Social Educational Project of Improving Knowledge in Economics

Journal
Association 1901 "SEPIKE"

Edition 17

Frankfurt, Deutschland
Poitiers, France
Los Angeles, USA
Redaktionelle Leitung / Chief-in-Editor:
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Bibliografische Information / Bibliographic Information:
Die Deutsche Nationalbibliothek (Germany) sowie die Library of Congress (USA)
verzeichnen diese Publikation in den jeweiligen Nationalbibliografien; detaillierte
bibliografische Daten sind im Internet über www.sepike.com abrufbar.

The German National Library (Germany) and the Library of Congress (U.S.) run this
publication in the national bibliographies; detailed bibliographic data are available

Journal is indexed by INDEX COPERNICUS 79.08 (2015)

Herstellung und Verlag / Editor and Publisher:
Association 1901 "SEPIKE"

Herausgeber / Publisher:
© 2013 Association 1901 "SEPIKE"
8, Allee de Marigny, 86000 Poitiers, France
www.sepike.com

p-ISSN: 2196-9531: Journal Association 1901 SEPIKE
e-ISSN: 2372-7438: Journal Association 1901 SEPIKE, US Edition

Key Title: Journal Association 1901 "SEPIKE"
Poitiers, Frankfurt, Los Angeles, den 30.06.2017
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NACHTRAG / POSTSCRIPTUM
PART I: ACTUAL ISSUES IN THE MODERN PEDAGOGY

JEL: I2

CONCEPTUAL BASIS FOR OF THE FUNDAMENTAL TRAINING OF FUTURE SPECIALISTS IN INFORMATIONAL TECHNOLOGIES

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Abstract: The article defines the conceptual foundations of the fundamentalization of professional training of future specialists in the field of information technologies on the basis of the laws of dialectics and philosophical categories. It is proved that natural-scientific, mathematical and philosophical laws and concepts are fundamental for computer disciplines in the hardware and software parts of computer. The principle of two-level continuous fundamentalization of professional training of future IT specialists is developed.

Keywords: laws of dialectics, philosophical categories, fundamentalization, informational technologies, professional activity, professional training, IT-specialist

INTRODUCTION

Improving the quality of professional training of future specialists in the field of informational technologies (IT) requires new approaches to the organization of the learning process. This is due to the fact that the current system of training IT specialists at the university is aimed at highlighting past and current scientific and technological achievements in the field of hardware and software parts of computer equipment. However, taking into account the fact that students update technologies for the production of computer equipment every two years (according to the law of G. Moore [5]), now of graduation, some of the knowledge acquired by him has become obsolete. This leads to a constant lag in the training of IT-professionals from the requirements of modern production of computer equipment and technology.

Solving this problem is possible only by fundamentalization of education.

MATERIALS AND METHODS

The methodological and theoretical basis of the research is scientific works on materialistic philosophy (dialectics), on the problems of training future IT specialists in universities. The validity of the obtained results is confirmed by the use of various generally accepted and specific methods: theoretical generalization, abstraction, dialectical analysis, comparison and systematization, a systematic approach.
RESULTS

The development of any system (or its elements) occurs as a result of the fulfillment of three laws of dialectics: the law of unity and struggle of opposites, the law of transition of quantitative changes to qualitative and the law of negation of negation [1; 2; 6; 8; 9]. Characteristics of the system development are philosophical categories: "space" and "time", "material" and "ideal", "individual", "special" and "general", "element" and "system", "phenomenon" and "essence", "content" and "form", "cause" and "effect", "necessity" and "chance", "possibility" and "reality", "old" and "new". Therefore, the definition of the conceptual basis for the fundamentalization of the professional training of future IT-professionals must be carried out based on philosophical laws and categories.

The improvement of the methodology of teaching of technical disciplines on hardware and software for computer equipment in higher educational institutions under the law of unity and struggle of opposites will occur as long as there is a gap between "opposites" as the current level of production of information technologies and "outdated" or incomplete knowledge of graduates. According to the law of negation of negation, the reason for the lag in the volume of knowledge of graduates of higher education institutions from the level of development of information technologies is that the content of computer disciplines is focused primarily on the past and the current level of technology development, which are being improved every year. Every new technology today will be considered old tomorrow, because a newer one will appear, just as the old one was once considered a new one.

When creating new information technologies, along with new methods of production, materials and technical solutions, the experience gained in the past is used. In addition, efforts are made to improve the properties of existing products and create new products that must meet the needs of users. With the development of fundamental sciences, new knowledge appears that allows us to develop fundamentally new materials, technical solutions for creating fundamentally new technological equipment. Today we are seeing a trend towards the introduction of fundamentally new technologies for the creation of computer technology based on advances in quantum physics, biology, and mathematics. In the near future, it will lead to a revolution in the field of IT-production based on the introduction of a new foundation.

Achievements in basic sciences are for several decades ahead of achievements in the field of information technology. The volume of knowledge of graduates of universities, on the contrary, lags far behind the level of development of fundamental sciences and production. Therefore, to improve the quality of professional training for future IT-professionals, it is necessary to teach them the fundamental laws on which the principles of building and operating computer technology are based.

To create new samples of the computer hardware, IT-specialist must have knowledge in physics, electronics, electrical engineering, chemistry and biology.

Depending on the structure and characteristics of the computer hardware, software tools are also being improