make to our immediate surroundings and broader physical and socio-cultural environment? What consequences and side effects might it cause? How could we prevent, avoid or repair them? Re-assessing the overall approach to tackling the problem should be done; (i) Reflecting upon what we have done: repeating mentally the road taken and actions made; describing the essentials; scheming about if and how we could use our newly acquired knowledge, skills and experience to address other problems in the future.

This pattern of learning activity phases, which we might call the basic educational technology of mind, can be developed and supported with various software, hardware and courseware technologies of computer simulation, email networks, interactive multimedia and other advanced uses of ICT (ICT, 2005).

In creating this new teaching and learning environment, ICT offer numerous advantages and provide opportunities for: facilitating learning for children, who have different learning styles and abilities including slow learners; socially disadvantaged, mentally and physically handicapped, talented people and those living in remote rural areas; making learning more effective, involving more senses in a multimedia context and more connections in a hypermedia context; and providing a broader international context for approaching problems as well as being more sensitive response to local needs.

RESEARCH QUESTIONS AND RESULTS OF THE STUDY

Research in e-Learning is usually focused on technological or pedagogical issues and so far students/teachers have been largely overlooked. In this research work we would like to address this and turn our attention to students/teachers, who are using technologies to support their learning/teaching activities. Besides conducting several interviews to gather student/teacher stories on how they use and experience technology within their learning tasks. In it we should mainly like to focus on what kind of technologies they use, how they use them and why. There are given their reasons and strategies for using their favored technological devices or software to allow them to study alone or together with others.

A number of questionnaires were delivered to academic staff and students in Georgian institutions, including the International Black Sea University (IBSU), Gori State Teaching University (GSTU) and David Aghmashenebeli University of Georgia (SDASU), covering their experiences of using technologies in learning and teaching. This survey is about their experiences with technologies and the wider context of their studies/teachings. The questionnaire was conducted to 15 teachers and 50 students of these universities. It comprised 10 questions.

1) Please indicate in *Table 1* below what kinds of digital technologies you use in your studies/teaching?

Table 1

Answers to the question 1

Variants	Digital technologies	a lot	moderately	a little
1	Laptop or desktop computer			
2	Digital audio			
3	CDs or DVDs			

Source: created by authors

2) Please explain why you use them and how you think they could be used more effectively?

3) Do you use technology differently in other aspects of your life (e.g. talking to friends, booking travel or doing hobbies) than in your studies/teaching? If so, please specify: a) very often; b) quite often; c) sometimes; d) rather seldom; e) never.

4) Please indicate the ratio of how much you use technology in your studies/teaching compared to other aspects of your life; e.g. 50-50 when you used technologies equally for studies/teaching and other things or 30-70 when you use more technology in other aspects of your life than your studies/teaching (*Table 2*).

Table 2

Answers to the question 4

Technology	%
Studies/teaching	
Other aspects	

Source: created by authors

5) How do you fit e-Learning around your traditional learning activities?

6) Do you encounter problems when using any IT hardware (e.g. computers, printers, LCD panels, scanners)? You can answer a) Yes or b) No.

7) If your answer is YES, what are the main problems?

8) Do you have any software needs that are not currently met? You can answer a) Yes; b) No; c) I don't have a certain idea.

9) If your answer is YES, please write in *Table 3*:

Table 3

Answers to the question 9

Software package name?	
What does it do?	
Where did you find out about it?	

Source: created by authors

10) Please tell us about any significant problems that you have with specific software/applications (*Table 4*).

Table 4

Answers to the question 10

Software/application	Nature of Problem	What could be done to help?

Source: created by authors

Teachers and students answered these 10 questions through the questionnaire.

These results are presented in the below in *Tables 5-6*.

Table 5

Response Statistics of Questions from Teachers

Questions	Answers		Percentage			Teachers (Out of 15)
			a lot	moderately	a little	
1	Digital technologies		a lot	moderately	a little	
	1	Laptop or desktop computer	40%			6
	2	Digital audio			20%	3
	3	CDs or DVDs		40%		6
2	Knowledge of possibilities		40%			6
	Lack of knowledge		60%			9
3	a)	Very often	40%			6
	b)	Quite often	27%			4
	c)	Sometimes	20%			3

	d) Rather seldom	13%	2
	e) Never	0	0
4	Studies/teaching (50-50)	47%	7
	Other aspects (30-70)	53%	8
5	Knowledge of activities using technology	40%	6
	Lack of knowledge activities using technology	60%	9
6	Yes	100%	15
	No	0%	0
7	Knowledge of problem	67%	10
	Lack of knowledge	33%	5
8	Yes	27%	4
	No	20%	3
	I don't have a certain idea	53%	8
9	Knowledge of possibilities	50%	2
	Lack of knowledge	50%	2
10	Knowledge of using technology	40%	6
	Lack of knowledge of using technology	60%	9

Source: calculated by authors

Table 6

Response Statistics of Questions from Students

Questions	Answers		Percentage			Students (Out of 50)
			a lot	moderately	a little	
1	Digital technologies					
	1	Laptop or desktop computer	70%			35
	2	Digital audio		6%		3
	3	CDs or DVDs			24%	12
2	Knowledge of possibilities		60%			30
	Lack of knowledge		40%			20
3	a) Very often		62%			31
	b) Quite often		24%			12
	c) Sometimes		8%			4
	d) Rather seldom		6%			3
	e) Never		0			0
4	Studies/teaching (50-50)		40%			20
	Other aspects (30-70)		60%			30
5	Knowledge of activities using technology		30%			15
	Lack of knowledge activities using technology		70%			35
6	Yes		100%			50
	No		0%			0
7	Knowledge of problem		32%			16
	Lack of knowledge		68%			34
8	Yes		16%			8
	No		34%			17
	I don't have a certain idea		50%			25
9	Knowledge of possibilities		38%			3
	Lack of knowledge		62%			5
10	Knowledge of using technology		34%			17
	Lack of knowledge of using technology		66%			33

Source: calculated by authors

CONCLUSIONS

It is easy to see that many teachers (and correspondingly, their students) are unaware or not well informed of Information and Communication Technologies in

Learning and Teaching. However, the results of the questionnaire are inspiring enough as teachers, who like ICT, find it creative, motivating, stimulating and imaginative. The feedback from students has been positive. We believe that ICT enable teachers and students to construct rich multisensory, interactive environments with almost unlimited teaching and learning potential.

The truly crucial question of how to evaluate learning in this new ICT-created-and-supported environment is too detailed to be described here even at the most superficial level. Interested readers can find a comprehensive survey of related issues in Heineke & Blasi (2001).

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JEL: I230

**PEER ASSESSMENT OF WRITING THROUGH EFL TEACHERS' EYES
(CASE OF HIGHER EDUCATIONAL INSTITUTIONS OF GEORGIA)**

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***Abstract:** Assessment practices are guided by various factors and one of the most influential from them are teachers' beliefs about it. The primary objective of the present study is to investigate on EFL teachers' attitudes and beliefs regarding peer assessment. The tool for obtaining data for the current paper was the questionnaire survey that was employed with 66 EFL lecturers from private and public higher educational institutions. The results suggest that though the teachers have positive attitude towards peer assessment they lack the knowledge in this issue. The data of the present research revealed that EFL teachers of higher educational institutions in Georgia have positive attitude towards implementing peer assessment method for evaluating the learners' writing. Though, the conclusion made is that the number of participants has either mixed feelings towards peer assessment or neutral (empty) attitudes towards it. Regardless the fact that teachers have readiness for implementing peer assessment in EFL writing they need to deepen their knowledge and raise awareness towards peer assessment to utilize it effectively in EFL writing classes effectively.*

Keywords: *higher education, peer assessment, writing, teachers' attitudes*

INTRODUCTION

Writing is one of the strongest tools for conveying acquired knowledge and enhancing learning development. In the world of globalization, the ability to write effectively and properly is of paramount importance. One of the main purposes of higher education is to develop, prepare and equip students with all the necessary skills and knowledge for facing the real-life challenges and meeting the standards of the global market. The dynamic nature of higher education should nurture and support development of students' writing abilities.

It is suggested that there are potentially a variety of beliefs that teachers may hold about assessment that in conjunction with other beliefs and contextual influences, may influence the practices they employ in the classroom (Barnes, Fives & Darcy, 2015, p. 284). The beliefs teachers hold regarding writing assessment has an impact on their assessment practices and consequently, on the quality of students' writing. Shulin (2013) suggests that "teachers' beliefs and practices with regard to peer feedback are central to its implementation and efficacy in L2 writing classes and will decide whether students have the opportunity to engage in and benefits from peer reviewing activities" (Shulin, 2013, p. 74).

There are various researches investigating teachers' attitudes towards writing. In 2010 Aydın and Başöz carried out the study aiming at investigating the pre-service teachers' attitudes towards writing in English as a Foreign Language and the relationship between their attitudes and the certain variables such as age, gender, educational background and language proficiency. The tool for collecting data was the questionnaire and the measuring scale of attitudes of 162 freshmen student teachers (aged 19-20) from English Language Teaching Department at Balıkesir University and Ataturk University in Turkey. The results showed that the majority of teachers have positive attitude towards writing, peer feedback and making revisions (Aydın & Başöz, 2010).

In 2013 Shulin carried out the research regarding the use and the role of peer feedback in EFL writing classes. The semi-structured interviews were administered with 26 Chinese EFL teachers. The latter showed that the teachers use peer assessment practice in their writing classes and they ask students to work in groups or pairs to give feedback on each other's composition (Shulin, 2013, p. 76). Though some of them also showed the concern about the use of peer assessment in the classroom as for them the value of peer assessment was limited and maintained that it was waste of time since they did not believe in its effectiveness.

The research conducted in 2016 in Ethiopia is aimed at investigating English language teachers' practices of peer assessment in EFL writing; their beliefs and attitudes about the role of peer assessment for enhancing EFL students' writing skill and its benefits. The participants of the study were 13 English language teachers from the various schools in Ethiopia. Their ages ranged 43-46. Qualitative (interviews) and quantitative (questionnaire) methods have been used in order to obtain the researchers data. After gaining necessary information, the researchers implemented classroom observations in 18 classes for 9hours in each of grade 10, where the peer assessment was utilized. The teachers-participants believe that peer assessment develops critical thinking and teachers' competence as well. It also develops students' cooperation and communication. Though some teachers stated they are not using peer assessment, as it is very time-consuming (Haimanot, Seyoum& Egere, 2016).

METHODS

To acquire comprehensive profiles of teachers' practices and beliefs, the current paper employed quantitative research method executed in questionnaires. The questionnaire was designed online via Google Forms. It was multi-designed and contained several types of questions, including Likert-scale, multiple-choice questions, checkboxes and open-ended questions.

PARTICIPANTS OF THE STUDY

The participants of the study were 66 lecturers from both private and public Higher Educational Institutions in Georgia. In total, thirteen Higher Educational Institutions took part in the survey. The participants' teaching experience ranged from 1-5 years (33.3%) to 25 years and more (6%).

RESULTS AND DISCUSSION

The data collected showed that 72.7% of teachers believe peer assessment gives students opportunity to compare their works with each other. 59.1% of respondents believe that it motivates students to learn to write better (*Table 1*).

Table 1

I like peer assessment because (you can choose more than one answer)

It gives students an opportunity to compare their work with each other	72.7%
It motivates students to learn to write better	59.1%
Students can feel active participation in the assessment process	54.5%
It develops students' self-confidence	48.5%
It increases students' autonomy/independence	48.5%

Source: author's survey

The survey showed that 78.8% of teachers think learners can benefit from peer assessment because they will develop critical evaluation skills. 66.7% of respondents think students can develop self-reviewing skills as well (*Table 2*).

Table 2

I think students can benefit from peer assessment because (you can choose more than one answer)

They can develop self-reviewing skills	66.7%
They will develop critical evaluation skills	78.8%
It will make them understand what their peers think	28.8%
Peer feedback increases interaction between students	62.1%
Peer feedback helps students develop a sense of participation in writing class	51.5%

Source: author's survey

Teacher participants commented on the negative aspects of peer assessment as well and 40.9% of them posited that learners assess peers according to the relations they have developed with each other. Besides, 65.2% think peers may be blind to errors in each other's work (*Table 3*).

Table 3

I think students do not benefit from peer assessment because (you can choose more than one answer)

It does not help learners develop self-editing skills	6.1%
It does not motivate learners to learn to write better	7.6%
They are not qualified to assess and give feedback on their peers' writing	12.1%
Students assess peers' writing according to how are they assessed	13.6%
Students assess peers according to the relationship they have developed with each other	40.9%
Peers may be blind to errors in each other's work	65.2%

Source: author's survey

Teacher participants believe that 40.9% of students feel hesitant while assessing their peers. 51.5% of teachers think students feel a big responsibility and the same number of participants (51.5%) believe that students do not feel comfortable when giving negative feedback to their peers (*Table 4*).

Table 4

**When students assess each other's work they
(you can choose more than one answer)**

They feel a bit concerned	25.8%
They feel hesitant	40.9%
They feel a big responsibility	51.5%
May not have a full understanding of the work they are assessing	27.3%
Feel nervous that they will not be able to provide constructive feedback	30.3%
Do not feel comfortable when giving negative feedback to their peers	51.5%
Do not feel they know enough	27.3%

Source: author's survey

34.8% of teachers-participants disagree that marks given by peers should not be included in students' final marks. 27.3% of teachers neither agree nor disagree and the same number of teacher believe students should not be responsible for assessing their peers. 39.4% of teachers neither agree nor disagree that students enjoy sharing their writing with each other and 37.9% of respondents think students can openly listen to their friends' opinions about their writing (*Table 5*).

Table 5

Teacher questionnaire results

Statements	1 strongly disagree	2 disagree	3 neither agree nor disagree	4 agree	5 strongly agree
I think that marks given by peers should not be included in students' final marks	34.8%	19.7%	30.3%	10.6%	4.5%
I think students should not be responsible for assessing peers' written work	13.6%	15.2%	27.3%	27.3%	16.7%
Students enjoy sharing their writing with each other	13.6%	21.2%	39.4%	19.7%	6.1%
Students can openly listen to their friends' opinions about their writing	15.2%	19.7%	37.9%	18.2%	9.1%

Source: author's survey

CONCLUSIONS

The majority of teachers expressed neutral or empty attitudes (since on most of statements they chose "neither agree, nor disagree" response) towards the number of issues. According to some studies, "neither agree, nor disagree" response may be caused by the lack of knowledge of the given issues, and the respondents may provide answers randomly. "In this context the middle point response is interpreted, as a way to cover actual lack of opinion" (Baka & Figgou, 2012, p. 248).

According to this view, the teachers-participants' responses mostly may be conditioned by the lack of knowledge about peer assessment as the majority of them think students should not be responsible for assessing peers and at the same time they state that marks given to peers should be included in students' final marks.

In this context it can be assumed that the respondents tried to hide either their ignorance of the fact that they do not hold an opinion towards peer assessment.

The results can also be interpreted in another way as well. The fact that teachers have responded "neither agree nor disagree" with the majority of the statements may be conditioned by the fact that they have mixed feelings about some of the given statements. It means that 37.9% of teachers may have mixed feelings whether students can openly listen to their friends' opinions about their writing and 39.4% of them may have mixed feeling whether students enjoy sharing their writing with each other or not. Though the data obtained from the survey showed that the teachers have positive attitudes towards peer assessment of writing, but they have the lack of knowledge and experience of implementing peer assessment in EFL writing classes since the majority had neutral responses towards significant number of statements.

In order to make the reliable conclusions, further research is needed in the issue of peer assessment. Raising the teachers' awareness towards the given topic is of paramount importance for creating collaborative environment within which the implementation of peer assessment of writing will be free from friendship bias and the teacher will be equipped with all the necessary knowledge and skills to make sure peer assessment process is reliable and fair.

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JEL: M1

CREATIVITY IN THE ORGANIZATIONAL CONTEXT OF LEARNING

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Abstract: *The author of the article considers different approaches towards efficiency, learning and creativity in the organizational spaces of the enterprises. The research presents a summary of some possible management practices in the creation of an organizational context of continuous learning in the company. The goal of the study is to submit the organizational possibilities and theoretical variety of approaches in the innovative activities of enterprises to create and develop new meanings in learning processes.*

Keywords: *creativity, learning, approaches, diversity, development*

INTRODUCTION

The study of creativity is an essential topic in the business issues' research and discussions in the recent decades. The importance of creativity in an organizational context is due to: (1) specificity of the learning environment and outcomes in some directions as leadership styles, conflict management and teams' independence, flows and flaws of the information, process administration with a high level of expertise; (2) behavior towards novelty and imagination in processes' implementations by using marketing tools, production technologies, relations' entrepreneurial patterns and cultural mapping as a diversity resource for innovations; (3) originality of some business practices and good traditions in the organization of processes and people; (4) possibilities for the development of innovative schemes in the lifelong learning; (5) innovations and new tools of Industry 4.0; (6) new communications and computer achievements, nanotechnology, technical solutions with an impact on the production structure change globally and approaches of innovative products projecting (Demirova, 2017); (7) "approach or philosophy" of open innovations and alternatives to rapid innovation aging (Demirova, 2017); (8) *micro foundations of creativity* (Guzik & Goff, 2015), i.e. understandings of creativity that connect to the central building blocks of modern microeconomics, specifically, the individual agents of production (firms) and consumption (consumers); (9) economic growth in consequence of innovation development, differentiations of HT-productions and new productive factors like brands, licenses, clients (Nedyalkova, 2016); (10) need for linkage of organizational execution between learning and efficiency, etc.

MATERIALS AND METHODS

Creativity in the organizational execution passes through the discussion of psychologists on Guilford's 1950 presidential address to the American Psychological Association (Popova, 2017). Beghetto & Kaufman (2007) submit for consideration their statement that "Although there were studies of creativity prior to the 1950s, Guilford is credited with persuading psychologists of the need and possibility for

scientific studies of creativity (Runco, 2004). In particular, Guilford (1950) challenged psychologists to focus on the discovery of creativity in schoolchildren. Guilford's focus on the creativity of children in schools was the upshot of his recognition of the relations between creativity and learning; many classic learning theorists have shared this view, including Piaget & Vygotsky (Sawyer et al, 2003)".

The concept of organizational learning has developed and there are different dimensions and ideas in the literature about it referred to increasing productivity (or reducing costs through efficiency) (Argyris & Schön, 1978; Daft & Weick, 1966, Lee et al, 1992); developing new platforms of knowledge about organizational learning and management (Fiol & Lyles, 1985; Nonaka & Takeuchi, 1995; Brown & Duguid, 1991; Levitt & March, 1988; Huber, 1991; Volberda, Foss & Lyles, 2010), which describe organizational learning as process and improvement of existed knowledge in a concrete context and understanding.

The relations between organizational learning and creativity is a key focus of the organizational creativity concept referred to: (a) participants of the creative process, so-called creators and creative thinkers; (b) understanding of the everyday nature of creative thinking (Richards, Kinney, Benet & Merzel, 1988; Runco & Bahleda, 1986); (c) role that creativity has in the development of new and personally meaningful knowledge (Beghetto & Plucker, 2006); (d) cultural mosaic of learning styles and execution as efficiency obligations and schemes in building the *micro foundations of creativity*, etc.

Erik E. Guzik & Kathy Goff (2015) argue that "the dominant definition today offered by psychology to understand what creativity is an ability to generate novel output that has value (Sarkar & Chakrabarti, 2011) included as its underlying basis, two concepts (novel output and value) that are central to the science of modern microeconomics". Creativity conceptualizations depend on the role of microeconomics as a potential theoretical tool for: (1) developing more comprehensive understanding of creativity at the level of the individual creator in an organizational context and efficiency as execution; and (2) better understanding the vital role played by individual consumer in securing creative activity and value through learning and producing knowledge about specific needs and behavior motivators.

Creativity in the learning settings of the organizational execution is an approach of Amy C. Edmondson (2008), who believes that "today's central managerial challenge is to inspire and enable knowledge workers to solve, day-in and day-out, problems that cannot be anticipated", and puts the question about the beliefs of the most executives "that relentless execution – the efficient, timely, consistent production and delivery of goods and services – is the surefire path to customer satisfaction and financial results. Managers, who let up on execution even briefly, the assumption goes, do so at their peril!". Edmondson's approach towards execution is so called *execution-as-learning*, which in author's opinion is a lot like *execution-as-efficiency* because of "the same discipline, respect for systems and attention to details". The difference is in a radically divided over organization mind-set, "focuses not so much on making sure a process is carried out as on helping it evolve, building four unique approaches into day-to-day work".

First, companies with a focus on execution-as-learning apply the most sufficient and nourishing knowledge (which is taken into consideration as a moving target) "to inform the design of specific process guidelines".

Second, companies enable their employees to collaborate by the availability of the information when and where it is necessary.

Third, they routinely ascertain process data and how work is really being done.

Fourth, they study these data in a connection with the possibilities to improve approaches and methods.

Nowadays creative artifacts distinguish creative thinkers' schemes that describe technologies of management and organization in the company's learning settings. The approach of Mishra et al (2013) has differences in its purpose, the focus is on the products of creative activity; i.e. authors try to evaluate the end products of creative process. "These *end products* may include physical objects, concepts and ideas or artifacts, such as poems and theories. Our focus on artifacts highlighted the philosophical proposition that it is *what we do* that matters (not what a test thinks we are). Our emphasis on the *end products* of the creative process is driven by two reasons". Our approach (Popova & Slavov, 2017) toward creativity and learning in business context develops Mishra et al concept, which is standpoint on end products in two lines. The first is referred to the creativity process as organizational assets that are often invisible to the outsiders. The results at the end of the process are what the creative organization implements. The second line involves a focus on actual learning settings, where the evaluation of results produces new ideas, approaches, contexts, vision, efficiency, organizational needs and goals.

RESULTS

Using the assertions of Edmondson's approach some added approaches connected with the organizational dimensions in the learning context of business activities are submitted in the text below (*compiled by author*). These approaches include: (1) organizing work for high performance; (2) creating synergy among cultural diversity and employees by coordination; (3) developing global work context to define activities that maximize efficiency; (4) designing the structural variations of company's projects according to procedures and standards; (5) explicating levels of job enlargement, duties, responsibilities and the context of hierarchical relations; (6) creating a platform for self-management and improvement of the organizational context of self-managed teams; (7) engaging in self-efficacy and perceptions of the social context (Borgogni et al, 2016); (8) placing the strategic discourse in selection and promotion of effective global leaders at all organizational levels (Butler, Zander, Mockaitis & Sutton, 2012; Tung & Varma, 2008, et al); (9) searching for global competence such as managerial, cultural and operational; (10) recognizing benefits and effects of the teams' performance; (11) representing successful perspectives for organizational spaces in multicultural settings; (12) developing of leaders-teams relations; (13) self-managing through feedback analysis (Drucker, 1999); (14) increasing coordination and collaboration by using of implementation of promise-based management (Sull, 2007); (15) achieving a sense of community within personal networks; (16) coaching employees on their attitudes and roles in the process; (17) sharing the expectations, solutions, information and behaviors' parameters; (18) giving a feedback, personal

encouragement and progressive approaches toward uncertainty about clear hierarchy; (19) providing a focus that defines responsibilities, participation in business processes and specifications; (20) securing supportive and feedback relations in order to reduce organizational stress; (21) rethinking the strategy in the context of business environment; (22) implementing the Japanese concept of BA (Nonaka & Konno, 1998); (23) achieving the ability to promote or institute spontaneous knowledge-sharing in occupational communities, to embed the knowledge exchange practices into innovation processes (The Hau-Ba Model: from the concept of BA to the community-order perspective, Ahmed Bounfour & Gwénaëlle Greffe, (2014)); (24) applying the whole company's energy to generate ideas about leadership efficiency; management innovative approaches toward productivity, creative usage of time and organizational spaces, etc.

DISCUSSION AND CONCLUSION

"New Chains for value creation and business-technology models lead to the creation of new alliances and interconnections between enterprises" (Damyanov & Demirova, 2016) and in these processes learning as a context could implement the organizational goals of companies to develop their potential and assets as added values through knowledge, expertise and approaches toward efficiency and creativity. Today learning is in a close relation with a combination in the unity of learning processes, which ensure education in development, new theoretical attainments of science and technology, complexity of integrated knowledge and data (Yamukova, 2016). It could be concluded that:

- 1) Creativity in the business learning activities is a significant factor for generating new ideas on meanings of efficiency and a prerequisite for ensuring the motivation and achievements of employees in their day-to-day operations and behaviors.
- 2) The company's learning context ensures some creative methods of leadership and management, team building and competitive advantages in the long run.
- 3) The organization of learning processes develops the transformation of organizational spaces and structures in the company and encourages creativity in the industry and business as a whole.
- 4) Learning is an essential environment of Industry 4.0 and guarantees for the implementation of the career development plans and the diversity of management practices in promoting people as innovators, creators of new technologies, etc.

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JEL: Z130

THE PECULIARITIES OF PERCEPTION OF THE LEXEMES PEOPLE AND NATION BY THE UKRAINIAN YOUTH IN THE CONTEXT OF PRESENT-DAY CHRONOTOPOS

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Abstract: *The article deals with the peculiarities of the perception by Ukrainian youth the lexemes people and nation. It also reveals social meanings linked in the minds of the Ukrainian youth with these lexical items at the present stage in the development of the Ukrainian language and Ukrainian society. The material of the article is based on the results of the associative experiment. The authors of the article offer their own vision of the mental and gender aspects in the perception of words stimuli people and nation by young people. They also prove the social precondition of the receptive activity of human consciousness, in particular the dependence of the perception of words as linguistic units on the conditions of social chronotopos.*

Keywords: *means of communication, social chronotopos, social meanings, social mentality, national self-awareness, mental profile, perception, semantic kernel, associative experiment, associative field, associative series, lexeme, lexeme-stimulus, people, nation, gender differences*

INTRODUCTION

This article is an attempt to comprehend and substantiate scientifically the essence of information communication as a process related directly to the social environment and the era within which the society exists and informational communications are established. Writing of this article was preceded by the study of peculiarities of the perception of the lexeme *mankind* by young Ukrainians (Pryschepa, Plechko & Svysiuk, 2017). Having received interesting results of the peculiarities of the perception of the lexeme *mankind*, we also decided to study the peculiarities of the perception of the lexemes *people* and *nation* by modern Ukrainian youth. The associative experiment has been used as a research method. It is known that the system of values is formed under the influence of information a person receives during his maturation and formation as a person. As values of young people differ from the values of older people, their system of sense bearing values differs as well. Sense bearing values, in turn, are related to social meanings. It was impossible to cover all the aspects so we were primarily interested in the specificity of the perception of lexemes *people* and *nation*. These lexemes are connected with sense bearing values and social meanings, and they have recently gained a special importance for the Ukrainians.

Ukrainian researchers insist on the idea that the change of social meanings is a consequence of alterations in the mass consciousness of Ukrainians, in their ideology and culture in conditions of a social crisis (Burlachuk, 2005; Suprunenko, 2017). The research was carried out among Ukrainian students during 2015-2016 academic year, after the events that shook the minds of Ukrainians in 2013-2014.

The knowledge of anything is a component of social meaning and at the same time any knowledge is expressed by the word as a unit of language. The language is by its nature a sign system, and each of its elements is a sign that carries certain information and signals about a certain meaning. Meaning is the internal form of the word. The content of the word is related to social meanings (concepts, emotions, motives) which, as noted in works of Diachenko (2017) and Suprunenko (2017), have the property of aging (according to Diachenko) and constant updating (in accordance with Suprunenko). Therefore, the content of the word is considered to be a variable category.

MATERIALS AND METHODS

Our research is related to sociology and psychology, psycho- and sociolinguistics, as well as to linguistics itself, therefore, its theoretical basis is the works of such researchers as Potebnia (1989), Sokolov (1996), Diachenko (2017), Burlachuk (2005), Suprunenko (2017), Pavilenis (1983), Denysevych (2010), Liashuk (2016) et al. Main theoretical aspects of the study of social communications and the nature of social meanings as well as the methods of their decoding are discussed in the works of Sokolov, Diachenko, Burlachuk, Suprunenko, Pavilionis. Specialists in the field of psycholinguistics and sociolinguistics Denysevych, Goroshko, Kholod and Terekhov (2010) applied the associative experiment as a method of studying social influences on the language taking into account the gender aspect of language acquisition and expression. Their works prompted us as well to apply the associative experiment as a research method. In addition, social meanings are related to the sphere of ideal. From our point of view, the associative experiment is considered to be an appropriate method for studying ideal values, since the ideal values and namely the associations of recipients are taken into account. The application of the associative experiment as a method for examining social meanings allows us to study psychological, cultural, sociological equivalents of meanings that form the associative field of the word-stimulus and are related to the sense values and social meanings that are active in social chronotopos. The associative experiment enables to reproduce the semantic structure of the word as it is understood by the recipient, appealing primarily to the subconscious (since the participants of the experiment produce associations, but do not explain how they understand this or that lexeme). Therefore, the so-called *social mentality* (Sokolov, 1996), which is manifested in the unity of conscious and unconscious meanings can be studied by means of the associative experiment. Describing the peculiarities of the perception of lexemes *people* and *nation* by modern Ukrainian youth we will also pay attention to gender differences. Hence, the use of the statistical method and the method of data analysis and interpretation proves to be requisite.

RESULTS

100 first-year students of the Zhytomyr National Agroecological University (Ukraine) became participants of the experiment. The number of female and male representatives was equal. The type of the associative experiment is a chain: the recipients were offered to write a chain of association arising during the perception of the words-stimuli *people* and *nation*. The associative fields of the lexical item *people* were established and their semantic kernels were determined during the experiment. According to boys' perception the semantic kernel of the associative field of the lexeme *people* is represented in the following way: *men – Ukrainian – community – unity*. The girls' perception slightly differs: *men – Ukrainian – nation – unity*. It becomes obvious from *Figure 1* illustrating this difference and reflecting the structure of the social mentality of girls and boys.

According to Sokolov (1996), the social mentality is manifested in the unity of conscious and unconscious meanings. The social mentality of young Ukrainians, taking into account the specificity of the perception of the word-stimulus *people*, covers the social meanings associated with such concepts as *men*, *Ukrainian*, *nation*, *community*, *unity*. The associative fields of girls and boys would be identical if there were no 2 distinct associations – *community* (among boys) and *nation* (among girls).

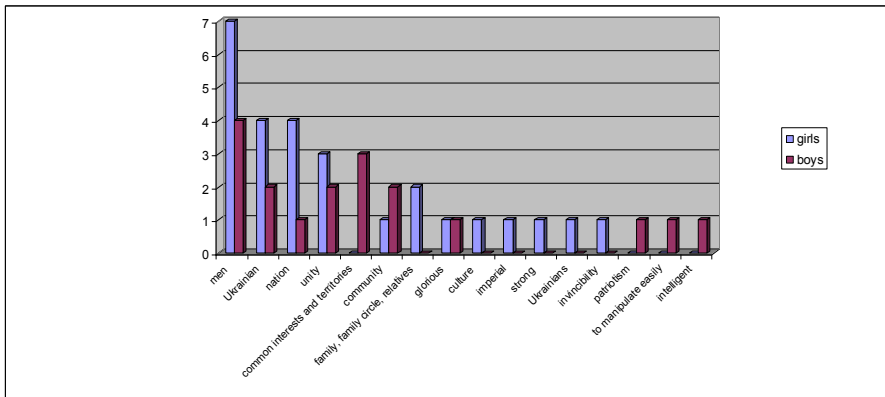


Figure 1: The mostly used associations to the word-stimulus *people*

Source: researched by authors

The gender differences in perception are illustrated more vividly by individual associations. They are related to the psycho-emotional sphere, moral and ethical attitudes of the personality and partly reflect the national and historical as well as cultural aspects of the Ukrainian mentality: *patriotism*, *eternal*, *glorious*, *wealth*, *intelligent*, *easy to manipulate*, *you are not alone*, *a Ukrainian village* (boys' associations); *strong*, *invincibility*, *imperial*, *evening parties*, *Ukrainians* (girls' associations). The diagram in *Figure 1* also shows that the most commonly used students' associations to the lexeme-stimulus *people* are *men*, *Ukrainian*, *nation*.

As it is shown in *Figure 2*, such associations as *people*, *common interests*, *common territories*, *men*, *Ukrainian*, *Ukrainians*, *invincibility*, *passionate*, *fraternity*,

Russian, future represent the semantic dominant of the associative field of the lexical unit *nation*. The survey results showed that 2% of participants had no associations to the lexeme *nation*. To determine the causes of this phenomenon an additional study is required. The social mentality in case of perceiving the lexeme *nation* is defined by social meanings, which are indirectly expressed by such associations as *people, community, men, Ukrainians, indestructible, passionate and unrestrained*.

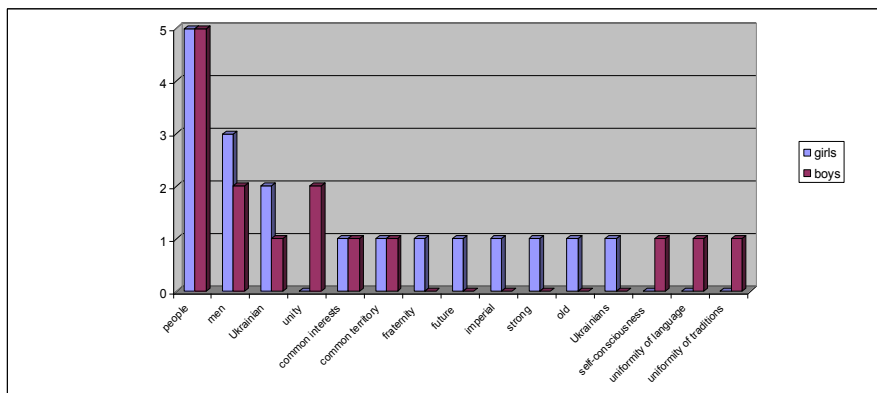


Figure2: The mostly used associations to the word-stimulus *nation*

Source: researched by authors

It turned to be interesting that male participants were more active to produce associations to the lexeme-stimulus *nation*. This fact allows us to make an assumption that the notion *nation* in the value system of Ukrainian boys has acquired a special significance in the modern Ukrainian chronotop.

Taking into account the semantic closeness of the words-stimuli *people* and *nation* there exist a certain number of joint associations in their associative fields: *men, Ukrainian, unity (community)*. They constitute the semantic dominant of the associative field of the lexeme *nation*. In our opinion it indicates to the identification of the concepts "People" and "Nation" in the minds of young people, especially of girls. It can be explained either by the ignorance of semantic differences, certain peculiarities in the semantics of these words, or by the fact that in the minds of young people these two concepts "People" and "Nation" exist as a single semantic unit. *Invincibility, imperial, Ukrainian, strong, common territory, common interests* were common associations refer to both lexemes-stimuli. *Ukrainian* and *Ukrainians* are the most important among them: *Ukrainian people, Ukrainian nation (Ukrainians)*. It is interesting to note that the association "men" is produced only to the word-stimulus "people." When compared to the association *Ukrainian* the association *Russian* given to the word-stimulus *nation* shows the insignificant percentage. It should be mentioned that *Ukrainian* is associated by youth with both words-stimuli, whereas *Russian* is only associated with the word-stimulus *nation*. The word-stimulus *nation* is perceived as *people* and *people* are not perceived as *nation* for some reasons.

DISCUSSION AND CONCLUSIONS

Among the two words-stimuli that were proposed to the participants of the experiment the word-stimulus *people* is notable for a greater variety of associations. This word produces 26 common associations, while the word-stimulus *nation* has only 18 associations. The least number of associations is produced to the word-stimulus *nation*. This time the girls who are usually active in the process of verbalization produced a small amount of associations. Considering the gender aspect of associations obtained as the result of the research, we can talk about differences in the perception of the suggested lexemes-stimuli by girls and boys. Girls are characterized by almost identical perception of lexemes *people* and *nation*. *People* among girls are associated with *nation* and vice versa. *Men, Ukrainians, unity* were common associations in the perception of both lexemes by girls. The boys instead associate *people* more with *community* than with *nation*. The lexeme-stimulus *nation* has caused more active production of associations among boys compared to girls. Usually boys produce fewer associations, besides their natural tendency to verbalize is lower. Thus, this associative splash concerning the word-stimulus *nation* induces to think. The boys showed the following series of most commonly used associations: *common interests, common territory, invincibility, passionate, irresistible*. These associations also outline the range of semantic values and social meanings with which modern Ukrainian boys connect the perception of lexemes-stimuli.

Thus, the *semantic dominants* of the word-stimulus *people* are the following: *men, Ukrainian, nation, unity, Ukraine, family, relatives* (among girls); *men, Ukraine, nation, unity, community* (among boys). *Semantic dominants* of the word-stimulus *nation* are: *people, men, Ukrainian, community* (among girls); *people, men, common interests, invincibility, passionate, unrestrained* (among boys).

Owing to the results obtained we can outline the mental profile of the experiment participants because the words-associations *unity, fraternity, pride, invincibility, strength, grandeur, mentality, passionate, eternal, common interest, common customs, common territory, courage, patriotism* essentially nominate the concepts that are components of the national self-consciousness of young Ukrainians. These associations also give an idea of the social semantic values of modern Ukrainian youth: *men, relatives, Ukraine, Ukrainian, welfare, culture, community, people and nation*.

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JEL: A29

CULTURAL CONTENT COMPOSITION OF FUTURE PRIMARY SCHOOL TEACHERS

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Abstract: *The article analyzes the cultural approach to improving the professional training of future teachers of primary school; the orientation of the cultural content component of the vocational training of the future teacher of the primary school is determined; specific peculiarities of significance of the artistic and aesthetic culture role in the know-how and technological aspects of higher pedagogical education are allocated; introduction of personality-cultural approach perspective direction of the problem solving of the creative potential forming of the future teacher of primary school; the formation of integrative, personal, professional qualities is considered, which involves taking into account the cognitive-procedural component of this training.*

Keywords: *cultural approach, vocational training of the future teacher of primary school*

INTRODUCTION

In modern conditions of reforming of higher education, the tendency of national self-definition, demonstration of national belonging, rethinking of approaches is intensifying to understand cultural life of the Ukrainian people in the context of European and world educational and cultural space. This requires a significant expansion of established knowledge, values, norms, models of life with new socio-cultural guidelines of society in the minds of the future teacher of primary school. The professional training of such a teacher should become the focus of the creative activity of the individual, the educational and artistic environment, which integrates a wide range of cultural foundations: from national customs to universal values; from mass forms of artistic culture to high standards of artistic creativity; from the acquirement of artistic national consciousness to the formation of a multicultural "man of the world" (Kravchenko, 2011). The ways of formation of the creative person of the future teacher of primary school are determined, which can use the acquired knowledge for competitive activity in any sphere of public life that is for the innovative development of a society. And this particular circumstance will be determined by the nature, orientation of educational activity in any country.

MATERIALS AND METHODS

In the theory and practice of higher pedagogical education considerable experience has been accumulated, which is a methodological and theoretical basis for improving the training of future teachers of elementary school, namely: the

scientific basis of higher pedagogical education; theoretical basis for the training of future primary school teachers; problems of artistic and aesthetic education and upbringing; the question of the cultural potential of a person; general issues of artistic and aesthetic education; problems of creativity; problems of different types of art; definition of the specific aesthetic education of pupils of different age categories. The validity of the results is confirmed by the use of various generally accepted and specific methods: theoretical generalization, dialectical analysis, comparison and systematization, generalization, cultural approach.

RESULTS

Analytical assessments of issues of cultural education as a component of the content training of future primary school teachers are based on the vision of artistic and aesthetic culture in the know-how and technology aspects of higher pedagogical education as its basic component. Educational influence on the student's personality, preparation for life as an active, creative, responsible for his or her own choice and independent person involve gaining the experience of artistic activity and formation of artistic culture by the future teacher of elementary school, as he needs to expand his own knowledge, improve methodological skills and artistic and aesthetic competence.

Zyazun defines the fundamental goal of personally oriented education of a person of culture with a special thinking, the essential core of which is humanity, spirituality, the ability to life creation (Zyazun, 2006). The signs of a person's culture are: freedom-loving, self-esteem, self-sufficiency, self-discipline, self-determination, and civility; independence of judgments, orientation in the world of spiritual values, possession of aesthetic taste, elegant manners, understanding of beauty and harmony, ensuring the well-being of one's family and country; the ability to make choices, responsibility for their actions, to make the right choice of their way of life, to realize the need for personal and professional growth; spirituality, ability for self-education of spiritual needs in cognition, beauty, communication, in search of meaning of life, happiness, ideal; the ability to creativity, the desire for liveliness, self-affirmation, the combination of analytical and intuitive reasoning; adaptability, ability to live in a definite cultural space, in a dialogue of cultures, a market economy, a new religious situation, interethnic communication; Health preserving competence (Bondarevskaya, 2000; Zyazun, 2006; Troelnikova, 2009).

Thus, these guidelines influence the artistic and aesthetic education of students in pedagogical universities, education of such qualities as civil consciousness, responsibility for their actions and life choices, reflections, and the development of their own personality. Cultural approach in the study of artistic and aesthetic cycle subjects at pedagogical universities should take into consideration the micro-environment of human existence and life-creation. Leshchenko substantiates the signs of the implementation of the cultural approach, which define and characterize the changes that should be taken into account in the content of cultural education

today: "aesthetic field", "actualization of the personal beginning", "the formation of value orientations", "the complex influence of artspiritual development of personality", "artistic and creative development" and "polycentric integration" (Leschenko, 1996).

Kravchenko (2011) defines the components of the cultural potential of contemporary artistic and aesthetic education: personally significant (knowledge of the personality of himself, the formation of creative abilities); engaging in artistic activity, in the process of developing a set of relevant competencies; professional orientation and disclosure of inclinations in the professions related to artistic abilities of a person; knowledge of the personality of the environment as an artistic and educational space of existence; the formation of skills to control their own physical, mental, aesthetic development; self-education of the spirituality of a future specialist; ability to distinguish poor quality samples of mass culture and consumption, to reveal their true aesthetic and ethical value and direct their own assessment activities in accordance with positive social demands; socially predetermined (vision of culture as a universal social phenomenon that provides an understanding of universal and national values, images and ideals, awareness of the originality of mankind, similarities and differences of cultural traditions); realization of social pedagogical macro technology of aesthetic education as a powerful means of forming creative abilities of future teachers; involvement in a single artistic and educational space of museums, art galleries, theaters, philharmonic institutions, institutions of artistic and aesthetic education and culture; children's centers, artistic children's schools, higher educational institutions of different specialties; creation of a comfortable educational center for personal expression and realization of the needs of each person in artistic creativity.

In the pedagogical works of Suhomlynskiy (1979) we focus on the study of issues that are a creative expression of a person's culture: feelings, desires, work, language, behavior, etc. In the educational process, these cultural expressions are, creating the image of a cultural man: "developed feelings, high interwoven emotional culture is, figuratively speaking, absolute musical rumor of moral education". A culture-building school is characterized by such a feature as an appeal to the achievements of folk pedagogy. Suhomlinsky formulated the following ideas of Ukrainian ethno pedagogics: the value of human life; the philosophy of a good heart, the "core" of education; nature as a resonator and a mirror of the human soul; native word as manifestation of human mentality and spirituality; industriousness as a manifestation of the social nature and needs of human life.

As Savchenko (2009) observes, culture is an organic part of the inner world of a person, which defines its ethical, aesthetic, ideological values and norms, traditions, habits. It manifests itself in a way of life, behavior, thinking, attitude to work, the environment. The notion of "culture in education" has a wider and deeper meaning than the concept of a particular scientific discipline or social environment.

The general cultural development of future teachers of elementary school depends on the following components: the artistic culture that is formed during the process of familiarizing with various arts in public life (theater, museums, art

galleries, fine art exhibitions, cinema, etc.); socio-psychological culture as a form and process of organization of the subject of his life at the household level; intellectual culture, which is formed in the process of educational activity in a pedagogical institution and provides the development of speech, communication skills, organization of scientific research; professional culture as an ability to creatively organize an educational process in elementary school (Homich, 2012).

At the lessons of the psychological and pedagogical cycle, teachers should use the elements of theater pedagogics; create game situations to solve pedagogical problems. Recently in order to improve the creative development of the individual, each student is attracted to the dramatic art. Educational dramatization is intended for the active involvement of future teachers in intellectual and emotional self-expression. Drama classes contribute to the development of creative imagination, attention, self-awareness and self-regulation; learn to think, express thoughts, feelings, emotions, better understanding of other people, help deeper penetrating the inner world of the characters they portray.

At practical lessons, it is necessary to use the following types of theatrical activities: rhythmic dramatization where the coordinated activity of students is provided; recitation of poetry, teacher's teams; pantomime, which promotes the development of creative self-expression with the help of facial expressions and gestures via the movements of the body, hands and feet; the success of learning depends on the formation of abilities to observe and remember what they have seen. In the educational process three types of pantomimes are used: professional (representing different professions) during which the activities of different types of teachers (authoritarian, liberal, democratic) are reproduced; shaped when revealing the inner world of people; dramatic for reading. Advisable to use improvisational dramatization that is used to perform pedagogical situations, when a teacher sets a certain stage, and students play it; oral interpretation as an effective form of teaching the art of a living word for the mastery of students with the technique and logic of speech, emotional-figurative perception and reproduction of artistic text. In such conditions students acquire the skills of transformation and intonation of speech of various characters; reproduction of various types of character is a complex form of theatrical activity that helps students to understand the motives of deeds, feelings, behavior of people, to be able to put themselves in their place.

DISCUSSION AND CONCLUSIONS

The use of elements of theatrical pedagogics contributes to the development of creative abilities, the formation of initiative, the ability to independently solve problems; helps to develop intellectual (the formation of mental activity: analysis, synthesis, comparison, generalization, development of dialogical thinking), emotional (culture of feelings, creative imagination, associative memory, observation) of the sphere; to form moral and value orientations (development of compassion, empathy); to promote physical perfection; to raise the speech level (working out the techniques of pronunciation, skills of verbal expression) of future teachers.

Thus, the professional training of the future teacher of elementary school in the

general cultural dimension should be considered, in our opinion, taking into account the characteristic features of the cultural component of the content of training that provides an increase in the personal and professional development.

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PART II: SOCIAL COMMUNICATIONS IN THE MODERN WORLD

JEL: M30

DETERMINATION OF SOCIO-CULTURAL PROCESSES INTO THE MEDIA AND THEIR IMPACT ON SOCIETY

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***Abstract:** Social relation is the one of the most important part of communications between people. It is a part of culture, which is growing and has very interesting meaning. Social relation like a system of many symbols has an independent power. Each direction of mass communication system uses many codes: language, sounds, visual things and films. By using these messages, they can give some necessary information to people and influence to society. Media "discourse" is important for both what it reveals about a society and for what it contributes to the character of society. After decoding, messages execute a specific function; they influence society and finally, as a public institution, determine the level of the cultural and social processes with the communication languages. In the basis of creation of any kind of information, some cognitive systems use together with language other semiotic codes, so-called ideologies. French structurologist Claude Lévi-Strauss (1908) thought that social life events such as art, culture and religious have gotten the basis of the same nature. Culture relativism, defamiliarization by cross-cultural juxtaposition and the communication language are tools, which help to deliver culture as the knowledge system from the past to the future and various actual issues including mental landscape without time."*

Keywords: *sociology, culture, communication, influence, transmission*

INTRODUCTION

The main aim of using a critical intercultural communication framework is to uncover what culture really is, as well as to uncover what representations of culture come to appear real and through which processes. Generally, being aware of the representations we have and the reasons why these representations are constructed and conveyed; it is central to developing understanding and tolerance towards others, as well as us.

The concept of culture is regarded by many scientists as ambiguous, difficult to conceptualize and even non-operational. In spite of its difficult reputation, culture is a prominent object of the study. Influences of critical theories and social constructionism make critical intercultural communication a relevant framework for examining representations and discursive constructions of the culture. Work of Antuan Molly (1973) "Socio-dynamics of Culture", who is the author of the mosaic

theory, which is based on the kaleidoscopic perception of the world by human being, i.e. influence of mass information at the process of transformation of the past is the demonstration of the transition traditional humanitarian culture into the mosaic culture. The premise that culture could be constructed provides a solid ground to find ways, where certain representations seem more powerful or natural than others do. In addition, it emphasizes the fact that we live in webs of cultural discourses – some are invisible to us, depending on contexts that are intertwined with other discourses. Today in Georgia, policy of the culture is not aimed to the development of the communication art. They work only under individual projects and grants. Certain features of the development of Georgian communication sphere are different from other spheres of culture; historical mentality and commercialization is not fully understood in the context of the national identity and connected with the future of Georgia. Over the years, there has been a gap between the generations and culture; and culture without ancient is incredible.

The special peculiarities of mass media and culture are insufficient forms, methods and tools, which reflect cultural tendencies and processes in media. It is necessary to fulfill the function of competent promoters of local culture and arts for modern Georgian journalism, thus, need is to hold research of cultural journalism. For the genre peculiarities or technical diversity of mass media, they can cover almost all fields of modern culture. Conceptualization of culture (Geerts, 1973), or meanings and symbols system, is the process of getting rid of semiotic and other kinds of influences. Cultural and communicative memory is the national cognition and the alive past, transmission information from generation to generation. There are various actions including some from material and spiritual culture, but media in this aspect is the most important tool.

MATERIALS AND METHODS

Selecting the research topic is stipulated by the special peculiarities of mass media and culture, insufficient forms, methods and tools of reflecting cultural tendencies and processes in media. In the European Union Association Agreement with Georgia, it is noted on one hand, developing of Western standards of culture and on the other hand, promoting of the pluralism of media. "Mutual cooperation between parties will contribute to the intercultural dialogue via participation of cultural fields of European Union and Georgia and civic society as well" (Georgia and European Union Association Agreement, Vol. 17, Article 326). There are two important paragraphs: (1) cooperation in the field of culture and regular introduction of European standards in audio-visual and media fields; (2) homogenization of two ambivalent and at the same time coherent institutions.

CULTURE AND MASS COMMUNICATION

Identifying of general rules for these interrelations and the facts require theoretical and practical analysis and setting of some regularities. For the genre peculiarities or technical mass media diversity, they can cover almost all fields of modern culture and become not only promoters of the culture, arts and science but analysts as well.

They can create foundations and maintain unique art works. Our research goal is to create cultural and ideological transformation picture of post-soviet processes by example of Adjara region printed media using methods of dynamics observation and comparative analysis. Reviewing Adjara region cultural and literary environment in historical-political, religious, socio-economic and public aspects based on materials from region media we can conclude that *intercultural communication* is the problem studying foreseeing double nature of cultures and system specifics; formation of new cultural values in relations with historical-social processes of the country and world cultural "injections". In 20th century, Georgia appeared twice to be in the role of sovereign, independent country and in both cases, freedom became true all of a sudden! In 1918 and 1991, when Georgia started building of an independent state, it was considered as a part of western civilization but in both cases, the society was unready for freedom in an economic, political, psychological and ideological aspect as well. Post-soviet period was full of soviet ideology aggression and stereotypes of soviet citizen; problems around identity, ethnicity and religious were increased in society. There are the exact topics with which new Georgian state is established and created as well as the change of political battles and Georgian culture processes occur. Ideological unreadiness determines lack of conceptual analysis of cultural processes. This problem is not in the frame of the academic field. For this reason, formation of a new society expressing cultural values with new forms is some kind of sum/goal for post-soviet media. Mass media should have the role of expert and supervisor in the cultural life of a country, such as they have in political or socio-economic fields. "All forms of culture from the worst to the best, from the most elite to the most popular are united in this digital world, which connects the past, the present and the future forms of communicative ideas in giant historical super-text" (Gellner, 1983). It is important to choose contextual research of media and culture as interrelations of communicative memory. Culture determined world of the faiths and experiences. Conceptualization of culture or meanings and symbols systems is the process of getting rid of semiotic and other kinds of influences. "We observe the reality not in the way it is, but in the way our languages enable us. Our languages represent means of mass information, our means of mass information are metaphors and our metaphors create culture content" (Postmen, 1988).

RESULTS

Both cultural (ancient) and communicative (newest) memory are national cognition and alive past. How cultural differences are created in time and space? For this reason, we use archives, museums, libraries, digital data banks and means of mass information. They are kept via cultural archives and operated via synchrony to the society having cultural memory. "Newspaper is the history of the one night and day of the world". It is a commonly known fact that digital technologies changed socio-cultural cosmos. Materialism of virtual world is a logical way of strengthening Gutenberg's world. Despite the fact that the book is a symbol of culture for many generations and not digital text, but "*We are pleased even with this attitude*" as Shota Rustaveli said.

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JEL: M30

**INFORMATIONAL INFLUENCE IN SOCIAL NETWORKS:
AN OVERVIEW OF PARAMETERS AND SPECIFIC QUALITIES**

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***Abstract:** Stemming from the fact that social networks have become a powerful platform for human communication, the article focuses on the term "informational influence." It is stated that unlimited possibilities to create interest groups and to manage informational flows define the specifics of informational influence on the Internet. The content of information, as well as specificity of interrelations and interactions between the members in the group is to be in the focus of research attention. It is concluded that informational influence should be analyzed as a complex dynamic phenomenon with nonlinear development.*

***Keywords:** information, informational influence, social network, Internet*

INTRODUCTION

In the 1964s study "Understanding Media: The Extensions of Man" written by McLuhan, the Canadian scholar, labeled the world modified by mass media as "the global village" in which people are being bombarded by an endless stream of information (McLuhan, 1994). The metaphor that characterizes our contemporarity ("The Age of Information") also belongs to McLuhan. Thus, the issues of virtual culture that present a new form of reality and the notion of information as the key term for its description are of huge importance in socio-philosophical and cultural knowledge. Simultaneously with the interest in the concept "information", the term "social network" was gradually acquiring both theoretical meaning and practical value. It was introduced by John Barnes, an Australian and British anthropologist and sociologist in 1954. In the essay on the organization of the population in Norway, the scholar suggested that the concept of network can be interpreted as a tool for use in analysis of the phenomenon of social class (Barnes, 1954). The emergence of the first social networks in 1970-80s (The NPL Network, 1970; The Computer Science Network, 1981; Internet Relay Chat, 1988) resulted in appearance of the Internet in 1991. Since then the World Wide Web enables an unlimited access to information. Dissemination, processing and interpretation of information in social networks are the subject of a large number of published researches. In particular, Social Networking evolution, Web-technologies and communication mechanisms within virtual social groups are widely investigated (Abraham, Hassanien & Snášel, 2009, 2012; Hubanov, Novikov & Chkhartishvili, 2009). As social networks have become a dimensionless platform to share knowledge and worldview, information

influence on the individuals on the Internet as well as its framework and the types are of cue interest for the specialists both in the sphere of sociology and psychology (Oxford Handbook of Internet Psychology, 2009), and computer technologies (Sassenberg, 2011; Hubanov, Novikov & Chkhartishvili, 2009).

This article addresses the notion of informational influence, and its specific features in social networks. To accomplish this aim, the following methods are used: content-analysis to define the terms *information*, *informational influence*, *social influence*; cultural analysis to represent virtual social networks as an innovative and progressive cultural practice of the recent decades; psychological analysis to consider the effects of virtual social networks on the individual; Social Network Analysis to study patterns of communication within social groups on the Web.

DEFINITIONS

There is currently no commonly accepted notion of information. The context of the growing interest to this term in the second half of the twentieth century is connected with the Digital Revolution that started with adoption of personal computers and continues nowadays. One of the significant results of the computer revolution is the informational society emergence "where the creation, distribution, use, integration and manipulation of information is a significant economic, political and cultural activity" (Just the Facts 101. Textbook Key Facts. Communication in History, Culture, Technology, Society, 2016). Thus, the question '*What is information?*' and the cognate concepts of information need clear explanation.

According to Floridi, who set the agenda for Philosophy of Information as a specific field, information can be viewed from three perspectives: information as a reality, information about reality and information for reality (Floridi, 2004). Analyzing approaches to the definitions of the term, the scholar highlights communication theory approaches that demonstrate the interest not in the usefulness, relevance, meaning, interpretation or aboutness of data, but in the level of detail and frequency in the uninterpreted data (signal and messages). Of course, the analysis of semantic information is also a focus of philosophical study; how the data become meaningful and then how meaningful data acquire their truth values. The idea that Floridi emphasizes is that all issues on information are open in the times when technology expands our way of thinking about things, expands our ways of doing things. Informational (or communication) theory treats information as *an objective (mind-independent) entity*, the accent is made on *conditions involved in the generation and transmission of coded (linguistic) messages* (Informational Theory, 1999).

Generally speaking, information is a knowledge that leads to changes. It is important that its semantic field intersects with the definition of the term *influence*: "change in an individual's thoughts, feelings, attitudes or behaviors that result from interaction with another individual or a group" (Rashotte, 2007). Thus, both information and influence contain the idea of transformation.

It should be taken into account that individual psychological processes are subject to social influences. As Deutsch & Gerard (1955) claim, there are two types of social influence – normative and informative – and both are the forms of conformity

within society. In its turn, conformity is broadly defined as the act of subordinating an individual behavior to the standards of the surrounding society. Since everyone is susceptible to social influence and has an inner desire to be a part of a social group, the normative form of influence can be understood as changing or adopting the style of behavior according to the standards of this social group. I.e. individuals comply with the influence to conform to other people's expectations' (Oxford Handbook of Internet Psychology, 2009).

In Deutsch and Gerard's (1955) definition, informational social influence is an influence to accept information obtained from another as evidence about reality. This type of influence is also a type of conformity, albeit rather heterogeneous and more complicated in its structure. According to Sassenberg (2011), one has to analyze it within the individual's membership in the group and interpersonal influence. The researcher explains it stemming from the structure of personality which includes a personal identity and many social identities: "as social identities are parts of the self, they make individuals internalize group norms, which in turn affect their thinking and behavior". He claims that this so called norm-based influence should be distinguished from normative social influence as it means a self-determined action as a group member.

SPECIFICITY OF INFLUENCE IN THE VIRTUAL COMMUNITIES

In 2017, a Pew Research Center, USA provides the report based on the survey (conducted in September – November, 2016) that highlights an *information-engagement typology* of Americans who take information on the Internet and their general levels of trust in information. The typology consists of five groups that range from fairly high engagement with information to wariness of it. According to Center's data, the Eager and Willing – 22% of U.S. adults – exhibit the highest levels of interest in information and trust in key information sources; the Confident – 16% of adults – are made up of the one-in-six Americans and combine a strong interest in information, high levels of trust in information sources, and self-assurance that they can navigate the information landscape on their own; the Cautious and Curious – 13% of adults – have a strong interest in news and information, even though they do not have high levels of trust in the sources of news and information; the Doubtful – 24% of adults – are those Americans who are less interested in news and information than those in the previous groups, they are leery of news and information sources, particularly local and national news; the Wary – 25% of adults – are the least engaged with information, they have very low interest in news and information, low trust in sources of news and information (Horrigan, 2017).

These data show that three quarters of adult Americans have interest in information and about a half of all adult Americans exhibit a high level of interest. It is interesting that according different research sources more than a half of people who take information on the Internet take part in virtual social groups. In general, statistics support the conclusion of psychologists: there are some clear positive associations between the Internet use and sociability (Oxford Handbook of Internet Psychology, 2009). Moreover, the statistics suggests different degrees of informational

influence among Americans, and generally, among people who take information on the Internet. In our view, the question of how virtual groups on the Internet are organized and how they function is related to the question of the peculiarities of informational influence. Openness, accessibility, association by interests, certain anonymity, high degree of freedom (for instance, to join or leave a group) are distinctive features of the Internet social networking groups. One can note that not separate characteristics but exactly the combination of them is distinctive about virtual communities.

Relying on social psychologists, Hubanov, Novikov & Chkhartishvili (2009) claim that the decisions of agents can be based on the decisions of other agents observed by them. It means that people are influenced by autonomous participants who are considered authoritative ones.

In on-line communication, another type of influence in the social groups (as well as in off-line contacts) is the influence of collective opinion. Surely, the type of judgment people makes and the type of information they evaluate is significant, and collective opinion is constantly updated. Nevertheless, people are likely to share collective judgments, as Li & Sakamoto (2013) assert, the likelihood of sharing the true, debatable and false statements followed the collective opinion, and first of all, it concerns true and debatable statements.

A specific center of influence in the virtual social group is represented by the figure of its administrator. Actually, the administrator manages the information flow in the group, i.e. he can limit information, monitors the compliance of the established rules and so on. In sum, the specifics of informational influence on the Internet are defined by the following factors: (1) mass character of informational influence on the Internet; (2) possibility to create an interest group and to manage informational flows in it; (3) orientation at information according to special interests.

CONCLUSION

Informational influence occurs but greatly varies in all branches and social networking groups. In the elaboration of the methods of assessing informational influence it must be assumed that the Internet is a complex dynamic system with nonlinear development. Hence, the content of information, the structure and the levels of informational influence as well as specificity of interrelations and interactions between the members in the group are to be in the focus of research attention.

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PART III: ACTUAL ISSUES OF MACRO- AND MICROECONOMICS

JEL: M210

PROBLEMS OF ENTERPRISES OF SUMGAYIT AND WAYS OF ECONOMIC DEVELOPMENT OF PROCESSING ENTERPRISES

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***Abstract:** One of the strategic goals of our country's economic development is to overcome its dependence on oil in the modern era. It means to achieve steady and sustainable economic development of the processing industry of our country. There are still some problems in the processing industry of Azerbaijan. The most important of these problems is that the competitiveness of the processing industry still does not have the required level of development. As the current state of processing industry enterprises and the technological level of their production-economic activity do not fully meet the possibility of producing a product that meets the market's needs. Therefore, ensuring competitiveness of Azerbaijani processing industry enterprises, including processing industry enterprises in Sumgayit has been identified as an actual problem.*

***Keywords:** processing enterprises, competitiveness, innovation, economic development*

INTRODUCTION

Generally, there were various aspects about the competition of enterprises. Competition expresses the race of economic subjects. It means, the competition is the struggle of a diverse group of people for having limited alternative uses. Competition is one of the basic concepts that express the essence of market relations, so it is one of the inherent parts of the nature of market. That's why we can say that the competition is the main key factor in developing of market economy. Businesses are trying to find a strategy to implement an effective and long-term competition in their fields by developing a competitive strategy and implementing of this strategy.

MATERIALS AND METHODS

The methodological and theoretical basis of the research is scientific works on industrial enterprises of Sumgayit (Azerbaijan), on the problems of industry. The validity of the obtained results is confirmed by the use of various generally accepted and specific methods: theoretical generalization, abstraction, analysis, comparison and systematization, a systematic approach.

RESULTS

If we focus on the structure of competition, we can understand that one of main things to win in a competition is to provide new innovation all the time. Actually, the structure of the competition has 3 main levels: (1) Countries; (2) Enterprises; (3) Commodities. The competitiveness of each country is determined by four key factors that are interdependent and dependent on one another: (1) Production factors; (2) Demand condition; (3) The condition of the service and the condition of the nearby areas to the service; (4) A strategy for businesses that are specific to a particular situation. In order to understand the meaning of the competition the main unit is the companies that produce commodities and services and compete among themselves. Businesses are trying to find a strategy to implement an effective and long-term competition in their fields by developing a competitive strategy and implementing this strategy. There are two main aspects for selecting a competitive strategy. First of all, the structure of the enterprise's operating area, second one is the position of the enterprises within the area. Each of these aspects separately is not a basis for choosing a competitive strategy. So, that if the enterprise does not choose the right position in a very profitable area, it cannot earn high profits.

One of the main factors affecting the actions of producers and consumers in the competition is to participate in the competitive market. The market's competitiveness is determined by the extent to which its members can influence with the prices of the sold commodities. The market will be more competitive if the impact is as small as possible. The competition expresses a special form of connections between market participants, involved in market relations. On the one hand, it expresses the struggle between manufacturers; on the other hand, it shows relationship between consumers and producers. One of the main features of competition is to revitalize, stimulate and increase productivity in society as a whole. And that's why we can say that the main aim of the enterprises to increase the competitiveness. Therefore, government of Azerbaijan Republic has always paid great attention to the development of cities' industry. Because industrial development of cities has become a crucial condition for the efficient deployment, productive development of the productive forces, the improvement of the life and cultural and technical level of the population. One of the 16 objectives that were set out at the September 25, 2015 meeting was "To ensure the safety, sustainability, sustainability and transparency of cities and settlements". On the basis of the development of the large cities is to improve the development of the industrial sectors. That's why the study of modern problems of industrial development of cities is actual. This actual problem is considered first of all to the industrially developed cities of Azerbaijan as Ganja, Sumgayit, Mingachevir, Shirvan and so on. But unfortunately during 1989-1990s these cities provided 20-22% of the country's industrial product, but now this indicator fell down. Actually this number was decreased till 5-6%.

There is a need for proposals and recommendations for the study of innovation-oriented industry development problems and elimination of existing problems in these cities. Sumgayit city is especially preferred among them. If in 1990s Sumgayit

as an industrial center of metallurgy, chemistry, energy, machine building provided 13% of the product of the republic, but in 2015 this number was decreased till 1.8%. In the last years Sumgayit was the center of innovatively-oriented development of Azerbaijani industry. For example, only after 2008 in this city for the building of the techno-park was spent 115 mln. USD. At the same time 2013, 2014 and 2015 fixed capital funds was 472 mln. AZN. President of the Republic of Azerbaijan Aliyev in his last speeches in this city noted that Sumgayit will be developed as the largest industrial center of the country. According to the aims of the third state program about the socioeconomic development of regions in the last years there was taken significant steps towards for the development and modernization of industrial areas, new modern innovatively-oriented enterprises are put into operation in Sumgayit city. The development of the industry in Sumgayit city will create better conditions for effective use of existing human resources in the city, to improve transport-economic relations, to increase its role as a cultural economic center in the region and decreasing of workforce fluctuation in Baku. All of these, makes an objective analysis of the innovation-oriented development of Sumgayit city industry, as well as demonstrating economic accomplishments, as well as revealing deficiencies, making suggestions and recommendations for their elimination. As well as researching the problems of industrial development of cities as part of the national economy, while exploring the problems of economic division in the Soviet period and in independence, Azerbaijani scientists, academics R. Balayev, A. Nadirov, Z. Samadzada, members-correspondents A. Alasgarov, A. Nuriyev, professors S. Huseynov, T. Huseynov, T. Hasanov, N. Nabiyeu, M. Atakishiyev, R. Sultanova, G. Yuzbashiyeva et al have been deploying productive forces, developing industry and improving the structure, ensuring balanced development across the region. Well-known scientists-economists field T. Aliyev, R. Jabiyev, A. Taghiyev et al noted on their articles about innovatively-oriented development issues of Azerbaijan and the study of these problems in the same direction.

The city as whole is the Population Settlement Center. It is most active place for labor resources activity; most focused place, productive and non-productive areas, transport nodes, economical, agricultural and trade's complexed improved place.

The main requirement of the reconstruction and the development of the city's industry improvement is to provide correct industrial policy. Though there were many discussions about it, but at present, industrial policy has recently begun to be formed in our republic. There should be objective conditions for the existence of an industrial policy. Analysis shows that during 2007-2011 in our country this condition was not so high level. The existence of such conditions expresses itself in the existence of certain economic and political stability, infrastructure development, collection of normative-legal, financial-economic means sufficient for direct and indirect influence on entrepreneurs' activity at the disposal of the state in the country. It means, for formation of industrial policy first of all, creation and administration of the followings are important: (1) Stability in all spheres of country: in economic, political, social spheres, in all spheres of macroeconomics has to be provided; (2) The basics of modern market economy, the main legal-regulatory and

organizational-management structure of its activity should be formed; (3) The country's activity should be activated for maintain and improvement of the country's scientific and educational potential; (4) All elements (science centers, techno parks, incubators and others) of the innovative economy should be formed; (5) Issues of the formation of special economic zones must be developed for activate investment and innovation activities.

As a whole, in contrast to the national industry, in Sumgayit city industry crisis began from the beginning of 1990s, when Soviet Union was legally destroyed. In all middle and large cities decline in industrial production has continued till 1997. In comparison to 1990, in 1995 industrial production was 12% in Sumgayit, 8% in Ganja, 36% in Mingachevir, 5% in Lankaran, 3% in Shaki. So, in these cities there was a danger that industry will be completely destroyed. During the Soviet Union regional policy and accordingly to this country and its regions formation of economic structure has been served as rational use of local resources as complex development of regions and their interest in speeding up their socioeconomic problems, but also according to defined function of the central government's adaptation. This situation was typical for Azerbaijan Republic. After some researches we can get the result that the reasons of the deep recession of Industry of Sumgayit city are: (1) By the collapse of the former USSR, violation of existing single space and almost completely interruption of economic relations; (2) Increase of production costs by increasing costs of the raw materials, electricity and fuel regularly; (3) Deepening of the investment crisis in the industry.

In Azerbaijan the volume of capital investments during 1991-1995 was 96%; only in one year in 1995 in compared to 1994 it was decreased 72.5%. As a result of this in Gross Domestic Product the share of capital investment from 1990 till 1995 was decreased from 20% till 5%. Current financial shortage did not give an opportunity for restructuring and modernization of enterprises, application of high technology and product growth. At the same time because of this reason the cost of production is increasing rapidly, and reduces the level of profitability, and there has been a serious need for new funding sources, including foreign capital. It was necessary to change all the old technology and equipment that has urban industrial complex with the new one.

In my mind, one the most important reason is uncontrolled and willfully of the enterprises. Because of this reason the privatization process of the enterprises was too slow, non-transparent and ineffective. The industrial enterprises should be under strict government control and protection until privatization. I think, in this case the main question of the enterprises was "to restore the old one or to create a new one?" But unfortunately, the solution of this problem took too much time. Here it was necessary to apply flexible economic policy.

There are market problems for the Sumgayit enterprises. Opportunities to produce products to foreign markets are limited. It is important to own new markets, and at the same time the product residue has to be decreased relatively to the volume of sold product. Industry of Sumgayit city has diverse structure. As in the recent past, the chemical industry occupies the first place in the field of industry. In 2013

39.2%, in 2014 45.5%, in 2015 34.2% of all industrial products produced in the city fall to the chemical industry. The volume of chemical industry products produced in Azerbaijan was 247.2 mln. AZN in 2014 and 76.9% of these products were produced by the chemical industry of Sumgayit city (190.135 mln. AZN). Although in 2015 the volume of the chemical products produced by Azerbaijan chemical industry was increased till 353.2 mln. AZN, but the number of products produced by the chemical industry of Sumgayit city was decreased till 47.2%. Generally, in Azerbaijan not only industry, but also the overall development level of the economy is a little bit low, that's why it needs to be raised. So it means the industry of Sumgayit city has to be increased totally too.

It is important to increase the innovation activity of industrial enterprises and scientific organizations through the expansion of scientific research and development and the application of production to the Sumgayit's innovation policy. In 2016 the number of scientific organizations doing the researches at country has reached almost to 150, but in Sumgayit this number was not more than 10. The number of the scientific technical works that has done in Sumgayit during last 10 years has increased 5.8 times. But it is not enough. At the same time the government has to increase the costs for expenditure on research and development from the state budget. For strengthen the impact of scientific research structures on the business environment, the integration of science, production and market integration processes and innovation activities on economic development the followings are necessary: (1) Development and implementation of regional innovation program around the city; (2) Creation of innovation infrastructure (techno-parks, advisory centers, holdings, foreign investment enterprises) in the city and increasing its efforts to solve the problem of its transformation into a special economic zone; (3) Effectively utilize historically collected production experience in the field of industry development in this city, restoration of industry's advanced fields in accordance with the capabilities and requirements of the new era; (4) Educational policy that ensures the development and formation of human capital in accordance with the requirements of globalization; (5) Accelerate reform in the field of governance to eliminate bureaucratic barriers in line with new requirements; (6) Financial policy that stimulates capital flows to small businesses in the field of innovation; (7) A policy that promotes the broad application of electronic communication in the field of communication and dissemination of information; (8) An active foreign policy that ensures an uneven distribution of technology at the global level across national boundaries; (9) Closer coordination of scientific research carried out in the city with the city's economy, creating the conditions for applying the latest ideas and proposals to the national economy; (10) Strengthening staffing skills to develop and promote highly qualified innovation ideas.

DISCUSSION AND CONCLUSIONS

From the study on problems of Sumgayit city enterprises it could be concluded:

1) Most of the enterprises in Sumgayit depend on foreign countries. Almost all of the used materials, technology and equipment are imported from foreign

countries. But if pay attention to the background of the enterprises we can see that 25-30 years Sumgayit enterprises produced all the raw-materials. That's why in order to reduce dependence on the foreign country; attention must be paid to the production of their substitutes throughout the country.

2) Each of the enterprises needs to keep a place in the world market. Currently produced products are sold only in domestic markets, which is too limited for enterprises. We think that, by adopting new markets, it is possible to increase product competitiveness and increase production volumes.

3) Product quality has to be increase in each of the enterprises. Some of the consumers think that the products are low-quality, but some of them consider that the products are too expensive. When we get the result we have to pay attention to the consumers' opinion.

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JEL: E69, H50-H56, H61, H72

**BUDGETSICHERHEIT UND FRAGEN
DER SOZIALEN STABILITÄT IN DER UKRAINE**

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***Abstrakt:** Der folgende Artikel handelt über Fragen der steuerlichen Sicherheit als Faktor der sozialen Entwicklung und einer der wichtigsten Voraussetzungen für die soziale Stabilität. Es werden internationale Ranglisten angeführt, die die Krisentrends in der Übergangsbewegung des Landes zeigen. Die Wichtigkeit des Sparprogramms für die Budgetsicherheit wird verdeutlicht, indem die notwendigen Änderungen im Steuersystem, der Rentenreform, der Versicherungsprinzipien im medizinischen Bereich, eine größere Autonomie für die Kommunen bei der Bildung der kommunalen Haushalte und in der Sozialpolitik aufgezeigt werden.*

***Stichworte:** Budget-System, Budgetsicherheit, Armut, soziale Sicherheit, soziale Stabilität*

EINLEITUNG

Der aktuelle Stand der Entwicklung der ukrainischen Wirtschaft wird durch die schwierige finanzielle Lage gekennzeichnet. Das chronische Budgetdefizit und das Wachstum der externen öffentlichen Schulden in den Jahren 2010-2016 verhindert die Lösung der wirtschaftlichen und sozialen Probleme. In den letzten Jahren wurden in der Ukraine viele Maßnahmen zur Erhöhung der Stabilität des Finanzsystems, der Stärkung des Haushaltssystems und der Steuerreform umgesetzt. Anscheinend waren diese Maßnahmen unzureichend für ein hochwertiges Wirtschaftswachstum. Daher wird in diesem Artikel viel Aufmerksamkeit den Sicherheitsleistungen des Haushaltssystems in der ukrainischen Wirtschaft geschenkt.

MATERIALIEN UND METHODEN

Der Forschung der Budgetfragen haben sich viele einheimische Wissenschaftlergewidmet. Trotz der Leistungen der Wissenschaftler erfordert dieses Problem ständige Untersuchung durch die sich schnell verändernden geopolitischen Prozesse, inländische wirtschaftliche Probleme und soziale Spannungen im Land. Weitgehend unerforscht bleibt die Thematik der Budgetsicherheit im Zusammenhang mit der finanziellen und sozialen Instabilität des Landes. Das Ziel des Artikels besteht darin, die Wege zur Stärkung der Budgetsicherheit des Staatshaushaltes zu finden, um soziale Stabilität in der Gesellschaft zu erreichen. Begriffe wie "soziale Stabilität" und "Budgetsicherheit" wurden als Diskussionsgegenstand ausgewählt. Zwischen ihnen gibt es eine enge Verbindung aufgrund der Dialektik der gesellschaftlichen Entwicklung. Das Erreichen der sozialen Stabilität des Landes hängt von der Reform des Haushaltssystems und der Stabilisierung der öffentlichen

Finanzen ab. Budgetsicherheit ist nicht ein Ziel an sich, sondern eine der Voraussetzungen für ein starkes nachhaltiges Wachstum. Das traditionelle Verständnis von Stabilität ist die Standfestigkeit und Unveränderlichkeit. Mit anderen Worten ist das die Fähigkeit, den aktuellen Zustand unter dem Einfluss verschiedener Effekte beizubehalten, was in der Makroökonomie als langfristiges Gleichgewicht bezeichnet wird. Soziale Stabilität wird oft als ein stabiler Zustand des sozialen Systems definiert, der es ermöglicht, effektiv zu funktionieren und sich unter den Bedingungen äußerer und innerer Einflüsse zu entwickeln, während seine Struktur und die grundlegenden qualitativen Parameter gleich bleiben (Potapenko, 2011). Eine solche Definition spiegelt den allgemeinen wissenschaftlichen und soziologischen Ansatz wider. Wir werden uns die soziale Stabilität als makroökonomischen Begriff, die eine positive Dynamik der Kennzahlen wie z.B. BIP, Beschäftigung (und Arbeitslosigkeit), Realeinkommen und andere, die die Entwicklung des Sozialsystems auf langer Sicht bedeutet, anschauen. Integrale Indikatoren sind z.B. der Human Development Index (HDI) und der Index der gesellschaftlichen Entwicklung. "Sicherheit ist ein komplexes soziales Phänomen, vielschichtig und mehrdimensional in seinen strukturellen Komponenten, das widersprüchliche Interessen in den Beziehungen der verschiedenen gesellschaftlichen Akteure widerspiegelt. Daher die Konditionalität der Sicherheits-problematik durch subjektive Positionen und zweideutige Einschätzungen..." (Chmykhalo, 2007).

ERGEBNISSE

Die Budgetsicherheit wird oft als eine Art Potenzial gesehen, welches die Fähigkeit der Regierung widerspiegelt, ein ausgewogenes Verhältnis von Einnahmen und Ausgaben zu gewährleisten. Es wirkt als eine Art Indikator und Kriterium der Wirksamkeit der Steuerpolitik sowie der Organisation des Haushaltsprozesses (Onishchenko, 2015). Wichtige Indikatoren der Budgetsicherheit des Staates sind das Verhältnis vom Haushaltsdefizit zum BIP, das Defizit in den Haushalts- und außerbudgetären Fonds der Regierung, die Höhe der BIP Umverteilung durch das konsolidierte Budget, das Verhältnis der gesamten Zahlungen für die Wartung und die Rückzahlung der öffentlichen Schulden zum Einkommen des Staatshaushaltes. Die Dynamik des staatlichen Haushaltsdefizits im Verhältnis zum BIP für die Jahre 2011-2016, mit den optimalen Werten dieses Indikators von 3 und einem kritischen Wert von 10 zeigt, dass der Zustand Budgetsicherheit zufriedenstellend und nicht kritisch ist (*Tabelle 1*).

Tabelle 1

Verhältnis des ukrainischen Haushaltsdefizits zum BIP in den Jahren 2011-2016

Indikator	2011	2012	2013	2014	2015	2016**
Verhältnis des öffentlichen Defizits zum BIP, in %	-1,79	-3,79	-4,45	-4,98	-2,28	-2,99

Quelle: <http://index.minfin.com.ua/budget>

*** Berechnet vom Autor auf der Grundlage des prognostizierten BIP (2339 bill. UAH)*

Die Methoden der Finanzpolitik können je nach Aufgabe unterschiedlich sein. Das Wichtigste dabei ist, die hohe Qualität der Budgetentwicklung durch steuerliche Instrumente sicherzustellen, hohe wirtschaftliche Entwicklung und das Wohlergehen der Bevölkerung zu fördern. Mit anderen Worten, es ist der ultimative Maßstab für die Finanzpolitik der menschlichen Gesellschaft. Daher ist die Budgetsicherheit eine notwendige Voraussetzung für die soziale Sicherheit und nachhaltigen Entwicklung der Gesellschaft. Unter der sozialen Sicherheit verstehen wir den Zustand der Gesellschaft, der ein nominales Niveau der sozialen Bedingungen und Leistungen bietet, die die Qualität des menschlichen Lebens und der Gesellschaft als Ganzes bestimmen. Der mittelalterliche Philosoph Niccolo Machiavelli hat die Sicherheit der Gesellschaft mit der Effizienz des Gesetzgebers verbunden. Als größte Bedrohung für die soziale Sicherheit hat er die Isolierung der Politik von der Kultur gesehen. Außerdem ist die soziale Sicherheit nicht nur ein Ergebnis der Regierungspolitik, sondern auch das Niveau der Kultur und Selbstorganisation der Gesellschaft.

Dabei unterstützt der Autor die Hypothese, dass das Hauptziel eines Systems, einschließlich des sozialen, das Überleben ist. Diese Aufgabe wird durch mehrere Verfahren erreicht. Die Wichtigsten davon sind die Selbstorganisation und die Selbstentwicklung (Abdullayeva, 2010). Eine der Methoden der Selbstorganisation des modernen Sozialsystems ist das Finanz- oder Budgetmanagement, ein Teil davon ist die Bildung des Finanzplanes des Staates. Schauen wir uns den Zustand der sozialen Stabilität als Eigenschaft der gesellschaftlichen Entwicklung an. Wie bereits erwähnt, wird sie z.B. vom Index für menschliche Entwicklung (HDI) und anderen internationalen Ratings ermittelt. Der HDI ist ein zusammengesetzter Indikator der menschlichen Entwicklung in unterschiedlichen Ländern und Regionen der Welt und wird von der UN im Human Development Report verwendet.

Die Weltgemeinschaft geht davon aus, dass die menschliche Entwicklung auf dem Prozess der Auswahlerweiterung basiert. Wesentliche Elemente sind z.B. die Möglichkeit der Person ein langes und gesundes Leben (durch die Lebenserwartung bei der Geburt gemessen); die Möglichkeit eine Ausbildung zu bekommen (gemessen durch die Alphabetisierungsrate bei Erwachsenen und der kombinierten Bruttoeinschulungsrate, der durchschnittlichen Schuljahre und Schullebenserwartung in Jahren); einen angemessenen Lebensstandard (gemessen durch den Wert des BIP per capita in US-Dollar mit der Kaufkraftparität) zu führen. Zusätzliche Elemente sind die politische Freiheit, Menschenrechte und das Selbstwertgefühl. Die Position der Ukraine in den internationalen Rankings wird in Tabelle 2 dargestellt. Der HDI der Ukraine beträgt 0.747 und sichert damit eine Erhöhung vom 83. Platz in 2014 auf den 81. Platz in 2015. Damit gehört das Land zu den Ländern mit einer hohen Entwicklung. Dabei sollte beachtet werden, dass unser Land im Jahr 1992 auf dem 45. Platz war (Human Development Reports, 2015).

Trotz der Verbesserungen in einzelnen Bereichen sind die Rankings des Landes schwach. Die Soziologin Pan'kova (2015) beschreibt die Situation als "eine Äußerung von Antropokrise, die zum Abbau des menschlichen Potentials, der Reduktion von Humankapital und zur Erschöpfung der menschlichen Ressourcen führt". Die Priorität Nummer 1 für die ukrainische Gesellschaft ist interessanterweise die

Chancengleichheit und soziale Gerechtigkeit. 74.4% der Befragten bei den nationalen Konsultationen haben auf die Notwendigkeit hingewiesen, die bestehenden Unterschiede zwischen den reichen und den armen Schichten der Bevölkerung zu reduzieren (Why populism is successful in Ukraine, 2015).

Tabelle 2

Die Ergebnisse der internationalen Rating-Vergleiche

<i>Platz in der Bewertung</i>	<i>Anzeige</i>
81. Platz von 188 Ländern	HDI-2015
<i>Gesundheit</i>	
1. Platz in der Welt	in Bezug auf Kinder-Alkoholismus
1. Platz in Europa	HIV-Prävalenz unter Erwachsenen
	HIV-Prävalenz unter schwangeren Frauen
5. Platz in der Welt	Alkoholkonsum per capita (mehr als 15,6 Liter Alkohol pro Jahr)
<i>Demographie</i>	
32. Platz von 242 Ländern	in Bezug auf die Bevölkerung (42.603.900 Menschen) am 01.12.2016 war die führend in Bezug auf die Reduzierung der städtischen Bevölkerung
4. Platz in der Welt und 3. Platz in Europa	Bezüglich der Sterblichkeitsrate 2016
<i>Wirtschaft</i>	
79. Platz von 140 Ländern	Bewertung der globalen Wettbewerbsfähigkeit 2015-2016
59. Platz von 193 Ländern	in Bezug auf das BIP (Ranking der Länder und Gebiete, nach der Methodik der Weltbank, 2014)
134. Platz von 186 Ländern	des nominalen BIP in der Berechnung pro Kopf in den Vereinigten Staaten Olar (IWF Liste (2014-2015))
46. Platz von 100 Ländern	Open Budget Index-2015
162. Platz von 178 Ländern	Economic Freedom Index-2016
84. Platz von 190 Ländern	Leichtigkeit der Zahlung von Steuern Index-2016
<i>Ausbildung</i>	
45. Platz von 50 Ländern	QS "Rangfolge der Länder mit dem besten Hochschulsystem (TOP -50)"-2016
36. Platz von 188 Ländern	Index des Bildungsniveaus 2014
9. Platz von 177 Ländern	Alphabetisierung von Erwachsenen 2009
<i>soziale Bedingungen</i>	
62. Platz von 133 Ländern	Sozialer Fortschritt Index 2015 (soziale Entwicklungsebene)
44. Platz von 138 Ländern	Bewertung der Ungleichheit der Geschlechter (im HDI enthalten)
1. Platz in der Welt	Atommüll pro Kopf
<i>Image-Rankings</i>	
130. Platz von 168 Ländern	Corruption Perceptions Index-2016
59. Platz von 70 Ländern	Weltrangliste Ruf-2016
70. Platz Welt von 142 Ländern	Wohlstand Index-2015
123. Platz von 157 Ländern	Glücks-Index-2016
62. Platz von 133 Ländern	Index des sozialen Fortschritts-2015

Quelle: Zusammengestellt vom Autor und auf der Grundlage der internationalen Rating-Agenturen

Diese Lücke zeigt der Gini-Index (2016). Er ist ein Indikator für die sozialen Spannungen im Land. Es wird angenommen, dass der Gini-Koeffizient bei 0 die volle Gleichheit und bei 100 die absolute Ungleichheit bedeutet. Der Gini-Index für die Ukraine im Jahr 2013 betrug 24.60. Allerdings gibt es auch gewisse Widersprüche in diesem Index, da die Ukraine in die gleiche Gruppe mit Norwegen (25.90), einem führenden Land im HDI, kommt. Nach Angaben verschiedener Experten ist

die Einkommenslücke zwischen den reichen und den armen Bevölkerungsschichten in der Ukraine 40 Mal größer, was eine Bedrohung für die nationale Sicherheit und soziale Stabilität darstellt. 1% der Bevölkerung besitzt 70% des Reichtums des Landes. Die enorme Kluft führt zu gesellschaftlichen Umbrüchen. Alle wichtigen sozialen Revolutionen in der Geschichte sind der Beweis dafür. Das deutet auf die Notwendigkeit, die Rechtsvorschriften zu verbessern und die Bürger zu lehren, unter gleichen Gesetzen zu leben.

Zuerst sollte das Steuersystem verändert werden. Leiter der Abteilung für Budgetpolitik und des sozialen Schutzes der Gewerkschaften der Ukraine Leonid Ostapenko sagte, dass "die Umverteilungsfunktion der Steuern in der Ukraine nicht in vollem Umfang genutzt wird und der Grundsatz der sozialen Gerechtigkeit nicht sichergestellt ist und eine Diskriminierung in der Lohnsteuer vorhanden ist. Aufgrund der unterschiedlichen Ansätze der Besteuerung von Arbeit und Kapital ist die Höhe der Steuerbelastung der Löhne mehrfach höher, da Gesellschaften nur das Einkommen besteuern (abzüglich der Selbstkosten). Die Besteuerung der Löhne erfolgt auf das gesamte Einkommen, welches auch für das physische Überleben erforderlich ist. Vom Mindestlohn 1218 UAH muss man fast 7% (84.77 UAH) Einkommenssteuer und 1,5% (18.27 UAH) Militärabgaben zahlen, die nicht bei der Berechnung der Lebenshaltungskosten berücksichtigt sind. Beim Gehalt von 1711 UAH beträgt der Steuersatz bereits 15%. Das Budget kann man auch mit einer Luxussteuer auffüllen..." In vielen Ländern der Welt ist die Luxussteuer ein Instrument der Umverteilung und Lösung sozialer Probleme.

Eine Version der Luxussteuer in der Ukraine ist die Steuer auf Luxusautos (Kfz-Steuer) und Immobilien. Der Kreis von Luxusgütern sollte erweitert werden. Die Grundlage für den Reichtum der ukrainischen Oligarchen sind Zinsen, Dividenden, Lizenzgebühren, also passives Einkommen. Das sollte auch besteuert werden. Interessanterweise hat Ex-Präsident Janukowitsch während seiner Amtszeit mehrmals versprochen, eine Steuer auf Paläste, Hubschrauber und Yachten einzuführen, aber das ukrainische Parlament hat bis heute kein entsprechendes Gesetz verabschiedet. Ein Hindernis bleibt dabei, die Definition des Begriffes Luxusgüter und was als solches angesehen werden sollte. Nach Angaben des Initiators des Gesetzes der Luxussteuer Sergei Tigipko, sollten die Einnahmen von der neuen Steuer ca. 800 Millionen UAH p.a. bringen. In der Finanzkrise wäre das eine erhebliche Auffüllung des Staatsbudgets. Im Jahr 2015 wurde eine Geschäftseigentumsteuer eingeführt. Sie besteht aus einer Steuer auf Immobilien, Kfz-Steuer und Grundstücksteuer. Diese Steuer wurde zum Thema einer großen Diskussion zwischen Steuer-Experten. Einige bestreiten, dass es keine positiven Ergebnisse bringen wird, da die steuerliche Belastung der Unternehmen sich deutlich erhöhen wird. Andere sagen, dass diese Steuer erhebliche Vorteile gegenüber anderen Steuern hat, weil sie die Besitzer stimuliert das vorhandene Vermögen besser zu nutzen. Der Hauptwirtschaftsfaktor im Rahmen der angegebenen Komponenten des HDI ist das Einkommen pro Person. Die Dynamik der Einkommen der ukrainischen Bevölkerung im Zeitraum 2007 bis 2015 ist leicht positiv (*Tabelle 3*).

Tabelle 3

Die Dynamik der Haushaltseinkommen in den Jahren 2007-2015

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Einkommen in Millionen UAH	29186	39367	42422	52924	61435	70429	78285	80438	98819
Verfügbares Einkommen pro Person, UAH	8780,8	11754,4	12404,2	16275,2	19135,0	22224,4	25571,8	24242,0	31542,6
Das real verfügbare Einkommen (in % zum Vorjahr)	111,6	104,0	90,4	118,1	107,7	113,9	115,4	83,8	85,7

Quelle: http://www.od.ukrstat.gov.ua/stat_info/doxod/doxod2.htm

Nach Angaben des staatlichen Statistikamts der Ukraine ist das Realeinkommen im II. Quartal 2016 um 5.6% und das nominale Einkommen im Vergleich zum gleichen Zeitraum im Jahr 2015 um 14.3% gestiegen. Das verfügbare Einkommen, welches von der Bevölkerung für den Kauf von Waren und Dienstleistungen verwendet werden kann, ist um 14.1% gewachsen und das real verfügbare Einkommen unter Berücksichtigung des Preisfaktors um 5.6%. Das verfügbare Einkommen pro Person im II. Quartal 2016 belief sich auf 8210.90 UAH, eine Steigerung von 1044.80 UAH im Vergleich zum II. Quartal 2015. Die Ausgaben sind im gleichen Zeitraum um 14,8% gestiegen (Real income of Ukrainians into the second quarter was growing at 5.6%, 2016).

Die amtliche Statistik widerlegt zu einem gewissen Grad das Klischee, dass in unserem Land alles "schlecht" ist. Laut dieser Statistik hat in der 2. Hälfte 2016 eine fragile Erholung begonnen. Trotzdem ist die offizielle Erklärung, dass der Anstieg der Löhne und die Verlangsamung der Inflation zu einem Anstieg des Realeinkommens der Bürger geführt hat sehr zweifelhaft, da in den Jahren 2015 und 2016 die Inflation relativ hoch war. Darüber hinaus gab es keine wirtschaftlichen Gründe für das Wachstum. Im Jahr 2015 fiel das BIP um 9.9%. Die Industrie-produktion ist aufgrund des Rückgangs der Industrieproduktion in den Regionen Donezk und Lugansk um 13.4% geschrumpft. Nach der Berechnung des schwedisch-amerikanischen Ökonomen Anders Aslund hat der Verlust der Krim im Jahr 2015 insgesamt 4% des BIP gekostet, der Krieg im Donbass kostete ca. 7% des BIP und zusätzliche 3% des BIP hat die Ukraine aufgrund des Abflusses von Investitionen verloren. Nach Angaben des nationalen Instituts für strategische Studien verringerte sich die Industrieproduktion (ohne die Region, die zur Zone des ATO zählt) gegenüber 2014 um das 2.5-fache. Der stärkste Rückgang wird in der Metallurgie mit 42.6% und im Maschinenbau mit 46.3% festgestellt. Das Niveau der Schattenwirtschaft im Jahr 2014 stieg auf 42% des BIP und war ein Rekordwert seit 2007. Nach Angaben des Leiters der Nationalbank Gontareva im Juni 2016 befand sich die ukrainische Wirtschaft (einschließlich des Bankensystems) in der tiefsten Krise seit der Unabhängigkeit. Der reale Lebensstandard der Bevölkerung sollte auch durch indirekte Methoden ausgewertet werden, z.B. der Analyse der Konsumsphäre. Somit ist der Einzelhandelsumsatz in den Jahren 2014-2016 gewachsen (901.9 Mrd. UAH in 2014, 1031.7 Mrd. UAH in 2015 und 1159.3 Mrd. UAH in 2016). Der Verkauf von

Lebensmitteln im Jahr 2015 auf konstante Preise aus 2014 bezogen verringerte sich um 17.6% auf 200.2 Mrd. UAH. Der Anteil der Non-Food-Produkte vom gesamten Einzelhandelsumsatz in den Jahren 2013-2015 war entsprechend 60.1%, 59.3% und 58.7% und der Lebensmittelumsatz entsprach 39.9%, 40.7% und 41.3%. Gemäß der amtlichen Statistik dominieren Tabakwaren und alkoholische Getränke in der Struktur des Handels. Daher kann die populistische These des "totalen wirtschaftlichen Debakels", die oft erläutert wird, in diesem Fall nicht bestätigt werden. Indikator der sozialen Sicherheit ist das Armutsniveau der Bevölkerung. In den Jahren 2000-2013 fiel in Übereinstimmung mit dem tatsächlichen Niveau des Existenzminimums das Armutsniveau im Jahr 2013 auf 22.1% gegenüber 71.2% im Jahr 2000. Im Zeitraum 2014-2015 hat die Armut in der Ukraine zugenommen. Die absolute Armut der ukrainischen Bevölkerung beträgt 8%. "Wenn man die tatsächlichen Lebenshaltungskosten nimmt, sind es 59%", sagte der erste stellvertretende Minister für Sozialpolitik Krentovskaya. Im Jahr 2016 waren es 40% der beschäftigten in der Ukraine, die den Mindestlohn erhalten haben. Das Erste, was die Budgetsicherheit stärken kann, ist die Steigerung der Einkommen der Bürger. Dies würde die Auffüllung des Budgets durch Steuern und andere Zahlungen sicherstellen. In den Jahren 2015 und 2016 wurden die Höhe des Gehalts und die Mindeststandards mehrmals angehoben. Seit 1. Januar 2017 wurde der Mindestlohn auf 3200 UAH festgelegt (oder 118.5 USD bei einem Wechselkurs von 27 UAH für 1 USD (zum Vergleich: in Belarus beträgt der Mindestlohn 125 USD, in Russland 122 USD, in Moldawien 105 USD und in Kasachstan 75USD). Dies sollte im Jahr 2017 den Lebensstandard der Bevölkerung zu einer relativen Erhöhung führen, wobei sich die zusätzlichen Haushaltskosten für die Erhöhung des Mindestlohns, nach Schätzungen der Regierung, auf über 40 Mrd. UAH belaufen. Es gibt Bedenken, dass die Erhöhung des Mindestlohns zu einem Rückgang der Beschäftigung führen kann, vor allem in kleinen und mittelständischen Unternehmen und das Wachstum der informellen Beschäftigung anregen wird. Dabei sollte beachtet werden, dass seit Anfang 2017 ein Gesetz in Kraft getreten ist, dass unter anderem für die Zahlung der Gehälter "im Umschlag" eine Geldstrafe von 100 Mindestlöhnen voraussieht. Im Laufe des Jahres 2017 ist geplant, das Existenzminimum von 1544 auf 1700 UAH pro Person und Monat zu erhöhen. Entsprechend werden sich auch Zahlungen und Leistungen erhöhen, die auf dem Existenzminimum basieren: wie z.B. Sozialeleistungssteuer-Ermäßigungen und die einheitliche soziale Abgabe. Die maximale Höhe des Existenzminimums für die Berechnung der einheitlichen sozialen Abgabe ist gleich 25 Existenzminima für einen arbeitsfähigen Menschen und vom 1. Januar bis 30. April 2017 beläuft sich das auf 40000 UAH. Die Mindestrente für eine behinderte Person in der Ukraine kann nicht kleiner sein als das Existenzminimum (im Jahr 2017 mit 1247 UAH).

Es gibt viele unterschiedliche Experten-Gutachten für das Budget 2017: das soziale orientierte Budget, das Budget von Stabilität und Wachstum, Kriegsbudget usw. während es noch schwierig bleibt, Prognosen zu machen. Der Ökonom Anders Aslund glaubt, dass sich die Wirtschaft stabilisiert hat und bereit ist, zu wachsen. Zu den Erfolgen der Ukraine zählt er die Reduzierung des Haushaltsdefizits von 10%

auf 3% des BIP, die Stabilisierung der Staatsverschuldung in Höhe von 80%, eine Reduzierung der Lohnsteuer von 45% auf 22%, das Wachstum der Devisenreserven von 5 auf 15 Mrd. USD (Stand Ende 2016), die Reduzierung der Inflation von 61% im Jahr 2015 auf 12% Ende 2016 (On the State Budget of Ukraine, 2017).

Die weitere Stärkung der Budgetsicherheit hängt ganz von der Reform des Haushaltssystems ab, die die Gewährleistung des Wirtschaftswachstums anstreben sollte, aber nicht auf Kosten der Sozialprogramme. Ein wichtiger Bestandteil der umfassenden Haushaltsreform sollte die Rentenreform sein. Das Rentensystem ist abhängig von den finanziellen Möglichkeiten des Budgets. Im Jahr 2017 betrug die Subvention des Rentenfonds der Ukraine aus dem Staatsbudget 142 Mrd. UAH (im Jahr 2016 waren es 145 Mrd. UAH). Die Haupteinnahmequelle des Rentenfonds der Ukraine ist die einheitliche soziale Abgabe, die von 10 Millionen der 16 Millionenarbeitstätigen Ukrainer gezahlt wird. Der Zinssatz der einheitlichen sozialen Abgabe wurde von 41% auf 22% des Gehalts reduziert, aber der Rentenfond der Ukraine verliert damit mehrere Milliarden Hryvnia. Die Regierung ging davon aus, dass diese Maßnahme die Arbeitgeber anregen wird, die Gehälter zu erhöhen und ihre Mitarbeiter, die schwarz beschäftigt wurden, offiziell einzustellen und damit die Situation zu verbessern. Leider gibt es zum Zeitpunkt der Verfassung keine enormen positiven Veränderungen in dieser Richtung. Darüber hinaus wurde im Mai 2016 die Besteuerung der hohen Renten abgeschafft. Im Ergebnis verschlechterte sich das Problem der Rentenzahlungen. Im Jahr 2017 sollte die Einführung des zweiten Levels des kumulativen Rentensystems erfolgen, doch das genaue Datum wurde bisher nicht genannt. Der Premierminister Vladimir Groysman setzte für 2017 ein strategisches Ziel, ein faires Rentensystem und eine Erhöhung der Renten für ukrainische Bürger durchzuführen, erklärte aber nicht durch welche Mittel und Mechanismen das erreicht werden sollte. Aus meiner Sicht ist eine Verzögerung der Einführung des zweiten Levels des kumulativen Rentensystems nicht möglich. Nach den Gesetzen der Marktwirtschaft muss das Geld arbeiten. Das "freie" Geld sollte in die Pensions- und Versicherungsfonds gehen, dabei brauchen die Bürger natürlich feste Garantien von der Regierung, dass ihr Geld in Sicherheit ist.

Ein wichtiger Bestandteil der Reform der Budgetsicherheit ist die Fortsetzung der begonnen Dezentralisierung, die eine Verteilung der Befugnisse der lokalen Behörden in der Finanzverwaltung vorhersieht. Im Zuge der Reform hat sich die Anzahl der Einnahmequellen der lokalen Budgets aufgrund der Übertragung von bestimmten Einnahmen vom Staatsbudget erhöht, sowie neue Mechanismen für die Haushaltsführung eingeführt. Das System der Bilanzierung aller lokalen Budgets wurde durch ein System vom horizontalen Ausgleich der Steuerkraft der Regionen in Abhängigkeit von der Höhe des Einkommens pro Kopf ersetzt. Die Änderungen im Haushaltsverfahren werden von der Reform der administrativ-territorialen Struktur begleitet. Die Finanzierbarkeit der lokalen Budgets und deren Auswirkungen auf die sozioökonomische Entwicklung der Region bleiben noch schwach, viele von ihnen sind noch nicht in der Lage, sich selbständig zu finanzieren. Nach Schätzungen des ukrainischen Gemeinderatverbandes können nur 5% der ländlichen Gemeinden als selbstständig betrachtet werden, die in der Lage sind eine progressive sozio-

ökonomische Entwicklung ihrer Gemeinden zu schaffen. Für das Auffüllen des Budgets und Stärkung der Haushaltsunabhängigkeit bleibt die Entwicklung von Marktprinzipien des Managements, einschließlich im sozialen Bereich, enorm wichtig. Vor allem handelt es sich um den Übergang zu Versicherungsprinzipien der Gesundheitsbranche. Es ist kein Geheimnis, dass heute die Gesundheitsversorgung einer der problematischsten Sektoren ist. Umfragen zufolge sind 87% der Ukrainer mit dem nationalen Gesundheitssystem unzufrieden. Zahlreiche Projekte der Reform werden seit langem skeptisch gesehen. Am 11. Dezember 2013 wurde im Parlament ein Gesetzesentwurf "Über die Bestätigung des nationalen Programms Gesundheit 2020" registriert. Der Zweck des Programms ist die Erhaltung und Förderung der Gesundheit, die Steigerung der Qualität und Effizienz der Gesundheitsversorgung, sozialer Gerechtigkeit und Schutz der Rechte der Bürger zur Gesundheitsversorgung. Sicherlich würde ihre Umsetzung nicht nur erheblich die Gesundheit der ukrainischen Bürger verbessern, sondern auch zu einer Erhöhung ihrer Stimmung führen. Die Reform sollte eine Verlagerung von der öffentlichen Finanzierung von Einrichtungen des Gesundheitswesens zu der Finanzierung von Maßnahmen auf der Grundlage der Bedürfnisse medizinischer Hilfe der Bevölkerung darstellen (nach dem "Solidaritätsprinzip"). Doch in der Praxis hat die Reform zu einer Verringerung der Gesundheitseinrichtungen und Mitarbeiter des Gesundheitswesens und zu Geldeinsparungen geführt, leider aber nicht zu einer Verbesserung der Qualität der Dienstleistungen. Ein Grund für das Scheitern der Reform war der akute Mangel an Mitteln, die für die Bedürfnisse der Verteidigung gebraucht wurden. Außerdem wurde die Methodik der Reformierung ursprünglich falsch gewählt. Zu einem Zeitpunkt, zu dem der Staat die Gesundheitsversorgung nicht vollständig finanzieren kann, muss für die Finanzierung des Gesundheitssystems eine kombinierte Option geschaffen werden, indem der grundlegende Mechanismus der obligatorischen Krankenversicherung mit der Budgetversicherung ergänzt wird.

Im November 2016 genehmigte die Regierung das Konzept der Finanzierung der ukrainischen Gesundheitsreform. Es ist ein nationales Modell der solidarischen Krankenversicherung mit 100% Abdeckung der Bürger. Nach dem Konzept werden alle Versicherungsgebühren über das allgemeine Steuersystem gesammelt. Der Übergangsprozess zu diesem neuen Modell der Finanzierung wird schrittweise eingeführt und im Jahr 2020 abgeschlossen sein. Die Ausgaben für das Gesundheitswesen aus dem Staatsbudget im Jahr 2017 werden um 18.2 Mrd. UAH (26%) wachsen und belaufen sich auf 88.7 Mrd. UAH. Darin ist eine Erhöhung der Gehälter für Ärzte, Sanitäter und Krankenschwestern mit fast 30%, eine volle Rückerstattung der Kosten von Medikamenten für schwerkranke Patienten, eine Erhöhung der Ausgaben für die staatliche Beschaffung von Arzneimitteln von 2 Mrd. UAH auf 5.9 Mrd. UAH vorgesehen. Dabei wird sich nicht nur das Volumen des Budgets, sondern auch die Kostenstruktur verändern. Zuvor wurden von der Subvention alle laufenden Kosten der medizinischen Einrichtungen abgedeckt. Ab 2017 werden die Subventionen der Zentralregierung nur die Gehälter abdecken und die lokalen Regierungen müssen die Kosten der kommunalen Dienstleistungen übernehmen. Die Mittel für die Entwicklung der lokalen Gemeinden werden nicht

ausreichen, da fast das gesamte Einkommen der lokalen Budgets im Jahr 2017 für die Funktionen ausgegeben wird, die der Staat auf das regionale Niveau übertragen hat. Als Ergebnis wird die Gesundheitsreform stoppen, weil die lokalen Behörden die Krankenhäuser erhalten müssen ohne die nötigen Mittel dazu zu haben. Der medizinische Zuschuss aus dem Staatsbudget in den vergangenen Jahren entsprach auch nicht den Bedürfnissen der Regionen. Normalerweise hatten in den letzten zwei Monaten des Jahres die lokalen Behörden nicht mehr die notwendigen Mittel für die Instandhaltung von Krankenhäusern und für die Gehälter des Personals. Die Notwendigkeit für eine rationelle Verteilung der Aufgaben zwischen den staatlichen und kommunalen Haushalten ist dringend notwendig.

Vor dem Hintergrund des anhaltenden Krieges im Osten des Landes setzt die Regierung die geplante Erhöhung der Sozialleistungen für die Bürger um. Die soziale Ausrichtung des Budgets durch die Erhöhung der Sozialausgaben sollte das Einkommenswachstum der Bürger und dementsprechend den inländischen Verbrauch stimulieren und der wirtschaftlichen Entwicklung beitragen. Die Ausgaben für den Sozialschutz und soziale Sicherheit der Bevölkerung gehören zu den Hauptausgaben des ukrainischen Budgets. Diese Ausgaben hatten in der Struktur der funktionalen Ausgaben im Jahr 2015 einen Anteil von 15.62% und in 2016 von 23.09% des Gesamtbudgets. Der größte Anteil wurde im Jahr 2013 festgestellt und belief sich auf 28.7% oder 9.97% im Verhältnis zum BIP. In den Jahren 2012-2014 verringerte sich der Anteil der Ausgaben für den Sozialschutz und soziale Sicherheit von 27.4% auf 18.7%. Im Jahr 2015 waren es ca. 100 Mrd. UAH, was mit den Militärausgaben in diesem Jahr vergleichbar ist. Für ein Land im Krieg ist das sehr große Kosten. Der Löwenanteil der Sozialausgaben wird für die Renten gebraucht. Erhebliche Beträge aus dem Budget sind auch für die Finanzierung der vielen Behinderten, Waisen, Veteranen, die Opfer von Tschernobyl, Arbeitslose, Flüchtlinge und Soldaten der ATO zugewiesen. Dazu kommen noch verschiedene Zahlungen von sozialen Dienstleistungen wie Rehabilitationsprogramme, Umschulungen, Pflege, Subventionen für Energieversorgung und öffentliche Verkehrsmittel. Bei aller lebenswichtigen Notwendigkeit dieses Systems muss man auch konstatieren, dass es im Land viele "Sozialparasiten" gibt, die diese Leistungen nicht erhalten sollten. Der einzig richtige Weg, der zum Erfolg der Reform führen kann ist ein Überprüfung der Empfänger von Sozialleistungen und die Schaffung eines einheitlichen Registers. Zudem wird ein Gesetz benötigt, das die Bereitstellung von sozialen Dienstleistungen von privaten Unternehmen ermöglicht.

ZUSAMMENFASSUNG

Die Budgetsicherheit ist ein wichtiger Faktor für eine stabile Entwicklung der Gesellschaft und für die Verwirklichung der sozialen Sicherheit. Zugleich ist die Budgetsicherheit unmöglich ohne soziale Sicherheit. Die wichtigste Voraussetzung für die Stärkung der Budgetsicherheit ist die Stärkung des Budgets. Dies ist eine wichtige strategische Aufgabe der ukrainischen Regierung. Für die Verwirklichung müssen alle Reformen (Rentenreform, Lohnreform, Steuerreform und die Reform des sozialen Systems) dieses Ziel verfolgen. Die Ukraine sollte schnell auf die Prinzipien, Formen

und Methoden der Verwaltung übergehen, die einer Marktwirtschaft inhärent sind, insbesondere die Grundsätze der Versicherung, die Erweiterung des Privateigentums und die Entwicklung des Unternehmertums. Die wirtschaftliche Basis Staatseigentum sollte nach und nach verschwinden, aber die Kontrolle über das wirksame Funktionieren beim Staat bleiben. Die Budgetsicherheit ist nicht das Ergebnis, sondern ein Prozess der kontinuierlichen Verbesserung aller Glieder in der Kette: Budget – Finanzpolitik – Sozialpolitik – soziale Sicherheit. Weitere Studiendieser Thematik konzentrieren sich auf Fragen der Verbesserung von: der Organisation des Budgetprozesses, einschließlich der Praxis der Budgetierung, der Suche nach neuen Einnahmequellen für das Budget sowie den optimalen Grad der Dezentralisierung der öffentlichen Finanzen. Außerdem sollte das System der Haushaltsausgaben durch die Reduzierung von Missbrauch und Verschwendung von Budgetmitteln, die richtige Wahl der Finanzierungsprioritäten, eine transparente mittelfristige Planung der Haushaltsausgaben, die Verknüpfung der strategischen Ziele mit Mitteln, die die Ausführung des Budgetplans und die Erreichung der Ergebnisse gewährleisten, erforscht werden.

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JEL: E22, F63, L1, O3

**CAPITALIZATION OF THE SOCIO-HUMANITARIAN POTENTIAL
AS A FACTOR OF ECONOMY COMPETITIVENESS IN A GLOBAL WORLD**

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Abstract: *The author of the article examines the issues of capitalization of socio-humanitarian potential in the context of increasing the competitiveness of economic entities of micro-, meso- and macro- (or global) levels. The content of the socio-humanitarian potential, as well as the features of the process of transforming the range of its components into an innovative resource and Start-up capital are revealed. The role of intangible rent-forming resources in increasing economic efficiency of business entities and national economies (including due to the growth of rent incomes) is highlighted; the main subtypes of quasi-rent (educational and creative) are considered.*

Keywords: *socio-humanitarian potential, intangible capital, innovation process, competitiveness, economic efficiency, quasi-rent, globalization*

INTRODUCTION

The study of the competitiveness and related socio-humanitarian aspects of countries' development worldwide is based on the understanding of this economic category as the possession of certain properties by naturally different objects (types of products; enterprises and organizations, their groups, associations and complexes; countries and their unions), which are able to create advantages for the corresponding subjects of economic competition (competitive struggle) in a large variety of focus areas in the competitive fields of micro-, meso- and macrolevels, with each of them having the national and international scope.

The determinants of the competitive advantages of the subjects of the competitive struggle of the aforementioned levels in industrial, neo- and post-industrial economies contain a significant multi-segment socio-humanitarian component, which is generally characterized by the quality of human capital, intellectual, knowledge-generating and rent-forming potential of labor resources, indicators of life quality (primarily, the volume and structure of revenues and expenses), social security and protection of population.

The aggregate socio-humanitarian resource (capitalized and potential) reveals itself both in social and economic stability, the technical and technological, personnel and managerial parameters of production processes, the innovative and investment policy of facility, sector, national and supranational levels, as well as in the profile of the internal and external demand for goods and services (i.e. the ultimate purpose of raising their competitive capacity).

MATERIALS AND METHODS

The theoretical and methodological basis of the research is formed by specialized publications devoted to: the reproduction and improvement of the range of the socio-humanitarian potential' components [2; 4; 5; 8; 9]; the structure and features of capitalization of rent-forming resources, classification of the rent [1; 3; 6; 7; 10; 11]; economic mechanism of the innovation process, its impact on the dynamics of competitiveness characteristics of business entities [2; 3-5; 7; 10; 11].

The *aim of the article* is to provide further study of the process of capitalizing the range of the socio-humanitarian potential' components in the context of improving the economic entities' competitiveness in a globalized competitive environment, in particular through the formation and distribution of educational and creative quasi-rent from the use of human capital.

RESULTS

Along with a range of the properties of human resources and the living standards and life quality of working-age and pre-working-age population, the socio-humanitarian potential of countries' competitiveness in the world also covers other properties of the social subsystem of human society reproduction. The latter forms, creates conditions and provides the implementation of the workforce capacity (in psycho-physiological, educational, professional and qualification dimensions), some tangible and a collection of intangible resources of the rent-generating and general economic value (information, a range of the results of fundamental and applied scientific and research, research and engineering developments, cultural and artistic works, etc.). This results in the expansion of the resource base and the optimization of the resource intensity of production processes, the improvement of the useful properties of involved materials, equipment and technological processes and, hence, the volume, assortment and quality of the products of different economic segments. Therefore, the social subsystem of human society reproduction plays a key role in the formation of motivations, the determination of the priorities, strategies, mechanism and tactics of the innovation process at the micro-, meso- and macrolevels of organization of society and national economies.

The activity of social-purpose sectors in the area of the restoration of the labor potential of population, the synthesis and progressive development of fundamental and applied scientific knowledge, the creation of resources and conditions for meeting the cognitive, intellectual and aesthetic needs of the certain categories and the entire population of customers creates an innovative resource (and in the context of the innovation process as an initial capital) and/or the conditions and factors of its capitalization. Along with the restoration of the professional, educational and qualification levels of the national economies' workforce, the role of the social subsystem of human society reproduction in the formation of the resources and conditions for the innovation process is determined by the creation and commercialization of: (1) The specific results of fundamental and applied scientific, research and engineering developments (ideas, discoveries, technological and technical developments, computer programs, databases, projects, drawings, etc.) that can be

registered as inventions and, thanks to the presence of production assimilation prospects, are classified as an innovative technological resource, the use of which enables the production and expansion of the sales volume of science-intensive products, as well as the improvement of the trade turnover of other goods and services; (2) The products of literature in different subject areas, as well as the whole range of products in the areas of culture and art (including applied art), which can be patented or protected by the copyright or related laws and (as a result of mass distribution by light industry and printing enterprises, print and electronic mass media, show business, film-distributing and other branches of the leisure and entertainment industry) acquire the individual, collective, general economic consumption value.

The importance of the socio-humanitarian components and competitiveness factors increases against the background of globalization. By strengthening the requirements to the economic efficiency of economy management and international competition, this global process sharpens the contradiction between the state's need, while promoting business activities, to lower taxes and reduce social programs and, on the other hand, to increase the expenses for the development of education, science and other segments as part of the system of social security and social insurance for the purpose of improving human capital as the current driving factor of economic growth. The increase of such investments has already been long viewed as one of the most important components of the growth in the productive force of an individual, production and revenues [8, pp. 27-28], and at the level of sectoral strategies as one of the integral components of the national strategy promoting the transition to industrial production, which is based on advanced technologies and focused on a mass consumer [4, p. 4].

The trends of the improvement of the strategies and schemes of the social protection of population in the countries at the neo- and postindustrial stages of development were caused by: (1) The establishment of knowledge-driven economies which are based on the effective models of the coordination of the domestic economic and foreign economic, innovation and investment and social policy, the development, diffusion and use of knowledge, information and new developments (including via knowledge networks represented by the segments of education, science, information infrastructure and, in particular, electronic information and communication networks) and the optimization of their contribution to the increase in productivity by improving the organizational conditions [2, pp. 73-74]; (2) The fundamental changes in the structure of the aggregate capital of developed countries (a share of human capital in its structure reached 70-75%, thanks to which the increase of knowledge and educational level have already been long determining up to 60% of the rise in the national income of such countries [10, p. 36; 9, p. 44]).

The scope and role of the social subsystem of human society reproduction in the innovation process enables us to consider rent-forming resources and a range of rent payments as, respectively, its primary resource and significant quantitative result. This is a form of excess profit received by a business entity without additional entrepreneurial efforts at the expense of reducing the production cost comparing to other economic entities, that function in the corresponding sector of economic

activity, as a result of reducing costs per output unit in the conditions of using a production factor (i.e. any of the elements necessary for products manufacturing, namely the means of production, materials and labor as purposeful activity), which proposal is absolutely inelastic in the long term [1, pp. 345, 849, 1135; 6, p. 195].

Thus, the rent from the capitalization of the socio-humanitarian potential' components (or the quasi-rent) should be considered a part of the expenses saved by a certain producer due, for example, to the rational selection of personnel and organization of its work, optimization of managerial, technological, financial and marketing processes, involvement of other factors related to the reproductive application of human intelligence [3, pp. 8-9, 133-134], as well as to the use of various quasi-competitive advantages stimulating the growth in demand for the corresponding goods and services. The above-mentioned definition of the quasi-rent requires the study of such types of its rent-forming resources as: (1) Human capital as a basic component of capitalized socio-humanitarian resources (in the main manifestations of its quality levels of comprehensive education and vocational qualification, on the one hand, intellectual, experience-accumulating and knowledge-generating abilities and skills, on the other hand); (2) Various economic and political conjunctures formed at the local, regional, national and interstate levels, including in the process of capitalizing the spectrum of intellectual, innovative, communicative, organizational, interface resources of the socium (not least under the influence of social processes and, in particular, social policy aimed at regulating and minimizing social risks and threats). In modern specialized studies, human capital is considered as: the cost reflection of the corresponding production factor (along with land, material and technical means fixed and circulating capital) [7, pp. 7-10]; intangible assets of the enterprise [10, pp. 30-31]; component of its real [10, pp. 31-32] or a part of non-physical capital (the latter is treated as the totality of personnel, scientific and innovative potential, including intellectual property and results of scientific research, as well as the good reputation of the company) [11, p. 319]; the national wealth component (namely, a group of intangible assets) [10, p. 35; 5, pp. 26-32].

The human capital has all necessary attributes of the rent-forming resource. It doesn't affect the supply of production factors, determining their quality in quantitative amount (that is, as production resources the personnel of the enterprise, material and financial means for the realization of its purposes); it can also be involved in property relations and serve as a property object. At the same time, due to the indivisibility of the carrier of human capital as both a person and an employee, it is precisely his abilities, level of education and qualification are to be assessed from the perspective of property relations. Consequently: (1) Human capital is the leading factor in the innovative development of the economy in measuring the different quality of characteristics of labor as the purposeful activity; (2) The mechanism for realizing the entrepreneur's rights to own, use and dispose of the professional, qualifying and intellectual potential of the employee is a hiring of a person, and (in the case of commercialization, production development and replication of intangible resources as the result of intellectual potential realization) as legal acts regulating copyright and related rights.

Since human resources are an indispensable production resource at any enterprise/institution, human capital belongs to the factors forming all types of rent income (primarily in their differential and monopolistic forms), which at the same time does not deny the existence of such independent economic phenomena as the two main types of quasi-rent of educational and creative (scientific and oeuvre). In the latter one, the form of realization of the ownership right to the rent-forming resources and their property status in the process of implementation into economic circulation (when rejecting and appropriating to the benefit of business entities) make it possible to define an intellectual quasi-rent. According to the fields of manifestation we can divide it's most significant technological (including innovative and information), organizational and managerial, commercial (trade), financial and credit subtypes. These basic types of quasi-rent are directly associated with excess incomes of business entities, which are derived from the use of a part of the public stock of knowledge, abilities and motivations of higher quality personified by some highly educated and highly skilled workers.

At the same time, the educational quasi-rent is formed due to the work of employees with the best professional, educational and qualification level at certain enterprises and institutions, as well as in some technologically related sectors of the economic complex. The use of such labor provides rent income for these structural elements of social reproduction and, ultimately, stimulates the functioning (including increased attention to the effectiveness in staff policy) of the entire sector of high-tech and knowledge-intensive enterprises and economic activities, and positively influences the pace of implementation of the innovation model of social and economic development. The mechanism for optimization of the personnel potential of the enterprise/institution (and thus for creation and improvement of the prerequisites for the educational quasi-rent obtaining), that has been time-tested in the developed market economies, is recruiting. During the last 2-3decades, territorial offices of the governmental employment service in the countries with transitive economies have often performed similar functions.

As for the creative (scientific and oeuvre) quasi-rent, then the authors of scientific and technical innovations and developments, specialized works, projects, databases and programs in various fields of knowledge, literary fiction, other pieces of culture and arts, works of applied art, etc. create a start-up capital in a certain sense, as they are providing the synthesis and progressive development of fundamental and applied scientific knowledge (in the first case), and satisfying cognitive, intellectual and aesthetic needs of the wide layers of consumers (in the second case). This initiates the processes of:

- The capitalization of scientific, experimental and design research results through the establishment and development of modern and new types of technics, as well as the mass diffusion of advanced technologies;

- The replication of literary, cultural, art, cartographic, etc. products of sufficiently high consumer value by light industry and polygraphic enterprises, print and electronic media, show business, film distribution and some other sectors of the entertainment industry.

The sphere of forming and receiving quasi-rent, obtained due to the use of intellectual, vocational and qualification potential of the labor force as a key resource of social reproduction at the industrial and postindustrial stages of development, can be identified with: (1) All sectors of the economy are in a broad sense, in the historical and evolutionary dimension; (2) Primarily, the subjects of copyright and patent law, as well as business entities (enterprises, certain legal entities and individuals), which own licenses for an intellectual product or, having commercialized it earlier than other (in the case of technical and technological innovations), use these innovations on an industrial scale. It is a narrower dimension, determined by the level of solving the problems of production organization and management optimization.

There are no excess profits of economic entities using an innovative technological resource or producing modern and new technics during the period of their development and deployment of the corresponding economic activity; excess profits also disappear with the transformation of innovations into common, determining the publicly normal level of costs and prices for certain goods and services. The duration of the period of the rent income generation is equal to the time between the development of innovations and the period of their entry into the common economic (organizational and production) practice. The term of obtaining rent income by business entities using an intellectual product protected by copyright and have completed the initial phase of production development is determined by the time frame of the relevant license agreement. Since a part of the rent income received by the licensee from the economic use of the intellectual product (in most cases by transferring the agreed percentage of the aggregate price of sold goods and services to the licensor) is redistributed through the royalties, the latter are actually the creative quasi-rent of its author.

Realization of the potential of intellectual property objects as a rent-generating resource depends on the pace and scale of their commercialization that in a market economy determine the financial, time and territorial scope for getting income from the sale/purchase of a specific license. Thus, a legal transfer of an intellectual product is considered only as a prerequisite for the emergence of rent relations, since the fact of formation and the amount of rent income become the result of a full adoption and rapid production development of the innovation by its user. The main incentive to acquire a license by innovatively active economic entities is not so much in the prospects of increasing the rent component of own revenues, as in near, financially more realistic and clearer savings in carrying out their own research and patenting of developments.

Economic activity of the use of products of scientific, experimental and design research, in the process of which creative (scientific) quasi-rent is formed and extracted, is subdivided into the following basic directions:

- Production of innovative products, in particular technics, and the provision of innovative consumer services (rent income is a part of the profit from their sale, received by the economic entity as producer due to the highest competitiveness of this type of product/service in the market in the absence or insignificant supply of their counterparts, including those of worse quality);

- Provision of core services by authors and developers of scientific and technical ideas at the design, preparatory and production stages of their implementation (the amount of quasi-rent as one-time or periodic payments is regulated by economic contracts for the conducting relevant work or license agreements, and is set in the fixed amounts of payments or percentages of market value of science-intensive products or the balance income of its producer).

A wide range of creative intellectual activity, areas of the innovation process and scientific and technical progress diversify the spheres of formation of rent incomes, allowing extracting, as mentioned above, such subtypes of creative quasi-rent:

- Technological quasi-rent, related to the implementation, production assimilation and operation of the innovative (fundamentally new or aimed at improvement and diversification) technical and technological developments, which enable the improvement of the effectiveness and quality of the industry-specific activity related to the manufacture of products in the existing assortment or the launch of the manufacture of new products, including innovative goods and services, by enterprises and organizations, technologically related segments and branches;

- Organizational and managerial quasi-rent, related to the use of the more effective forms, tools and methods of production organization and management by enterprises and organizations, technologically related segments and branches;

- Commercial (trade) quasi-rent, related to the application of the latest forms of the turnover of goods and services, as well as the improvement of the processes of their promotion using the methods of logistics, advertising, etc.;

- Financial and credit quasi-rent, related to the use of the modern forms and methods of consumer lending and insurance business in the area of voluntary personal and corporate insurance by industry-specific economic entities (banks, credit unions, insurance companies).

DISCUSSION AND CONCLUSIONS

The specificity of capitalized socio-humanitarian potential as a rent-generating resource is manifested in the generation of additional prerequisites (resource, organizational and economic) and incentives to increase volumes and expand potential areas for extracting rent income in the process of its use, since the using of knowledge and abilities of the employee leads to a consistent accumulation of professional experience, and consequently to a permanent increase in the aggregate of these rent-generating properties and activities to improve the environment for their implementation.

Therefore, it is not so much the increase in the financing of education, science and scientific services, culture and art (an undoubtedly important factor of their sustainable functioning in the long term) as the maintenance of the achieved quality of their information support, general and professional educational level of population, promotion of business activity at the different stages of the scientific and production cycle and service sector that is of key importance for the implementation of the innovation potential of human resources in countries with transitive economies. In combination, these trends can provide a rather rapid increase in the economy

competitiveness, including by means of the securing of the national economic entities on the global markets of science-intensive, cultural and artistic products, tourism and recreation resort services, professional education, specialized (tertiary) health care.

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JEL: O29

ECONOMIC SECURITY IN REGION EVALUATION METHODS: CRITICAL ANALYSIS

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Annotation: *The article deals with methodological approaches to the region economic security assessment. The advantages and disadvantages of each analyzed method are highlighted. The use of indicator and functional methods for assessing the territorial unit economic security is proposed.*

Keywords: *region economic security, indicator analysis, functional analysis, expert estimation methods, optimization, scalarization, extrapolation, fuzzy set theory, modified method, multidimensional statistical analysis*

INTRODUCTION

At the present stage of Ukraine development, regional security issues related to the national unity idea implementation, interregional relations development and improvement are significant. The country socioeconomic situation study shows that causes of economic security threat have regional nature. The growth of disproportions in region socio-economic development influences on negative processes emergence and further strengthening in the economic complex that affects the economy functioning stability and the state sovereignty.

Increasing differences in Ukraine regions competitiveness levels as a result of the destabilizing factors create danger both to the whole state economy and to its individual regions. Therefore, there is a need to develop methodological provisions and tools for assessing the territorial systems economic security.

MATERIALS AND METHODS

To prepare the article there were used materials reflecting the scientific approaches to the region economic security assessment, the economic security state regulations assessment.

In the research course there were used analysis and synthesis, theoretical generalization (for generalization of the study subject-object sphere theoretical foundations), comparative analysis (in order to identify data causal relationships, classification and systematization), comparative analysis (to identify positive and negative aspects of the investigated methods for assessing economic security), abstract-logical analysis (in the process of drawing conclusions).

RESEARCH RESULTS

In the economic safety of the meso-level, a number of methods for assessing the region economic security have been developed. Analysis and comparison of these methods show their significant differences (*Figure 1*).

<i>Methods for the regional economic security assessment</i>	
Indicative (indicator) analysis method	Functional-analytic approach
Relative growth indicator method	Economic instruments method
Expert assessments method	Optimization method
Scalarization method	Mathematical tool method
Scenario analysis and processing method	Modified methods

Figure 1: Methods of assessing the regional economic security

Source: completed by author

In order to identify the advantages and disadvantages of each method, their classification and generalization were performed. The most common method for assessing the regional economic security is indicative (indicator) analysis method identifying positive trends in the regions indicators economic security. The assessment complexity is ensured by the indicators (quantitative parameters) system use where each indicator is characterized by a certain aspect of the region economic security. Indicative approach allows assessing the regional economic security comprehensively, since they estimate either all region aspects (depending on the indicators system) or the main ones. The main methodological difficulties in applying the indicator approach are to determine the indicators type, composition, magnitude, and limit values depending on the system type, level and initial state. Functional-analytic approach involves assessing the region economic security in terms of its components such as the assessment of its financial and economic activity and the resources consumption efficiency. At the regional level, such indicators as economic, financial, investment-innovation, demographic, social and others are often used to assess the region economic security and socio-economic asymmetry. While ordering aggregate units in functional-analytic approach, it is necessary to aggregate all the features of a set into one integral estimate. Signs aggregation is based on the so-called theory of "additive value", according to which the value of the whole equals its components sum value. The main pluses of functional approach are its integrated nature since the main processes affecting the regional economic security level are studied.

The economic growth and level changes dynamics method make it possible to trace the change in time of the region economic security main indicators. The use of relative tempo rates and analysis of their dynamics allows comparing the group individual unit characteristics and aggregates in general, to study their development phenomena and patterns structure, to analyze indicators performance, to calculate the development pace and the social phenomena spread intensity. However, for such

methods inherent weaknesses associated with the definition of weight ratios definition and the relative change in the importance of these coefficients in time.

The method of economic instruments in assessing the region economic security involves assessing the threats implementation consequences by quantifying the loss and comparing the region expected (projected) losses (losses) in a certain area of its economic security with the maximum allowable losses (level of losses) or expected losses (losses) of a region with a critical minimum size of unacceptable losses for the region (level of losses). The advantage of this method is to determine danger degree and extent for the region economy, and the inability to determine the threats overall impact (integral indicator) to regional security and the difficulties arising while identifying economic security potential and marginal (admissible) values (Sytnyk, Olujko, Vavrynychuk & Lytvyn, 2007).

The use of expert assessments methods ("brainstorming", Delphi, PATTERN, the synaptic method and the analogy method) allows calculating a region reliability integral indicator or region risk assessment with the application of decision making logical rules that are formed by experts according to their own knowledge basis.

Expert assessments methods are used in assessing the most dangerous threats degree to the region economic security state, in obtaining ballroom assessments of the crisis level and ranking the territories by the threats to economic security level (Gumenyuk, 2014; Shlemko & Binko 1997). However, expert methods have their drawbacks: difficulties with the search for competent experts, the complexity of the obtaining reliable information procedure, the lack of results reliability guarantees in connection with the possible interest of experts in the evaluation results.

Optimization methods (methods for constructing algorithms for finding function maxima (minima) and the points where they are achieved, with and without constraints (Rosen, Ineshekov & Myl'nychenko, 2011) used for an analytical description of the investigated processes and the specifically selected economic security criterion synthesis. But the scope of criteria application is significantly limited, since real processes are characterized by many indicators, some of which are not quantified (Gumenyuk, 2014).

The scalarization method is to determine the integral (synthetic) score of the territory economic security by comparing the scores of the indicators obtained values according to the developed rules. In the classification of safety conditions by severity degree, there are three basic gradations of situation assessments for each indicator: normal, pre-crisis and crisis (Dictionary in Cybernetics, 1989). Also more detailed differentiation of situations assessments in the crisis zone is used by the state gravity degree (the division of the crisis state into an unstable, threatening, critical and extraordinary).

There are essential advantages of the scalarization method such as simple calculation techniques and the results interpreting convenience, which facilitates the development of measures to counteract the threats to the region economic security. However, when applying this method, it is necessary to pre-establish crisis depth threshold values for indicators and to overcome the difficulties in using the evaluation results in the future (Mal'tsev, 2012).

The mathematical apparatus methods (including multidimensional statistical analysis) (correlation, regression, co-integration, component, factor, cluster, frequency, harmonic, spectral and cross-spectral analysis, time series analysis) allow to calculate the dynamics of region economic security indicators, to reveal the past development regularities and evaluate the possibility of their transfer for the future. Among these methods, the cluster analysis method is the most often used to group regions or countries in terms of the economic security threats level (Ponomarenko, Klebanova & Chernova, 2004).

Scenario analysis and processing method based on scientifically grounded hypotheses and provisions (scenario approach) is to organize the highly skilled experts of different directions cooperation in the formulation and solving complex socio-political and socio-economic problems using modern means of mathematical modeling. It allows performing multivariate situational analysis of the region economic security systems. The script is certain estimation of possible development; it relates the change of external conditions with the resulting variables. The use of mathematical modeling tools allows refining and specifying the initial forecasts, creating new scenario options within the framework of the proposed model.

As there are different types of uncertainty in complex multi-level hierarchical control system simultaneously, it is necessary to use the fuzzy set theory to make decisions considering the form of existing uncertainty. The methodology for assessing the region economic security, built on the provisions of the fuzzy sets theory, allows simultaneous use of information various types (deterministic, statistical, linguistic, interval), that makes it possible to obtain complex indicators of the region economic security and its components (financial, social, investment, etc.), their linguistic assessment in the form of the statement "high level low level".

The modified methodology for assessing the region economic security is based on the methodology for determining economic security level in Ukraine. From the methodology used at the macro level it is distinguished by a list of indicators, containing region development indicators in spheres of life (investment, foreign economic, scientific and technological, production, financial, energy, environmental, social). The use at regional level of the methodology for calculating the state economic security level can be costly both in terms of costs and time due to the large number of indicators that will slow down the economic security definition efficiency.

CONCLUSIONS

The analysis shows that in assessing the region economic security, the wide range of methods and approaches can be used having both advantages and disadvantages and it is difficult to prefer one of them. A number of methods have theoretical-cognitive value and have not received practical application.

For a complete and systematic assessment of the region economic security, sharing the use of indicative and functional methods is most appropriate. The assessment of region economic security using the indicative approach is based on the economic security indicators definition and calculation. Indicators are real statistical region security ones, which interact. They are guides that determine the

negative processes boundary, signaling about the decline in economic security. Their values warn about possible threats and dangers (Kosevtsov& Zin'ko, 1996). The indicators system representativeness describes the region economic security, directly affects the assessments reliability and objectivity.

The functional analysis is not less effective in determining the region economic security level. Its main advantages are integrated nature, the opportunity to identify measures to ensure the security of each functional components of the territory economic security in whole, as well as to enable the economic security functional system adjustment. The complex application of indicative and functional methods allows considering the region economic security threats impact, diagnosing its state with the indicators system use, comprehensively assess region economic security to avoid destructive processes of regions socio-economic development.

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JEL: O30, G3

A CONTINUOUS JOINT CYCLE OF DESIGNING AND MANUFACTURING INDUSTRIAL PRODUCTS AS AN ALTERNATIVE TO THEIR RAPID INNOVATION AGING

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Abstract: *A systematic approach to integrated, cooperative design and production of industrial products and related ancillary processes is considered and offered as an alternative to rapid innovation aging. By implementing it, design and production tasks must be solved, which are an alternative to rapid innovation aging and lead to increased efficiency. The goal of this article is not only to expose the essence and sequence of application of this method but also to treat it as a complex integration process to clarify and define its place in the stage of complex digitization of production activities. Attention will also be focused on new versions of software products and their adaptation to the requirements of high-tech industrial fields, incl. digitization, virtual reality, innovative aging, etc.*

Keywords: *innovative aging, integration compatibility of design and production, digitization of production, integrated automation*

INTRODUCTION

Essence of the Integration Production Cycle approach as an alternative to innovative aging

In recent decades, innovation aging has become increasingly important for physical exhaustion. The economic consequences of its impact have begun to become increasingly visible both in the world markets and in the economic performance of industrial product manufacturers. To remove the negative effects of rapid innovation aging, manufacturers have begun to seek and implement a variety of alternative solutions. These alternative solutions were carried out in an increasingly complex manufacturing environment, the introduction of modern communication and information technologies, and the digitization of the entire production process. This in turn imposes both the requirements to increase the level of their automation and to flexibly switch from the production of some models to others but more innovative ones. Or create a continuous process of innovative renovation of industrial products, but already produced in a new technological environment and with new technological and production requirements. This new environment has become more and more integrated with the concept of total integrated automation [1, 2, 3]. And it means, creating the conditions to lead to: reducing production time by combining processes, and also reducing time for different activities at this stage; improving the quality and reliability of products; continue to use optimization approaches and methods or ways to optimize in real time; creating a better environment

for enhancing efficiency, etc. It is especially important in this complex of activities to create a system that can regulate the innovation of products through a self-regulating complex of factors of influence at the production stage. Creation of a special production environment built on the digitization of production activities with the possibility of horizontal and vertical functionality of the technological and information flows and processes. Suitable for solving this task are modules realizing the process of total integrated automation [4, 5].

MATERIALS AND METHODS

The author has used a special scientific literature and interviews. The following scientific research main methods were study: analysis, synthesis and logical constructive method.

RESULTS

Totally Integrated Automation (TIA) is an open system architecture that covers the entire production process and provides effective interaction of all automation components. This comprehensive approach to total integrated automation includes: (1) Industrial Communication; (2) Industrial Security; (3) Integrated Engineering; (4) Industrial Data Management; (5) Integrated Security. In production, this creates the environment and conditions for an integration model of interaction and interconnection of project and production processes and operations. It leads to increased intelligence of products and systems through their vertical network related to engineering and horizontal integration through the product value chain. Vertical and horizontal co-operation between machine and internet, machine and man and machine and machine along the value chain, in real time, is the basis of the production system. "Automation Islands" can be interconnected in countless networks and variants. Software and networks will connect smart products, digital services and consumers with innovative products on the market.

Thus, the requirements will focus on: (1) Producing intelligent products; (2) Use of intelligent industrial methods; (3) Intelligent Process Management (Smart Production); (4) Perform intelligent services that can meet individual customer requirements and even profitable to produce single pieces; (5) There are conditions that manufacturing and engineering processes can be integrated and dynamically designed and production can change quickly and flexibly to respond to interference. Other benefits are created, so production processes are now fully transparent and can deliver optimal solutions in real time. New forms of added value and new technology and business models can be created in the course of the work. Conditions and opportunity to increase the efficiency of start-up small businesses as well as to develop and offer new services are created to respond to challenges such as resource and energy efficiency, urban production and demographic change. Additionally, resource and performance can continually improve throughout the value chain. On the other hand, intensive co-operation between business partners (suppliers and customers) as well as between employees is created as a result of new opportunities and benefits for all parties involved in this process.

Effects on rapid innovation aging of manufactured products direct effects

All this will have direct impacts on the process and the roll-out of the innovation process. Innovation will be adopted, controlled and implemented in real time. The innovation aging will fundamentally change and it will lead to consequences in the innovation market, competitiveness, global business markets, order quality, reliability and service life of industrial products.

Indirect effects: It means reducing the production time by combining processes and activities and also reducing the time required to perform the different activities at each stage of time. A better environment will be created to increase efficiency and better meet customer needs.

Staff effects: Opportunities are created to accommodate demographic factors and to be socially involved. Based on intelligent systems to help participants in this process, specialists can focus on creative value added activities and get rid of routine production tasks. In view of the forthcoming shortage of qualified staff, it is possible to keep the productivity of older workers in the way of longer working lives. The flexible organization of the use of human resources will make it easier to combine professional and personal responsibilities. This means better combined working life, with better work-life balance. Additionally, the digital network will allow direct integration of customer requirements and cheaper customization of products and services. And that creates enormous potential for new products, services and solutions, which will inevitably lead to increased efficiency and increased global competition in technology of production and services.

Opportunities to use the available software for the proposed approach

Over the past 10-15 years, many industrial companies have already built up a portfolio of software products, enabling customers to track their entire value chain. The proposed method and these are currently applicable:

PLM Software: It is a software product of Siemens Product Lifecycle Management (PLM) that allows managing efficiently product lifecycle from idea through design to production, maintenance and recycling. Through PLM, Computer-Aided Design (CAD), Computer-Aided Manufacturing (CAM), Computer-Aided Engineering (CAE), Product Data Management (PDM) and Digital Manufacturing are seamlessly complemented.

Manufacturing Execution System: SIMATIC IT is a modern, high-performance MES (Manufacturing Execution System) that offers a variety of features and solutions to combine efficient production with quality and transparency, as well as to accelerate the execution of production steps. This way, it can react more quickly to changes in production. MES from SIMATIC IT is part of MOM offer (Manufacturing Operations Management) by Siemens for digital companies [6, 7, 8]. This complete solution maintains the entire value chain of product development, product planning, production, development, operation and recycling.

CONCLUSIONS

1. The essence of the continuous integration cycle approach is clarified, as an alternative to the rapidly innovative aging.

2. The possibility of applying a continuous joint design and manufacturing cycle as an alternative to the rapid innovation of industrial products has been considered.
3. The direct and indirect impacts of rapid innovation aging on industrial products have been identified.
4. The role of Totally Integrated Automation (TIA) as an open system architecture that integrates the whole production process and provides effective interaction of all components for the production system's operation.
5. The possibilities for using the available software packages in the alternative method proposed are formulated.

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JEL: F23

**ASSESSMENT OF COMMERCE EFFECTIVENESS IN BULGARIA
AFTER THE ACCESSION TO THE EUROPEAN UNION**

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***Abstract:** Following Bulgaria's accession to the European Union, the market presence and influence of European commerce in Bulgaria is expanding. The investments in the sector increase. This results in a number of positive effects contributing to the improvement and modernization of commerce, which leads to an increase in revenue and profit. On the other hand, the commerce effectiveness tested on profit basis shows unstable development. This objectively allows the author to develop the thesis that, despite the growth of investment and the improvement of commerce in Bulgaria, during the years of EU membership, the effects from the modernization do not determine an increasing effectiveness of commerce.*

***Keywords:** commerce, revenue, expense, profit, effectiveness*

INTRODUCTION

This year, 2017, Bulgaria marks ten years of membership in the European Union. During this period, as a result of the increase of foreign investments and the penetration of a number of international hypermarket chains in the sector significant changes in commerce have occurred in Bulgaria. This creates favorable preconditions for restructuring and modernization of commerce. Modern shopping facilities are being built, a number of innovations are introduced in the implementation of commercial operations and culture of commercial service is improved. At the same time, during these years the commerce has expanded its influence as a factor for the sustainable development of society in terms of its social significance and effectiveness, which aims to create sustainable consumption patterns and improvement of consumer culture. A problem is that the statistical reporting of indicators reflecting the state of consumption as an economic sector shows an unstable trend of development, and this is a prerequisite for low commerce effectiveness.

The *aim of this article* is to assess the effectiveness of commerce in Bulgaria during the years of EU membership by using statistical data on earnings, expenses and profits.

MATERIALS AND METHODS

Measuring the effectiveness of commerce requires a clear distinction between effectiveness and effect, as these concepts are inherently different economic categories. "The effect in commerce is the result of the activity" [3, p. 196]. E.g., commerce effects are revenue, expenses, profit, etc. They are expressed in absolute terms. Profit is considered as the main indicator used to assess the effectiveness.

"Effectiveness means the result of activity ... and compares the effect with the price it costs (with resources, capital, expenses, investments, etc.) and therefore as a rule it is expressed by relative indicators" [3, pp. 195-196], e.g. as a ratio between revenue and expenditure; profit and expenses, etc.

To evaluate the effectiveness of commerce, the following actions have been done in this paper:

1) Information on revenue, expenses and profits and their change is reported using official statistics for the period 2007-2015. The period is limited to 2015, as official information from the National Statistical Institute for 2016 is still not available. The data presented in the paper refer to economic sector G "Commerce; Repair of motor vehicles and motorcycles ", according to the Classification of Economic Activities (CEA, 2008) in the Republic of Bulgaria.

2) Commercial effectiveness is assessed by calculating a relative indicator, linking profit and expenses. From this point of view, in this article, the author considers the effectiveness of commerce from the position of realized profit for every 100 BGN spent (profit / expenses × 100).

RESULTS

Table 1 shows revenue and expenditure statistics in commerce for 2007-2015. Based on this, the author has calculated the profit, which in turn has been used as the main indicator of effectiveness assessment. Indicators are calculated in Bulgarian leva (BGN), because Bulgaria is not a member of the Eurozone and euro is not accepted as official currency.

Table 1

Major economic results for sector G in Bulgaria at current prices for 2007-2015 /in millions BGN/

Indicators	years								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue	76600	92414	78566	82674	90957	96625	98576	100692	106993
Absolute change of revenue on a chain basis	-	15814	-13848	4108	8283	5668	1951	2116	6301
Expenses	72864	88702	77692	81025	89319	94391	96112	98068	103338
Absolute change of expenses on a chain basis	-	15838	-11010	3333	8294	5072	1721	1956	5270
Profit	3736	3712	874	1649	1638	2234	2464	2624	3655
Absolute change of profit on a chain basis	-	-24	-2838	775	-11	596	230	160	1031
Effectiveness (realized profit per BGN 100 expenses)	5,1	4,2	1,1	2,0	1,8	2,4	2,6	2,7	3,5

Source: created by author on the basis of data of National Statistic Institute in Bulgaria

From the data in *Table 1* it is seen that the revenue, expenses and profits are unevenly developed over the period 2007-2015; and the results of their survey

allows making important summaries of the commerce developments and assessing its effectiveness. Revenues and expenses in the sector have increased in 2008 compared to 2007, respectively by BGN 15 814 million and BGN 15 838 million. The resulting positive effects can be explained by the accession of the country to the European Union, and also that during the membership period the investment interest of international commercial chains for business on the Bulgarian market increased sharply. In support of this, it should be noted that from BGN 3774.8 million in 2007, investments in fixed tangible assets in commerce increased to BGN 6828.4 million in 2008, as indicated below in *Figure 1*.

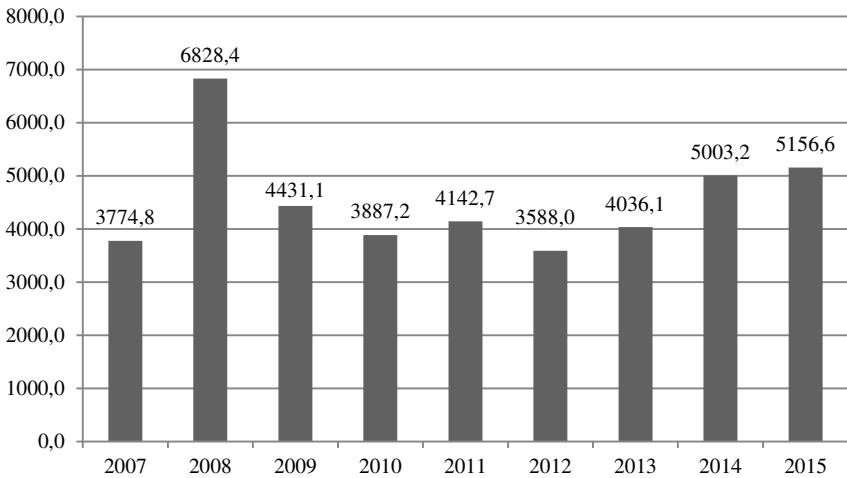


Figure 1: Change in investments in fixed assets in sector G over the period 2007-2015 /in millions BGN/

Source: created by author on the basis of data of National Statistic Institute in Bulgaria

On the Bulgarian market, the fast-moving consumer goods chains like Billa, Penny Market, Lidl, Kaufland, Carrefour and Metro are being developed intensively. It should be noted that some of the aforementioned chains are operating in the country for a relatively short period of time. For example, Carrefour entered the Bulgarian market in 2009, and in 2015 the chain's representative for Bulgaria declared insolvency. Similarly, the Penny Market retail chain had a period of market presence in the country again from 2009 to 2015. In the non-food sector, examples of large retail chains that have been intensively developing in Bulgaria since 2007 are Mr. Bricolage, Praktiker, Ikea, Baumax as in 2014 the hypermarkets of Praktiker, and in 2015 those of Baumax are restructured and change their ownership, and are being managed by Bulgarian entrepreneurs.

In the petroleum trade the interest of chains such as OMV, Shell and others is increased. According to the Bulgarian Investment Agency, some of the listed retail

chains are included in the list "Big Investors in Bulgaria" [1] as Metro, Eurobilla, Lidl, OMV, Shell and others. Along with this, after 2007, shopping malls are built in the country, which also contributes to the development of commerce and its modernization [4, pp. 114-153].

In 2009 and 2010 there was an opposite trend in revenue, expense and profit growth (i.e. decline), and also during this period the adverse impact of the global financial and economic crisis should be taken into account. In 2009, the largest decrease in revenues (minus BGN 13 848 million), expenses (minus BGN 11 010 million) and profits (minus BGN 2 838 million) in the sector were reported. There is a tendency for a slow recovery of the commercial activity until 2012, with expenses too high in relation to the revenue. Therefore, the profit margin remains almost twice as low in 2012 as compared to 2007.

Between 2013 and 2015 there is an increase in revenue, expense and profit. However, when effectiveness is assessed, it is seen that despite revenue and profit growth, commerce effectiveness remains steadily below 2007 and 2008 levels, which is mainly due to high expenses. For example, in 2007 and 2008, commerce effectiveness estimated by the realized profit for every 100 BGN invested expenses shows respectively 5.1 BGN and 4.2 BGN profits while in the remaining years the effectiveness is estimated between 1.1 BGN and 3.5 BGN per 100 BGN per annum. In other word the commercial effectiveness is decreasing while at the same time are reported significant investments in the sector.

The data from *Figure 1* [2] show the uneven development of investments over the period 2007-2015, but their volume is significant in each year. The peak of investments in commerce was in 2008, amounting to BGN 6828.4 million. The investment interest determines the development of the material and technical infrastructure and the modernization of the infrastructure in the commerce. The increase in tangible fixed assets leads to a consolidation of commerce or a quantitative increase, which is mainly expressed in the construction of new retail outlets and expansion of the commercial areas in Bulgaria. All this implies an increase in the economic effects in commerce and forms the expectation of achieving sustainable performance in the years after 2007. On the other hand, as shown by the results above, commercial effectiveness shows a trend of unstable development due to the high expenses in the sector. This is probably one of the leading reasons for the outflow of some commercial companies and large investors from the Bulgarian market like e.g. Carrefour, Penny Market, Baumax and Praktiker.

CONCLUSION

We can formulate the following important summaries, related to the effectiveness of commerce in Bulgaria during the years of EU membership (2007-2015):

1. The most important preconditions for improving commerce are observed after 2007.
2. The investments in commerce are significantly increased.
3. Commerce is being restructured and modernized under the influence of European retail chains.

4. A significant role in the formation of economic effects in commerce, such as revenues, expenses and profits, is the expansion of foreign commercial chains.
5. Commerce operates at a high level of expenses versus revenue.
6. The evaluation of commercial effectiveness shows the most successful development of the sector in 2007 and 2008, then a decrease.

On the basis of the assessment of commercial effectiveness, it can be concluded that a major problem for the sustainable development of the sector are the high expenses. Therefore, reserves to increase commercial effectiveness should therefore be sought primarily in the opportunities for expense reduction. The development of e-commerce can be used as a major factor in this, because it saves a number of expenses. This, in turn, implies a greater deepening of the links between commerce and logistics, which contributes to the timely and qualitative realization of the commercial activity. At the same time, the investment activity in the sector should be pursued, but aimed at the introduction of technologies that provide fast and efficient sales and commerce instead of building new and large-scale retail outlets.

The paper gives grounds for the author to continue in perspective with the research on the problems of commerce in Bulgaria in view of its EU membership.

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JEL: H19

THE ROLE OF GOVERNMENT'S ECONOMIC POLICY IN COUNTRY'S ECONOMIC DEVELOPMENT

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***Abstract:** The author of the article discusses economic development trends and challenges Georgia as a transitional country in the market economy. The reasons for GDP growth are discussed together with the factors that hinder the real growth of the economy and economic development. The article discusses the state strategy of socio-economic development, the impact of the private sector on the economy and the role of the state in the economic development of the country. The foreign trade balance of Georgia and the export potential of the country are shown. The paper concludes with the picture of the economic situation in Georgia and setting the ways of economic development.*

***Keywords:** Georgia, economy, economic policy, economic indicators*

INTRODUCTION

Governmental economic policy is crucial to the economic development of the country and the quality of life of the population, because the state defines the direction that causes socio-economic development of the country. Government selects the method of management and development, which is acceptable for it and believes that it will contribute to the development of the country. Ultimate goal of any government should be to ensure that it has high economic growth, high levels of employment, low inflation and positive trade balance in the country. In order to achieve this, there are many theoretical and practical approaches chosen by the government as a basis on which the economic arrangement of the country is defined.

In Georgia, as in the other post-socialist countries, there is no alternative to establishing market economy. Within the market economy it is possible to achieve high economic growth, create free market, establish and protect private property, get low prices and high quality products on the market. Private sector and business development will enable more people to be employed and reduce unemployment levels. Local production and export to other countries will also be increased. Unfortunately, Georgia still has no access to those benefits of the market economy.

Since the time Georgia re-gained independence the country still remains transitional to the market economy and its economic transformation from the socialist-planned to a market economy has not fully accomplished. This is conditioned by many factors, most notably of which is economic and ideological influence of Russia, the former Soviet empire, over Georgia, as well as low level of economic education of society, since the emphasis of people is set on increased social assistance and strengthening of centralization of state governance. In the countries with transitional economies, the theoretical and practical problems of economic development require timely solution in order to achieve development of the country. The political and economic

processes in the post-socialist countries in the transition to the market economy confirmed that such transition and the establishment of a capitalist system without theoretical foundations and practical understanding do not bring economic effects to the market economy.

In Georgia, as well as in other post-communist countries, there is a problem of economic education and thinking. Therefore, it is not possible to form an effective economic policy. In addition, the economic agencies of the government are less interested in the practical application of the achievements in economic theory. Their interest is to perform specific tasks and instead of building wide-scale economic perspectives¹⁰. The reform process has begun in Georgia without preparation and any theoretical basis and practical understanding. The level of study of acute problems in economic theory is low in the country. The socialist dogma of Marxism-Leninism, which fed and still has been feeding Georgia and many other post-communist countries, hinders the deep scientific research of the economic system, exploring the existing problems and setting out effective steps to solve it. It becomes a reason of the fact that the factors representing high quality of life and economic development are covered for the society.

GDP TRENDS IN GEORGIA

Let's consider the economic development indicators of Georgia in dynamics (Figure 1).

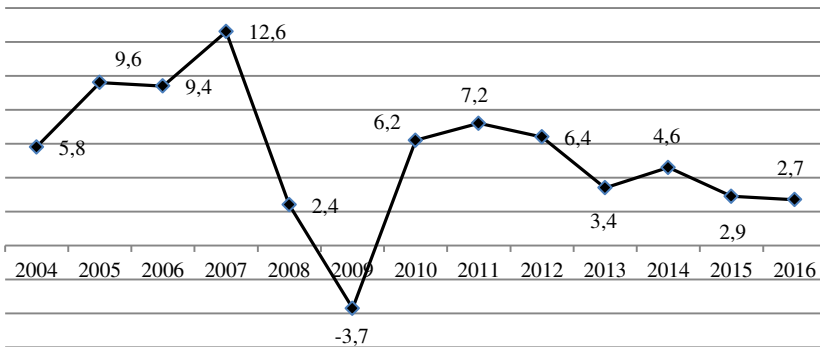


Figure 1: Real growth of Georgia's GDP (%), 2007-2016¹¹

Source: created by author on the basis of the Statistic Data

If we look at the diagram (Figure 1) we will see that in 2004-2007 we had a high economic growth, especially growing economy during 2005-2008, but in the following years we had seen a serious decline, in particular for the years of 2007-2008 by 10.2 percentage points. We received a negative value of the indicator for the next year.

¹⁰ Kakulia, R. (2007), Theoretical aspects of economic development of the country, *Economic profile*.

¹¹ See on the Statistic Service, Available at: http://geostat.ge/?action=page&p_id=118&lang=geo.

One of the key factors of high economic growth in these years was the privatization of the urban sector and development of the construction sector in the country. If we look at *Figure 2*, we will see that in 2003-2007 there was an increase in the share of construction in the GDP and also in its absolute indicators, showing growth by 377.1 million GEL in 2002 and 2003 and over 2 billion GEL in the following years.

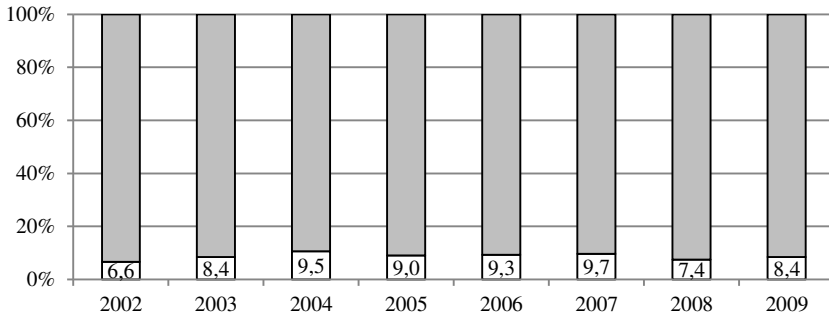


Figure 2: Share of construction sector in GDP (%), 2002-2009 years¹²

Source: created by author on the basis of the Statistic Data

Decline in GDP can be observed only once in 2009, which was caused by the damage caused by August war on the one hand and on the other hand that period coincides with the global economic crisis. One of the factors contributing to the economic crisis in Georgia was the suspension of the privatization process. Most of the objects intended for privatization were not sold or were sold for much less than it was planned. Problems were emerged as well, as most investors were avoiding investing in a politically unstable country. The economic crisis was reflected in the prices of products, prices increased on food and basic consumer goods.

As a result of the global economic crisis in Georgia, unemployment problems mainly affected on construction and banking systems, as these two sectors were better developed and largely linked to the market economy. In this period, the biggest negative event was the largest dismissal of employees by Georgian banks at the end of 2008. After the Great Depression of the 30s of the 20th Century, when a large number of banks and unemployment have hit record highs as a result of the global economic downturn, previous global economic crisis was the deepest in its involvement, with the greatest financial loss. In 2009, the real GDP decline was also observed in the developed European countries, which was caused by the global economic crisis. The real GDP decline worldwide was following: US (3.5%); Japan (6.3%); Norway (1.7%); Sweden (5.2%); Finland (8.2%); Luxembourg (5.3%); Germany (5.1%). The highest level of real GDP decline was recorded in Estonia, Lithuania and Latvia (14.3%; 14.8% and 17.7% respectively). The only country from the EU was Poland, where 1.6% of real GDP growth was observed. In 2010-2013 relatively high economic growth was observed, which should be especially

¹² See on the Statistic Service, Available at: http://geostat.ge/?action=page&p_id=118&lang=geo.

positively assessed after the 2009 economic downturn. However, in the following years, since 2013, the low economic growth rates are observed. Georgia is a transitional country on the market economy and economic assets including land or other natural resources aren't involved in the economy. Their involvement in the private sector would result in the boom of production, growth of the level of employment and the economic development that would be the basis for high economic growth, i.e., in the initial stages of production the two-digit economic growth could be achieved in Georgia. After the entire assets will be fully absorbed into the economy, we will have quite low but stable economic growth indicators as in developed countries.

STRATEGY FOR GEORGIA'S SOCIO-ECONOMIC DEVELOPMENT

Georgia faces the need for radical and rapid economic reforms. In this direction, the Government of Georgia is implementing the socio-economic development strategy "Georgia 2020". As authors of Strategy say, achieving a stable macroeconomic environment is one of the main prerequisites for successful implementation of the strategy. Consequently, fiscal discipline, low levels of unemployment, stability of prices, independence of monetary policy, gradually reducing current account deficit and the stability of the financial sector are factors necessary for economic growth of the country in the long term¹³. Georgia's economic growth model is based on the key concepts: (1) Growth stipulated by the private sector; (2) Efficient Government; (3) Equal opportunities for business; (4) Growth promoting state investment policy; (5) Free competition; (6) Openness to trade.

For private sector development, it is necessary to achieve its competitiveness. As noted in the report¹⁴: Georgia has a great potential to increase its development and competitiveness, which is achieved by eliminating the hindering factors of competitiveness and considering the prospects of development that the country has at this stage. The high rate of economic growth, the results of which will be available to the wider parts of the population, will be provided by the competitive private sector. The research report says that the level of industry development and its export potential is still low. Export isn't diversified, its value added is low, indexes of access to new markets and establish there are weak (*Table 1*).

First of all, we have already noted that for decades we have a negative trade balance, which is due to the low level of economic development and production in the country. Under conditions where local production does not develop and the country depends on imported products, it is obvious that economic growth is also low. Although the growth in export has been observed since 2017, this is not a positive factor in light of the fact that we do not have export diversification with regard to the countries or commodity groups. Export growth was mainly conditioned by increased export to Russian market, where the main export products are mineral waters, natural wines and ferro-alloys.

¹³ Georgia's socio-economic development strategy 2020 (2014), Government of Georgia and Resolution of the Government of Georgia, No. 400 from June, 17, 2014, Tbilisi.

¹⁴ Georgia's socio-economic development strategy 2020, p. 27

Table 1**Georgia's foreign trade, 2007-2016¹⁵ (millions USD)**

Indicator	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Registered export of products (FOB)	1232	1495	1134	1677	2186	2377	2910	2861	2205	2113
Registered import of products (CIF)	5212	6302	4476	5236	7072	8056	8023	8602	7300	7295
Foreign trade balance	-3980	-4806	-3342	-3559	-4886	-5680	-5112	-5741	-5096	-5181

Source: created by author on the basis of the Statistic Data

Flexible entrepreneurial and investment environment significantly affects productivity, as it directly affects the efficient distribution of resources in the private sector. Due to the intense global competition and dynamic economic processes business demands are changing rapidly. Consequently, it is necessary to improve the entrepreneurial and investment climate. Since 2004, Georgia has implemented reforms aimed at liberalization of economy, which has eradicated bureaucratic barriers and reduced taxation procedures. According to the World Bank's Doing Business Report 2014, Georgia has been recognized as one of the leading reformers in recent years. At present, the country is ranked 8th among 185 countries with the simplicity of doing business. However, there are still problems in business that can hinder private sector competitiveness and long-term economic growth. Until today, the problem is to provide free competition in the market, as well as solvency, commercial dispute settlement and other issues related to business.

Obviously existing unstable situation worsens the entrepreneurial environment, reduces investors' entry and impedes economic development. For example, in the World Bank's Doing Business Report 2014, Georgia occupies the first place according to the simplicity of property registration in the world, but it is less important when property rights are not properly protected and the possibility of rapidly settling the dispute is significantly restricted. Protection of property rights should be a priority of the country. One of the important factors for strengthening property rights that are guaranteed by the Constitution of Georgia is to ensure independence of judiciary and further professional development of judges, while the most important factor is the establishment of private property in the country.

CONCLUSIONS

With respect to the economic development of Georgia it is worth mentioning "Association Agreement between Georgia and the European Union", which envisages legislative and institutional approximation, that in turn increases business compliance with EU requirements and norms. Consequently, the state should ensure

¹⁵ See on the Statistic Service, Available at: http://geostat.ge/?action=page&p_id=118&lang=geo.

that the business sector is aware of it. In addition, the State is obliged to develop efficient mechanisms for supporting business, especially small and medium businesses, to reduce the cost of compliance with regulation and to increase their competitiveness.

Limited access to finances is one of the hindering factors in private business development in Georgia. Access to finance is important for business development, productivity growth, expansion of export area and, therefore, to achieve the desired rate of growth in the economy. For the availability of finance, it is necessary to develop the capital market in the country, which will then increase the capital in the private sector, the value of this capital and attract more funds. Within the framework of Georgia's Socio-Economic Development Strategy Georgia 2020, "in order to increase access to the finance the Government of Georgia will facilitate the development of capital market infrastructure in the country, including the trading system, as a stock exchange, as well as the direct trade system, credit rating services, development of market supervision in accordance with international standards and practices and IOSCO principles. This ensures the financial transparency of the issuer, minimization of transaction costs, risks of settling, elimination of speculative and insider transactions and working according to the agreed rules on the markets". To achieve the goals set by the Strategy, it is necessary that the real growth rate of the economy is on average 7% per annum. In order to ensure this indicator, along with the increase in productivity, the volume of investments in the economy should increase by 10 or more annually. Development of SMEs should be a priority for the country's economic development. For the development of small, medium and new business, it is important to improve access to financial resources, strengthen their export potential and facilitate access to the market. Technological modernization of innovative entrepreneurship, increase of export competitiveness and promotion of productivity are very important. Entrepreneurial innovation development is necessary to prove by innovative ecosystem in order to increase investment in research and development, which will become the prerequisite for commercialization.

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JEL: I20, P40, M20

**DIRECTIONS OF ANALYSIS OF TRANSFORMATION RESULTS
IN THE SYSTEM OF ECONOMIC SECURITY OF THE ENTERPRISE**

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***Abstract:** Transformations in the system of economic security of the enterprise are not an end in themselves. They are intended (in the case of their controlled nature) to improve the state of the system, acquire by it new functionalities, perform its main tasks. The results of the transformations in the system of economic security of the enterprise are proposed to be described using matrix signature analysis, which is proposed to be carried out in two directions. The first one is to consider the whole system of economic security as a separate functional subsystem of the enterprise management system. The second one is to consider the system of economic security as a separate system with its composition, structure and links between the elements. The characteristics of the system of economic security of the enterprise in the context of the analysis of the results of its transformations are defined.*

***Keywords:** economic security, system, transformations, transformation process*

INTRODUCTION

Transformation processes are an integral part of the development of socio-economic systems of any level from the national economy to the economy of the individual enterprise. The development, in its turn, is the necessary condition for the functioning of such economic systems in the long run. Transformation processes are inherently the relations between the economic behavior and the interaction of the micro-level elements and institutional changes in the macro environment. Enterprises, while carrying out their activity, are under the influence of transformation processes, which change the quantitative and qualitative system parameters. Understanding of transformation and transformation processes in the system of economic security of the enterprise is the key to the adoption and implementation of a quality management decision (plans, etc.), taking into account unforeseen circumstances. The study of the nature of the transformations in the system of economic security also needs answers to the questions about how such transformations arise, and to what consequences they lead.

MATERIALS AND METHODS

The methodological basis of the research, the results of which are presented in the article, is a set of methods of scientific cognition, general methods, techniques and principles, in particular, comparison, monographic analysis, historical analysis, analysis and synthesis, signature analysis, descriptive analysis, set theory. The theoretical bases of the research are the fundamental theories, such as: theory of transformation of economic security science, management theory, enterprise theory.

RESULTS

In terms of the system approach, the economic security of the enterprise has its own structure, a set of elements and interaction with the external and internal environment, so has all the signs of systemic nature. Humenyuk considers that economic security, as a system, is a set of elements, their properties, interrelations and relationships that make up a unified complex and operate in accordance to certain objective laws, which show them under the specific historical conditions. This system is characterized by the relative isolation, special structure and links with the environment, specific mechanism of recovery (Humenyuk, 2014, p. 49). Thus, in terms of the system theory, economic security has all the signs of systemic nature.

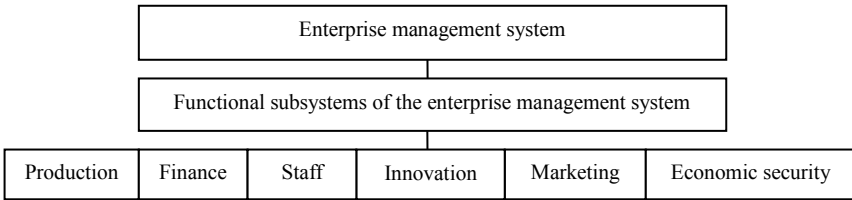


Figure 1: The system of economic security of the enterprise as a subsystem of the enterprise management system

Source: taken by the author based on researches Ilyashenko (2016)

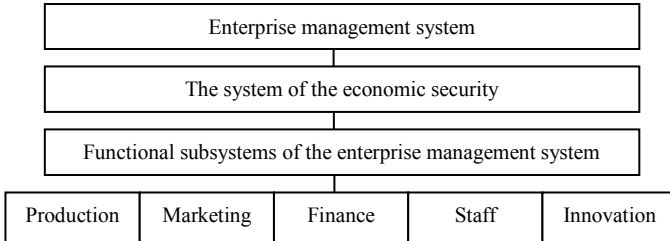


Figure 2: The system of economic security of the enterprise as an over-system of the enterprise management system

Source: taken by the author based on researches Ilyashenko (2016)

The system of economic security of the enterprise exists not in the isolation from the enterprise management system; on the contrary, such system, along with other important elements is a part of the enterprise management system as a whole. It is abovementioned, that depending of the determinants, the system of economic security of the enterprise can be a subsystem of the enterprise management system or its over-system (*Figure 1, Figure 2*).

It is necessary to agree with the stated, as depending on the status and the purpose of the functioning of the system of economic security of the enterprise, its place in the enterprise management system is determined. By content, transformation leads to certain changes and by consequences its nature is that it affects the state of different systems. An integral relation to the society and socio-economical system as a whole it is given to the process of transformation the signs of system-wide. On

the other hand, transformation means not only the process of changing, but also the process of formation, transformation of the system of different size, depth, and direction, caused by internal and external factors. The result of the transformation can be not only changes, but also genesis of the new system, new relationships or phenomena. Applying the system approach to the systems of different levels, transformation can be considered as inherent quality of the system, which contains the prerequisites for continues changing of the form. This point of view is similar to the understanding of the development in the works of Pogorelov (2010) as the ability to changes (in the eventual understanding of such a concept).

Transformations are intended (in the case of their controlled nature) to improve the state of the system, acquire by it new functionalities, perform its main tasks, etc. Therefore, the study of the results calls attention both in the perspective and in descriptive aspects. The results of the transformations in the system of economic security of the enterprise are proposed to be described using matrix signature analysis, which is proposed to be carried out in two directions. The first one is to consider the whole system of economic security as a separate functional subsystem of the enterprise management system. The second one is to consider the system of economic security as a separate system with its composition, structure and links between the elements (*Table 1*).

In *Table 1*, the analysis of the system of economic security of the enterprise as a unit of the enterprise management system, allows us to understand it as an integral element of the enterprise management system. Within the framework of the analysis, as a separate element, the system of economic security should be considered as a functional subsystem in the enterprise management system.

Table 1

**Directions of transformation results' analysis
in the enterprise' economic security system**

<i>Direction</i>	<i>Analysis of the system of economic security of the enterprise as a unit of the enterprise management system</i>	<i>Analysis of the system of economic security as a separate system</i>
Understanding of the system of the economic security of the enterprise	Coherent element is the enterprise management system	Functional subsystem in the enterprise management system in the frameworks of the analysis
Consideration of the system of economic security of the enterprise in the enterprise management system	Functional subsystem, whole entity	Conventionally independent system, elements of which interact with other subsystems of the enterprise and influence on them
Purpose of analysis	To determine the changes of the system of economic security as a part of the enterprise management system, its place, role in management system	To determine changes in the composition and structure of the economic security system in the context of ensuring its capacity
Methods of analysis	Analysis based on signature criterion	Descriptive analysis, set theory

Source: proposed by author

Analysis of the economic security system as a unit of the enterprise management system requires the determination of the change of the system of economic security as a component of the enterprise management system, its place and role in the management system. In its turn, understanding of the system of economic security as a separate system allows us to determine the changes in the composition and structure of the system of economic security in the context of its capacity ensuring.

Concerning the methods used, it is necessary to note the following. To analyze the results of transformations in the system of economic security as a unit of the enterprise management system is proposed to use signature analysis. The essence of this method consists in the formation of certain conclusions about the object of the research based on joint consideration of the combination of signs of change (increase or decrease) of its individual characteristics. Signature analysis is widely used in mathematics, for example, in the study of continuous functions on the basis of their derivatives (based on the Weierstrass theorem), and while studying of time series based on analytical statistical tools (chain index dynamics, Wilcoxon rank sum test, etc.) (Danilov-Danil'jan, 2003). In economics the usage of the signature analysis is presented in papers (Bilousova, 2015). Analysis of the system of economic security as a separate system is proposed to be carried out based on descriptive analysis and set theory. In this case, the complexity of the object of the research (the system of economic security of the enterprise) requires the transitions from the purely quantitative analysis tools to the instruments that allow operating qualitative assessments, from interval scales to ordinal or nominal ones, etc. However, it is necessary to note, that it does not mean a complete rejection of the quantitative assessments. The emphasis on qualitative assessments in this case should be complete, rather than substitute quantitative assessments.

The usage of signature analysis for the research of any object requires specifying of the characteristics, the dynamics of which will be under the study. Describing the system of economic security of the enterprise as a whole entity, as a functional subsystem in the enterprise management system, and aiming to characterize the transformation results of such a system, it is reasonable to consider the signature criterion of its egression and ingression in the enterprise management system as well as the degree of its prioritization and the separation of its units (objectification) that deal with the issues of ensuring of the economic security of the enterprise. The concepts of egression and ingression in this case are considered in the same sense as Bogdanov in his works (1989) devoted to technology proposed to consider. Ingression (according to Bogdanov, 1989) is a universal method of connection of nature and society phenomena and essences, the principle of the universal connection of phenomena. Egression (according to Bogdanov, 1989) is a method of centralism, the method of processes coordination in the systems of any character, a general scheme that is responsible for the integrity of any level. The choice of the proposed characteristics for assessing of the results of transformations of the system of economic security as an entity (egression, ingression, prioritization and objectification) is conditioned by:

Firstly, the system of economic security of the enterprise has its structure, the set of elements that are connected with one another and other subsystems of the

enterprise management system. Thus, ingression as a method for connection of phenomena and essences for determination of the degree of the connection is an important characteristic for assessment of the results of transformations of the economic security system as a whole entity.

Second, processes always follow connections in the system (according to Shhedrovickij, 2003), that are the reason of development and functioning of the system of economic security. Such processes should be decentralization, localization, concentration, coordination, which allow us to determine the degree of egression and the changes of the system of economic security as a part of the enterprise management system, its place, role in the management system.

Third, security has a subjective conception. Subjective perception of objective quantitative risk assessments and threats, which arise in the internal and external environment of the enterprise, leads to the different level of recognition and prevalence of functions in the enterprise activity. Therefore, prioritization is such characteristic that will allow us to estimate the results of transformations of the system of economic security.

Fourth, the system of economic security as an abstract system that has a high level of abstraction requires objectification, that is, practical implementation. Objectification as a characteristic for assessing of the results of transformations of the economic security system allows assessing the degree of separation and the independence of the conventional unit, which deals with the issues of economic security ensuring.

The analysis of the results of transformations in the system of economic security for the system of economic security is a unit of the enterprise management system (*Table 1*), as well as the analysis of the system of economic security as a separate system because of transformations. Such analysis is proposed to be carried out on the basis of four characteristics of the composition and connections of such a system: organizational, substrate, structural and functional. The basis for the distinguishing of such characteristics was given in papers (Surmin, 2003; Pohorelov, 2010), where the corresponding types of the prevailed transformations was singled out (*Figure 3*).

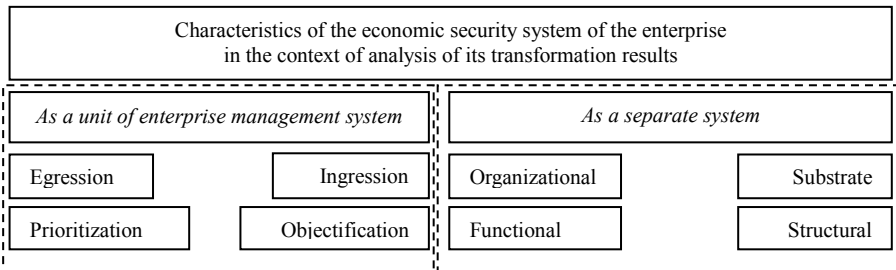


Figure 3: Characteristics of the economic security system of the enterprise in the context of analysis of its transformation results

Source: created by author based on researches (Bogdanov, 1989; Surmin, 2003; Pohorelov, 2010)

DISCUSSION AND CONCLUSION

Obviously, transformations in the economic security system of the enterprise are intended (in the case of their controlled nature) to improve the state of the system, acquire by it new functionalities, to perform its main tasks. This issue needs to be considered both in the prescriptive aspect (the study of the expected results of transformations in the economic security system of the enterprise as a result of undertaken actions) and in descriptive aspect (studying and control the actual results of transformations). Thus, in our article, the results of the transformations in the economic security system of the enterprise are proposed to be described using matrix signature analysis, which is proposed to be carried out in two directions. The first one is to consider the whole system of economic security as a separate functional subsystem of the enterprise management system. The second one is to consider the economic security system as a separate system with its composition, structure and links between the elements. The study of transformations in the economic security system of the enterprise requires further identification of diagnostic tools and modeling of transformation processes.

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JEL: G2, GE

AUDIT OF RISK MANAGEMENT SYSTEM IN CONSUMER LENDING

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Abstract: *Risk management is an important part of any business. An incorrect or inadequate organization of risk management can lead to significant losses. One of the components of fine-tuning of risk management is its audit. The essence of risk management audit is the estimate of its effectiveness. This article considers the logic of risk management audit in consumer lending. The proposed logic of the audit is based on the use of information from credit bureaus. At the same time, we structure risk management in consumer lending into three components: loans granting process, monitoring of active credit portfolio, and operations with overdue loans. To audit each of the components, we introduce different audit methods based on the use of data from credit bureaus. Using this data allows creditors identify inefficient elements in risk management and facilitates their improvement.*

Keywords: *risk management, consumer lending, credit history bureau*

INTRODUCTION

Consumer lending is characterized by dynamic development and includes various types and forms of loans, such as loans with collateral (mortgages, car loans), unsecured loans, credit cards, payday loans, etc. Lately, online lending has been on the rise. These are loans issued without the borrower's visit to the lender's office. Traditionally, lending is associated with a rather wide range of risks. First of all, these are the risks associated with the non-repayment of loans by individual borrowers. Such risks may be caused by both the inability to repay the loan because of the financial difficulties of the borrower, or by his fraudulent actions. In online lending, the risk of fraud is higher because of the possibility of incorrect identification of the customer. Other risks are associated with the formation of credit portfolio and its structure. Thus, if the issuance of loans is concentrated around one segment of borrowers, the risk of such a portfolio will be greater than the risk of a diversified portfolio.

Another important part of the spectrum of credit risks encompasses systemic risks that are associated with changes in market conditions (inflation, currency devaluation, changes in regulatory requirements, etc.). Credit risks are also associated with the organization of loan granting processes. These processes include rules and procedures for identifying the borrower, evaluating his creditworthiness, monitoring loan servicing, procedures for collection of arrears, and other elements. Ineffective logic of these processes and their poor organization evidently generates

risks. Thus, risks constitute an integral part of lending process. Building a qualitative risk management system is a critically important task. The nature of risk management systems and their role are widely discussed in the literature. For instance, Gerhard Schroeck in his book (2003) explores neoclassical and neo-institutional finance theories for grounding risk management for creation value in banks and other financial institution. The value added arguments about risk management are also presented in David Belmont's book (2004). Risk management in banking is also discussed in detail in the work of Joel Bessis (2002).

In general, risk management is a process of identification, analysis, measurement, and control of risks, as well as application of various approaches for managing and minimization of risks that affect the achievement of the set goals. The development of risk management system involves several stages. One of such stages, and normally, the final one, is the risk management audit. The purpose of this paper is to introduce a special type of audit of credit risk management: audit based on the use of credit bureau data to verify the effectiveness of risk management.

MATERIALS AND METHODS

Audit of risk management is a disciplined approach to evaluation and improvement of the effectiveness of risk management. Unlike classical (accounting) auditing, audit of risk management is not a mandatory instrument, but it is seen as very advantageous. When undertaken regularly, such audit provides objective conclusions about the effectiveness of risk management and identifies potential gaps in its organization. Important developments in the audit of risk management are presented in the book by Spencer Pickett (2005).

Audit of credit risk management can be divided into internal and external audit. Internal audit is undertaken by creditor's employees, whereas external audit is performed by outside specialists. The advantages for internal auditors include good knowledge of business processes in the company. In particular, the auditor knows the logic of the verification rules and the system of indicators used to assess the borrower's application. However, this can reduce audit efficiency, since the auditor is not completely independent. In addition, internal auditor "owns the fresh pair of eyes to the task" to a lesser extent than external one. However, external auditor's acquaintance with the know-how of the risk management is sometimes problematic for the lender. For banks and other large creditors, as a rule, only internal audit system is used for risk management. In small credit companies, audit is often outsourced to external auditors. The methodology for implementation of risk management audit proposed in this paper is based on the use of data from credit history bureaus. It can be used both internally and externally. Internal audit takes place when the creditor uses credit bureau data for carrying out analysis on their own. External audit implies the outsourced analysis of data from credit bureau.

Nowadays, credit history bureaus are present in most countries with credit markets. These institutions carry out activities in various forms, i.e. collecting only negative information or accumulating both negative and positive information; they may operate on mandatory or voluntary bases. For example, in France, credit

bureau runs as a register specializing in the collection of negative information. In Ukraine, Poland, Russia, and many other countries credit bureaus collect all permitted information. Noteworthy information on credit history bureaus can be found in papers of Miller (2003) and Jappelli, T. & Pagano, M. (2002). As a rule, several bureaus operate in markets with developed consumer lending. In such a case, altogether they cover virtually 100% of borrowers' credit histories.

The conceptual essence of risk management audit using credit history bureau data is based on inclusion of comparative analysis of a number of statistical indicators for the creditor and the market. It can be considered as benchmark based on the credit history bureau data (Kaminskyi, 2015). In case of a significant deviation of the creditor's risk indicators from market values, represented by the bureau data, a "gap" is identified in the risk management system. We suggest structuring the methodology of credit risk management audit based on the data from credit history bureaus by such components: (1) Audit of the risk environment; (2) Audit of the credit granting system; (3) Audit of the credit portfolio risk; (4) Audit of collection processes. These components cover all stages of the borrower's interaction with the creditor.

RESULTS

The first component is *the audit of risk environment*. It involves comparing the risk of the inflow of borrowers' applications to the creditor with the overall market inflow. To do this, one needs to use the toolkit of the credit history bureau for risk assessment. The scoring of bureaus can be applied as most effective instrument. For the audit, the incoming flow of creditor can be presented as scoring frequency distribution for a certain time interval and compared with the distribution of the incoming market flow (or the segment to which the creditor belongs). Examples are presented in *Figure 1*. This figure is showing a comparison of the inflows for the market (in dark gray) against inflows for creditors A and B (in light gray).

Inflows are shown by the distribution functions of score values of borrowers applying separately to these creditors, and the whole market. Example includes 15 scoring classes (R1-R15). Class R1 corresponds to almost zero probability of default (PD), and R15 to 100%, other classes have interim PD values between R1 and R15. It can be seen, that inflow for creditor A is less risky than market and inflow for creditor B is riskier than market. Identification of these differences is directly related to the effectiveness of creditors' risk management. If the inflow is riskier than market (creditor B), risk management should be "tougher". Conversely, if the incoming flow is better compared to market average (creditor A), then the risk management system may be "softened".

The second component of the audit is *the audit of the credit granting system*. Credits are issued on the basis of a system of different rules and procedures. In this system, errors of two kinds are possible: type I and type II. The type I error is the issuance of a loan to the borrower, who does not repay it. The type II error is a rejection of a potentially reliable borrower, who in fact would timely settle the debt. As a result of type I errors, classical credit risk arises, whereas type II errors lead to the risk of lost profit. Both types of errors can be identified using credit bureau data.

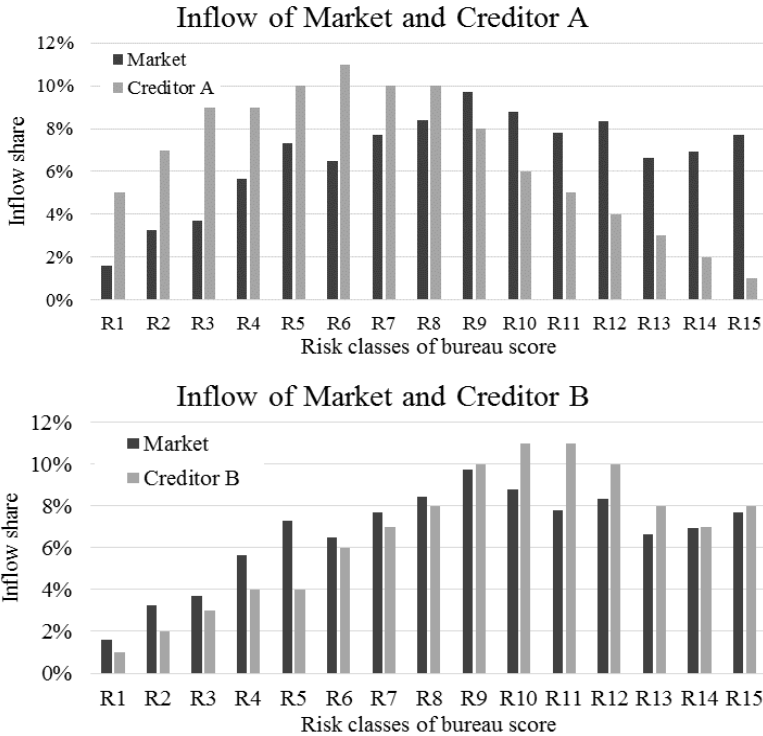


Figure 1: Comparison of market and creditor inflows

Source: compiled by authors

Audit of type I errors is carried out by comparing the share of delinquent loans (bad rate) in the creditor's portfolio with the share of delinquent loans represented in the credit history bureau, which can be considered as average market bad rate. To ensure adequate comparison, it is necessary to allocate an analogous time interval of loans issue, types of loans and their parameters. If, as a result of the bad rate comparison, the lender has a higher value than the average market one, this indicates ineffectiveness of risk management. This analysis can be conducted for groups of borrowers with different levels of risk. For example, a significant element in the audit process at this stage is the percentage of borrowers with FPD (First Payment Default). Such borrowers, as a rule, are prone to fraud caused by unwillingness of debt repayment, not the impossibility.

Comparison of creditor's FPD rate with one calculated using bureau data shows the effectiveness of the lender's risk management in the aspect of fraud counteraction. Audit of type II errors is based on analysis of the rate of delinquent loans for rejected applications. First, it is necessary to classify the rules of risk management used to take rejection decisions. Assume that rejections are based on n rules P_1, \dots, P_n .

Table 1

Reject analysis for risk management rules

Risk management rules	No loans received after rejection	Loans received after rejection and paid back on time	Loans received after rejection and not paid back on time	Economic effectiveness
P_1	ND_1	G_1	B_1	<i>Interest income from G_1 minus losses from B_1 and ND_1</i>
...
P_n	ND_n	G_n	B_n	<i>Interest income from G_n minus losses from B_n and ND_n</i>

Source: compiled by authors

Then, when lenders make queries to bureaus to receive additional information about borrowers whose applications were rejected in accordance with n rules, they can get information on whether other loans were granted after the rejection, and if they did, then whether they had been paid back on time ("Good" loan status) or not ("Bad" loan status). The logic is illustrated in *Table 1*.

Economic analysis of rejected applications by certain rule helps to compare and evaluate interest income from "Good" and losses from "Bad" loans. If the interest income from "Good" exceeds the loss from "Bad" and "ND", this risk management rule should be changed, e.g. softened. Advanced audit may include the effectiveness assessment of application scoring, representing one of the important procedures for credit risk management. Scoring includes a specific set of characteristics, the importance of which is determined by the lender, based on his database "Good" and "Bad" loans. Mathematically, the significance is determined by the parameter IV – Information Value (Bessis, 2002). Borrowers' applications rejected by scoring could be actually "Good". Therefore, within the audit of the application scoring effectiveness, it is important to use data from credit bureaus. Rejected applications are identified as "Good", "Bad" and "No Information" by the bureau. To verify scoring using this approach, it is necessary to combine "Good" for loans granted and "Good" for rejected applications as well as "Bad" for loans granted and "Bad" + "No information" for rejected loans. On this basis, we calculate the new IV and adjust scoring weights. Application of such verification by the authors on the basis of reject analysis of bureau shows IV change by 15-20%.

Audit of the credit portfolio risk is based on the regular monitoring of the portfolio using credit bureau batch processing. This type of audit consists of two components. The first one is calculation of capital under the portfolio risk. With internal rating system, the lender can evaluate the default risk for each borrower.

When batch processing of the whole portfolio is based on the information of the bureau, it is possible to obtain a more accurate estimate of the probability of default and, accordingly, a more correct calculation of economic capital and risk adjusted profitability. This takes place because borrowers can take additional loans from other lenders, or vice versa, to repay them early. This affects the probability of default in the lender's portfolio.

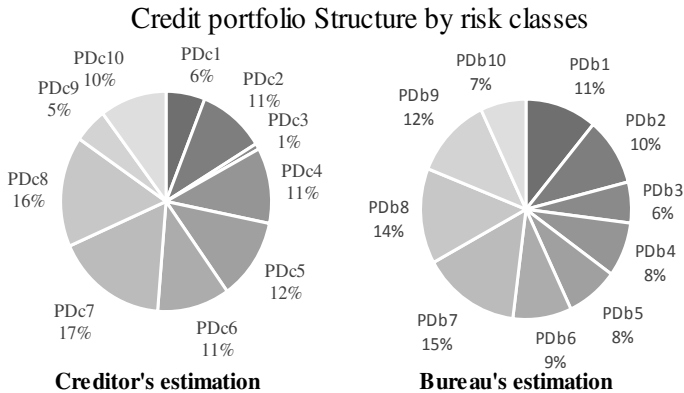


Figure 2: Comparison of portfolio structure estimate by creditor and bureau
 Source: compiled by author

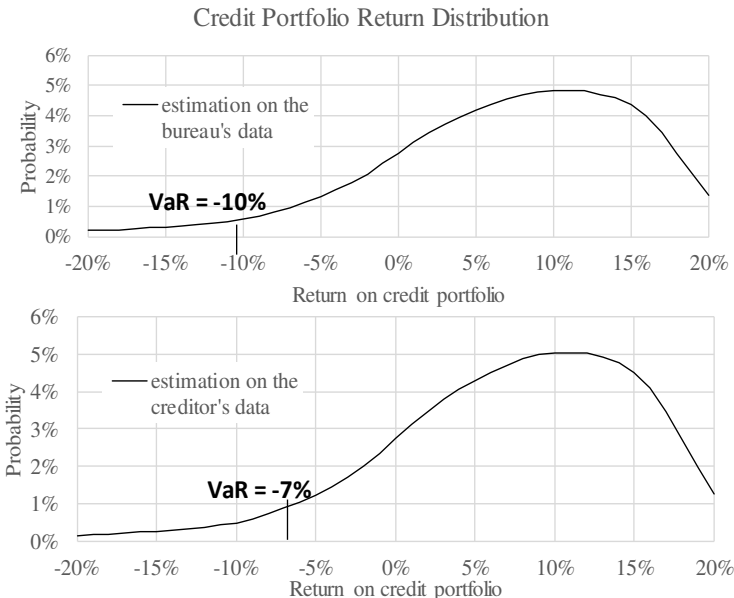


Figure 3: Comparison of return distribution based on creditor's and bureau's data

Source: compiled by author

Figure 2 illustrates the difference. This component determines proper formation of reserves for credit portfolio, which is one of the functions of risk management.

Figure 3 illustrates the difference between VaR (Value-at-Risk) indicator calculated using bureau's and creditor's data. It shows that creditor underestimates his reserves by 3%.

The second component results from application of the first component in dynamics. If the risk of portfolio on the basis of monitoring increases, it is logical to toughen the rules and procedures of risk management in order to "balance" the risk of the portfolio. Conversely, if the risk of the portfolio decreases, it is possible to soften certain rules and procedures and conduct a more aggressive lending policy.

Almost every creditor in the segment of consumer lending has a portfolio of overdue debts. The system of credit risk management includes a number of rules and procedures for working with this portfolio. These include online and offline contacts with borrowers, prioritization of collection and other means, which can be improved by *audit of collection processes*. Risk management audit in this aspect consists of comparing the percentage of delinquent debts repayment rate to the lender and the average indicator on the market, calculated on the basis of data from credit history bureaus. If this rate is below the market, there is potential for improving risk management in the area of dealing with arrears. In addition, based on batch processing of credit bureau data, the application of various return strategies sequence can be verified. Making a request on debtor's credit history to the bureau, the lender can find out whether the borrower has numerous delinquencies on other loans. The strategy for working with such borrowers should differ from the strategy of working with borrowers with only one loan in arrears.

DISCUSSION AND CONCLUSION

The proposed approach to audit risk management has its benefits and limitations. Advantages include the ability to compare risk parameters of the lender and the whole market. This comparison is effective when the information on consumer lending is fully displayed in the credit history bureau. Moreover, it is possible to apply benchmarking based on creditor's segment. This approach is more accurate. The limitations of proposed approach result from the specificity of benchmarking and the organization of bureau as institution on a certain market. First limitation is associated with comparison of risk management parameters, not with verification of rules and procedures. Based on such audit model, it is possible to identify inefficient components of risk management. At the same time, the issues of the appropriateness of risk management organization are not analyzed. Having considered this, it might be worth using the approach proposed in this paper as the first stage of the risk management audit. Within this framework, its inefficient components will be identified. At the second stage, audit rules and risk management procedures identified during the first stage, may undergo direct audit.

Secondly, the market organization of credit bureaus influences the conduct of such audit. The main issue here is the completeness of data collected by the bureau and its amount. In case when only one bureau operates on the market and all creditors supply it with their data, then this is the best option for implementing the proposed audit model. If there are several bureaus on the market, then there may be a limitation related to the segmentation of data representation for each bureau. In this case, it is necessary to carry out benchmarking using all bureaus. If the bureaus contain relatively low amounts of data, then the use of this method is ineffective.

It should be noted that similar method can be applied for corporate lending. However, parameters evaluated based on credit history bureaus' data cannot be applied with same level of significance as in the case of consumer lending. It is caused by significant difference between lenders and higher level of specific risks.

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JEL: D21; L83; M39

THE FORMATION OF ADVERTISING ACTIVITY ON THE MARKET OF TOURISM SERVICES UNDER THE CONDITIONS OF GLOBAL ECONOMY

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***Abstract:** The authors of the article define functions of advertising in tourism and effectiveness of implementation of advertising activity at tourism enterprises. Specific features are allocated which related to formation of the tourist product and the main elements necessary for the implementation of the high-quality tourism product on the world market. The factors trends and the constituents that determine the role of tourism in modern society under the conditions global economy were investigated. The results of research in the article can be used by as a source of information for the formation of advertising activity on the market of tourism services.*

Keywords: *economy, tourism, tourism market, tourism product, advertising, marketing*

INTRODUCTION

In connection with the complication of the conditions of enterprises operation in the market of tourist services there is a need to identify additional competitive advantages. The desire of business entities to realize tourist services and to maximize profits in the face of fierce competition encourages them to re-evaluate their own capabilities, analyze advertising and information activities, study the infrastructure of the tourist market. This fact determines the need to study the formation of advertising activities in the tourist market, especially in the development and implementation of practical elements for improving the effectiveness of promotional activities of tourist enterprises.

MATERIALS AND METHODS

Among the Ukrainian and foreign researchers who has made a significant contribution to the development of the concept of advertising, the most thorough are the works of V. Azar, J. Burnett, I. Fedorova, V. Fryburger, N. Golda, N. Gorbali, V. Demyanenko, F. Jefkins, T. Lukyanets, S. Moriarty, B. Novikov, R. Pearce, S. Potapenko, T. Primak, K. Rotzoll, C. Sandage, I. Smirnov, W. Wells, D. Yadyn et al. However, theoretical positions and practical recommendations regarding to the formation of advertising activities of tourist enterprises remain poorly researched. Insufficient attention is paid to the economic mechanism of effective use of funds for this type of activity. The relevance of these problems has led to the choice of research topic.

The *main objectives of the article* are to define and to formulate the principles and methods of forming advertising activities in the market of tourist services in the conditions of globalization.

RESULTS

The interest in advertising as a phenomenon of modern life is due to the multifaceted nature of the phenomenon itself and not less complex perception of its various people and social groups. Advertising serves different purposes, affects the economy, ideology, culture, social climate, education and other aspects of our life. Given the diversity of forms and methods of advertising and generalizing the scientific experience in this field, it is necessary to highlight five main features that we think are inherent in advertising: informative messages; ability to persuade; mass and all-public nature; one-sided orientation and non-personal character; full control at all stages of the advertising process.

1. *Advertising as an integral part of the marketing system.* Advertising is integral part of the marketing system and the channel for disseminating information on the market. Therefore, the formation of more complete knowledge about advertising is impossible without studying its main functions, that is, "the role of advertising" in the economy and society in the process of communication (Jefkins & Yady, 2015).

In our opinion, advertising has six main functions: (1) information; (2) exhortation; (3) communication; (4) socialization; (5) economic function; (6) controlling. According to these functions, there are effects of advertising activity (*Figure 1*).

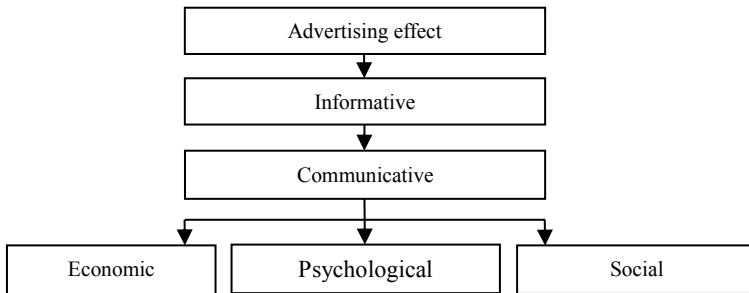


Figure 1: The effect of the advertising implementation into the enterprise

Source: constructed by authors

Advertising is a complex and dynamic process, which is a constant human companion for many centuries. The nature of advertising, its content and forms constantly changed under the influence of scientific and technological progress, with the change of socio-economic formations and with the requirements of people at a particular historical moment. However, the effective implementation of advertising activities in the tourism industry is impossible without a comprehensive study of advertising processes and characteristics of tourism.

2. *System of advertising activity at a tourist enterprise.* To study the advertising activity of a tourism enterprise as a communicative system, one should consider a process in the form of a closed loop, where the main elements are: a tourist enterprise;

advertising agency is a special department of the tourist enterprise; an advertising distributor; consumer of tourist products. These four elements form the outer contour of the movement or frame of the system, in the middle of which a tourist service is (*Figure 2*).

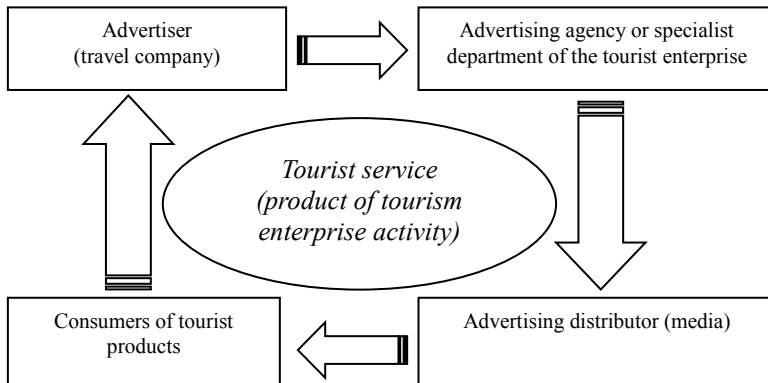


Figure 2: System of advertising activity at a tourism enterprise

Source: constructed by authors

Based on the research carried out the concept of "tourist product", it has been established that the feature of the process of modern advertising activities' formation of tourism enterprises is the acquisition of a new role as a result of taking into account the specific features inherent into the management tourism process; i.e. advertising has become an integral part of the marketing system, the level of development of which determines the quality of the tourist product, the efficiency of the industry and adaptation to modern market requirements. The process of forming an advertising activity at a tourist enterprise is presented in *Figure 3*.

The urgency and importance of developed process of the advertising activity formation at tourist enterprise is that the structure of the world market is constantly complicated and marketers need to adequately respond to these changes. When planning an effective advertising campaign, tourism cannot ignore the specifics of this industry and the characteristics of a tourist product. Based on the research conducted, it is determined that the tourism product has certain specific properties that must be taken into account for planning the company's advertising strategy.

Firstly, the tourist product combines services and goods. *Secondly*, the demand for a tourist product is elastic and depends on the prices for tourist services, the level of customer income, climatic, political, economic, environmental and social conditions. *Thirdly*, an important aspect in the process of implementing a tourism product and the formation of advertising activities is a diversified pricing system, which depends on the policy of the tourist enterprise, the individual characteristics of customers and the characteristics of the market in which it operates. In addition, the tourism sector is characterized by a gap in time between the moment of price setting and the moment of purchase of tourism product. *Fourthly*, the places of sale of a tourist product are usually remoted from the places of its consumption.

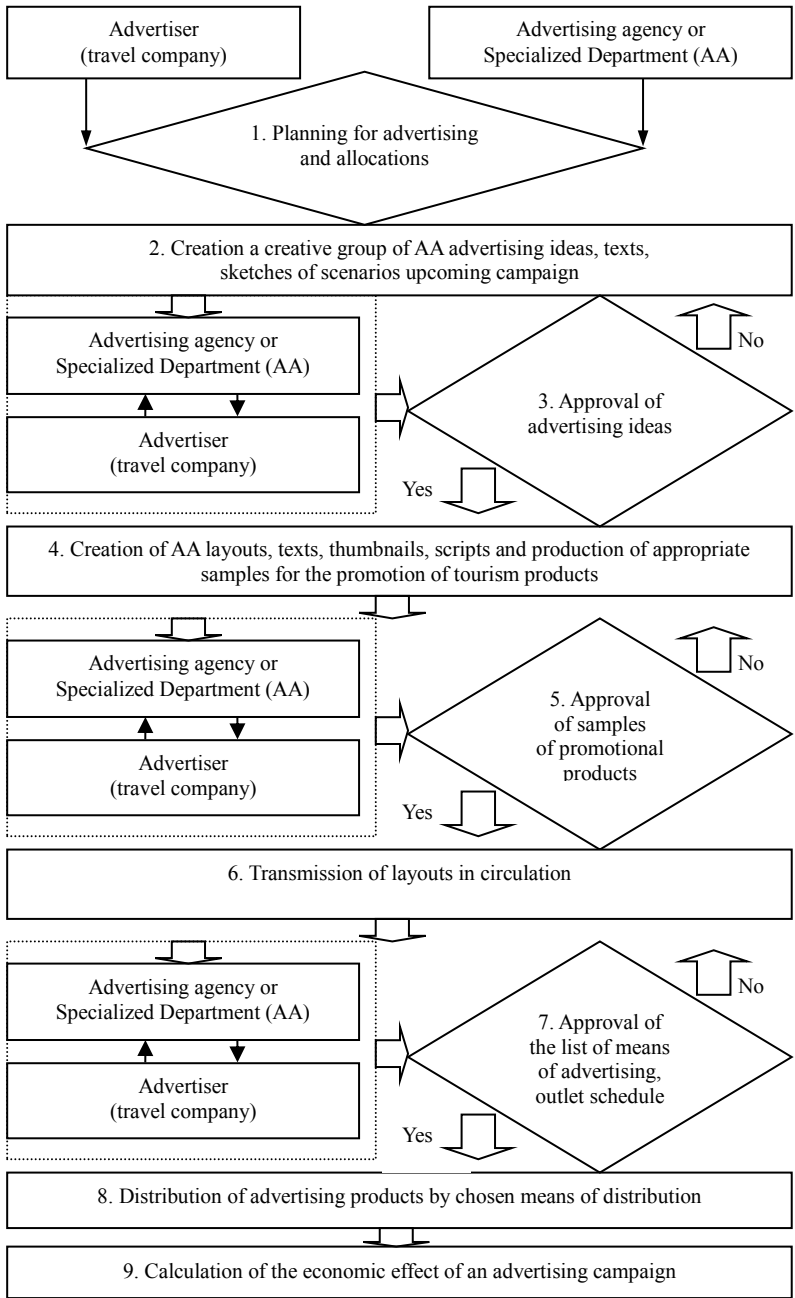


Figure 3: Algorithm for the advertising activity' formation at the tourist enterprise
Source: constructed by authors

That is, a customer who purchased a product through a travel company needs to bridge the distance to where its needs will be met. *Fifthly*, the tourism products are the result of a complex action of several enterprises, each of which has its own goals in organizing the advertising process. Thus, the result of tourism activity is to form a tourism product, which is the result of the efforts of many enterprises and for the implementation of which a set of complex heterogeneous elements is needed.

3. *The factors influencing the advertising activities of tourism.* Enterprise for planning the company's advertising strategy needs to take into account the constant variability of the quality of tourism services, which depends on many factors we are divided into three groups. The *first group* includes factors that are not directly dependent on the company: e.g. the natural, climatic, political, economic and environmental condition of the country during travelling. The *second group* is connected with the work of the enterprise hosting the visitors. The *third group* of factors includes subjective features and the uniqueness of the consumer himself. The subjects of the tourism market function in a complex system under the influence of many factors. Therefore, tour operators and agents need to study market trends and respond in a timely manner to changes in the environment. In accordance with the marketing direction of the research in the article, we have identified economic factors, which are grouped into three blocks by the degree of possible influence on them. The analysis of factors allows companies to detect changes in the structure of tourist flows and on their basis to coordinate economic activities and advertising, in particular; to study the total amount of tourism services and to determine the priority directions for the promotion of a tourist product; assess the level of competition in the national market and review the range of services offered. Consequently, the need to analyze the factors of influencing the advertising activities of the tourist enterprise is due to the direct dependence of the subject of economic activity on the national tourism development strategy, which should correspond to the trends that are emerging in the international market.

4. *Model for forecasting the results of an advertising campaign.* In order to prevent inefficient spending of funds by tourism enterprises, a model for forecasting the results of an advertising campaign was developed within the research. When developing this model all elements of the system are divided into two parts. The first is the definition of the forecast value of the total amount of allocations for advertising activity; the second is the distribution of budget funds, depending on the means of distribution of advertising.

The basic set of equations is based on calculated coefficients of variability and the following set of equations is obtained:

$$\left(\begin{array}{l} Y_1 = \frac{1000 \cdot 1.04VA \cdot X_1}{1.04AU_1} \\ Y_2 = \frac{1000 \cdot 1.02PA \cdot X_2 \cdot X_3}{1.02AU_2 \cdot X_2' \cdot X_3'} \\ Y_3 = \frac{1000 (1.02OV + 1.01PS \cdot X_4 + 1.01VO + 1.01VM) X_5}{1.02AU_3} \\ Y_4 = \frac{Y_1 \cdot 1.04AU_1}{1000} + \frac{Y_2 \cdot 1.02AU_2}{1000} + \frac{Y_3 \cdot 1.02AU_3}{1000} \end{array} \right. \quad (1),$$

Where Y_1 is expenses for advertising activity in the press on the basis of 1000 consumers, UAH; VA is the cost of advertising space, UAH; X_1 is periodicity release period, element; AU_1 is audience (circulation), persons; Y_2 is expenses for external advertising activity per 1000 consumers (viewers), UAH; PA is the price of the advertising plane (1 shield), UAH; X_2 is number of designs, element; X_3 is periodicity of output, months; AU_2 is audience (number of potential audience contacts with one advertising space per month), individuals; Y_3 is expenses for exhibition activity per 1000 consumers (visitors), UAH; OV is organizational fee, UAH; PS is the price for 1 m² of the equipped exhibition space in the exposition, UAH; X_4 is a number m², element; VO is the cost of additional equipment, UAH; VM is an advertising material costs, UAH; X_5 is a number of events (exhibitions), element; AU_3 is audience (number of contacts of the audience with the exposition), persons; Y_4 is volumes of total expenses for advertising activity in the press, outdoor advertising and exhibitions (budget of advertising campaign), UAH.

All calculations we are offered to do are made using the Excel program, which calculates the macro to calculate the simulated values for entering the input data of a certain period with a quarterly interval. We believe that this period is optimal, since the pair regression equation, on which the model of prediction of the results of advertising activity in the tourist enterprise is constructed, better reflects the economic situation in a stable environment. Therefore, to calculate the forecast advertising budgets for the following years, tourist companies need only update the incoming database. All other indicators will be calculated automatically for the specified new conditions. Disadvantages of a prediction model include the need for a significant statistical base to obtain appropriate coefficients of variation and its continuous updating (ideally quarterly).

CONCLUSION

We believe that proposed model is convenient and effective in planning the advertising activities of a tourist enterprise for the next years. However, for using it you need: *firstly*, constantly update the information base; *secondly*, in determining the values of factors do not exceed the limit of one-third of the scale of variation and, *thirdly*, with a sharp change in the external environment, immediately revise the calculated regression equation. In connection with the complication of the conditions of enterprises operation in the market of tourism services there is a need to identify additional competitive advantages. The desire of business entities to realize tourism services and to maximize profits in the face of fierce competition encourages them to carry out advertising and information activities, to study the infrastructure of the tourism market and to form the effective advertising activities in the market of tourism services.

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JEL: O11

**THE UNEVEN REGIONAL DEVELOPMENT AS A MAJOR PROBLEM
OF REGIONAL POLICY OF THE REPUBLIC OF BELARUS**

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***Abstract:** The authors of the article formulate and study the main problem of regional policy of the Republic of Belarus, i.e. the uneven regional development, which is associated with the socioeconomic and demographic degradation of small towns. Also the authors of the article determine the main directions of solving regional problems and ways to improve regional policies.*

***Keywords:** regional policy, gross regional product (GRP), regional system, depressive region, growing region*

INTRODUCTION

Nowadays, the role of territorial aspects of the development of economic systems is increasing, which is caused by socioeconomic disparities in regional development, which are particularly acute in the context of crisis phenomena in the economies of countries. It is formed both highly developed regions and depressed regions with a consistently low level of wages, employment and labor productivity. The decline in production, the growth of unemployment in depressed regions, hyper-urbanization and environmental problems require a scientifically-based approach to the managing regional development.

MATERIALS AND METHODS

In our study a set of scientific methods were used: analysis and synthesis; induction and deduction; comparisons; statistical methods and modeling methods. The materials of the study were the data of the Belarusian State Statistical Office on the socioeconomic development of the Republic of Belarus.

RESULTS

The main problems of regional development have emerged at the beginning of the transitive process in the Republic of Belarus. Some of them came from the past decades and exacerbated because of the market transformations. Other problems appeared later. Among them the most important is the problem of uneven regional development of the Republic of Belarus, which is based at the associated socioeconomic and demographic degradation of small towns.

The most important result and indicator of the region's development is the gross regional product (GRP). GRP dynamics shows the effectiveness of the regional activity and reflects the differentiation processes of their economic development.

Analysis of GRP dynamics in Belarus indicates an uneven economic development. Over the past seven years, GRP by regions has increased by an average of 5.5 times in the Mogilev region; 5.6 times in the Gomel region; 5.7 times in the Brest region and 5.8 times in the Vitebsk region. At the same time, over the past seven years, GRP in Minsk increased in 7 times and 7.6 times for the Minsk region. As a consequence, the share of regions in the GDP of the republic varies (*Table 1*).

As the data show, for 7 years the share of regional GRP in the GDP of the Republic of Belarus is unchanged only in two regions: Mogilev and Grodno. The share of GDP in the Gomel, Brest and Vitebsk regions decreased with the increase in the share of Minsk and the Minsk region.

Table 1

**Comparative analysis of GRP percentage into
GRP Republic of Belarus in 2009 and 2016**

Regions of the Republic of Belarus	GRP percentage into GRP Republic of Belarus	
	2009	2016
Brest region	12,0	11,0
Vitebsk region	11,0	9,0
Gomel region	14,0	12,0
Grodno region	10,0	10,0
Minsk	28,0	32,0
Minsk region	16,0	17,0
Mogilev region	9,0	9,0

Source: created by authors on the basis of socio-economic indicators of the Republic of Belarus (2017)

Mostly the tendency of uneven economic development in the regions of the republic is based on the problem of the small towns' degradation. Most Belarusian cities (over 80%) are small, with a population up to 20 thousand people. The main factors affecting the vulnerability of small towns are dependence on unstable city-forming enterprises work and a lack of jobs in labor markets. Many of the large industrial enterprises built in the Soviet period are city-forming; they provide jobs for a significant proportion of urban citizens, they form a large part of local budgets and contain social infrastructure. However, last years a large number of these enterprises are experiencing serious economic and financial difficulties. Many city-forming enterprises depend on commodity markets and primarily, on energy, which makes them sensitive to changes in the political and economic situation in other countries-suppliers of raw materials and countries-consumers of products. The reduction in production, the closure of a number of city-forming enterprises and their restructuring lead to a reduction in employed workers, that costs an increase in unemployment and the degradation of the social sphere. The problems associated with the reduction in production at major city-forming facilities create difficulties in other enterprises that are technologically dependent on them. Due to the high level of economic diversification in the large cities, the unstable work of some enterprises is often compensated by the successful activities of others, but in small towns such opportunities are absent. Thus, there are differences in job opportunities in big and small cities and, as a consequence, there are significant differences in the unemployment level and in the incomes of the population of different regions.

CONCLUSIONS

In the process of improving regional policy a number of problems have to be solved: *first*, special attention should be paid to the development of city-forming enterprises. To reduce costs and to update the product assortment, enterprises are re-equipped every 5-6 years in developed countries. In Belarus, many city-forming enterprises did not re-equip their production for more than 15-20 years. The wear and tear on the technological equipment of most of them has reached a critical level, which makes their products uncompetitive.

Second, the public works' organization, including communal services, work on the facilities of social infrastructure' construction and work in the service sector, all of these will help to reduce the tension of the situation and to solve social tasks for small towns.

Third, considerable interregional inequality persists in the ability of different regions to collect taxes, caused by differences in their economic development. Such inequality is especially noticeable at the level of administrative districts.

Fourth, it is necessary to reduce the high level of administrative dependence of the low-level governmental institutions from the higher ones, which significantly hinders the development of local self-government. Providing local authorities with a large amount of power and expanding their financial and managerial functions will contribute to the successful development of human potential into the regions, broadening the people's capacity to find solutions for their problems.

All abovementioned should be secured by reliable financing through the redistribution of the centralized part of the state employment fund to regions with a critical situation on the local labor market and supported by special programs for the development of cities with mono-profile city-forming enterprises.

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JEL: Z3

DEVELOPMENT OF INTERNATIONAL TOURISM

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Abstract: *International tourism is the global socio-economic phenomenon of our time. After the end of the Second World War, international tourism began to develop actively around the world. Europe has become the main tourist region. In addition to this, the tourist direction began to develop in the countries of America, Asia, Africa and Oceania. At the moment, the world is one common space in which significant merit in scientific and technological progress. Today, long distances are not perceived as a barrier to people who have a desire to go on a trip.*

Keywords: *tourism, development, international tourism, world economy*

INTRODUCTION

Thanks to the development of the tourism sector, the development and active application of advanced technologies is taking place, and the world market of goods and services is becoming more active. Also thanks to tourism there is an active investment of funds in various spheres of production, problems of employment and health improvement of the population are solved.

RESULTS

Established international tourist ties have become an important part of the world process of internationalization of socio-economic relations. In many countries the formation of the tourism industry has already been completed, which is now actively developing. It has a sufficiently powerful material base, provides jobs to a large number of people and interacts with a wide range of sectors of the economy. The interests of various public and private enterprises and services intersect in the tourist sphere. Also active participation in the activity of the tourist market is taken by banks, insurance companies, trading companies, professional clubs. The influence of tourism on the most important sectors of the economy is quite noticeable. Tourism acts as a catalyst for economic development.

International tourism is currently one of the fastest growing sectors of the world economy. In the practice of developed and developing countries, tourism is one of the key priorities for economic development, especially given the recent global economic crisis. I note that tourism plays an important role in international relations. Over 500 million people annually visit foreign countries for tourist purposes. Tourism is also a highly profitable industry, a factor in the economic growth of individual countries and the world economy as a whole.

International tourism in the context of post-crisis recovery (and for some countries the threat of a new crisis) is viewed at the level of public policy as a means to promote economic recovery, taking into account its ability to generate income and create jobs. Tourism in the world economy creates over 75 million jobs

worldwide. Every twelfth person works in the field of tourism. International tourism provides employment primarily to young people and women in both urban and rural areas. Tourism in the world economy ranks first in the creation of primary jobs, which provide the work of students. It is easier and easier for a young generation to enter the labor market. Of course, not all those who begin their work in tourism continue their whole life, but the availability of such an opportunity is very necessary. Therefore, in the structure of tourism, young people play an increasingly important role. Another feature of international tourism is that the age characteristics of travelers are changing. Previously, the main contingent of consumers of the services of the tourism industry was people, mainly in the range between 30 and 50 years. Now in the developed countries of the world, people who can afford to travel, live longer, retire healthier. Gradually increases the number of travelers who are more than 60 and 70 years old. At the same time, there is another trend: for the first time in the last decade, a huge segment of young people aged 16-18 also become active tourists. World practice shows that tourist companies are being established that specialize in youth tourism. Income from international tourism in 2010 in different countries amounted, according to the World Tourism Organization (UNWTO) (in billion dollars): USA 93.9 (1st place in the world), Spain 53.2 (2nd place), France 49.4 (3rd place), China 39.7 (4th place), India 11.4 (16th place), Russia 9.3. So far, this is only 28th place in the world (in 2007, it was 30th place with an income of 7.0 bln. RUB). Currently, the travel and tourism sector accounts for 4.8% of world exports and 9.2% of foreign investment.

According to the World Trade Organization in the first quarter of 2013, the number of international tourist arrivals increased by 4.5%. At the same time, positive growth is observed in all regions, with the exception of the Middle East. In separate sub regions, double-digit growth was achieved in comparison with the previous year: South America (+17%), South Asia (+14%) and South-East Asia (+10%). According to experts, despite a number of events that during the year had a negative impact on the development of the tourism industry (political instability in the Middle East and North Africa, the tragic events in Japan), following the results of 2013, the growth of international tourist arrivals will be within the limits of from 4% to 5%. At present, the problem of its competitiveness is considered among the topical issues of the development of international tourism. The international tourism competitiveness of countries depends both on the factors specific for the tourism industry and on the general conditions of the business environment, in this connection it is necessary to consider the current trends in the development of international tourism in conditions of economic dynamism.

The research of foreign and domestic scientists on the problems of tourism development often focuses on modeling of tourism demand and numerous factors that affect the tourist offer in countries and cities around the world. Recently, a number of works in this direction concern the issues of tourism competitiveness of countries and regions due to significant changes taking place in the industry and the growing importance of the prerequisites and conditions for the development of the tourism market. At present, the transformation of the tourism industry is mainly connected with the transition from the model of the formation of a "universal"

tourism product proposal to a "personalized" approach, oriented to the specific needs and needs of tourists. This new type of tourism is associated with the formation of certain market niches, emphasizing the uniqueness and exclusivity of the travel offer. The demand for unusual destinations entails global competition of countries and regions in order to attract tourists. It seems that the international tourist competitiveness of countries depends both on the factors specific for the tourism industry and on the general conditions of the business environment, in connection with this, we will briefly consider some factors and trends in the development of the tourist industry.

Four years before the global financial crisis began; the sustainable development of the global economy has led to an increase in international tourism flows. In particular, in terms of the number of tourists visited in 2011, the leading countries of the Asia-Pacific region, Africa and the Middle East. The most dynamic spending on tourism grew in Germany, the United States and Britain. Note that the leading positions in the post-crisis period were taken by countries with a growing economy, showing higher business activity in the development of international tourism (+8%), while this figure in developed economies was only 6%. At the same time, the slowest pace of recovery was observed in Europe. In 2011, the situation changed toward leadership in the field of international tourism in developed countries. Thus, the growth of arrivals during the first eight months of 2011 was higher in developed countries (+4.9%) than in the countries with a growing economy (+4%), largely due to particularly high results in Europe (+6%). Active recovery began after the recession in 2009 in the North (+7%), Central and Eastern (+8%), Southern Europe (8%), for which the shift of travel away from the Middle East and North Africa played a positive role. It is obvious that in the face of the threat of a prolonged economic recession in Europe, international tourism for the states of this region is an important driver of economic growth, which consists in the inflow of necessary foreign funds, in easing the pressure on the balance of payments of countries.

Important factors that determine the choice of the country (region) in the post-crisis period for travel, in the opinion of domestic and foreign experts, are: (1) Tastes, financial possibilities and preferences of tourists; (2) Mutual integration of business. So, if the national tour operators closely and long enough to work with individual countries, it is more likely that these countries will be favorites for domestic travelers. E.g. Russians more than other countries prefer Egypt and Turkey in large part because these directions are well-developed by Russian tour operators and are offered in many variants; (3) Visa formalities; (4) Convenience to achieve the desired direction (e.g. direct flight); (5) Wide advertising company, which, as a rule, is focused on the following areas: participation in international tourism exhibitions and fairs (London, Madrid, Milan, Tokyo, etc.), creation of an advanced and Internet site with pages of individual regions, cities, provinces, regions, development and promotion of advertising and information TV and radio programs in the country and abroad. In addition to these factors, it is necessary to take into account both the climatic conditions and the directions of state policy in the sphere of tourism.

Thus, the majority of the states of the world, realizing the importance and high profitability of tourism development in their countries, allocate funds to the national tourist administrations to promote the tourist product.

Modern forms of tourism organization are characterized by: *Firstly*, increasing concentration among the largest group of retail firms offering tourist services and the resulting deprivation of a greater number of such firms of legal and economic independence, the appearance of new forms of ties in their relations with other companies; *Secondly*, the change in the nature of the activities of tourist wholesale companies and their transformation into tour operators offering a full range of services in the form of inclusive tours and acting as a link between the tourist industry enterprises and travel agencies; *Thirdly*, the formation of large corporations of the tourism industry and their direct operations in providing tourist services to customers. And, *finally*, the penetration of non-tourist capital into the sphere of tourism business such as transport, trade firms, insurance companies, newspaper trusts, both through the creation of own travel agencies in the form of subsidiaries, and through the implementation of tourist operations by its own apparatus.

CONCLUSION

Today, the movement of people for tourist purposes has swept all the countries of the globe, and thanks to this, contacts between people from different countries have become a daily reality. As a result, tourism is now one of the most dynamically developing types of international business. Therefore, the interest of entrepreneurs to it is obvious and is explained by a number of factors. *Firstly*, in order to start a tourist business, it does not take too much investment. *Secondly*, in the tourism market, large, medium and small firms quite successfully interact. And while this type of business allows you to quickly turn around capital, as well as (in the field of international tourism) to extract certain benefits from foreign exchange operations. At the same time, the modern tourism industry cannot function effectively without improving the management subsystem. Management in the sphere of tourist services takes into account the specifics of the organization and activities of tourist enterprises. The food service programs, hotels, travel agencies, transport enterprises, museums, cinemas, sports centers, trade enterprises, etc. participate in the programs of tourists. All of them make up the tourism infrastructure. Proceeding from this, the whole variety of projects and programs for servicing tourists should be built using new forms and methods of production and economic activity.

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JEL: K22, K37, J80

**THE RESILIENT FUTURE OF EU MIGRATION POLICY
AND POSSIBILITIES FOR LABOR MARKET**

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Abstract: *The common problems need common and mutual decisions. The European future is liaised with the greatest level of flexibility and solidarity. Our social problems should be tackled in cohesion collaboration. The policy makers are set up many documents concerning synergy and complementarities between different European funding resources. Actually, there is no unilateral, sustainable and purposeful strategy. Every one Member State (MS) is in charged to take on its own internal strategy based on Europe 2020. We need to turn the problems into positive notion for the EU policy, because we are Europeans. The disparities across MS are immense, some MS have excellent social and business strategy aimed at integration of vulnerable groups, and other are not competitive in that battle with the new labor power. As the solidarity proposes, MS have to respond to the plight of migrants, hence what will be our wise European answer? Synergy strategy represents horizontal and vertical vision of project indicators liaised with different EU funding instruments. Consequently, it is a great need to be set up pool of SMEs inclined to accept labor power and business opportunities with well-qualified refugees, homeless population, and also well-qualified Roma population. The Investment Plan for Europe can be managed in collaboration with social change of the European community. The architecture of the Synergy strategy predisposes partnership between SMEs and Blue Card Holders. The EU policy should work in synergy with different funding instruments toward ensuring the community with new insights into real solidarity in the process of inclusion of different vulnerable groups. Purpose of the article is to be established contemporary synergy strategy about social and business inclusion of the vulnerable groups like Roma, legal refugees, and human beings at risk of poverty into EU family.*

Keywords: *refugees, Roma, SMEs, synergy, strategy*

INTRODUCTION

The MSs have a chance to negotiate or renegotiate their multiannual financial frameworks, mainly based on strategic visions about fulfillment of the common values and EU policies. The article ascertains the need for blending up of different target groups into one. Besides, and set up of long-term project management system enhanced with creation of project and program indicators with multilateral vision. The article is structured in three phases, first one deal with blending up of different EU financial instruments, second with creation of synergy matrix regarding horizontal and vertical policies of target group integration into labor market¹⁶ and final point is aimed at defining of project indicators.

¹⁶ UNHCR (2014), *UNHCR country operations profile – Europe*. Geneva.

In the Union, political insights about vulnerable and deprived groups meet the collaboration between different financial instruments¹⁷. The synergy strategy can resolve the problem arose from the Hungarian government of Viktor Orban on the European Commission's notion of effectively reception of migratory population. Actually, frontline member states have the heaviest work about distribution of refugees. The policy of distribution must be transferred into management of human resources. Outsourcing possibilities suggested in the current article ensures business development coming from frontline member states. The compulsory quotas can be well managed by means of synergy strategy conception. If we imagine that one refugee has the same social statuses as a Roma, hence what would be generic viewpoints in the EU political strategy? In the European projects and programs development mission, project indicators¹⁸ in accordance to the author view point, should be projected to European synergy policy.

STAGE 1: THE EUROPEAN INSTITUTIONAL STRUCTURE

The route of immigrants starts with taking fingerprints and storage into EURODAC¹⁹ database. Hence the data are used to help identify the country responsible for the asylum application²⁰. The procedure continues with interviewing of asylum applicants by a case worker trained in EU law, with the help of an interpreter, to determine whether he/she may qualify for refugee status or subsidiary protection. In fact, the information is needed to be analyzed the benefits of synergy strategy based on collaboration between AMIF, FEAD, ESF, ERDF, EAFRD and EMFF. Final destination for every one refugee legally resides into EU is to be integrated into our labor market. In this end, we need to set up streamlined labor integration system in the EU. The EU external cooperation assistance deals with tackling global issues like poverty, insecurity, inequality and unemployment; they are main root causes of synergy. Main factor in the battle in third countries is the United Nations High Committee on Refugees (UNHCR). The education of children of refugees is also applicable in the Union. In addition the UNHCR provides child education at state of origin²¹.

The Fund for European Aid to the most Deprived (FEAD) deals mainly with Internally Displaced Persons (IDPs) from Eastern Europe, otherwise the Asylum Migration and Integration Fund (AMIF) resolves problems with Third-Country Nationals (TCNs), hence we need common strategy between both target groups. In the synergy strategy is fully rejected the notion of the central principle of the Dublin regime²², where only one member state is responsible for the examination

¹⁷ Synergies between the Asylum Migration and Integration Fund (AMIF) and other EU funding instruments in relation to reception and integration of asylum seekers and other migrants, Available at: https://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/20151109-synergies-amif_en.pdf.

¹⁸ Equal Access participatory Monitoring and Evaluation Network toolkit, Module 2: Setting objectives and indicators, Available at: http://www.betterevaluation.org/en/toolkits/equal_access_participatory_monitoring.

¹⁹ Regulation (EU) No. 603/2013 of the European Parliament and of the Council of June, 26, 2013.

²⁰ Regulation (EU) No. 604/2013 of the European Parliament and of the Council of June, 26, 2013.

²¹ The United Nations High Committee on Refugees, Available at: <http://www.unhcr.org/left-behind>.

²² 2003/343/EC, the Dublin II Regulation.

of the asylum seekers application. It is confirmed by the Court of Justice of the EU that Dublin regime does not work properly²³. In addition Germany also suspends Dublin rules for refugees coming from Syria²⁴. The EU needs jointly based vision.

In accordance to author vision, the creation of centers in states of origin or transit is willing to reflect the EU policy by decreasing of smuggling and trafficking practices. One great obstacle is that FRONTEX²⁵ can only coordinate return mission, actually it needs to create vision about integration project in common database on MS disposal. In accordance to author viewpoint, *Firstly*, the solidarity is being provided at fingerprints desk of the MS borders and channeled to fully integration into the labor market. Moreover, also inspired and legal asylum seekers with EU values and simultaneously with proofed positive results from questioning process should be granted with right to reside in the EU. *Secondly*, only qualified and legal asylum-seekers should be immediately granted with the right to reside in MS. It is possible to be seen like "asylum-shop" or "HR foreigners-seeker agency". The Europe's Job Mobility Portal (EURES)²⁶ is responsible on that issue.

In matching migrants' skills, a particular problem is the lack of recognition of qualifications acquired by migrants from their home country. At the next turn, the EUROPASS can alleviate and ease the process of recognition²⁷. The Blue Card Directive provides possibility, highly qualified TCNs to be granted with future perspectives²⁸. The scheme includes people willing to invest in Europe, or improving the possibility for intra EU mobility for Blue Card Holders, here synergy strategy can be our answer for their inclusion into common project strategy simultaneously with vulnerable groups.

The synergy between Horizon 2020 and the European Structural and Investment Funds²⁹ is applicable in the problems management about inclusion of vulnerable groups. We need to put mutual efforts into social and business problem overcoming. Moreover, *the synergy-type 4* stipulates coordination in parallel actions that complement each other; *the synergy-type 5* ensures possibility for implementation of single or a group of inter-dependent actions or operations. The European Roma population and homeless population feel like TCNs in their own countries. Not integrated migratory population is possible to be at risk of poverty status. The synergy between aforementioned funds is needed to be ensured dignity of life for vulnerable groups. The AMIF is designed to underpin target groups on first adaptation, seeking international protection, persons under temporary protection or resettled under the Specific Objective 1 (SO 1). Consequently, it is being provided through social mediation, educational activities and psychological aid and first consultancy. Highly risky level is found out when AMIF project implementation

²³ The Court of Justice of the EU, Joined cases C-410/10 and C-493/10.

²⁴ EURACTIVE, Available at: www.eurActiv.com.

²⁵ Frontex, Available at: <http://frontex.europa.eu>.

²⁶ Eures, Available at: <https://ec.europa.eu/eures/public/1>.

²⁷ Europass, Available at: <https://europass.cedefop.europa.eu/bg>.

²⁸ Conditions of entry and residence of non-EU nationals for the purposes of highly-qualified employment, Directive 2009/50/EC.

²⁹ Synergies from H2020 and the European Structural and Investment Funds, Available at: <https://ec.europa.eu/research/regions/index.cfm?pg=synergies>.

about integration of TCNs is not executed and expected outcomes are not reached. Hence, target groups can fall into at risk of poverty or get homeless status or to be created criminal groups. The battle of the synergy strategy is one target group to be transferable into next levels of its development and eventually to be reached final destination, notably inclusion into the European labor market. The next figure shows the risky of none integrated migratory population.

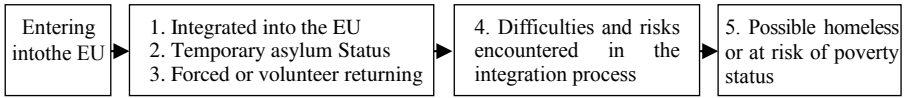


Figure 1: Risky satiation caused by not tailor made projected purposes into TCNs

Source: created by author

The aforementioned problem can be tackled by dint of possibility of blending up of actions in language provision between European Roma-population, refugees and homeless population. It is possible to be set up program strategy "you are not alone in our integration", "fill free to communicate with other stakeholders with the same social, communal and health problems". It is a good project indicator to be set up training of volunteers like qualified refugees in social working skills, namely in tackling the problem with homeless people, Roma and the most deprived. This is possible to be performed by means of the AMIF in support of the FEAD or this is namely *horizontal project indicator*. Likewise, in food aid projects funded by FEAD under "Operational program I" (OP I) can be set up synergy by means of activities like counseling of the most deprived when they have cultural dinner with migratory population by taking place a theatre under AMIF project. By means of FEAD can be ensured counseling topics like: employment, legislation of the EU, local laws, local habits and history of the Union. The principle of Inclusion under the Strategy Europe 2020 appears to be our common political indicator in creation of social collaboration between IDPs and TCNs.

The mission of the ESF support for asylum seekers is based on improvement employability opportunities for workers in the internal market and to contribute thereby raising the standard of living, adaptation to industrial changes and to changes in production systems, in particular through vocational training and retraining³⁰. Synergy is possible under Specific Objective 2 (SO 2) of the AMIF, which can contribute in improvement of legal migration to be included sustainably into our EU labor market. The synergy can be seen, if grant is provided under project funded by AMIF and FEAD in MS A and the same project funded under the ESF in MS A. This is possible mixture of horizontal and vertical efforts. Hence, we need to set up common indicators into two projects or in one long projected. The FEAD has limits aimed at the worst forms of poverty in the EU such as homeless, child poverty and food deprivation and in this way contribute to eradicating poverty in the Union in line with the Europe 2020 strategy. The synergy is possible

³⁰ Article 162 of the Treaty on the Functioning of the European Union (TFEU).

with AMIF, by dint of FEAD support of operational program OP II as a social inclusion by means of language courses, rights and obligation of legislative consultancy provided by legal advisers. Likewise, the AMIF encourages the development of integration strategies promoting a local and regional approach, besides and actions taking place in third countries during the pre-departure stage. In addition, under AMIF, TCNs who have not yet received final negative decision, the TCNs, which enjoy the right to stay, legal residence and/or international protection in a MS, could be target group. Actually, the FEAD can resolve Roma inclusion needs in its own integration impact indicator strategy, based explicitly on common understanding between AMIF and FEAD, besides and ESF mission.

In accordance to the author, the necessity of platform of pooled SMEs is possible to be cofounded under ERDF and ESF. Every one SMEs can provide EURES with its readiness and specific requirements to hire vulnerable groups. Hence, map of the apprenticeship can be prepared for integration and training of the skilled target groups.

The synergy about inclusion of target groups in projects funded under EAFRD and EMFF is possible to be based on questionnaire inquiry about willingness of the vulnerable groups to start its vocational trainings, social and business participation in rural, maritime and fisheries EU labor market.

STAGE 2: SYNERGY STRATEGY BASED ON SET UP OF COMMON PROGRAM INDICATORS

In the current researching, the author has elaborated *synergy strategy* based on the EU policy and blending up of aforementioned financial instruments. The main aim is to be provided dignity of live for refugee, deprived citizens and Roma population. Consequently, they represent our common target group. Collaboration and sharing of different problems will provide new project indicators based on common and mutual understanding of our values. The synergy strategy proposes Member States to work in flexible framework that is accepted by the Council³¹ and along with inclusion of target group into EU labor family. So, the synergy will change our social and business status Que.

The root causes lay on the European policies and common indicators under synergy possibilities. In accordance to the author, there are five steps in the first level of social and business inclusion:

Firstly, the approach bottom-up is applicable with collaboration between AMIF, FEAD, ESF, ERDF, EMFF and the EAFRD. The problem can be resolved in its deep notion. For instance, if there are deprived people in some region they cannot be only feed or sheltered by project under the FEAD, besides under AMIF refugees cannot be provided only with consultation, language courses and counseling. The collaboration between both funds depends on political decision of MS level.

Secondly, setting up of common target group including European Roma population, refugee and homeless population will give us understanding of social problems and labor needs on reaching up of dignity of life and smart sustainability.

³¹ Ripoll Servent and Trauner (2014), pp. 1146-1148.

Thirdly, there is a need for creation of closed circle strategy with inclusion of target group into one joint European political agenda.

Fourthly, by the ESF can be taken place vocational trainings on target group, only for these granted with right for EU support.

Fifthly, the ERDF can disseminate or amplify the support for target groups by means of financial support for setting up of SMEs and outsourcing business possibilities.

Finally, the EMFF and the EAFRD can provide vocational training and also setting up of SMEs. In that way, the Investment Plan for Europe and business model PPP is applicable in the common European solidarity.

In conjunction to *the synergy strategy*, it is possible to be set up SMEs with cooperation of well-educated TCNs and IDPs, with support of the ERDF, the Investment Plan for Europe and private investment from SMEs situated in the EU. The labor and business needs must be managed unilaterally. Assume that some SMEs is set up in MS A with possibility to be outsourced with granted support in MS B, whereas labor power be ensured by means of abovementioned six strategic steps. Actually, resettlement conditions should be based on the real business needs of the SMEs because the labor market insists its development. If one target group is being fallen into AMIF or FEAD project, the same target group should fall into next project stage granted under the ESF, the ERDF, the EMFF and the EAFRD. In addition, the Priority Sectors and Program Areas-EEA and Norway Grants 2014-2021³², Priority Sector Justice and Home Affairs, Program Area 18 Asylum and Migration are applicable in synergy strategy.

The blending up of different funds need common indicators, based on common future of target group. The newly created *project architecture* based on synergy strategy will alleviate lending pressure (debt pressure) borne under lending of debts from International Financial Institutions. Consequently, it will be created new working power, besides and old professions origin from refugees' countries. On the next figure is depicted *public-private partnership synergy strategy*.

Private sources under SMEs are main driver of the EU economy, and as solidarity proposes, we can wisely tailor public and private investments (public-private partnership – PPP) in innovation, maintaining and finally streamlining of our labor market.

In accordance to author's viewpoint, the Investment Plan for Europe can contribute in business integration process of target group.

Moreover, by means of the European Fund for Strategic Investments in the course of business and social integration, response to migratory pressure, fair labor mobility in the EU, and education for economic growth are at first glance applicable³³.

³² Priority Sectors and Program Areas-EEA and Norway Grants 2014-2021, Available at: <https://eeagrants.org/Who-we-are/How-we-work/Priorities-for-the-EEA-and-Norway-Grants-2014-2021-consulted-and-finalised/Priority-sectors-and-programme-areas-EEA-and-Norway-Grants-2014-2021>.

³³ Investment plan for Europe, Available at: <http://www.consilium.europa.eu/en/policies/investment-plan>.

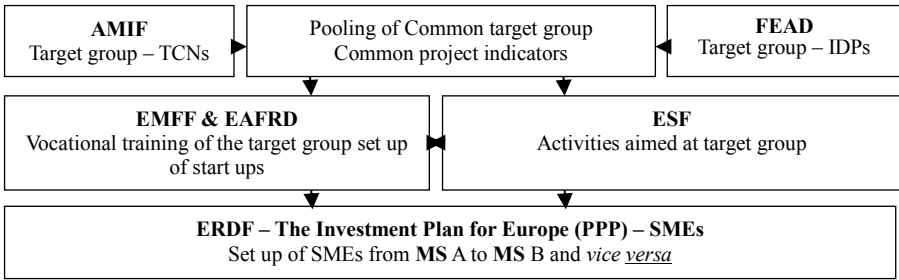


Figure 2: PPP business strategy for integration of human beings into EU family

Source: created by author

STAGE 3: ESTABLISHMENT OF COMMON INDICATORS BASED ON COMMON EUROPEAN POLICY

The case about setting up of political, program and project *objectives and indicators* based on synergy strategy looks really like masterpieces. Intriguing question is how the target group will be lead on a best way in the course of being reached up projects and programs objectives. The NGOs need to work closely with EU citizens to understand their attitude about Roma, homeless and refugees' inclusion and to set up project and applicable outcomes. The indicator's influence must be related to program performance, multiannual financial framework and analogically to political decisions. In the synergy strategy the benefits of participatory monitoring and evaluation (M&E) encompasses evaluation of outcomes of the indicators, namely in strict order: social and cultural integration, secondly, vocational integration and thirdly, business integration.

We need to measure evaluation capacities of the two steps, in a horizontal and vertical impact. It will be measured the impact of interventions and monitor the programs and projects performance in relation to pre-determined targets and finally political mission will be turned into real social and labor inclusion. In the next scheme is depicted *the synergy strategy* including matrix of program and/or project indicators responding to political vision of the European policy-makers. In the *horizontal strategic vision* are connected four projects with four main different areas of indicators at common sense, understanding and purpose, namely directed by the mentioned funds in every one project or program implementation. There are four projects with interrelated and dependent indicators. Horizontally-structured strategy is applicable when given MS is administrated by means of many Managing authorities. Every one managing authority deals with its responsibility over some funds. In *the vertically structured strategy*, there is one project with four indicators. In the vertical strategy, the project is funded under many funds, and every one ensures one or more activity and indicator. Bear in mind that, vocational training of target group can be taken place by means mainly by ESF, EMFF and EAFRD, consequently, the indicators can be variable. Vertically-based strategy is applicable when given MS is administrated by means of Ministry of management of EU funds. In that case, synergy is many times better than horizontal strategy.

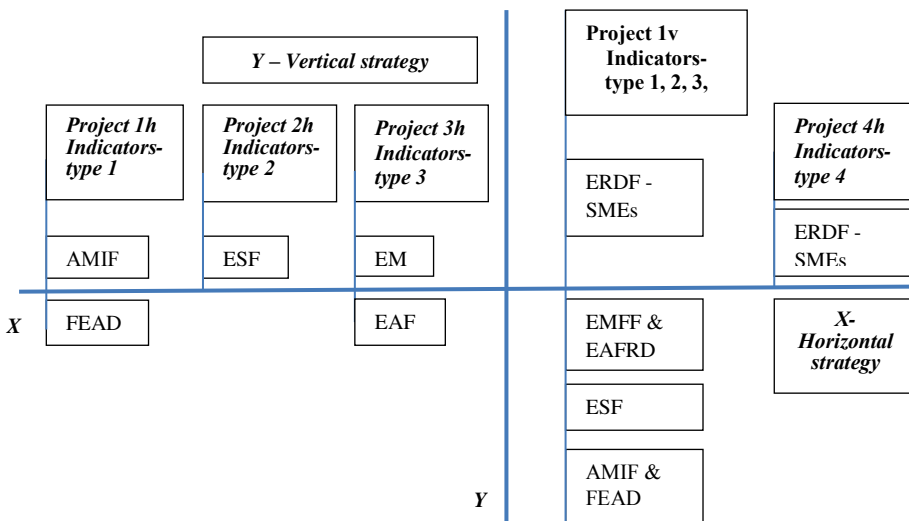


Figure 3: Matrix of Horizontal and Vertical indicators

Source: created by author

The process of reformation from horizontal to vertical notion of synergy strategy needs to be gently and wisely established from MS. In the synergy strategy, the *Input indicator* will be social sustainability, quality of education, skills and working possibilities of TCNs and IDPs. The *Process indicators* encompass the influence of synergy strategy provided by different funds, horizontally or vertically performed. The *Output indicators* give us information from the numbers of qualitatively and quantitatively professional trainings. Finally, *outcome or impact indicators* will provide our European community with social and business inclusion of the target group into labor market.

In the article are elaborated five strategic steps about setting up of target groups by dint of synergy strategy.

In the first step, there is a need to be *Identified and engaged stakeholder groups and community researchers*, namely interview process with the TCNs and IDPs is a first step of the process of integration by means of AMIF and FEAD. The voice and understanding of the Roma and refugees must be perceived, researched, analyzed and put first stage of our synergy strategy.

The second step deals with *Understanding the local context, issues and barriers to change*. In that stage impact assessment and research must be performed for the target group. The scope of researching is creation of different horizontal and vertical possibility with assessment of barriers to social change and how can be overcome obstacles in the process of social and business inclusion. Analyses about blending up of cultural integration between the target groups and hosting population should be inspired for creation of open cultural strengths with solid engagement in the EU family.

In the third step, it is being *identifying information needs and interests*. The project managers need to analyze the present added value of the professional groups, the needs of the other without any profession and the perception of the European values. It is at utmost importance, the needs of pool of SMEs and expectations for hiring of well-educated target groups. Actually, by means of synergy, it will be guaranteed quality of the working power.

In the fourth step, *identifying social change impacts and indicators* will give us real vision about solidarity and inclusion. The European policy should be encouraged by real contacts in real situations. Namely, participatory methods give as an answer about current problems and how they can be overcoming. In the identification of potential indicators, we need to assess social and professional change by means of vertical and horizontal possibilities (ESF, EMFF, and EAFRD). The policy needs to be assessed in some long term indicators in every one stage of synergy strategy.

In the final fifth step, we need to identify *Indicator categories and verify indicators*. The indicators should be assessed in vertical and horizontal notions, in the light of qualitative and quantitative possibilities. By means of *quantitative indicators* can be assessed impact of development of target groups and how target groups are influenced from the synergy strategy. The indicator gives us descriptive analyses about profession, age, sex, skills, family status and future ambitions of the person. In parallel, *qualitative indicators* show us, social change of integration into labor market, besides and EU community. The *quantitative indicators* reflect the acronym SMART (Specific, Measurable, and Attainable and action-oriented, Relevant and Time-bound), they describe the properties of the indicators themselves. Likewise, *qualitative indicators* being represented by acronym SPICED (Subjective, Interpreted, Participatory, Communicable, Empowering and Disaggregated), they relate utmost to how indicators should be used, notably how target groups will fall into labor market. *Indicators of social change* of target group can be defined with communal convergence, absorption of professional skills, professional integration and solidarity.

CONCLUSION

The expectations of the SMEs about production possibility of the target group should be equalized to ordinary EU productive citizens. Bear in mind that investment policy ensures funds in the process of integration; SMEs are willing to assume that for real course. The time and quality for professional trainings and inclusion onto European family are the most important factors. In the process of set up of *the synergy strategy*, we need to employ effective, socially-aimed and widespread blending policies amongst all MS³⁴. The European policy aimed at TCNs, stateless persons and persons with undermined nationality in strive for international protection³⁵ is our strong common interest and possibility for our society. We can reach synergy strategy by means of the Investment Plan for Europe, the consecutive application of the European funds, also business liaisons between private funding of the potential and newly established SMEs by the Blue

³⁴ European Commission: Support to asylum seekers under the European Social Fund and the Fund for European Aid to the Most Deprived (Employment, Social affairs and Inclusion).

³⁵ Article 20(1) of the Treaty on the Functioning of the European Union (TFEU).

Card Holders intervention.

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JEL: Q29

CEREALS AND PROCESSED FLOUR PRODUCTS

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Abstract: *The publication defines the classification of cereals; determines which healthy nutrients contain cereals, the most valuable nutrients and their role in preserving and improving human health; attention is focused on sugar and sweets; briefly described various cereals and flour of them, as well as the use of different flours.*

Keywords: *cereals, major minerals, cereal flour and their types, use of flour*

INTRODUCTION

The common practice encourages us to eat more cereals. In general, cereals are divided into cereals (wheat, rye, triticale, barley, oats, rice, corn, millet) and pseudo-cereals (buckwheat, amaranth and quinoa); because in essence they are plant seeds and not grains. But on a daily basis they are added to cereals. From a botanical point of view, seeds are also cereals. However, if the quantities used for seeds and foodstuffs are taken into account, then such a breakdown is correct.

MATERIALS AND METHODS

Scientific literature and scientific journals have been used as a base for the material research. Comparative analysis is used as a main method of research.

RESULTS

MAJOR NUTRIENTS AND FOODS

Cereals are not only rich in fibre, vitamins and minerals, but also in many biologically active substances and antioxidants that help us to be strong and healthy. The most valuable nutrients: beta-glucans (is a water-soluble fibre that lowers cholesterol and glucose level in the blood, reducing the risk of heart disease); Proteins (they are the most important nutritional ingredients, as they are the main component of cell and tissue construction, and are present in all the enzymes that trigger chemical transformations in the body); fibre (stimulates intestinal activity, promotes secretion of digestive juice and release of cholesterol from the body, and has a beneficial effect on the intestinal flora); Group B vitamins (essential for skin health and hair, stable functioning of the nervous system, growth process, and also helps to maintain good memory).

Major minerals: niacin (B₃); copper; potassium; magnesium; iron zinc; vitamin K; phosphorus, etc. However, this is not particularly wise as many people are suffering from insulin or leptin resistance. Even healthy whole grains or whole-grain products are essentially carbohydrates, which (including those that come from whole-grain products) cause blood sugar to rise, which in turn promotes the release of insulin in the body. The role of insulin is to help deliver sugar from blood to cells where it

can be used for energy. But human cells have limited capacity, how much sugar they can use and accumulate. Excess sugar gradually builds up in the blood and the body produces even more insulin. The same process is performed with leptin resistance. Leptin is a fatty hormone that helps the brain regulate food intake and body weight. When a person has signs of insulin or leptin resistance, cereal eating (also organically grown, slightly processed whole-grain) may lead to obesity and chronic illness. The relationship between grain and weight is as follows: insulin is an important reserve hormone that has the task of storing carbohydrates in the form of fat cells (if famine is expected!) When the human body needs more and more insulin to process carbohydrates, insulin receives repeated signals to store fat. However, resistance to insulin or leptin may also occur not only in case of overweight. Latvian scientists have developed recommendations for grains. Products that you are advised to exclude from diet: barley, millet, oats, rice (brown and white), rye, spelled wheat, germinated wheat, wheat. Better alternatives to the products to be excluded: almond flour (as an alternative to grain meal), buckwheat (steamed as an alternative to rice, ground as an alternative to flour). Buckwheat does not belong to grains, but it is also applied to seeds.), Cauliflower (steamed or ground – as an alternative to rice. Stewed and mixed with puff with butter – as an alternative to potato porridge), coconut flour (as an alternative to grain meal), sweet potatoes.

THE RECOMMENDED CEREALS IN THE DIET

Barley, oats and rye are the most believed foods in the cereals. Barley contains both soluble and insoluble fibre, which acts as a soldier against malignant tumours, helps to control blood pressure against diabetes. Barley protects the liver from obesity. Oats – like barley, contain phenolic compounds, vitamin E and valuable fibres, beta-glucans that control the level of sugar in the after-meal, thus fighting cardiovascular diseases and diabetes mellitus. Rye boasts of plant hormones, lignans, which have a beneficial effect on the oestrogen activity of women and also of men. Rye fibre fights constipation, helps to lose weight, as well as maintains a feeling of satiety, after rye eating less insulin is released, which is also beneficial to health. Both barley, rye and oats also help to lower blood cholesterol. The beneficial effects on health have exactly the whole wheat products, and therefore those containing all the parts of the grain: the starch part, the shell and the germ (or at least the first two: starch and sheath). The grain shell contains most of the valuable substances – antioxidants, soluble and insoluble fibre, as well as minerals, vitamins. However, it should not be overstated by the addition of the same grain coat(s) to the diet, because at too high doses, they prevent the absorption of harmful compounds and as well prevent the fully absorbing of iron, calcium and other valuable minerals.

The American scientist, Joseph Merkula, believes that people who are overweight or have insulin and leptin resistance should refrain from any wheat. Most often, when they exclude allergic products from diet, the unwelcome desire for sweets disappears, the mood improves, the weight falls, and the overall health changes to the positive side.

VARIOUS FLUORS

Various flour and groats. The highest quality flour is peeled out of purified grains, so it almost does not contain vitamins and minerals. Whole wheat flour is made from whole grains and preserves all valuable substances. It is recommended to use maximally whole wheat flour in the diet.

Rye flour obtained from rye grains. The ancient Romans considered rye to be too unfit for use in food, but in the middle ages they were the main raw material for bread. Rye flour contains a lot of fibre, vitamin B, valuable amino acids, as well as potassium, which is an important element in ensuring normal heartbeat. They have different degrees of grains, and therefore other behaviors. Only a little quantity of rough flour can be added to dough, otherwise it will not hold the form well. If it is the fine grind flour, you can put up to 40-50%, just remember that the dough will be darker in color (grey-brown) and the taste will be more pronounced. If more than 30-40% of rye flour is added, the food feels the taste of the grain, the acidity of the rye bread. They are good for skimmed beetroot, flat breads, gingerbreads, cookies, porridges. Rye flour can be added to all fast bread doughs that are made without fermentation (with soda, baking powder or kefir base); they highlight well there and enrich both the taste and the nutritional value. If there is no experience with fermented rye flour dough, it is advisable to start with a wheat-rye mixture, gradually getting to know the special characteristics of the flour because the rye flour is heavier, therefore, the rancid rises worse than using only high quality wheat flour.

Barley is the oldest cultivated grain culture. In several countries, roasted barley was used as a substitute for coffee in difficult economic situations. Nowadays, barley coffee is slowly gaining its popularity as it does not contain caffeine. From barley make beer and whiskey, as well as vinegar. Barley flour is distinguished by its rich minerals – potassium, phosphorus, magnesium. It is usually recommended to people with wheat gluten intolerance. These meals are significantly different from other cereal flour because tasting gives a little bitterness to the finished dish. When added 15-20% the dough does not significantly change its structure. The barley gives a grayish tinge. With barley it is possible to make dense dressings, brooches and pancakes, especially with wheat and rye flour. If you want to cook only barley flour, it is advisable to start with ready-made, specially designed recipes, because novices often fail to make pancakes. Barley flour has different gluten content in comparison with wheat flour, so replacing 1:1 wheat in recipes with barley fails.

In the olden days, the oats were considered only as "fuel" for the main means of transport at those times- the horse. Oatmeal is a rich source of fibre that has a positive effect on the health of the digestive tract and provides a long lasting feeling of satiety. Beta-glucan of oatmeal reduces cholesterol and improves the health of the cardiovascular system. It contains less gluten than traditional wheat flour. Unlike other flour, lean oats have more fat, and therefore a higher nutritional value. Delicious cookies and bread come out from this meal. Oatmeal also gives a special taste to the dish, so you should wait a little bit. Due to its high fat content, whole wheat oat flour quickly deteriorates and therefore recommended to be stored in a dark, cool and dry place. Oatmeal is best prepared by yourself, a few fine

whole wheat oat flakes in a blender or a coffee grinder – the freshly ground flour is aromatic. It is advisable to add not more than 30-35% of oat flour to plate sauce, cake dough, because it binds water poorly, therefore the dough becomes subtler, less saturated.

A lot of different types of food are made from corn. Fresh corn cobs have green leaves and bright yellow grains. If to cut the grain with knife and white milk will come out, it means that the corn is full-bodied. If the grains are whipped or even scraped, such cobs should not be purchased. As soon as the corn is harvested, starch is rapidly formed, so the faster the cob gets into the pot or on the table, the better. To prepare the cob for cooking or baking, the green leaves are first removed and then with a sharp knife the grains are separated from the core (in the direction from the narrowest end to the thickest cob). To make whole cobs, they bring in boiling saline water and peel soft (depending on the size of the cob it takes 10-15 minutes). They are served on a table, sprinkled with salt and spread over with butter. Very sweet varieties of butter are not even needed. Small cobs are suitable for baking and grilling, and great tasting as an additive for chicken dishes. Small preserved cobs, cut lengthwise in half or cut slices, are well served as an additive for leaves salad. It is not advisable to add a salt to water, for to not leave the boiled corn grains without starch. It is usually sprinkled to the cooked corn. Corn wheat is widely used in cooking, mainly for the condensation of products and foods.

However, thanks to starch, hot dishes glean the gloss, while cakes and biscuits become light and airy. To make the corn flour, grind the grits of the corn in the mill. In the nutritional terms is worth mentioning, that they contain vitamin A, potassium and magnesium, valuable fatty acids. It is useful for people with gluten intolerance. They are in a sunny yellow tone, and products made from corn flour are also sparkingly yellow. As with rice, buns and cakes from corn flour come out dry, so you have to think about adding extra fat and moisture (fruits, berries, sour cream). Ready-made products quickly harden; therefore, it is recommended to store them wrapped in food foil. If the corn flour is mixed with wheat flour, its specificity decreases. This flour is good for panning – they will have a tempting, crispy crust on the table after cooking with vegetables, meatballs, soy beans. Corn, like soya, is one of the most commonly genetically modified crops in the world, so it is safer to buy organic cornmeal. Corn starch and flour are two different products – flour is obtained from all grains, starch – only from the kernel, it thickens even to + 70°C.

Buckwheat is traditionally added to grains as "buckwheat grains". However, closer to its biological relatives it is not the crops, but rhubarbs and acidifiers. Coming from the steppes of Mongolia, buckwheat grown well in Europe in the 15th century and became for some time one of the main products – until potatoes took over. Buckwheat is used to produce gluten-free alcoholic beverages. Buckwheat flour is valuable because it contains three times more iron than other cereal flour, contains valuable amino acids, vitamin B, potassium and magnesium. No gluten. These flours have a sweet taste, so it's good for cakes, biscuits and pastries. The confectionery products of this single flour are dry, so it is necessary to think about additives that prevent this deficiency. For example, you can add a lot of finely

chopped apples to the cake and pancake dish, cover the plate with glaze or a rich sour cream sauce (sour cream sliced with sugar and cinnamon and pour before baking). The dough of buckwheat flour is stagnant and sticky. Qualitative flour is only made from green, i.e., unrefined buckwheat, so it is advisable to ask the seller which buckwheat was used to make the flour. If you have green, ecological buckwheat at home, you can make the flour yourself, finely grind in a blender or a coffee grinder, and then sift through a fine hole. Buckwheat flour dough products keep the form well when using finely grounded buckwheat. If they are flours of a rough grade, there will be problems with the content; the finished product will stretch out grainy.

Soy flour. Same like peanut flour, soy flour has a light nutty flavor. It is a valuable source of protein, contains Group B, vitamins A, C, E and K, potassium, calcium, iron and phosphorus. Properties are similar to wheat flour. Good for condensing sauces. When added to other flour, the dough becomes stickier, more nutritious, so it's good to mix with whole wheat flour, which usually makes the dough loose and unstable. Better to choose flour from organic soybeans. These flours can be replaced by eggs: one egg corresponds to 2 tablespoons of soy flour mixed with 2 tablespoons of water.

Rice may not only be white but also yellow, golden, brown, purple, red and black. The most consumed rice in Myanmar – an average of 227 kg per capita per year. Various drinks are made from rice, such as alcoholic beverages and wine, as well as milk substitutes. Rice flour contains little fat and fibre; they are considered dietary. Of minerals, they contain potassium and magnesium. In stores most popular is flour of white rice, but may also be from uncut brown, and then it contains more fibre. Rice flour does not contain gluten. The confectionery products made from single rice flour are solid, therefore it is recommended to combine it with wheat or corn flour. This is the most nutritious flour and its taste is delicate. Rice flour is widely used in Eastern countries, where it used to prepare sweets (baked in oil and then soaked in sugar syrup), rice noodles, dumplings. Rice flour is a good thickener for various sauces, soups and creams, because it prevents the release and stratification of the fluid.

Peas flour. There are mainly two types of peas flour on the shelves: yellow peas flour comes from Lithuania, Turkish peas flour from European and Eastern countries. Yellow peas differ significantly in terms of nutrition, because the Turkish peas are considered as very high quality legumes. How to distinguish them? Similarly, yellow peas are simply called peas, but imported Turkish flour on the package have words "gram flour", "chickpea flour" or "besan". They not only give the dishes an interesting flavor, but also well keep the dough. Turkish peas flour stick better than yellow peas flour, and it have a delicate nut taste. These flours can be used for making different plates, kotlets, salty pies, croquettes, interesting to add it both to cheese and chop, and in a pan with peas flour and spice sauce. Protein of Turkish peas are somewhat similar to animal proteins (the same amino acid composition in optimum proportions). They contain unsaturated fatty acids, vitamins A, C and B, iron, selenium (in terms of selenium, Turkish peas is the first among all the legumes) and other valuable trace elements and minerals. Gluten free Pea flour is an integral part of

Vegetarian cuisine, as it can be used to replace eggs in many foods.

Estonian mix of flour – Kamas flour. The traditional Estonian national product is a mixture of wheat, barley, rye and peanut flour. The taste is special because it is evaporated, dried and roasted before milling. A good source of B vitamins and fibre. Gives strength and energy, good for cocktails that are used by athletes after a workout. You can mix with wheat flour and bake salty cakes, pies, pancakes, cakes or use uncooked, adding to pies, yoghurt or kefir. This flour is used as an additive for flavor diversification, but it is not used for cooking alone.

After the criteria for the use of the product, the author conditionally includes hemp, linseed and nutmeal flour to the flour group. Hemp and linseed flour contain valuable fatty acids, minerals and a lot of fibre. It's possible to feel a bit of a nut of flavor. Hemp and linseed flour is usually mixed with other flour or added to health cocktails. You can both cook biscuits and add to a fast, non-baked dough mix. If linseed flour is made after oil extraction, they are airy, while hemp - oily. Linseed flour swells quickly and binds fluid well. Several valuable fatty acids do not appear in the body naturally. Therefore, they should be taken with a diet. These valuable fatty acids are very important for cardiovascular disease prevention.

MAIN CONCLUSIONS

The common practice encourages us to eat more cereals. Cereals are not only rich in fibre, vitamins and minerals, but also in many biologically active substances and antioxidants that help us to be strong and healthy. Barley, oats and rye are the most believed foods in the cereals. It is recommended to use maximally whole wheat flour in the diet.

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JEL: Q29

CEREAL PROCESSING PRODUCTS – CEREAL MUSH

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Abstract: *The publication defines what grain mush are; Determined what the nutrients provide processed grains to the human body; describes the use of various cereal cakes and gives them the possibility of mutual and other substitution, as well as gives the most effective methods of preparing different grain meals.*

Keywords: *grits and its types, cereals, cereal processing, body care*

INTRODUCTION

Cereals are husked edible grains. These can be whole grains or broken grains. Roasted dumplings are used to prepare different dishes. Of oats often made porridge. They are an important ingredient in some sausages, for example, in a bloodstor. Cereals are made from different crops such as buckwheat, rice, barley, and wheat. Depending on the region of origin and roughage, grains may also have other names. Unbaked barley groats are grubs. The finely divided wheat is manna, slightly coarser wheat groats, originating from Arabic countries, is couscous, steamed wheat groats are bulgur.

MATERIALS AND METHODS

Scientific literature and scientific journals have been used as a base for the material research. Comparative analysis is used as a main method of research.

RESULTS

GRITS CONTENT

Grain mush, as a cereal product, provides the body with proteins, vitamins, minerals and fibre. Grain mush contains carbohydrates, most of them starch (77-88%), less cellulose and sugar. They contain proteins (6-13%), various amino acids, many unsaturated fatty acids (0.5-6%), phosphatides, vitamin B, iron, phosphorus, calcium.

The amount of nutrients in the particular grits depends on how much they were previously processed, and on the thickness of the removed grainwort. Cereal products are able to provide the body with the necessary energy. The chefs who are popular in the diet have been listened to by nutritionists, who in their menus increasingly include various interesting foods used in the preparation of traditional groats: grubs, barley groats, millet, etc. In recent years, couscous and bulgur have become popular, which in fact are the same wheat groats.

Different are their acquisition technologies.

WHEAT GROATS PRODUCTS

Wheat was known 5000 years ago in Egypt. Wheat groats. Traditionally, we know the wheat groats that are obtained by peeling and cutting the wheat grain. They do not lose much on nutrition. Are delicious. Most often they are used in various salty dishes, but will taste well with honey or jams. Preparing salted porridges, to wheat germ may be added fried bacon slices, liver, soft cheeses. Groats can be used as filler for blood vessels. Wheat groats will not really be suitable for preparing salads, as they are caught. Wheat groats should not be rinsed and grown before cooking.

Mann groats are obtained from wheat grains by pulling a thick shell and peeling them thoroughly. Manna contains little vitamins, minerals and fibre. It is easy to digest, so it is recommended for small children and patients. For the most part, manna is used to cook breakfast cereal or various sweet dishes. In Latvia, many of the childhood memories left the manna bubert, "Abava snow", the pumpkin with milk and the semolina pudding with a curly gingerbread. Manna can be used to prepare different cake fillings, so if you have flour which term expires soon, you can thicken the sauce, or add it to the bread dough. You can also make salty manna porridge. Add cucumbers to the same taste with a fried slice of meat, a soup or a jam. Manna groats should not be laughed and rinsed before cooking.

Couscous: Couscous is native to North Africa. Couscous is a small sized ball of the same size, which is made from coarse hard wheat flour, which is flushed with water, sprinkled with fine wheat flour, steamed, dried and sieved. In terms of taste and substance, couscous resembles manna. Couscous taste is very delicate, so it's a great complement to other products.

This product can be used instead of rice or pasta. It can be used for both sweet and salty dishes. Couscous is traditionally supplemented with sautéed pumpkin, zucchini, beans, carrots, potatoes, and the like. It tastes good with soy or Worcester sauce, lemon juice, olive oil and sprinkled with greens. Salad with couscous will be in harmony with tomatoes, fresh or sun-dried, onions, cucumbers, various cheeses, garlic. In many parts of the world, the sweets are made from couscous and oranges. It will also be good with fresh or dried fruits, saffron and cinnamon. Unlike most groats, couscous is not cooked, but simply flush with a boiling broth or water and gobble. In addition, couscous should be prepared in a flat dish, constantly stir it with a fork. If to add to couscous too much water or it's stays too hot for too long, it will be too thick, the grains will blend, the cubes will form and the couscous will lose its good taste.

Soaking is the simplest and fastest form of couscous cooking. Pour couscous with two cups of boiling water (broth), cover and wait for no more than 10 minutes. Couscous cooking is somewhat more complicated, because couscous will turn into a brew if cooked for too long, so be careful. When cooking on a pan, make it with other additives, slowly adding the liquid and letting the couscous soak it until it is completely ready. When making couscous, the simplest option is adding butter, parsley, dill. Oriental smells: cumin, coriander, olive oil. If couscous served with fish: garlic, thyme, rosemary, onions. In Couscous home, North Africa, it is often cooked as a sweet dish. Couscous can be infused in a warm mixture of orange or orange and

lemon juice, adding saffron, chopped nuts and dried fruits such as plums, apricots, figs. Couscous can be purchased on the food market ("Couscous" will be written on the sachet), where we usually search for pastes, rice and buckwheat.

Bulgur: Bulgur is a heat-treated, crushed wheat germ. First, the grains are heat treated with water, then dried, cleaned and crushed. All vitamins in wheat remain in the process. There is a distinction between light and dark bulgur. They do not differ in taste, but the light bulb is usually used as it visually looks more attractive. Properly boiled bulgur is loose. It is therefore ideal for cooking different salads. It fits well with leaf lettuce, fried mushrooms, fresh cucumbers, goat or feta cheese, good olive oil, greens. It can be used as a main dish by sawing with various vegetables, mushrooms, herbs and citrus fruits. Bulgur can be perfectly combined with meat and fish. A properly cooked bulgur has the nut taste and smell. It is advisable to rinse it a bit before cooking. Then boil it in large amounts of water. It is recommended to use more water than it is written on the bulgur package. Otherwise, the grits will be sticky.

Pearl barley: Pearl barley is whole or cracked barley grains, which have been removed from the outer casing. The so-called pearl and the usual grousers are distinguished. In terms of size, pearl barley is smaller and lean faster. Pearl barley is used in soups, and stewing. It is combined with vegetables, mushrooms, cream. Similarly, barley can be used in salads, together with leaf slates, rucola, cherry tomatoes and cheese. It can be served with different sauces. Using barley instead rice, it is possible to make a solid pilaf in Latvian style. Sweets also can be cooked from the barley. Barley should be well cooked before cooking. Otherwise, it will become glittering by boiling. After rinsing, barley can be kept sometime in the water to swell, then it will boil faster. Not need to infuse pearl barley after cooking.

Barley groats: In terms of nutrition, barley groats are more valuable than pearl barley because they have not removed such a thick top layer. A variety of porridges are prepared from barley groats. They can be served with a variety of sauces, vegetables, mushrooms, fish and meat. Barley groats are good with chicken and salmon, as well as with cottage cheese. They can be added to various stews and soups. High-quality barley grits do not need to rinse before cooking, unless some dust are visible.

Millet: Millet's nutritional value is not very high, but it is a rich source of iron and ballast. The millet can be used in salads, mixing it with herbs, with cream or soft yogurt. It will be very good with jam, dried fruit or simply with butter and sugar. Broiled broth served with fried onions, smoked meat, present with sour cabbage salad. A good combination of millet and swede or pumpkin purée. Gourmets praise porridge with greens and different vegetables: tomatoes, onions, garlic. Wash thoroughly before cooking. Then it will be loose. Millet contains quite a lot of fatty acids. Particular attention should therefore be paid to the shelf life; the long-lasting millet may have a fierce taste. To remove gravity, millet should be dressed in hot milk. To improve the flavour, add some butter or oil before cooking.

Corn: The body digests corn mush very easy and it has very low calories. Corn has a unique property and its ingredients help the body to remove excess fat and

pesticides. From corn grits, you can prepare not only porridge but also sausages and other dishes. Corn grits can be boiled in pre-enriched milk with garlic, thyme, rosemary. Chopped and chilled corn mush, cut into pieces, swabbed in balls, can be cooked on grill to make flat bread like cakes. The corn grits are structurally similar to manna, so they are prepared in the same way as manna.

Buckwheat: Buckwheat is made in two ways. They either boil in a kettle or steamed, and so they also taste great without any additives. But this is only a tiny fraction of the buckwheat's wide range of uses. Pour porridge from buckwheat, cook it, take it in a sauté, add to soups, casseroles, use in salads and stuffings, especially to make sausages. From buckwheat prepared sweet dishes and flour, which in turn is used to make pancakes, waffles, breads, biscuits, pasta, sauces and dumplings. When there is plenty of water in the pot, the buckwheat changes, catches and loses its taste. Fearing that the buckwheat could be hard, cook for a long time, and it will come out with no taste again.

Buckwheat should be roasted before cooking. Of course, you can do without this step, but then it will not taste not even to half good as it can be. The most delicious buckwheat comes out when the proportions of buckwheat and water are as following: one part buckwheat and two parts water. It is expected that buckwheat volume doubles during boiling. The taste of buckwheat also affects the quality and taste of the water. When cooked in chlorinated and solid water, buckwheat will be completely nonchalant. It is advisable to use a boiler with a thick bottom and, even better, with thick edges for cooking buckwheat. Aluminium and plain enamelled boilers are not really suitable. Unless you buy buckwheat of the highest quality, all the rest should be read or stacked, as experience has shown that very few stonecutters or other foreign matter occur in buckwheat. Then buckwheat thoroughly rinses and drains. Repeat in a warm pan and stir for a few minutes on the ramp, even slightly roasted and cooled. Then add some salt in cold water and boil. Continue to boil for about 20 minutes on low heat. Tightened buckwheat makers recommend not taking the lid off during cooking and not mixing buckwheat. When the buckwheat is ready, remove the boiler from the fire and wrap it in a thick cover for another 20-30 minutes. When buckwheat is pre-soaked, no cooking needed, heating or heating is enough. In the evening, peeled and washed buckwheat flush with warm water and leave until the morning. Then, remove excess water, if any, remove the buckwheat and drain it in a pan or a pot (with or without fat) and heat it or make it further according to the recipe you choose. Buckwheat is mostly served as an additive to meat dishes, with different sauces, and as buckwheat porridge. If to grind buckwheat in a coffee grinder, you'll get buckwheat flour. From it you can bake cakes or pancakes. Buckwheat can be cooked in butter or oil before cooking or steaming.

MAIN CONCLUSIONS

Cereals are husked edible grains. Cereals are made from different crops. Grain mush provides the body with proteins, vitamins, minerals and fibre. The chefs who are popular in the diet have been listened to by nutritionists, who in their menus increasingly include various interesting foods used in the preparation of traditional

groats: grubs, barley groats, millet, etc. In recent years, couscous and bulgur have become popular, which in fact are the same wheat groats. In terms of nutrition, barley groats are more valuable than pearl barley. The body digests corn mush very easy and it has very low calories. Buckwheat is made in two ways. They either boil in a kettle or steamed.

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JEL: H50

ASSESSMENT OF THE GOVERNMENT'S IMPACT ON THE NATIONAL ECONOMY IN THE NORTHERN EUROPEAN COUNTRIES

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Abstract: *This article gives an analysis on the impact of the governments in the Northern European countries on their economies. The 2003-2017 period was chosen for analysis since statistical data thereof permit one to assess the aspiration of the countries to develop their economies over the entire economic cycle as growth, crisis and recovery. Economic factors used in the analysis are those that are most frequently selected by the states in enhancing the economy: state investments, creation of jobs in the public sector and public expenditure on Research and Development (R&E). Gross domestic product (GDP) was selected as an indicator reflecting the economic growth. Conclusions of analysis are provided at the end of the article.*

Keywords: *government investment, employment in public sector, government expenditure on R&D, GDP, economic analysis, Northern European countries, Baltic countries, Scandinavian countries, Western European countries*

INTRODUCTION

GDP is one of the most widely used indicators specifying economic growth and development. Basing on the theory of economics, GDP is most often defined by using the expenditure approach, according to which GDP includes household spending, investments, public expenditures and net export (export minus import). This definition shows that each component of GDP has an impact on the growth of economy. This article focuses on the investment side.

Mackevičius J. (2007), Agar Ch. (2005), Norvaišienė R. (2005), McConnell C.S. et al (2004) have classified investments by *investor's status* into public, private and foreign. The above researchers also provide some more investment classification approaches: by investment period, a level of risk, investment territory and other features, though most frequently used is that by investor's status. A frequent object of research is the impact of the state on the economy. In terms of investing according to investor status, Makuyana G. et al (2016) maintain, that the debate on the relative importance of public and private investment in the economic growth process has generally been centred on two somewhat related questions: (i) what is the differential impact of a unit amount spent on public and private investment on economic growth? and (ii) does public investment expenditure substitute or complement private investment in the economic growth process? Eberts and Fogarty (1987), Merriman (1990), Berndt and Hanson (1992), Wang (2005) maintain that government investments may facilitate the new private capital formation, thus encouraging the economic

growth and making an impact on the private sector activity. Makuyana G. et al (2016) has stated that public investment in infrastructural projects such as in education, power generation and transmission, airports, highways, roads, water supply and sewerage systems often increases the marginal productivity of private capital. According to Cohen and Paul (2004), the availability of these infrastructures reduces the cost price of the private sector production as well.

Making analysis of the works of the above-mentioned researchers, a question arises whether qualities attributed to the investments in the public sector may be statistically substantiated, especially during economic crises.

OECD (2015) suggests that governments may apply a variety of measures for enhancing the economy and society's welfare. The governments may use long-term investments in the public infrastructure and scientific research, being of help in balancing the cycles of economic fluctuations, as well as may create new jobs, improve productivity and fight against the cycles in the economy. Three factors selected in this article are aimed to assess the influence of the state in economic growth: (1) the government investments (total amount), (2) employment in public (administration and defence) sector (the number of employees in public sector and the share of public sector employees) and (3) public expenditure on R&D (the amount of expenditure on R&D and the share of expenditure on R&D).

The *object* of this article is the impact of the governments in the Northern European countries on their economies.

The *goal* of this article is to assess the effect of government investments on the Nordic economies and whether they have been used during economic crisis.

The years 2008-2012 are deemed to be the period of economic crisis.

MATERIAL AND METHODS

Making analysis of the impact of the selected factors on GDP, the following analytical methods have been chosen: comparative and graphical analysis of statistical data by evaluating the importance and tendencies of factors and correlation analysis while establishing the force and type of the effects of factors on GDP. The Northern European countries used in the analysis are also subdivided into three regions: The Baltic countries (Lithuania, Latvia and Estonia), the Scandinavian countries (Denmark, Finland and Norway) and the Western European countries (United Kingdom and Ireland). The statistical data of 2003-2017 from EUROSTAT used in the analysis allow one to assess the aspiration of the governments to enhance the economies of the countries during the last economic cycle: growth, crisis and recovery.

RESULT

Assessment of the impact of government investments. Graphical analysis is given in *Figure 1*, and correlation analysis data are provided in *Table 1*. 2003-2016 data graphical analysis shows that the share of government investments in the Northern European countries in the total investments accounts for 17.3%, on the average, and during economic crisis had a tendency for increasing and reached the peak in 2010, when it made 20.9% of the total investments. Such a tendency has prevailed in all the countries under analysis, with the highest share in Lithuania (19.8%) and Estonia (19.2%), and the lowest in Ireland (13.7%) and United Kingdom (15.9%).

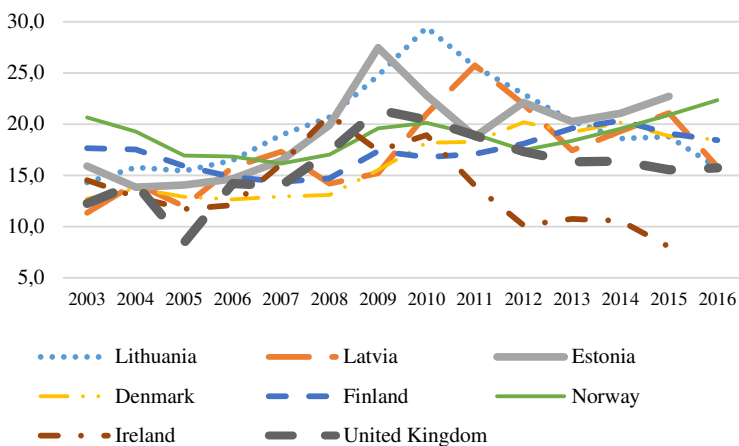


Figure 1: The share of government investments in total investments, %

Source: prepared by authors according to the data from EUROSTAT

This allows one to state that importance of government investments during economic crisis becomes greater and the states while making investments (not reducing insofar as in the private sector) aimed to enhance the economies of the countries. With the start of economic recovery, the share of government investments got reduced, especially in Ireland (8% in 2015), which was even lower than before crisis. The government investments made the major share in the Baltic countries (18.8%) where in the period of crisis the economic stimulation policy is also noticeable and most explicit. The share of government investments in the Scandinavian countries constituted 17.4%, and in the Western European countries it made the lowest share (only 14.8%). The Scandinavian countries were noted for stability where the share of government investments fluctuated insignificantly from 12.7% (Denmark in 2013) to 20.9% (Norway in 2015) and in the Northern European countries from 14.5% in 2007 to 20.0% in 2014 on the average. Correlation analysis results show that government investments in the Baltic countries had a direct impact on GDP of the countries, i.e. the augmented investments enhanced economic growth. As a matter of fact, an impact of government investments in Estonia was weak (correlation coefficient 0.07), in Lithuania average (0.46), and in Latvia strongest (0.78).

Correlation analysis of the share of government investments shows that the governments of Lithuania and Estonia used investments during crisis for promotion of the economy with the economies of the countries shrinking, the share of government investments went on increasing (although an impact is insignificant, the relation is inverse: Lithuania 0.05, Estonia 0.19).

Even though graphical analysis shows the striving of the Latvian government to enhance economic growth during crisis, it is probable that efforts have not been intensive is shown by the established direct weak dependence between GDP and the share of investments (0.25).

Table 1**Correlation coefficients**

Factors	Lithuania	Latvia	Estonia	Denmark	Finland	Norway	Ireland	United Kingdom
Number of employees in public sector, thsd.	0,4427	-0,2505	0,6061	-0,7445	-0,4864	0,6522	-0,1802	-0,2621
Government expenditures on R&D, million Euro	0,8345	0,8999	0,7971	-0,5358	-0,1505	0,9325	-0,1292	-0,2950
Government investment, million Euro	0,4569	0,7801	0,0722	0,9675	0,9243	0,8427	-0,4637	0,3810
Share of Government investment, %	-0,0544	0,2492	-0,1935	0,8090	0,6952	0,3104	-0,7240	-0,4511
Share of Government expenditures on R&D, %	-0,7685	0,7605	-0,1750	-0,6751	-0,7708	0,1196	-0,4240	-0,5664
Share of employees in public sector, %	0,6395	-0,2048	0,7202	-0,0991	-0,7965	-0,1238	-0,1406	-0,7048

Source: prepared by authors according to the data from EUROSTAT

The volume of government investments in the Scandinavian countries had a direct and strong impact on GDP growth values of investment correlation coefficients of the countries under analysis are > 0.84 . As both the stability fixed in graphical analysis and correlation analysis of the share of government investments show, the Scandinavian countries increased the share of government investments with the growth of economies in positive correlation coefficients have been established between GDP and the share of government investments. On the basis of correlation analysis, it is seen that the effects of government investments in the Western European countries on GDP growth differ in investments in Ireland impacted GDP negatively (-0.46) while in the United Kingdom positively (0.38). Both graphical and correlation analysis confirms that the Western European countries promoted economies with the help of government investments in negative correlation coefficients, average and stronger dependences.

In generalisation, it is possible to maintain that state investments are one of the most important measures for economy enhancement.

Evaluation of the impact of employment in the public sector: Graphical analysis is given in *Figure 2*, and correlation analysis data are provided in *Table 1*. Graphical analysis of 2003-2017 data demonstrates that 6% of the employees, on the average, have been employed in the public (administration and defence) sector and this share remained almost stable over the entire period – the peak was reached in 2009 and 2010 (6.2%). No possibility exists to establish a clear tendency as regards the aim of enhancing the economy in the Northern European countries.

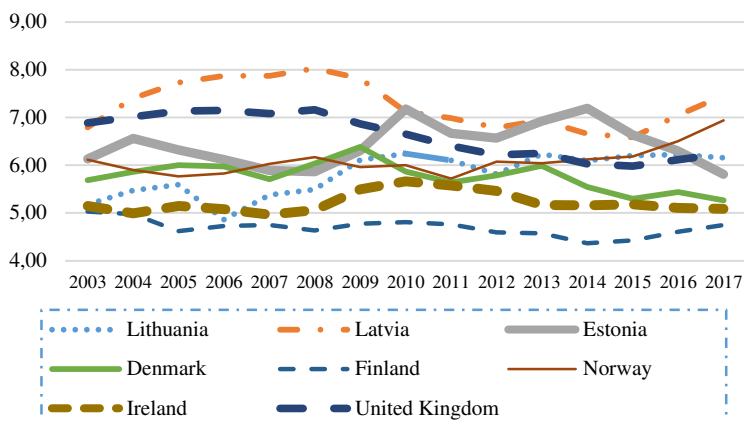


Figure 2: The share of employees in public administration and defense sector, %
Source: prepared by authors according to the data from EUROSTAT

During economic crisis the share of the civil servants increased in Lithuania, Estonia and Ireland and got reduced in Latvia, United Kingdom and Denmark. In Norway and Finland, it remained stable; therefore, it is not possible to distinguish the common tendency in the Northern European countries as the countries behaved in the individual manner, depending on financial possibilities, social reasons and political decisions, e.g. the highest share of employees in the public sector was in Latvia (7.3%, on the average), whereas during economic crisis this share was considerably reduced in 2012 (6.8%). The highest share of the employees in the public sector was in the Baltic countries (6.5%), in Western European countries (5.9%), while the lowest one in the Scandinavian countries (5.5%), of which in Finland just accounted for 4.7%. The most stable share of the employees in the public sector was in the Scandinavian countries, whereas in the Baltic countries it underwent most considerable changes. Correlation analysis results show that the number of employees in the public sector in two Baltic countries (Lithuania and Estonia) had a direct impact on GDP in these countries, i.e. the number of employees went on increasing with GDP growth (average strength coefficients correspondingly, 0.44 and 0.61). In Latvia it is weak, inverse dependence (-0.25). Correlation analysis of the share of the civil servants, as distinct from the one observed during graphical analysis, shows that jobs in the public sector in Lithuania and Estonia have been created by the government at the time of economic growth (stronger direct dependences have been established). Correlative as well as graphical analysis of the Latvian data shows that Latvia sought to maintain economic growth by retaining or creating jobs in the public sector (-0.2). Of the Scandinavian countries, a direct average impact of the number of the employees in the public sector on GDP growth was identified only in Norway (0.65). Like in graphical analysis, it has been confirmed that no connection exists between GDP and the share of jobs in the public sector; these countries retain the stable number of civil servants. Analysis in Finland has confirmed that here the

share of civil servants was reduced in spite of economic growth (strong negative correlation was established -0.79). The number of civil servants in both Western European countries had an inconsiderable inverse impact on GDP. The share of civil servants in the United Kingdom, like in Finland, was reduced despite of economic growth (strong negative correlation was established -0.7). The share of civil servants in Ireland remained stable; however, during economic crisis a feeble objective to promote the economy was determined (-0.14). In generalization, the Baltic countries devoted more attention to retaining (creating) jobs in the public sector seeking to enhance the economy.

Assessment of the impact of public R&D expenditure. Graphical analysis is given in *Figure 3*, and correlation analysis data are provided in *Table 1*.

Statistical data graphical analysis over the period of 2005-2016 shows that the share of government investments of the Northern European countries in R&E accounts for 12.2%, on the average. A tendency was observed that the share of government investments in R&D remained stable nearly in the entire Northern European region and we cannot maintain that the states sought to achieve economy enhancement through investments in R&D, only two Baltic countries (Latvia and Estonia) became distinguished here during economic crisis and contrary to what was expected they reduced the share of government investments in R&D.

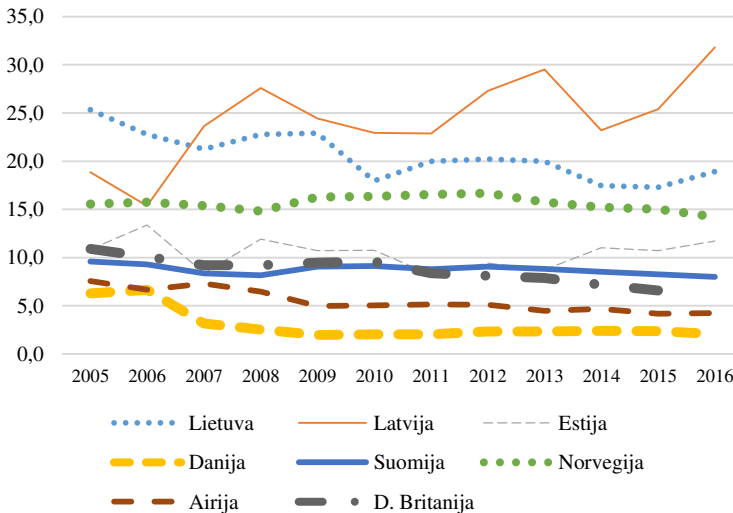


Figure 3: The share of government expenditures on the R&D (%)

Source: prepared by authors according to the data from EUROSTAT

Correlation analysis results demonstrate the strong and direct connection of GDP and public expenditure on R&D in all the Baltic countries (correlation coefficients > 0.8). Both graphical and correlative analyses allow one to state that in the referred period Lithuania reduced and Latvia augmented public expenditure on R&D, notwithstanding the economic situation (correlation coefficients correspondingly

0.78 and 0.79). Of the Scandinavian countries, the public expenditure on R&D had the strongest positive impact on GDP only in Norway. Expenditure on R&D in Finland and in Denmark had a contrary effect on GDP, and the share of the state got reduced despite of economic growth (average negative relation). A weak inverse impact of R&D on GDP was established in both Western European countries, and the share of the state was reduced in spite of economic growth (negative average correlation). In summary, the states do not devote a great deal of attention to public expenditure on R&D and do not put effort to enhance the economy through them.

CONCLUSIONS

The government investments in the Northern European countries are one of the most important measures for economy enhancement. In all the countries under analysis, the governments during economic crisis have increased their share of investments, this having a positive effect on GDP. The clearest tendency of economy enhancement is observed in the Baltic countries where the share of government investments has especially increased during economic crisis. The governments of the Western European countries made the lowest investments. The Scandinavian governments were noted for their stability in investing and reacted on a par with the private sector to the challenges of economic crisis.

More considerable attention is in retaining (creating) civil service jobs in public sector when seeking to promote the economy was devoted in the Baltic countries. The behaviour of other Northern European countries differed in dependence on financial possibilities, social reasons and political decisions. In the Scandinavian and Western European countries, the number of civil servants has just an insignificant effect on the economy.

The Northern European countries have not devoted much attention to public expenditure on R&D and did not make efforts to promote the economy through them. The share of government investments in R&D remained stable nearly in the entire Northern European region, only the Baltic countries (Latvia and Estonia) during economic crisis it reduced the share of government investments in R&D more rapidly.

The strongest impact of the state on the economy and the market share occupied by the state was established in the Baltic countries. The Scandinavian countries are distinguished for their stability – economic fluctuations have no substantial influence on the higher involvement of the state, and in the Western European countries the involvement and participation of the state was lowest.

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JEL: H56, M38

**SOCIAL IMPERATIVE OF COMPETITIVENESS OF THE NATIONAL
ECONOMY IN THE SUSTAINABLE DEVELOPMENT**

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Abstract: *The social aspect of competitiveness in conditions of sustainable development is explored. The evolution of the social essence of competition is considered. The hierarchy of competition in the architecture of the national economy is analyzed. The social content of competitiveness at each level of the national economic and the connection between them are revealed. The definition of competitiveness in conditions of sustainable development is formulated.*

Keywords: *competition, competitiveness, socio-economic development, sustainable development*

INTRODUCTION

All processes and fields of activity in each society have close connections, mutual influence and certain influence on the formation of the competitiveness of the national economy on the world market. In turn, the national economy of the country provides basic conditions and standard of living of society, and social relations that arise in the concrete conditions of joint activity between individuals or communities (economic, political, and public), form a set of features that determine the social characteristics of the national economy. At the same time, most scientists pay attention to the economic essence of the phenomenon under investigation, therefore, there is a need to disclose the social content of the competitiveness of the national economy, which requires the implementation of the relevant research.

MATERIALS AND METHODS

The research methodology is based on the synthesis of theories of economic development, competitiveness and sustainable development. To solve the problems, the following methods are applied: *morphological, semantic, analysis and synthesis* to find out the social nature of competitiveness and establish the directions of its formation at all levels of the national economy; *monographic examination and generalization* for formulating the author's definition of competitiveness as a condition of sustainable development.

The object of research is the social content of the competitiveness of the national economy in a context of sustainable development. *The aim of the study* is to prove the imperative of the social component of the competitiveness of the national economy in the conditions of sustainable development.

RESULTS

The system of social and economic relations, based on a combination of different forms of ownership, market competition, freedom of business, must ensure a decent standard of living for the population and guarantee its social protection through the effective development of the national economy. Sociality is everywhere where a person acts. Sociality reflects not only the integration traditions, knowledge, experience, creative, professional and personal abilities of people, but also gives an assessment of the development of society, demonstrates the level of use of the potential of society, community, individuals, which allows to evaluate, analyze and determine the criteria for optimizing the social organism. The need to determine the social nature of the competitiveness of the national economy is responsible to the modern requirements of the tendency of the rise of the world economy in conditions of sustainable development, which dictates the need for an adequate balance of social and economic components. The ecological component of the sustainable development economy is thus an integrative element of the socio-economic characteristics that ensures the efficiency of economic objects, their competitiveness in the domestic and international markets, and, most importantly, the quality of life of the population and its welfare.

The content of the phenomenon of competition was formed even in ancient times. The origin of this term may be from German -Konkurrenz (rivalry), from English -competition, or from Latin -concurrentia (collision), but in each case the essence of this term characterizes the interaction of people. Consequently, the social meaning of the concept of competition is wider and more original in relation to its economic content. Interaction, collision, rivalry or social competition between people in society, as a stable social community with a characteristic unity of conditions of life, certain relations regulated by social norms of morality and the system of legal norms, is permanent.

Aristotle believed that society is naturally inherent in the social instinct of people. The development of commodity production, the social division of labor led to the emergence of economic relations between people, which contributed to the emergence of a new type of competition as economic competition. A. Smith referred about competition as a rivalry between sellers for the most favorable conditions for the sale of goods and proved that the optimal division of labor and capital was ensured by competition (Smith, 1997). Obtaining an economic advantage has already become a means of identifying a certain surplus in socio-economic status. Technical and technological progress contributed to the further development of commodity production, the social division of labor, the complication of economic relations between producers, territories, including countries in which economic characteristics are increasing. The economic content of the concept of competition lies in its effectiveness as driving factor of economic operators to progressive movement, economic development, finding ways to improve each stage of the business cycle from the production of goods to its consumption. The ability of each subject (person, enterprise, region, country) to compete, that is, to rivalry in a particular industry,

has been embodied in the term "competitiveness", which we consider synonymous and will be used in the context of this study. The variety of definitions of the term "competitiveness" exists, above all, due to the urgency of economic development issues, where competition is an effective tool, driver for progress, enrichment of societies and countries; interdisciplinary approaches to its research, as well as the level of the subject of competition (entrepreneur, enterprise, region, country).

In a broad sense, competitiveness is seen by academics and practitioners as the ability of the objects of competition to balance the external proportions and overcome the constraints that affect them from the external environment. The formulation of the concept of "competitiveness", on the one hand, is carried out under the influence of objective factors, which are distinguished by scholars, but, on the other hand, is formed due to their subjective reflection on the primacy, importance, weight of these factors and the level of competition that determines its subjects, nature, purpose and conditions. Taking into account the last thesis, the competitiveness of the goods (nano-level) consists in its qualitative and economic advantages, which ensure implementation in the volume of production capacities of the economic entity and correspond to the strategies of development of this product. The social content of competitiveness on the nano-level is determined by the technical, technological, environmental conditions of the production and labor of the workers, the quality of the product itself, its innovation, environmental friendliness, and so on.

At the micro level (enterprise levels), competitiveness is related to the durability of the production cycle, as well as to the reproduction cycle of the main productive assets, productive forces and is determined by the relevant indicators, e.g. the efficiency of investments, the profit of the economic entity, its market share, the level of employees wages, the size dividends of owners, shareholders. Competitiveness at this level is determined by scientists as the ability to produce and sell their products quickly, cheaply, qualitatively, sell them in sufficient quantities, with a high technological level of service, an opportunity to effectively manage their own and borrowed resources in a competitive market (Yankovoi, 2013, p. 7). M. Porter determines the competitiveness of the company as a certain position of the commodity producer in the domestic and foreign markets, which is determined by a set of factors and is reflected by a set of indicators (Porter, 2011, p. 244). The totality of competitive goods produced at the enterprise forms the basis of the enterprise competitiveness itself, which confirms its definition: "The weighted average of the indicators of the competitiveness of specific products in specific markets" (Fatkhutdinov, 2004, p. 433). The social component of the competitiveness of subjects at the micro level is characterized by a specific share of the cost of socio-economic measures and the development of socio-economic institutions, the quality of production and administrative management, the level of personnel turnover, the effectiveness of motivational systems, etc.

At the micro-level of competitiveness, we also consider individual entrepreneurs who compete with each other, and due to the existence of certain advantages (minimal administrative costs, lower production costs, operational efficiency of management decisions, lack of bureaucracy, speed of response to market changes)

compete successfully with enterprises within the region. The social component of competitiveness is determined by the level of profit of an entrepreneur, their integration into the solution of local social and environmental problems, the fate of the regional market, etc.

Competition at the macro level between certain regions within a single country occurs not only for the consumer and increase market share, but also for local resources such as natural, financial, and labor. Territorial marketing and branding of the territory, implemented by Anholt (2004), is an effective tool in the development of the regions, increasing their competitiveness, which is implemented in the concept of brand-oriented development of the country. The social content of the competitiveness of the regions is determined, above all, by the quality of the environment (atmosphere, water); availability of natural recreation areas ofrest (parks, lakes, squares) and social recreation infrastructure; level of wages and working conditions; the availability of regional financial and credit privileges, motivation and stimulation systems. A high level of competitiveness is characterized by an appropriate density of the able-bodied population, a minimal level of its emigration, a real social security of all versts of the population, which is provided not only by public authorities and local self-government, but also supported by local private businesses. It is ambiguous to consider the affiliation of the industry to a certain level of competitiveness. Certain industries can compete at the interregional, national level (i.e. nano-level), and also to succeed at the international mega-level, which speaks of the theoretical, conditional character of the classification. In particular, it concerns high-tech industries as the IT industry, industries that are related to nanotechnology. Given the above-mentioned balancing between the levels that are traditional in the research of scientists, we must distinguish for the meso-level industry. The globality of all processes in the world has proved the effectiveness of the competitiveness of individual goods and services in the world market, which also emphasizes the conditionality of the research object hierarchy.

At the mega-level, countries compete, supra-state entities (European Union), international organizations (BRICS, WTO, UNCTAD). The level of global competitiveness is the highest in the hierarchy of the object of this study, not only because of the scale of competition, but also due to the maximum number of factors that affect the formation of the competitiveness of the national economy or international organizations.

Investigating the mega-level of competitiveness of the national economy, it was concluded that the use of the term "competitiveness" to the national economy or the country is conventionally applied because competition is a direct interaction between subjects, and the interaction of national economies and countries is mediated, that is, realized through the creation of appropriate institutional conditions the functioning of economic subjects, the adoption of an optimal development strategy and the introduction of an effective production, administrative and public management, providing conditions for attracting investment, increasing exports, the overall economic development. So, not the national economies and countries compete, but

the internal factors (formed by people) that form their competitiveness. In a broader sense, this thesis is enhanced by the following considerations: competitiveness of subjects in a competitive environment is inherent only in their human factor, which is the bearer of knowledge and management technologies, which also proves in favor of the social content of competitiveness.

The generally accepted concept of the competitiveness of the national economy is not formulated today, which contributes to its further study and finding its own vision of the author in the paradigm of sustainable economic development. Justification of the social content of the competitiveness of the national economy in conditions of sustainable development is necessary for correction the direction of extensive development of the Ukrainian economy, changing its branch structure in favor of highly technological, energy efficient, ecological, profitable industries, which corresponds to the modern world conjuncture, parity of commodity exchange with economically developed countries as the sphere, which will ensure the increase of social standards in the country. The large number of determinations of the competitiveness of the national economy shows the relevance of this phenomenon among scholars and practitioners, and the diversity of formulations, about the multidimensional and complexity of the concept under investigation. Part of the definitions tend to the need to improve management (production, administrative, state) and institutional system, others insist on the need to increase the efficiency of production, productivity. The next group of researchers considers innovation, technical and technological progress to be the main leverage of the competitiveness of the national economy. But, most researchers, formulating the definition of the competitiveness of the national economy, focus on its socio-economic purpose. We belong to the last group.

The globalization inherent in modern processes, technical, technological, economic progress contribute to increasing the requirements for social standards of life of people. The competitiveness of a national economy, based on a broad vision of the economy and society, should ensure compliance with social standards to the world level; otherwise the national economy cannot be considered competitive and needs to find ways to increase it. Competitiveness of the national economy in a sustainable development requires research into relatively new terms such as "sustainable competitiveness" or "competitiveness in the context of sustainable development". The essence of "sustainable development" is considered as the maximization of economic and social gains from the development of the national economy system, provided that the environment is protected, and in the long run, the provision of natural resources reproduction, that is, sustainable development means not only increasing the efficiency of the national economy, but also increasing per capita income, and improvement of social security of citizens. Sustainable development must be accompanied by the necessary structural changes in the economic and social spheres (Voloshyn & Trehobchuk, 2012, pp. 17-25).

Schematically, the competitiveness of the national economy in terms of sustainable development is shown in *Figure 1*.

The search for the definition of the object of research allowed to determine the

competitiveness of the national economy in a social dimension as the ability of the domestic economy to produce goods and provide services in accordance with world market standards, providing an expanded reproduction of production facilities, increasing the well-being of its own population, and, most importantly, restoring natural resources and high levels the quality of the environment.

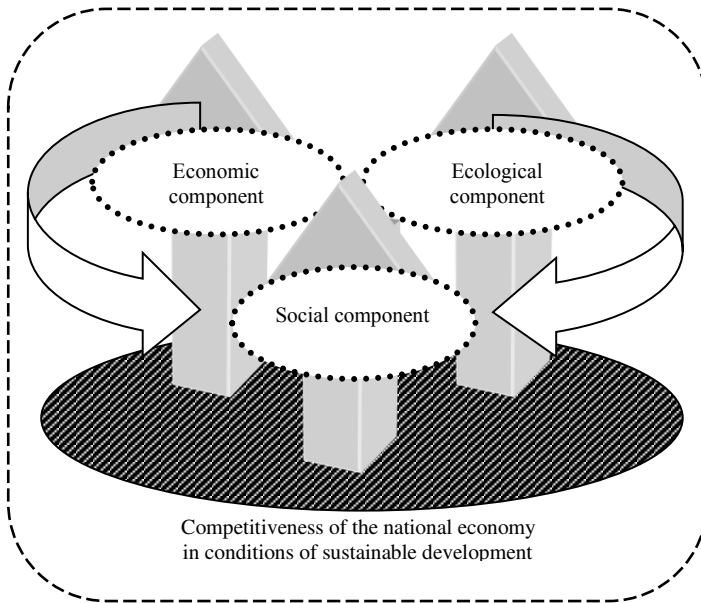


Figure 1: Components of the competitiveness of the national economy in conditions of sustainable development

Source: compiled by authors

This definition of the competitiveness of the national economy in terms of sustainable development is: firstly, *universal* because it can be applied to different subjects of research at all levels of the national economy; and secondly, *innovation* by substantiating the imperative of social characteristics of competitiveness; third, *integrated* because it combines the social and economic content of the research object; fourthly, *strategic* because it reveals important directions for increasing competitiveness with a guarantee of preservation of the nature and quality of the environment for future generations.

DISCUSSION AND CONCLUSION

1. Increasing competitiveness of the national economy is ensured by the total growth of competitiveness at all levels of the national economy – from goods, entrepreneurs, companies, regions, industries, the country as a whole and determined by an increase in GDP of the country, which corresponds to the economic content of the phenomenon under investigation. Development of the potential of economic growth can be provided by economic, financial and credit,

tax mechanisms, improvement of industrial, administrative and state management, as well as the creation of an appropriate institutional environment.

2. Competitiveness of subjects in a competitive environment is inherent only in their human factor, which is the bearer of knowledge and management technologies, and therefore "competitiveness of the national economy" is the notion conditional.

3. The social characteristic of the competitiveness of the national economy, measured by its ability to provide decent living standards to its own citizens, to guarantee the protection of its rights and property, to maintain high quality of the natural environment and to restore natural resources, is realized in the conditions of sustainable development.

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JEL: J13

DER PLATZ UND DIE ROLLE DER UKRAINE IN DEN EUROPÄISCHEN SOZIALSTRATEGIEN

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***Abstrakt:** Der Artikel ist der Modernisierung der ukrainischen Integrationspolitik gewidmet, die dringende Aufgaben im Bereich der Sozialpolitik, die Verwirklichung europäischer Sozialstandards und die Verwirklichung der sozialen Rechte der ukrainischen Gesellschaft vorsieht.*

***Schlüsselwörter:** Sozialstaat, sozialer Standard, soziales Umfeld, sozialer Bereich, soziale Entwicklung, Umsetzung der Gesetzgebung, Eurointegrationsprozess*

EINLEITUNG

Für die ukrainische Gesellschaft ist die Umsetzung der konzeptionellen Grundlagen der strategischen Entwicklung der Ukraine wie vorgesehen durch die Strategie zur nachhaltigen Entwicklung bis 2020 äußerst dringend. Die Ratifizierung des Assoziierungsabkommens zwischen der Ukraine und der Europäischen Union bestätigt die ukrainische Auswahl und beinhaltet die Schaffung von Voraussetzungen zur Realisierung des sozialen Potenzials der Menschen, wie z.B. die Annäherung unseres Landes an die Normen und Standards einer entwickelten Demokratie, der Bürgergesellschaft, der sozial orientierten Marktwirtschaft, der sozialen Sicherheit, der Rechte und Freiheiten der Menschen, die Steigerung des Wohlstandes, die Verwirklichung des Grundsatzes der sozialen Gerechtigkeit sowie die Formierung der sozialen und rechtlichen Kultur auf einem hohen Niveau.

Für die Ukraine bedeutet die Annäherung an die Europäischen Union unter anderem, die Durchführung einer aktiven Sozialpolitik, die die soziale Entwicklung der Gesellschaft, ihres sozialen Bereichs und die Erreichung europäischer Sozialstandards in solch einer gesellschaftlichen Umgebung, die die Ausübung sozialer Rechte für die gesamte Bevölkerung garantieren würde, zum Zweck hat.

ANALYSE DER UNTERSUCHUNGSERGEBNISSE ZU DIESEM PROBLEM

Bei der Untersuchung der Sozialpolitik werden Forschungsergebnisse in anderen wissenschaftlichen Bereichen, insbesondere in der Soziologie, Psychologie, Ökonomie, Politikwissenschaft, Management, Geschichte, Philosophie und Recht verwendet. Vor allem sehen die Wissenschaftler die Sozialpolitik als ein Regulator sozialer Prozesse und sozialer Transformationen. Die Untersuchung verschiedener Aspekte der Sozialpolitik wurde von in- und ausländischen Wissenschaftlern wie I. Popowa, O. Jakuba, W. Jeremenko, Ju. Sajenko, O. Kuzenko, T. Gansli, P. Speaker, R. Titmuss, F. Williams, A. Koslow, W. Kolkow, O. Kisseljowa, W.S. Bakirow und anderen durchgeführt.

DAS FORSCHUNGSZIEL

Das Forschungsziel ist die Strategie des Beitritts der Ukraine in die Europäische Union durch die Erfüllung einer Reihe von Aufgaben, vor allem im sozialen Bereich, darzulegen und die Ursachen, die in unserer Gesellschaft existieren und die Beschleunigung des europäischen Integrationsprozesses verhindern, zu analysieren.

HAUPTTEIL

In letzter Zeit schenkt die Untersuchung von Wissenschaftlern und die Berichte von Experten-Praktikern viel Aufmerksamkeit der europäischen Auswahl der Ukraine, der Notwendigkeit ihrer Integration in die europäische Wirtschaft als einen wichtigen Faktor für ihre zukünftige strategische Entwicklung im Interesse der Menschen. Die Wissenschaftler nehmen eine Reihe grundlegender internationaler Rechtsakte als Grundlage an. Insbesondere betont die gemeinsame Strategie des Europäischen Rates für die Ukraine, dass "das Partnerschafts- und Kooperationsabkommen vom 14. Juni 1994 eine Rechtsgrundlage für die Beziehungen zwischen der EU und der Ukraine ist [1]. Eine vollständige Implementierung dieses Abkommens ist die Voraussetzung für eine erfolgreiche Integration der Ukraine in die europäische Wirtschaft, die auch zu ihrem europäischen Identitätsbeweis beitragen wird" [2].

Das Assoziierungsabkommen zwischen der Europäischen Union und der Ukraine, das am 1. September 2017 in Kraft trat, war ein schicksalhaftes Dokument, das die nächsten Schritte in der Annäherung zwischen der Ukraine und der EU festlegte [3]. Im Rahmen der vollständigen Implementierung der Normen des erwähnten Abkommens und ihrer Anwendung wurde ein klares Aktionsprogramm zur weiteren Vertiefung der Beziehungen EU-Ukraine entwickelt. Dieser Ansatz erfordert die Aushandlung spezifischer Verpflichtungen von beiden Verhandlungsseiten aufgrund einer realistischen Einschätzung davon, was in der mittleren und kurzen Frist erreicht werden kann und verpflichtet die Ukraine alle Aspekte der Entwicklung und Umsetzung einer Politik hinsichtlich der Annäherung an die EU zu vervollkommen. Es handelt sich vor allem um eine äußerst wichtige Aufgabe der fundamentalen Rekonstruktion aller Bereiche des Gesellschaftslebens.

Eine solche Arbeit ist angesichts der sozialen Sphäre besonders notwendig. Aber die Vereinigung Europas erfolgte nach dem Wunsch der Völker, einen freien, friedlichen, demokratischen Raum zu schaffen, in dem die Bürger sich verstehen, eine perfekte Gesellschaft aufzubauen versuchen, sich über die Ideen bewusst zu werden, die sie unterscheiden, sich zu vereinen, um ihre nationale Kultur zu schützen sowie ihre Einzigartigkeit und Traditionen zu bewahren. Mit vereinten Kräften suchen sie nach Lösungen für die schwierigen Probleme unserer Zeit.

Im Laufe der letzten Jahre haben die EU-Länder in vielen Bereichen der sozialen Entwicklung erhebliche Fortschritte gemacht, vor allem betrifft es drei Fragen: Erhöhung des Beschäftigungsniveaus, Stärkung des Sozialschutzes des Individuums und Armutsbekämpfung. Eine abgestimmte europäische Strategie der Erhöhung des Beschäftigungsniveaus, die vom Europarat im November 1997 in Luxemburg angenommen wurde, war eine wichtige Vereinbarung bezüglich der Ziele und der Entwicklung einer aktiven strategischen Politik, die auf die Erhöhung

des Beschäftigungsniveaus gerichtet ist. Der Europarat maß der Harmonisierung und der gegenseitigen Intensivierung makroökonomischer und sozialer Maßnahmen zur Entwicklung einer Strategie zur Schaffung stabiler Arbeitsplätze, Verringerung der Armut und soziale Integration in Europa große Bedeutung bei.

Die Priorität, die die europäischen Länder den Beschäftigungsfragen beimessen, wird durch eine gemeinsame EU-Strategie am Niveau der EU-Mitgliedstaaten mit der Formulierung europäischer Richtlinien, der Ausarbeitung auf deren Basis nationaler Aktionspläne zur Erhöhung des Beschäftigungsniveaus unter Berücksichtigung der spezifischen Situation jedes Mitgliedstaates sowie durch die gemeinsame Überwachung und Evaluierung des erreichten Fortschritts unterstützt.

Diese Strategie, um eine Vollbeschäftigung zu erreichen und beziehungsweise eine Wettbewerbsfähigkeit und eine Entwicklung zu gewährleisten, gründet sich auf einer Reihe miteinander verbundener Maßnahmen. Gemäß ihren Normen hat die soziale Entwicklung folgende Hauptrichtungen: (1) einheitliche Standards im Risikomanagement zur Lösung von sozialen und ökologischen Problemen; (2) soziale Integration und Erhöhung des Beschäftigungsniveaus der Bürger; (3) Stärkung des sozialen Dialogs; (4) Partnerschaft auf unterschiedlichen Niveaus, um ein Einvernehmen zu erzielen und Entwicklungsinitiativen zu entfalten; (5) Schaffung flexibler Systeme in der Arbeitsorganisation; (6) Steigerung der Wettbewerbsfähigkeit und Erzielung eines Gleichgewichts [4].

Nach der Annahme der Strategie "Europa 2020" ist die europäische Strategie zur Erhöhung des Beschäftigungsniveaus ein integraler Bestandteil davon geworden. Heute setzt die Europäische Union bei der Erfüllung der gemeinsamen Ziele der sozialen Entwicklung große Hoffnungen in die Strategie "Europa 2020". Außerdem startete eine der Sitzungen des Europarates, die in Lissabon stattfand, das Thema „Beschäftigung, Wirtschaftsreformen und soziale Zusammenhalt für Europa mit einem hohen Niveau der Innovation und des Wissens“, die noch eine Möglichkeit kontinuierlicher Erörterung, Besprechung und Implementierung weiterer Maßnahmen zur Steigerung des Beschäftigungsniveaus, Bildung eines neuen Sozialmodells in Europa und Überwindung des Phänomens der Ausgrenzung aus dem gesellschaftlichen Leben gegeben hat. Ein Merkmal des modernen Entwicklungsstadiums der Weltwirtschaft ist die Erweiterung der Integrationsprozesse, die sich durch das Prisma von wirtschaftlichen, sozialen, Arbeits- und Kulturbeziehungen zeigen. Strategische Pläne der Ostpolitik der Europäischen Union sehen die Förderung gutnachbarschaftlicher Beziehungen mit den GUS-Staaten, ihre Integration in den gemeinsamen Wirtschafts- und Sozialraum sowie der Aufbau einer Gemeinschaft für Sicherheit und Kooperation vor.

Gleichzeitig erfordert die intensive Bewegung der Ukraine in die Europäische Union eine schnelle Reaktion der Regierung auf die notwendigen, an europäischen Werten orientierten, Änderungen. Nachdem die Ukraine das Assoziierungsabkommen mit der EU unterzeichnet hatte, hat sich den Gesetzgebern die Frage gestellt, die Rechtsnormen in Übereinstimmung mit internationalen Standards zu bringen. Im Wesentlichen betreffen diese Änderungen alle und jeden Ukrainer. Gewöhnliche Bürger nehmen diese Änderungen schon allmählich wahr. Übrigens war der

Gebrauch des Proso-Systems von haushaltsfinanzierten Einrichtungen für öffentliche Beschaffungen Anfang 2016 freiwillig und seit dem 01.08.2016 ist es obligatorisch. Heutzutage lernen Wirtschaftseinheiten, auf eine neue Art zu funktionieren. Dies ist ein bemerkenswertes Beispiel dafür, wie die Ukraine nicht nur gegenüber ihren Mitbürgern, sondern auch gegenüber Europa öffentlicher und näher wird. Für die Ukraine ist es eine große Änderung in Richtung einer Minimierung von Risiken. Jeder Internetnutzer kann doch nicht nur die Beschaffungsphasen offen sehen, sondern auch über den Schutz seiner Daten sicher sein.

Bestimmte Wirtschaftsprobleme, die in der heutigen Ukraine bestehen, erschweren den Entwicklungsprozess eines Sozialstaates bedeutsam. Die Leistungsunfähigkeit des Gesetzgebungsmechanismus sozialer Orientierung, geringe Effizienz der Wirtschaftsneuerung führte zu bedeutender Differenzierung der Bevölkerung nach dem Niveau materiellen Wohlstands, Verbreitung der Armut, Verschärfung des Beschäftigungsproblems, geringer Reproduktion der menschlichen Arbeitskräfte, Schwächung der Gesundheit und der Lebenskraft der Bevölkerung sind eine echte Bedrohung für die Entwicklung des menschlichen, arbeits- und intellektuellen Potenzials der Gesellschaft geworden. Die Wirksamkeit staatlicher und regionaler Politik zur Behebung der beschriebenen Probleme bleibt ungenügend. Bedeutende Erfolge regulatorischer Unterstützung der sozialen Entwicklung geben keine erwarteten Ergebnisse wegen geringen Staats- und Regionalmanagements, Unangemessenheit der gültigen Rechtsnormen und den Möglichkeiten ihrer Umsetzung. Die Ausbreitung der rechtlichen, sozialen, demografischen, wirtschaftlichen, ökologischen Probleme verursachte eine skeptische Einstellung der Ukrainer gegenüber dem Sozialstaatswesen. Deshalb ist es notwendig, zur Gewährleistung eines organischen Systemcharakters und einer Funktionsstrukturierung des Sozialstaats in der Ukraine die Prioritätsaufgaben seiner Entstehung und Entwicklung zu erfüllen. Die strategischen Prioritäten des Sozialstaats müssen flexibel sein und die Phasen der sozialen Entwicklung des Landes angemessen reflektieren. In einer langfristigen Perspektive fallen die Prioritäten des Sozialstaats zu einem gewissen Grad mit den jeweiligen in der Sozialpolitik zusammen, aber zur gleichen Zeit gehen sie darüber hinaus, da sie mit wirtschaftlichen, politischen, ökologischen, wissenschaftlichen, technologischen und anderen Bereichen der Gesellschaftsfunktionen verbunden sind.

Als Zusammenfassung des bisher gesagten können wir einen Schluss ziehen, dass die Prioritäten beim Aufbau eines Sozialstaates wie folgt sind: hohe Lebensqualität der Bürger, Überwindung der Armut, Bewältigung der Herausforderungen der Differenzierung der Gesellschaft; Stärkung des Genpools; Gesundheitsfürsorge, Entwicklung des intellektuellen Potenzials; Reformen in allen Bereichen des Gemeinschaftslebens; Aufnehmen eines Dialogs zwischen verschiedenen Schichten der Bevölkerung; effektive Sozialpolitik im Allgemeinen.

Um die Ukraine als Sozialstaat aufzubauen, ist rechtliche, finanzielle, personelle, administrative, organisatorische, wissenschaftliche und informationelle Unterstützung erforderlich. Die Mechanismen dieses Prozesses werden von den Subjekten der Bildung und Entwicklung des Sozialstaats in der Ukraine bestimmt gemäß den Befugnissen, die ihnen nach geltendem Recht der Ukraine erteilt wurden und durch

die spezifische Situation im Land und im Ausland bedingt sind. Dabei ist zu berücksichtigen, dass das Konzept von "sozialer Schutz" nicht ausreichend erarbeitet ist. Häufig wird dieser Begriff mit sozialer Sicherheit gleichgesetzt, während der Sozialschutz eine Marktkategorie ist. Der Sozialschutz ist ein sozioökonomisches Systemkonzept, dessen Hauptbestandteile (Stützungsgelder, Transfers usw.) darauf abzielen, die verwundbarsten Bevölkerungsgruppen vor Marktrisiken zu schützen. Aber wie die Erfahrung der postsowjetischen Länder zeigt, gehören nicht nur die Arbeitslosen, sondern auch die erwerbstätige Bevölkerung, deren Arbeitslohn keinen angemessenen Lebensstandard sichert, der Risikogruppe an. Es wirkt sich systemisch auf den Inhalt des Sozialschutzes aus und erfordert tiefgreifende Reformen im Einklang mit den Grundsätzen der Mitgliedstaaten der Europäischen Union. Das Bringen der ukrainischen Standards in Übereinstimmung mit den internationalen Normen ist eine wichtige Voraussetzung für den vollständigen Beitritt in den Weltmarkt. Die internationalen Organisationen und die Weltbank, die ihre eigenen Empfehlungen im Zusammenhang mit den nationalen Besonderheiten des Landes entwickeln, spielen eine kolossale Rolle in dieser Richtung.

Die Entwicklung der Standards erfordert die Berücksichtigung der wichtigsten Aspekte: (1) Standardisierung der sozialen Rechte. (2) Standardisierung, Sicherheit und Garantie der Lebensstandardindikatoren. Das Ziel der Entwicklung der Standards ist die Verbesserung des Lebensniveaus und die Verringerung des Spannungsniveaus in der Gesellschaft sowie des wirtschaftlichen und politischen Ungleichgewichts.

Zum ersten Mal wurden die Sozialstandards Europas 1961 entwickelt und von der Europäischen Sozialcharta angenommen. Deren Normen waren darauf ausgerichtet, die sozialen Rechte der Bürger zu schützen. Heute haben die meisten Länder der Europäischen Union die Charta, die vom Europarat 1996 gebilligt wurde, ratifiziert. Die Standardisierung der sozialen Rechte bedeutet folgendes: das Recht auf Arbeit und Berufsausbildung, das Recht auf Teilnahme an der Unternehmensführung, das Recht auf Information, die Rechte von Kindern, Jugendlichen und arbeitenden Frauen, das Recht auf kostenlose Grundversorgung, die Rechte der Mutter und des Kindes und viele andere. Die Mehrheit von ihnen spiegelt sich in der Gesetzgebung der Ukraine wider.

Die Standards eines Mindestlebensstandards bedeuten vom Staat garantierte minimale soziale Normen, die ein akzeptiertes Lebensniveau gewährleisten. Unter ihnen sind die Wesentlichen: Lebenserwartung, Alphabetisierung der Bevölkerung, Ausbildungsdauer, Kaufkraft, Geburtenrate, etc. Dies sind die Hauptindikatoren, die das Entwicklungsniveau und die wichtigsten Prognose werten des Landes auf mittlere und lange Sicht bestimmen.

Ein sehr breites Spektrum sozialer Standards des Lebensniveaus, ihre Vielfältigkeit bedingt die Schaffung eines universellen Systems der sozialen Expertise in der Gesellschaft. Eine ständige Überwachung nicht nur der sozialen Standards, sondern auch der sozialen Prozesse ist erforderlich. Eine soziale Expertise der Sozialstandards, deren Umdenken unter dem Gesichtspunkt der Sicherheit für die Gesellschaft Voraussetzung ist, ist extrem notwendig. Zuerst sollte eine Reihe von sozialen Mindeststandards des Lebensniveaus definiert werden, die der Staat garantieren

und einhalten muss. Politikwissenschaftlern zufolge wurde in der Ukraine schon seit Ende der achtziger Jahre des letzten Jahrhunderts ein ständiger Rückgang des Lebensstandards beobachtet. Dabei sank der Lebensstandard der am wenigsten wohlhabenden Bevölkerungsgruppen am intensivsten. Nicht nur ein längerer Produktionsrückgang, sondern auch eine bedeutende Differenzierung in der Gesellschaft war zu vermerken. Wenn man die einzelnen Länder der Welt vergleicht, beträgt die Einkommensrelation der Reichsten und der ärmsten Bevölkerungsschichten in China 7:1, in den EU-Ländern 5-7:1, in Japan 4,3:1 und in der Ukraine 30:1 [5].

Nichtsdestoweniger beobachten wir in den letzten zwei Jahren, seit der Unterzeichnung des Assoziierungsabkommens mit der EU, die Verabschiedung einer Reihe von normativen Dokumenten zur Änderung der Normen und Sozialstandards in der Ukraine. Zum Beispiel, die Verabschiedung von der Werchowna Rada der Gesetze "Über Bildung", "Über grundlegende Prinzipien und Anforderungen für die Sicherheit und Qualität von Lebensmitteln" und viele andere. Die Sozialstandards eines bestimmten Landes hängen direkt von den Weltmodellen ab, die für die Sozialversicherung verwendet sind:

1. *Das Sozialdemokratische Modell* hat eine bedeutende staatliche Verpflichtung für Sozialschutz und Vollbeschäftigung der Bevölkerung;
2. *Das Neoliberale Modell* (USA) identifiziert die Probleme des sozialen Schutzes und trägt ihre Lösung durch die Gewerkschaften bei;
3. *Das Neokonservative Modell* (Deutschland) wird durch gemischte staatlich-private Partnerschaften unter der obligatorischen Kontrolle des Staates realisiert;
4. *Das Beveridge-System* (GB, Irland) bedeutet, dass im Versicherungsfalle (Krankheit, Rentenalter, Tod, Entbindung usw.) jeder Bürger die soziale Versicherungshilfe vom Staat benutzen muss (der Schutz der Bürger mit einem Mindesteinkommen).

So können wir schließen, dass ein spezifisches Modell des Sozialschutzes die Eigenart der Sozialstandards jedes Landes bildet. In den meisten Ländern mit einer Transformationswirtschaft besteht der Wunsch, ein System des sozialen Schutzes aufgrund eines garantierten Mindesteinkommens, des staatlichen Sozialstandards, zu schaffen, aber finanzielle Schwierigkeiten leider daran hindern. Kein Land mit einer Transformationswirtschaft hat heute entsprechende finanzielle Mittel, um ihren Bürgern einen ausreichenden Mindestlebensstandard sicher zu garantieren.

Eine wichtige Priorität für die Ukraine ist jetzt die Bekämpfung der Armut und die Marktformen, um es zu ermöglichen, eine mittlere Klasse zu bilden, die zivilisierte Lebensbedingungen haben wird. Wenn die Gesellschaft nicht in der Lage ist, ihre Rechte und Freiheiten auszuüben, führt dieses Phänomen zu einer Verringerung der politischen Aktivität der Bürger auf staatliche Ebene. Das ist ein völlig neues Mittel der Kommunikation zwischen Menschen aufgrund der Gerechtigkeit, Frieden, Solidarität und nicht nur der Schutz der Schwachen. Es ist eine stabile sozioökonomische Entwicklung. Der Sozialstaat muss ein würdiges Dasein und Harmonie in der Gesellschaft sichern durch die Schaffung von Stimuli für die Bürger, ihre eigenen Probleme selbst zu lösen, und eine Garantie der Freiheiten bieten. Die Überwindung der Krise in der Gesellschaft und die

Entwicklung des Landes sind nur unter der Voraussetzung einer erfolgreichen Umsetzung von Reformen in verschiedenen Bereichen und unbedingten Schutz der Interessen des Bürgers möglich.

Das Jahr 1993 gilt als ein formeller Beginn des Funktionierens des Marktes der Europäischen Gemeinschaft, als die Staats- und Regierungschefs der EU die Notwendigkeit erkannten, ein Gleichgewicht zwischen "wirtschaftlichen" und "sozialen" Aspekten zu erreichen. Auf der Tagung in Rom im Dezember 1990 erklärten die Staatschefs, dass die Schaffung eines einheitlichen Marktes zu einer echten Verbesserung der Beschäftigungssituation und der Erhöhung der Lebens- und Arbeitsstandards für alle "Bürger der Gemeinschaft" beitragen sollte [6, S. 41].

Von den Deklarationen zu sozialen Fragen, die die Römischen Verträge enthielten, deren 45. Jahrestag 2002 gefeiert wurde, der Verallgemeinerung und der Zusammensetzung eines Komplexes sozialer Probleme und der Formulierung allgemeiner Aufgabe in der Charta der sozialen Grundrechte für Arbeitnehmer, die 1989 in Paris angenommen wurde, hat die Sozialpolitik den Weg zu ihrer Anerkennung eine unabhängige Richtung der EU-Tätigkeit eingeschlagen, die unmittelbar alle Lebensbereiche der Gemeinschaft beeinflusst. Es wurde in den speziellen Dokumenten festgelegt, dass das Abkommen über die Sozialpolitik und das Sozialprotokoll in Maastricht besprochen und angenommen und zum Vertrag über die Europäische Union beigefügt werden [7, S. 23].

Auf dem Amsterdamer Gipfeltreffen im Juni 1997 wurde die Sozialpolitik als eine der wichtigsten Bereiche der Tätigkeit der Europäischen Union anerkannt, das sich in den angenommenen Dokumenten widerspiegelt. Auf dem Gipfeltreffen wurde das Bekenntnis zum Schutz der sozialen Grundrechte bestätigt, wie von der Europäischen Sozialcharta 1961 sowie der Charta der sozialen Grundrechte für Arbeitnehmer 1989 definiert. Zugleich zeichneten sich in Amsterdam die Änderungen in den Ansätzen zur sozialen Dimension der 90er Jahren ab, die Aktualität sozialer Bereich wurde anerkannt. Der Sozialpolitik wurde ihr legitimer und wichtiger Platz unter anderen Aktivitäten der EU in der Wende vom 20. zum 21. Jahrhundert zugewiesen. Das Leben hat gezeigt, dass der Rückstand der Sozialpolitik, insbesondere der Wirtschaftliche, der in der Anfangsphase der Integration als eine Priorität betrachtet wurde, unannehmbar ist.

Die EU-Erfahrungen und theoretische Erarbeitung sind für die Ukraine sehr wichtig, um demokratische Reformen durchzuführen und einen demokratischen, unabhängigen, sozialen Rechtsstaat aufzubauen. Der Wert eines richtig gewählten sozialpolitischen Modells kann nicht hoch genug geschätzt werden. Die soziale Dimension ist mit dem Problem der Machtverhältnisse im Staat, der Fähigkeit der Regierung, die Gemeinschaftspolitik in alle Richtungen zu führen, verbunden. Heute können viele Probleme nicht auf nationaler Ebene gelöst werden und müssen auf eine regionale und internationale Ebene gebracht werden. Die Stärkung der sozialen Basis der Politik ist eine unabdingbare Voraussetzung für den Aufbau und die Entwicklung des Integrationsprozesses. Ein wichtiger Grundsatz der Integrationsentwicklung ist die Herstellung eines Dialogs zwischen den Sozialpartnern und die Erzielung eines Konsenses über die Entscheidungsfindung.

Gleichzeitig dient der Dialog auf verschiedenen Ebenen – von Regierungen bis zu Akademikern, Massenorganisationen, Unternehmern usw. – dem Zweck, dass die Partner lernen, einander zu verstehen, die Interessen von anderen zu respektieren und die zwischen ihnen bestehende Verbindung zu begreifen. Die Beteiligung der gesellschaftlichen Organisationen an der Lösung sozialer Probleme erfolgt durch traditionelle demokratische Institutionen, wie z.B. Parteien, Gewerkschaften, Unternehmerverbände und staatliche Strukturen. Überdies, wie das Beispiel der EU zeigt, werden jetzt sogar die traditionellen Formen auf eine neue Ebene gebracht (ein Beispiel ist der europäische soziale Dialog). Die Praxis beweist, dass die Schwächung des Dialogs zwischen offiziellen staatlichen Institutionen und dem Gemeinwesen zu politischen Schwierigkeiten führt.

Die Änderungen im sozialen Bereich sind ein Indikator für wirtschaftliche und politische Transformationen jeder Gesellschaft. Ohne diese Änderungen entsteht soziale Unzufriedenheit und die Möglichkeit eines Konfliktes. Außerdem ist die Sozialpolitik ein Mittel, die Menschen in die Lösung der wichtigsten Probleme der Gesellschaft einzubeziehen, um den Wohlstand der Bevölkerung zu sichern. Sozialpsychologische Faktoren spielen eine große Rolle bei der Schaffung einer sozialen Basis, die zur Stabilisierung der Situation innerhalb des Landes und in den Beziehungen mit den Nachbarn beitragen wird. Die Sozialpolitik der Ukraine gehörte immer in den Kompetenzbereich des Staates, war sein Monopol. Im Reformprozess wurden die vorhergehenden Mechanismen zerstört und die Schaffung neuer Mechanismen ist ohne tiefgreifende wirtschaftliche Änderungen unmöglich geworden. Heute verfügt unser Staat nicht über ausreichende materielle Ressourcen, um soziale Probleme zu lösen. Dadurch entsteht ein Mangel an Vertrauen in die Regierung, soziale Unzufriedenheit, sowie ein Modell des Massenbewusstseins, das sich durch eine gewisse Trägheit bezüglich der vom Staat vorgeschlagenen Sozialpolitik und sogar die Ablehnung der Reformen charakterisiert. Das schwierigste ist die Änderung der Mentalität der Bevölkerung, die notwendig ist, um eine soziale Basis zu schaffen, die die Regierung bei der Durchführung lebenswichtiger Reformen unterstützen kann.

Im Zusammenhang mit dem Gesagten sieht die Bewegung der Ukraine in die EU äußerst schwierig aus. Über die europäische Integration der Ukraine wird viel diskutiert. Die Eingliederung in die EU wurde zu einer zentralen außenpolitischen Priorität erklärt und im Programm der Regierung als ein strategisches Ziel des Staates definiert. Nach den Ergebnissen einer Expertenbefragung genießt der Kurs der europäischen Integration in der ukrainischen Elite die größte Unterstützung. Fast die Hälfte der Befragten (48%) ist der Ansicht, dass die Kontakte mit den EU-Ländern die höchste Aufmerksamkeit verdienen [8]. In den Meinungen des ukrainischen Establishments verändert sich die Mehrdirektionalität zugunsten der europäischen Integration.

Gleichzeitig ist die Idee der europäischen Bewegung im Bewusstsein der Bevölkerung noch nicht ein vereinheitlichender Faktor geworden. Die Mehrheit der Bevölkerung glaubt, dass es sicherer ist, das zu entwickeln, was traditionell ist, dass die europäischen Länder nicht bereit sind, die "Bürde" der Armut der Länder

mit einer Transformationswirtschaft zu übernehmen, dass die europäischen Märkte an den ukrainischen Waren nicht interessiert sind, dass die wirtschaftlichen Entscheidungen meistens durch politische Motive beeinflusst sind. Es muss bemerkt werden, dass die öffentliche Meinung von Medien fast nicht beeinflusst ist: in der Ukraine gibt es praktisch keine gezielte Informations- und Aufklärungsunterstützung der Integration unseres Staates in die Europäische Gemeinschaft. Deshalb soll der Staat die Idee der europäischen Integration mit konkreten praktischen Schritten unternommen werden, die die sozioökonomischen Vorteile der Integration der Ukraine in der EU beweisen werden.

Nach Ansicht der Experten herrscht jetzt in der EU die Tendenz der Distanzierung von der Ukraine als ein "problematisches" Land vor, obwohl formell ziemlich viele Erklärungen über die Unterstützung unseres Landes gemacht werden. Zu Beginn des 21. Jahrhunderts verhielten sich 48% der Experten der EU zur Ukraine als ein Staat, der keine Aussichten auf einen Beitritt zur EU hat, und weitere 36% der Befragten interessierte dieses Thema überhaupt nicht, und nur 7% der Befragten behandelten die Ukraine als einen potenziellen gleichberechtigten Partner [9, S. 117]. Nach einer Umfrage, die von dem amerikanischen Institut für Analytik "German Marshall Fund" vor kurzem durchgeführt wurde, unterstützen 52% der Befragten in der EU die Annäherung mit der Ukraine und der Rest ist dagegen [10, S. 26]. In dieser Situation, in der die ukrainischen Bürger in ihren Ansichten über die Integration mit der EU polarisiert sind und in den EU-Ländern man meist gleichgültig gegenüber dem Schicksal der Ukraine ist, steht unser Staat vor der Frage über die Notwendigkeit eines besonderen Ansatzes zur Entwicklung einer Integrationsstrategie oder deren Präzisierung. In diesem Sinne kann man von zwei Ebenen des Problems sprechen: die "interne Dimension" als die Charakteristik der Prozesse innerhalb der Europäischen Union und außerhalb davon (zwischen den Mitgliedern der Europäischen Union) sowie die "externe Dimension" [11]. Zur gleichen Zeit hängt doch alles in dieser Stufe von uns selbst ab und liegt in der Fläche des inneren Faktors der Entwicklung und dessen Selbstversorgung. Unserer Meinung nach geht es um die Fähigkeit der Ukraine, die europäischen Standards in wirtschaftlicher, sozialer, demokratischer und rechtlicher Hinsicht hin unabhängig umzusetzen.

Angesichts der komplexen Ausgangsbedingungen, dem Ausmaß und der Natur der Transformationen in der Ukraine wird die Übergangsperiode lang sein. Die Struktur des Wirtschaftskomplexes der Ukraine auf der Makro- und Mikroebene ist noch nicht gebildet, die Eigentumsbeziehungen haben die Eigentumsbildung mit einem verantwortlichen Besitzer nicht sichergestellt. Nach den Schlussfolgerungen von Wirtschaftswissenschaftlern ist die Umverteilung von Eigentum in der Ukraine "nicht mit dem Erhalt der Einkünfte durch effektive Wirtschaftstätigkeit verbunden" [8, S. 90]. Deshalb ist die Ordnung des ökonomischen Systems der Ukraine eine Voraussetzung, ein Hintergrund für ihre stabile, freie, unabhängige wirtschaftliche Entwicklung, gestützt auf die die Bildung in der Gesellschaft solcher philosophischer Prinzipien, an einen Sozialstaat, eine Allianz der entwickelten Länder, heranzugehen.

SCHLUSSFOLGERUNGEN

Zusammenfassend können wir feststellen, dass der angekündigte Wunsch der Ukraine, einen Sozialstaat aufzubauen, in die Richtung der Europäischen Union gehend, einen eigenen enormen Wert für die Ukrainer hat. Aber es muss daran erinnert werden, dass dieser Weg vorteilhaft und schmerzlos sein kann. Unter der Bedingung der Ordnung des Wirtschaftssystems der Ukraine, das die wichtigste Voraussetzung und Hintergrund für seine stabile, freie und unabhängige wirtschaftliche Entwicklung, die Bildung in der Gesellschaft von weltanschaulichen Prinzipien, nach denen man in die Richtung eines Sozialstaats, der Union der entwickelten Länder gehen kann, ist. Nämlich dieser Aufbau von hochwertigen organisatorischen Beziehungen wird es ermöglichen, den modernen Ansätzen zum wirksamen Management von Staatsressourcen in Form von einheitlichen und sicheren Standards zu entsprechen. Das systematische Ergreifen von Risikomanagementmaßnahmen in der Ukraine kann Änderungen verursachen, die die Flexibilität und die Anpassung der nationalen Standards und der Ansätze an die Bedingungen eines neuen, an europäischen Werten orientierten Umfelds gewährleisten würden.

Es wird erlauben, die angemessene Korrektur und Auswirkung auf interne und externe Bedrohungen zu sichern. Die Festlegung der verbindlichen Normen im Gebiet der Sicherheit und Ökologie auf Gesetzebene, insbesondere der Abfallwirtschaft, wird viele Probleme lösen, vor denen nicht nur die Ukraine, sondern auch die Weltgemeinschaft steht. Die Anwendung internationaler Standards am Niveau der nationalen Wirtschaftssubjekte wird erlauben, eine völlig neue Lebensqualität der Ukrainer sicherzustellen. Es ist wichtig zu verstehen, dass ohne Festlegung auf Gesetzebene der verbindlichen Normen, die an internationale Dokumente angepasst sind, die Ukraine dem Weg der Umwandlung des sozialen Bereichs der Wirtschaft nicht weiter folgen kann.

Als Zusammenfassung des Gesagten muss zugegeben werden, dass der Wunsch allein nach einem Beitritt der Ukraine zur EU bei Weitem nicht genug ist. Es ist nötig, entsprechende makroökonomische Indikatoren, eine stabile, an die europäischen Standards angepasste Legislation, ein notwendiges Investitionsklima, eine solide zuverlässige Währung, Exportmöglichkeiten und am wichtigsten – ein gewisses Niveau der Sozialstandards, die bereits erreicht wurden, zu haben. Sonst kann es das schwierige Leben der ukrainischen Bürger nur verschlimmern. Realistische soziale Strategien der europäischen Integration können erst verwirklicht werden, wenn unser Staat einen angemessenen Platz in der internationalen Arbeitsteilung und der europäischen wirtschaftlichen Integration einnehmen wird.

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THE IMPOSSIBILITY OF SOCIAL CHOICE AND THE ACHIEVABILITY OF JUSTICE IN THE KENNETH ARROW'S INTERPRETATION

(In memory of Kenneth Arrow)

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Abstract: *The economic science traditionally focused on efficiency often demonstrates distancing from the problems of justice. The economic justice achievement is an integral part of the field of social choice. Kenneth Arrow's main contribution to the theory of social choice lies in the impossibility theorem. It defines the social choice achievability only as a dictatorial imposed decision. On the one hand, thus, the distributive justice is doomed to liberal unattainability. At the same time, it opens the possibility of integrating interpersonal comparisons of utility as a source for establishing a collective decision in favor of the requirements of justice. Thus, from the Arrow's impossibility, social choice actually becomes the basis of rational, conscious and deliberate social progress and justice.*

Keywords: *social choice, impossibility theorem, economic justice, interpersonal comparisons of utility*

INTRODUCTION

Modern economic science traditionally focused on efficiency, ignores the problems of a fair distribution of goods. But, since ancient times, economic justice has been associated with reciprocity, equivalence and impartiality. Liberty, equality and democracy are an integral part of the models of social and economic justice. The interpretations of Pareto efficiency criterion have been often stand out in the concepts of justice. This achieves consistency and commensurability between fairness and efficiency. Justice, as a part of normative economics, is treated more as a result of economic policy. Thus, justice inevitably fits within the scope of the theory of social choice.

The *aim of this article* is to outline, the Kenneth Arrow's contribution to contemporary deliberative idea of economic justice, based on the impossibility theorem and social choice.

MATERIALS AND METHODS

The modern appearance of social choice theory is conceptualized by Kenneth Arrow with his "theorem of impossibility" (optimistically called the "general possibility theorem") that justifies the inevitability of dictatorship in attempts to make collective decisions. The result is a deprivation of participation and ignoring the diversified preferences and interests. The social choice arranges a collective will in the form of a decision, defining the direction and nature of public action. The collective action or the *social choice function* is an expression of individual

preferences and values (see Arrow [1952], 1983c, p. 50). The principle of constitution of social choice or scaling the social choice function is an analysis of the conditions for making collective decisions reflecting the individuals' desires forming the community. Arrow's impossibility theorem arranges the unity of individual preferences as an aggregate social result. He identifies the *social choice function* with a *social welfare function* (see Arrow, *ibid*, p. 50). The function of collective welfare and choice is composed by ordered aggregate individual preferences applying axiomatic five conditions:

Condition 1: Unrestricted domain (universality) (see Arrow, [1951] 1963) or *Positive Association of Social and Individual Values*"(see Arrow [1950], 1983a, p. 15). It is an expression of *collective rationality* (Arrow, *ibid*, p.52). Unlimited individual preferences should always be aggregated and integrated into social choices, such as "...social ordering responds positively to alteration in individual values..." (Arrow, *ibid*, p. 51).

Condition 2: Pareto efficiency according to which when every individual ranges the alternative x before y, therefore the social ordering will be the same (see Arrow [1967], 1983d, p. 70). According to this principle, if members of a community reach a consensus in their preferences, society must ensure that these preferences are realized, even if it is contrary to some fundamental liberal perceptions.

The problem is not the dilemma of efficiency but justice that inevitably results in Pareto's optimal results. A. Sen focuses the attention to the relevance and admissibility of Pareto's criterion in the methodological frameworks of social choice. If the preferences of each individual are taken into account in collective choices, the striving of maximizing personal well-being opposes the requirement that they have to be equivalent to the community solution for imaginary aggregate desires. A. Sen concludes that "while the Pareto criterion has been thought to be an expression of individual liberty, it appears that in choices involving more than two alternatives it can have consequences that are, in fact, deeply illiberal" (Sen, 1970, p. 157).

Condition 3: "*The Independence of Irrelevant Alternatives*"(see Arrow [1950], 1983a, p.15). The multitude of options and preferences, and changes therein that are beyond the specific alternatives are indifferent to the ongoing choice.

Condition 4: "The social welfare function is not to be dictatorial", "*Non-dictatorship*"(see Arrow [1950], 1983a, p. 18), or the requirement that the preferences of any individual cannot automatically become social (see Arrow [1967], 1983d, p. 71).

In addition to the fourth condition, one more can be highlighted:

Condition 5: "*Citizens' sovereignty*"(see Arrow [1950], 1983a, p. 17), according to which "the social welfare function is not to be imposed"(Arrow, *ibid*, p. 18), i.e. to be the expression of the aggregate individual preferences generated by the particular choice.

The satisfaction of these conditions is an emanation of democratic civic sovereignty built into the constitution of social ordering of preferences only on the basis of aggregated individual scales. They are the foundation of public strategies and policies. The idea of social choice reflects the eternal striving of human rationality for the formulation and application of conscious social and economic

order and justice. Unfortunately, in the presence of three different social circumstances, the function of social choice does not satisfy these conditions. The fulfillment of conditions 1, 2 and 3, blames condition 4 or 5, thereby condemning the social choice of impossibility. Applied separately, conditions 1, 2 and 3 were not supposed to produce an impossible choice, but it is achieved (see Sen, [1983], 2005a, p. 261).

The conclusion is that individual preferences cannot be transformed into social ones, unless they are imposed or dictatorial. The social choice, as an expression of an integrated identical function of welfare that reflects the shared notion of social and economic justice, is intangible. But, at the same time, Arrow admits that justice is inseparable from the problem of social choice (Arrow, 1974).

The justice is a function of social approval and obedience. They are also a source of stability. Arrow emphasizes that the achievement of distributive justice is part of the political process of collective decision-making rather than the result of strictly defined economic choices (Arrow, 1974, p. 17).

It can be summarized that with the impossibility theorem K. Arrow proves that it is impossible to construct a mechanism for the incorporation of aggregate individual preferences into public action. He affirms the incompatibility between rationality and egalitarianism in the decision-making process, which discredits a significant part of the modern democratic choices.

RESULTS

From the impossibility of a common welfare function, K. Arrow concludes for incomprehensibility of rational social choice. He identifies the common welfare function with decision-making and making choices³⁶ (see Buchanan, 1954, p. 115). J. Buchanan believes that even if there is no coincidence between individual and social preferences, the decision-making process produces a consistent choice (see Buchanan, *ibid*, p. 115).

The social rationality is a community's attribute and cannot be defined by comparing it with individual preferences.

In the paradigmatic frameworks of individualism, the rationality is an attribute of an individual who defines its values and goals. The community, as a separate unit, could have a value arrangement that is different from the individualistic one (see Rothenberg, 1953).

In the individualistic utilitarian philosophy, the social welfare function summarizes individual preferences, but does not coincide with the process of choice. Social rationality in this case indicates the maximization of the total utility. The mechanisms of the election and the market decision-making are socially rational if they are proportionate to the individual value (see Buchanan, *ibid*, p. 117).

³⁶ K. Arrow indicates the social welfare function as a "process" (see Arrow, [1951] 1963, [1950] 1983a, p. 14) of coincidence between individual and social preferences. This term produces confusion and mixing between the social welfare function and the election process embodied by the vote and the market (see Buchanan, 1954, pp. 114-155).

K. Arrow's analysis is applicable to the decision-making and majority voting methodology³⁷ as these decisions do not reflect the consistency of group preferences. The theorem is not applicable to the circumstances of choice with unanimous consent. J. Buchanan argues that the existence of a common function of welfare on Arrow is not a prerequisite for making a decision. The timing and circumstantial condition of majority choice predetermines the lack of completeness and transitivity in it, which prevents the transformation of this choice into a common welfare function (see Buchanan, *ibid*, pp. 118-119). J. Buchanan proves that the incompleteness of the collective choice attached to the vote is a characteristic of political democracy. K. Arrow's procedural rules are related to the discredit of interpersonal comparisons. The goal is to construct the rules for social choice in rejecting the consensual form.

The conditions for transforming individual preferences into social, which K. Arrow formulates, aim the abstraction of interpersonal comparisons of the utility of the collective decision-making process (Arrow [1950], 1983a, p.24). Solely the individual preferences should influence the choice, not the nature of the circumstances and the nature of the alternatives. This is a requirement of neutrality³⁸ that K. Arrow proves as a result of the collaboration between axioms 1, 2 and 3. Collective rationality and the Pareto efficiency refer to each individual preferences orderings, and they do not imply a comparison between different social rankings and states. The independence of irrelevant alternatives and non-dictatorship affect the relationship between the social order and the scales of individual preferences (see Arrow [1967], 1983d, p. 71).

The "impossibility theorem" contains the imperative of neutrality and strongly narrows the application of the procedure in the field of social and economic justice. There, a comparison between the parameters of the situation and the characteristics of the alternatives plays a key role. The imperative of neutrality, embodied in individual preferences, inevitably leads to impossibility to make choices. Arrow himself admits that normative judgment of interpersonal comparisons leads to distributive justice (Arrow, 1985, p. 142).

The integration of interpersonal comparisons of utility into the sphere of collective choice within the impossibility theorem represents a path to the achievability of social justice through the diffusion, both between the economic analysis of welfare and the moral philosophy, and between the normative theory of collective choice and the traditions in ethics (see Sen, [1983] 2005a, p. 268). The fairest way to assess the economic inequalities and the suffered social injustice is through the people's real actions and capabilities (see Sen, [1982] 1997, 1985a,

³⁷ A generally recognized method of aggregating individual preferences is the vote, but K. Arrow himself admits that the majority choice is not applicable to economic distributions, since, according to the will of the majority, some may be enriched at the expense of others (see Arrow, 1985, ch. 6, 9, 12). And one of K. Arrow's leading motives to analyze the mechanisms and outcomes of social choice is precisely to improve income distribution procedures. According to A. Sen, the problem of income distribution cannot be solved without interpersonal comparisons of the utility that K. Arrow rejects.

³⁸ The neutrality is achieved by narrowing the configuration of individual preferences, where the applicable field of attempts to achieve distributive justice is limited, for example, to the "maximum" of the theory of J. Rolls (see Arrow [1973] 1983b).

1985b), which requires the use of interpersonal comparisons of utility. The interpersonal comparisons show the inequalities in welfare and opportunities.

The information base of interpersonal comparisons may be freedom, welfare and open opportunities. These comparisons are always partial, but they indicate social judgments and decisions. The variety of indicators of social choice allows constructing more complex scales of preferences as well as meta-classifications through which to redefine their aggregation as an expression of collective will (see Sen, 2005b). The Arrow's impossibility theorem does not mean the impossibility of rational social choice at all. But, the impossibility of such a choice based on limited information. The distributive choices made only on the basis of majority preference do not take account of concomitant information circumstances and run the risk of achieving an extremely unfair and damaging solution (see Sen, 1999, p.251). The choice of the majority made in the context of limited information satisfies the requirements of formal procedural rules but cannot be relevant to the requisites of social and economic justice.

DISCUSSION AND CONCLUSION

The Arrow's impossibility theorem is in fact a bridge to the possibility of social choice, because it puts it in dependence with the information base of social decisions. The interpersonal comparisons of utility cannot be a panacea for the liberal paradox. The private sphere is based on everyone's personal choices, not the preferences of others. Moreover, the Pareto criterion of efficiency is based on compliance in people's preference for choosing between two options rather than comparing these preferences (see Sen, 1998, p.200). Thus, "the ultimate guarantee for individual liberty may rest not on rules for social choice but on developing individual values that respect each other's personal choices" (Sen, 1970, p. 155).

The mutual tolerance for personal choices can be guaranteed by effective democratic practice. It can be summarized that the "impossibility" of social choice in Arrow determines the feasibility of social and economic justice by integrating interpersonal comparisons of utility in the context of the information base of the particular social situation.

The analysis of Kenneth Arrow's contribution to the achievability of economic justice through social choice makes it possible to draw the following conclusions:

First, the establishing an identical integrated social welfare function as an expression of the shared idea of social and economic justice through the impossibility theorem is based only on a dictatorial imposed decision. The conditions of the theorem do not take into account the possibility of making a consensual decision that produces a consistent community strategy to achieve economic justice.

Second, the consensual community decision is a projection of social rationality that goes beyond the narrow frameworks of maximizing personal well-being. Social rationality embodies the commensurate proportionality between personal and collective utility as a result of interpersonal comparisons. Expanding the information base of social choice through interpersonal comparisons of utility leads

to its attainability in the form of a consensus as an expression of community welfare and a preferred alternative for social and economic justice.

Third, interpersonal comparisons of utility, together with the liberal recognition of the right to personal choice and the democratic consensual formula, make the achievement of distributive justice through integration into social choice.

The social choice, as an embodiment of public reason, values and preferences, expresses the idea that it is possible to achieve rational, conscious, deliberate progress and justice.

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JEL: O40, P20

OBsolescence of Physical Capital IN THE COURSE OF TRANSITION

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Abstract: *This study explores the main factor of one country's economic growth is physical capital and its changes in the course of transition. It provides a broad portray of one specific issue is obsolescence of physical capital that have been recorded in the course transition, but have been marginalized in growth studies for transition economies. Hence, this paper brings forward the discussion on obsolescence that should be considered as highly relevant for economies in transition. Not only it affected the actual processes of restructuring and reallocation in transition countries, but it also affects contemporary economic growth measured by the GDP per capita movements of the countries, especially lagging transition countries.*

Keywords: *physical capital, obsolescence, gross fixed capital formation, transition economies*

INTRODUCTION

National wealth of one country is defined as the sum of physical capital, human capital, technical progress; and social capital (Soubotina and Sheram, 2000). This classification comprises the main determinants of one country's growth. And although, today, the list in growth theory and the associated growth empirical literature has been heavily enlarged by many new determinants and factors, the focus of this study will be to offer a broad portray of the first main component of national wealth as physical human capital. In the course of transition, ex-socialistic countries experienced huge changes in social, political, economic, institutional and social life, moving from planned to market economy, and from closed to open economy. All those changes affected physical capital in transition countries in an abrupt and severe ways not recorded in developed market economies.

The main idea of this study is to focus on the changes in physical capital in the course of transition. All countries in transition are included in the analysis within their familiar regional groups: Central Eastern European Countries (CEECs), that managed to access EU, Baltic Countries (BCs), South Eastern European Countries (SEECs) and Commonwealth of Independent States (CIS). This study is organized as follows. Firstly, physical capital formation is discussed followed by the elaboration on Gross Fixed Capital formation and discussion on the relation between GFC and GDP per capita indicators. In addition, the issue of obsolescence of the physical capital is discussed. In summary, the figures suggest the importance of the changes in physical capital for growth in the course of transition.

PHYSICAL CAPITAL

Physical capital stock refers to any manufactured asset that is applied in the production process, such as equipment, machines, buildings, or vehicles; and depends on capital formation, which is considered as a joint result of two processes with opposite signs: investments and depreciation through time (Samuelson and Nordhaus, 2004; Diewert, 2004). Depending on changes in those variables, capital stock may expand over time increasing the available capital per worker and thus the overall productivity in the economy. Thus, tracking the changes in investments and depreciation gains special interest in studies.

However, in spite of its importance, estimates of capital stock and its changes are rare for transition countries. Legacies of the previous system deter the assessment of the capital accumulation process in transition countries (Akerlof et al, 1991). The efforts to over invest at the beginning and overstate physical capital in the later stages of socialism resulted in a doubtful calculation of the capital stock at the very beginning of transition. During the actual transition, lack of data on investments and especially on depreciation, which was changing unpredictably, added to the problem of its assessment. Therefore, the huge obsolescence of physical capital at the onset of transition and possible changes later could only be speculated on in growth studies, but not completely estimated and confirmed. This important issue will be extensively discussed.

INVESTMENTS

Investments are identified in the economic growth literature as one of the key factors of growth. In the case of industrial economies, investments enter growth accounting and regression studies as a main indicator that resembles the movements in physical capital stock under the assumption of a relatively stable depreciation rate. However, as far as transition countries are concerned the investments role in growth regressions has changed. Namely, in the absence of a stable depreciation rate they cannot proxy the movement in physical capital stock appropriately (Havrylyshyn, 2001; Duczynski, 2003).

Due to lack of data on investments and physical inherited capital, Gross Fixed Capital (GFC) formation data series will be used in the following analysis in order to gauge the movements in the physical capital during transition. However, a caveat about the data series used should be introduced at this point. Namely, this indicator measures the value of purchase of new or existing fixed assets by the business sector, governments and households decreased for the disposals of fixed assets. However, it does not include financial assets, stocks of inventories and other operating costs, as well as land sales and purchases. In addition, it does not deduce part for depreciation of fixed assets to the investment data.

This is an important point, as sudden obsolescence recorded in the course of transition, significantly affected net investments in the economies. The World Bank gives the full definition of the GFC formation (The World bank, Indicators Catalogue, 2017). In general, it shows roughly how much of the new value added in the economy is invested. Although it is imprecise indicator for the new investments in one economy, in the absence of better indicator, GFC formation movements can be used in order to proxy for the value of new physical capital.

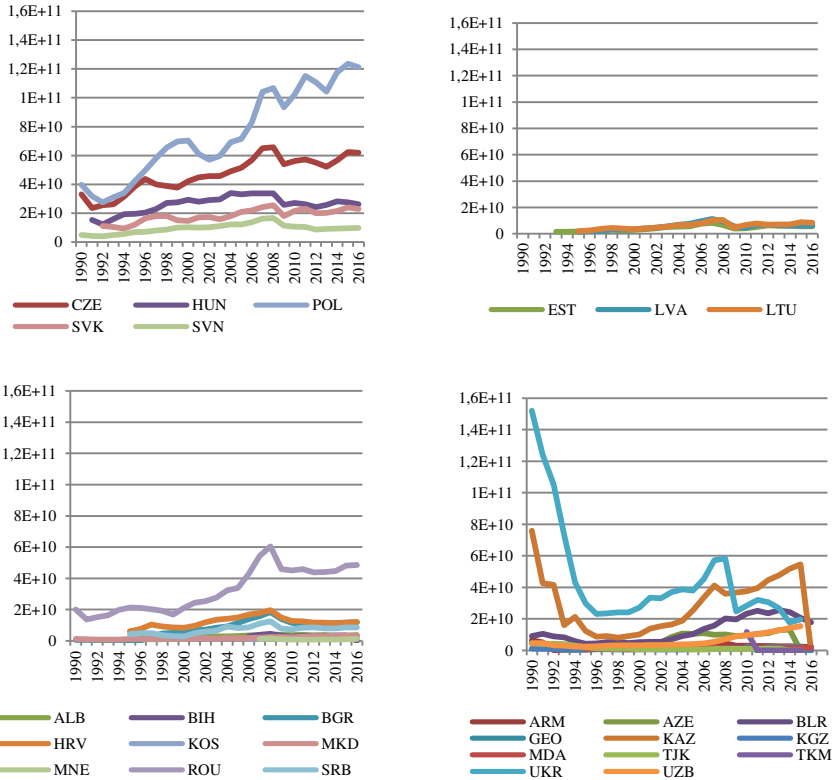


Figure 1: Gross fixed capital formation in transition economies (in constant 2010 USD, period 1990-2016 CEECs b) BCs

Source: World Bank, World Development Indicators (Edition 2017)

Figure 1 gives the GFC formation indicator for various transition economies. The x-axis gives the time horizon, starting from 1990 to 2016, while y-axis present GFC formation measured in constant 2010 USD. The measurement unit is used for better comparability of the data. Countries are grouped according to the above categorization. Gross fixed capital formation felt the most at the beginning of transition in all transition economies. However, after the first much smaller shock, CEECs (Figure 1 a) managed to increase investments extensively and steadily, achieving the highest values compared to other transition groups, with Poland and Czech Republic being the leaders. For BCs and SEECs groups (Figure 1b and 1c), respectively) this indicator seems to be stalled after the first recovery on relatively low levels. Similarly, in CIS group (Figure 1d); after the GFC fell drastically, it is stalled on low levels, with Ukraine, Kazakhstan and Belarus, recording higher levels as compared to other countries within the group. These three countries seem even in better position than the BCs; however, that should be taken with caution, having their size and abundance with natural resources in mind.

There are some additional observations worth making. Namely, investment (GFC formation) declined sharply in the early 1990s in all transition countries, but it is unclear what the impact of GFC movements on the GDP pattern was. Thus, in addition, GDP per capita movements (in constant 2010 USD) are given. In *Figure 2*, the y-axis gives the GDP per capita indicator for various groups. Notably, *Figure 2* suggest similar story to the figures above for most of the transition countries. Namely, after the first downfall, CEECs (*Figure 2a*), managed to increase GDP per capita steadily, achieving the highest values compared to other transition groups, with Slovenia being the leader. CIS and SEECs groups (*Figure 2d and 2c*) seem to record similar low levels of GDP per capita, which increases slightly more in former group. BCs group records high increase in GDP per capita levels, comparable to CEECs.

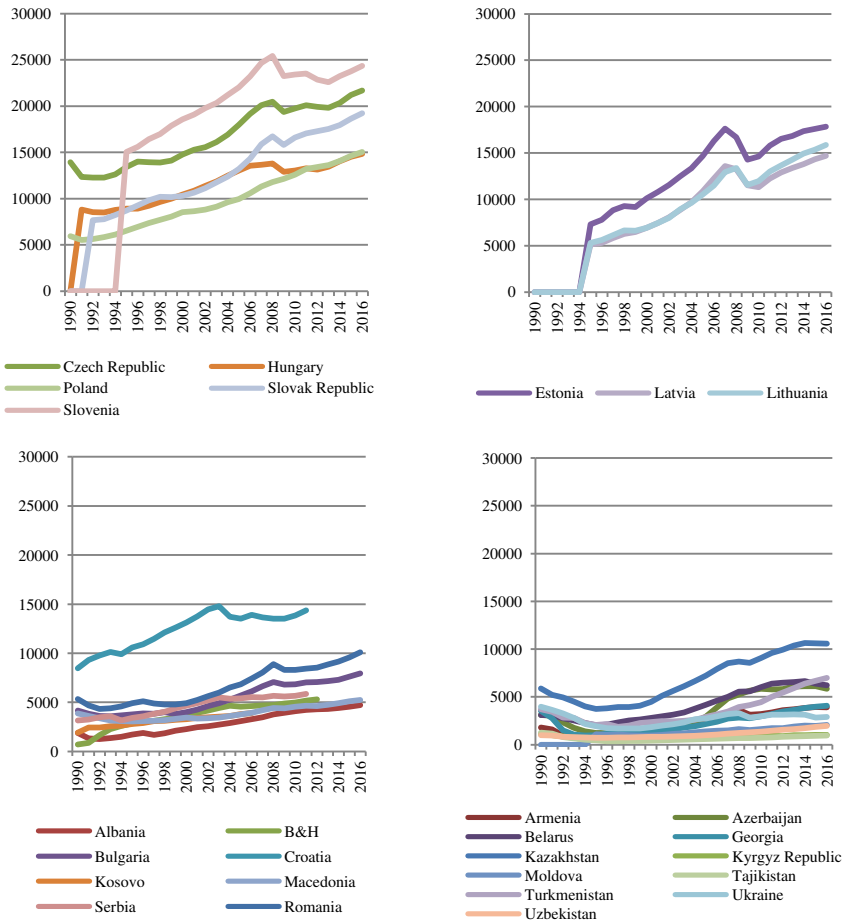


Figure 2: GDP per capita in transition economies in constant 2010 USD, 1990-2016

Source: World Bank, World Development Indicators (Edition 2017)

When both *Figures 1* and *Figure 2* are considered in association, the common feature which becomes obvious is the overlap among the two indicators (GFC and GDP per capita) in the course of transition in all countries, with BCs group showing the smallest resemblance. In addition, it seems that the increase in GFC preceded the revival in GDP per capita indicator. Another point worth noting is that the CIS and SEECs group of countries recorded low GFC movements, with this indicator experiencing reversals during the first almost fifteen years or so of transition, which might have affected the length of the recovery, among other factors (Merlevede, 2003). Analysts usually attribute their volatile dynamics to the inhospitable environment for investments and to the unclear-defined rules and regulations. In contrast, the CEECs countries recorded a continuously positive relatively sustained rise in GFC indicator. Interestingly, BC group records relatively low GFC levels, accompanied by significantly higher GDP per capita levels, which might indicate that GDP growth in this group is predominantly based on the other factors of growth, rather than the growth in physical capital. Although suggestive, these figures do not reveal anything about the underlying composition of investment in the private and public sectors or anything about the investment structure with regard to buildings, new machines, equipment and R&D. These might be crucial elements for explaining investment impact on growth during transition but, due to data unavailability, have to be left aside. As mentioned, an additional caveat is that this indicator shows only the movements of the newly formed capital in the course of transition, taking into account neither the inherited physical capital nor the obsolescence or depreciation in the course of transition.

DEPRECIATION AND OBSOLESCENCE

The picture about capital formation during transition is not complete if the depreciation of physical capital is not taken into account. In general, depreciation is defined simply as the rate of decrease of a value of the physical capital. More specific definition of depreciation suggests that the life of assets is determined by two factors: (1) Wearing out as a function of its previous use, which refers to its functional depreciation; and (2) Obsolescence or wearing out as a function of demand variations for the produced goods with time and technological progress (Gylfason & Zoega, 2002). In general, age is a reasonable proxy for functional wearing out, assuming continuing use in each period of its life, whilst low demand and reducing price for goods is a proxy for obsolescence (Barreca, 1999).

The problem of depreciation and obsolescence of the capital stock emerged at the beginning of transition in most transition countries (International Monetary Fund, 1998). Low investments during the last stage of socialism falsely reported in the balances of the enterprises masked the intensive functional wearing out of the assets. Consequently, low quality of the products and sharp falls in demand, especially from industrialized countries, confirmed the problem of obsolescence and lower asset values or, in some cases, completes uselessness of the capital (Laski & Bhaduri, 1997; Ericson, 1996). In fact, according to Ericson (1996), capital was largely "net value destroying", because market value of the output produced was insufficient to cover the full costs of production. In support, Akerlof et al (1991) suggest that most

of the East German plants could not cover their variable costs. However, although the problem of mass obsolescence and hence complete depreciation of physical capital was revealed with full intensity in reality, studies about growth in transition did not make much of this, because of the difficulty of analysis and lack of data. Starting with missing data on amortization from the socialist system, analysts could not follow capital formation processes during transition. Thus, having in mind the above caveat and the absence of reliable data, only simple comparative and descriptive analysis amongst countries is possible.

Based on such (rare) studies that have been completed, some conclusions about the extent of the obsolescence problem in transition economies can be inferred (Laski & Bhaduri, 1997; Ericson, 1996; Akerlof et al, 1991; IMF, 1998). Some growth accounting studies suggest that the asset values decreased by approximately 30% in the first stage of transition. For example, growth accounting analysis for Hungary suggests a one off reduction in the capital stock of 35% at the beginning of transition, corresponding to 20% arising from the loss of SMEA markets and a further 15% due to disorganization and low quality production (IMF Country Report, 1998). The first term was intensified by the trade liberalization that switched domestic demand for goods towards cheap and often higher quality imported goods (Laski & Bhaduri, 1997). The demand shock that according to theory proxies' obsolescence induced a sharp decline in the productive potential, because capital equipment was not adequate to produce high quality products for industrial countries or domestic consumers (Popov, 2007). Similar studies conducted in East Germany pointed out the need for roughly \$50 billion to \$100 billion a year to rebuild the obsolete capital stock. Estimates were validated in reality later on (Burda & Hunt, 2001; Akerlof et al, 1991). In other countries, this problem probably was even more severe, considering the fact that Hungary and East Germany were relatively more developed than were most transition economies at the onset of transition. East Germany is a special case. Obsolescence was much more amplified there by one-to-one conversion of the eastern Mark into the western Mark (DM).

CONCLUSION

In summary, the figures suggest the importance of the changes in physical capital for growth in the course of transition.

In general, countries that traced slow recovery and instability in this indicator were delayed in their recovery; and, in most cases, GFC revival preceded the regaining of the GDP per capita.

The issue of obsolescence can be considered as highly relevant for conducting growth analysis for transition economies.

This problem is also so important because it affected the actual processes of restructuring and reallocation in transition countries.

Deficiency of proper information for the available and usable assets in the unstable transitional environment obscured decisions about the viability of firms, which eventually lead to fallacious closure or tolerance of some firms and continual life of inefficient firms (Ericson, 1996).

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JEL: R11, F52

REGION AS AN OBJECT OF SOCIOECONOMIC SECURITY

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***Abstract:** The article grounds the expediency of introducing a new category "socioeconomic security of a region" by means of combining two subcategories – "economic security of a region" and "social security of a region." The author explains why this new notion is necessary and how socioeconomic security becomes one of the objects in economic security at the mesolevel. Economic and social components of regional security do not contradict each other, but complement each other, providing mutual support and thus creating one common state of socioeconomic security (or insecurity) within a region. Connection between economic and social security of a region is bidirectional, quite complex and not always that obvious as it seems to be at first glance. Qualitative features of economic and social security interdependence are preconditioned by the specific features of a particular region. And these features may be rather diverse since region as such is a rather complex territorial, social and economic phenomenon.*

***Keywords:** region, economic security, social security, socioeconomic security, interrelation, mutual influence, property*

INTRODUCTION

Region is a study object in several sciences at the same time, including physical and political geography, history, biology, sociology, political science and economics. Within each of these sciences region is studied in a certain context. Comparatively recently, region has also become a research object for a newer system of knowledge – economic security science. The latter is a complex of interrelated ideas structured as a one common but internally differentiated system of knowledge concerning the creation of secure and safe conditions in economic life. Consideration of economic and social security of regions separately is not able to provide trustworthy results, mostly because economic development of a region, which is possible only under economically secure conditions, is never a goal in itself, but is always aimed at increasing the welfare level for region's population which, in its turn, is shaping social security in the same region. That is why the mesolevel of economic security science is nearly always represented by socioeconomic security issues. And formation of a new research object for economic security studies – *socioeconomic security of a region* – is always predetermined by the specific features of a particular region as a socioeconomic system.

RESEARCH METHODOLOGY

Region is complex socioeconomic formation and its complexity predetermines the complexity of methodology to be applied in studying it. This is why studying region as an object of socioeconomic security assumes the use of several general

scientific as well as special methods. Among the general methods used in our study in particular we need to mention separately the descriptive analysis which enables revealing the meaning of the key notions to be further used in our research. At later stages, we have also applied the factor analysis so that to reveal and outline the key impact factors for regional socioeconomic security. Application of the abstraction method has helped us determine the influence of each specific feature of a region on its socioeconomic security. Thus, we have outlined the most meaningful and influential features of the region, in their mutual correlation with each other.

This study is also exploratory in nature, since it has been aimed at providing better understanding of the situation around socioeconomic security of a region and more thorough understanding of the problems existing today at the mesolevel of economic security studies. Potential solutions for these problems are also offered for consideration.

RESULTS

Economy is the basis of any region in any country, since it guarantees development and growth at both regional and countrywide levels. According to the most contemporary views, region is an economic system which can be often understood as some sort of quazi-corporation, that is, as a formation within which certain production forces are located, certain relations exist between economic agents – and thus, economic activity is taking place. One of the key preconditions for regional economy's development is its economic security which must be seen, in this regard, as a system of region's interaction with other subjects from its internal and external environment. And the functioning of this system, taking into account the state institutions and the smart use of region's potential, enables timely detection of all risks and threats, observation over their development and their further avoidance and/or easing of their consequences.

At the same time, region is not only a large production unit; it is also a socio-ethnic, socioeconomic and sociopolitical system of complex relations between various social groups concerning their economic activities in all their variety, resources' distribution and later, their consumption. For this very reason, regional studies of any sort simply cannot ignore the social aspect as such.

Social security of a region is also a complex, multidimensional notion. In it, such elements as environmental issues, social infrastructure and interests of local citizens are often the most vital ones. Therefore, social security must be interpreted as, first of all, adherence to the most vital social interests of humans on the legal basis of social standards and social guarantees which thus form the common grounds for comfortable life in a region and maintenance of life quality in it.

Therefore, on the mesolevel of economic security, regional economic security and regional social security are always of equal importance. Besides, there is an obvious casual connection of the closed type between these two types of security: economic security forms the basis for social security, while the latter, in turn, strengthens the economic security of a region. This is why studying them separately limits the potential research significantly and also limits the potential scope of results. Therefore, combining two subcategories *economic security of a region* and *social security of a region* we obtain the category of *socioeconomic*

security of a region (Figure 1). This socioeconomic security of a region has emerged on the edge between economic security of a region as a quasi-corporation (in more generalized terms, as an economic agent or a system within which resources and production forces are to be allocated) and social security of a region (as an institute for economic interests' protection and satisfaction of regional consumer demand.

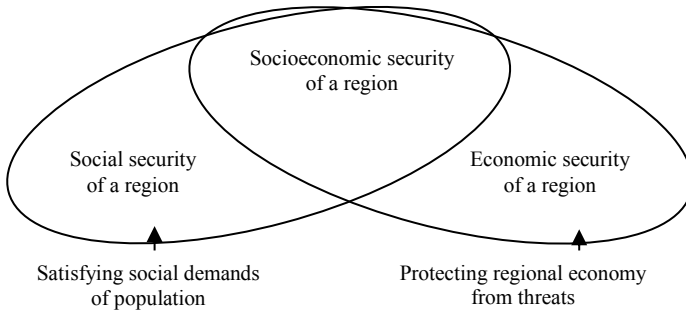


Figure 1: Formation of the category "socioeconomic security of a region"

Source: created by author

Necessity and expediency of introducing one more research object into economic security studies "*socioeconomic security of a region*" can be explained. Region is a socioeconomic formation which seems to be rather integral externally, however, inside, it is rather hierarchical and also heterogeneous. At the same time, it has two key features: economic activity of subjects within a region and at the same time – satisfaction of the social needs of region's population (including food supply, accommodation, education, healthcare, transport, culture, environmental safety etc.). In relation to satisfaction of all these social demands, economic activity of a region is a necessary precondition; however, it does not necessarily mean their satisfaction by default. Therefore, we can state that there is no immediate cause-effect relation between *high economic performance of a region* and *high social standards in a region*. Therefore, since the social component is also highly important at the regional level, limiting only to economic contents would be not quite correct. First of all, because region is not only a purely economic subject and the aim of any regional economy is not limited to production of material assets only. For the people, residing in a region, the social component of regional development has obviously same importance as the economic component of regional development. These two components of regional security – economic and social one – do not contradict each other, but on the opposite, they support each other, thus contributing equally to the state of socioeconomic security (or insecurity) in a region (*Figure 2*). As one can see in *Figure 2*, connection between economic and social security at the regional level is quite obvious and direct, moreover, it is also bidirectional, that is, mutual. E.g. the growth in economic activities of subjects on the regional level may lead to the growth of welfare level for population as well as to increased demand for labor force, and probably, also to the increased level of average wage.

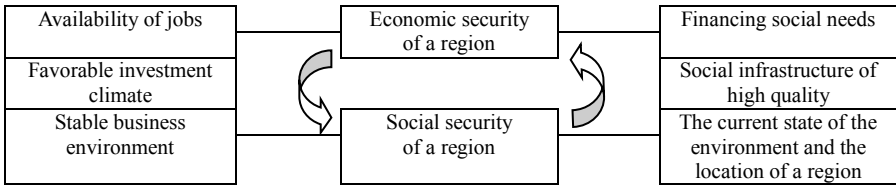


Figure 2: Interconnections between economic and social security of a region

Source: created by author

This, in turn, would discourage the migration of population from this region. However, not in all cases higher economic activity of a region causes improvements in social infrastructure or in the social structure. Moreover, in other cases higher economic activity may actually have negative consequences, for examples, worsening of the environmental state or increased level of criminality in a region. And vice versa, relatively high social security in a region and stability of regional social environment do not always guarantee there will be an immediate inflow of investments into the region or better business climate overall.

Correlation between social and economic security of a region may turn to be negative, for example, emergence of new threats to regional economy and/or worse economic indicators of region's performance may lead to cuts in regional budget spending, unemployment growth, lower salaries – and therefore, to lower quality of life for local population overall. In turn, lower level of social security in a region reduces the level of region's investment attractiveness, causes capital and labor force outflow from the region to other region or countries. All these processes pose immediate threats to regional economy overall. And this means that threats to social security may eventually turn into economic insecurity. Qualitative features of the mutual influence of economic and social security within the system of regional socioeconomic security are predetermined by the properties of this system, which may vary from region to region, since region as a complex territorial socioeconomic unit also has rather varying properties (*Figure 3*).

Properties of a particular region are the direct consequences from its determinants (and here, properties and determinants are not identical). Moreover, a contextual approach is required while interpreting the contents of regional properties and their determinants. Influence of some of the regional properties on the socioeconomic security is rather obvious and self-explanatory, thus, it does not require additional explanations. However, some of the selected below properties and their influence require additional explanations. An important property of a region as an object of socioeconomic security is its integrity, which forms the basis for region's economy and is also the cause of its organizational separateness, and due to the latter socioeconomic security of a region is simultaneously an important precondition for regional development and an objective property of a region. The complex nature of region as an object for interdisciplinary research as well as its dual object-system character predetermines another important property of a region – the multiple

nature of its management. For this very reason, any region always experiences the necessity to harmonize the interests of various groups of stakeholders. What is important here, satisfying the interests of one group of stakeholders while sacrificing/neglecting the interests of other stakeholders would have the most negative consequences for the overall socioeconomic security of the region. And on the opposite, smart balancing of stakeholders' interests is a vital precondition for maintenance of regional socioeconomic security.

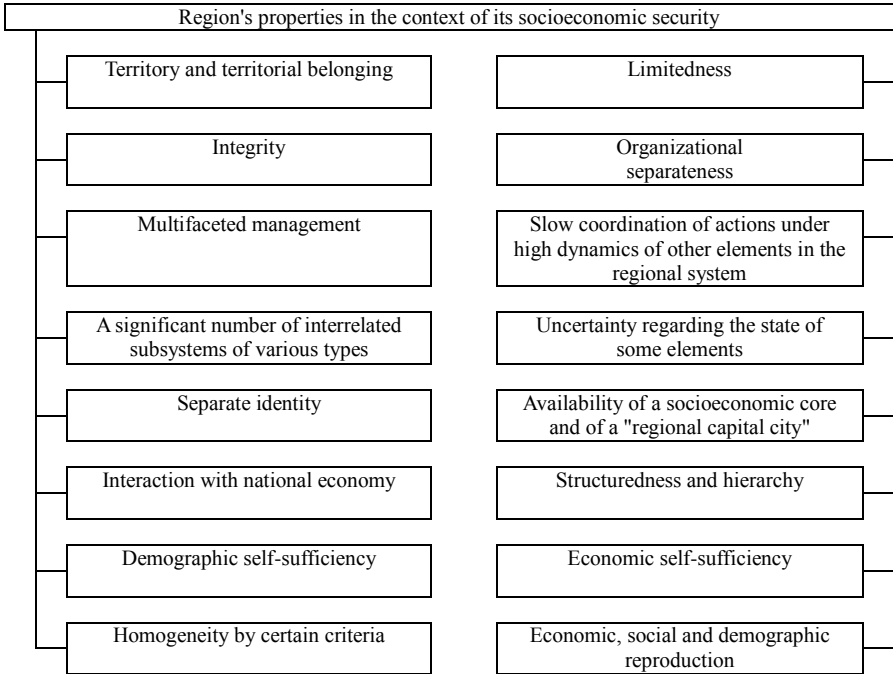


Figure 3: Properties of a region an object of economic security

Source: compiled and generalized by author

Complexity of a region as a territorial socioeconomic phenomenon and the multifaceted nature of its management provoke the emergence of its property – slow coordination which is inevitable under the presence of numerous interrelated subsystems within a regional system: public authorities, business circles, population, NGOs etc. Close connectedness and constant interdependence of these subsystems within the regional system leads to the emergence of the cumulative effect from changes in it. Same connectedness and interdependence also predetermine the necessity for careful managerial influence when it comes to socioeconomic security provision, since such managerial influences, solving certain problems in a short term, may lead to much more significant problems in a longer term. Region is also an economically self-sufficient unit in the structure of national economy. This is normally manifested through availability, inside the region, of various resources

(mineral and other raw materials, fixed assets of leading industrial enterprises, labor force etc.). However, region as such is not able to exercise the direct influence on these resources' application; moreover, processes involved in the use of these resources may pose new threats to economic security of a region. E.g. internal and/or external migration of labor resources in the recent years in Ukraine makes more actual such a threat to economic security of Ukrainian regions as lack of labor resources, especially highly qualified. Outflow of labor resource in parallel to other negative processes such as misbalancing of birth rate with mortality rate are also becoming quite serious threats to separate regions of Ukraine. At the same time, the use of regional resources (raw materials, objects of social and/or productive infrastructure, other fixed assets) does not experience any public authorities' influence (or this influence is only indirect and minor one), and is more of a consequence from business subjects' self-organization in their attempt to get profit.

For evaluation of socioeconomic security of a region and its further maintenance another important property is regional resources' reproductivity. E.g. regional economic security, serving as a basis for regional social security, would be nearly impossible to imagine in a situation when economic potential of a region is being depleted and never restored (e.g. when fixed assets of the largest regional enterprises are gradually worn, and nothing is being done to renovate/update them). Similar negative influence on the economic security of a region would be observed in case of negative entropy spread in the society with all the related demographic problems attached. Therefore, reproduction in many of its manifestations (restoring economic resources, stabilizing the social environment and demographic situation etc.) is an important precondition for regional socioeconomic security.

Region as an interdisciplinary phenomenon present in the discourses of several sciences also has a certain paradoxical feature: in the absence of one common regulating center with all-encompassing powers in the region the phenomenon of autopoiesis is observed (as in the interpretation by Maturana and Varela (1980)). The most positive consequence from this autopoiesis of a region from the standpoint of its socioeconomic security is the opportunity to compensate for the negative impact occurred: economic system of a region, even without any compensatory influence on the side of public authorities, is quite able, though to a certain extent (using the words of Y. Rudnichenko (2014, p. 158), till a certain critical level of external environment "toxicity") to maintain self-reproduction and thus "smooth" the negative impacts. In such a way, the regional system would move independently to a new point in its state of homeostasis (even though this new point might be worse in quality than the previous one). However, the autopoiesis of a region also has negative consequences, the major one of which being stabilization of disproportions and more opening opportunities for the negative patterns of behavior on the side of economic agents inside the region. Self-reproduction strengthens not only positive but also negative processes when it comes to provision of regional socioeconomic security.

CONCLUSIONS

Studying the properties of a region as an object of socioeconomic security

enables explaining its nature and contents. And influencing the latter through regulated changes, taking into account the unregulated ones at the same time, enables timely detection of those processes and phenomena which, under certain conditions, may turn into real threats to socioeconomic security of a region. And taking these special signs and features into account, it is quite possible to predict when and why such potential threats may become real ones.

The analyzed properties of a region must necessarily be taken into account in the course of regional socioeconomic security evaluation and further development of measures to strengthen this security.

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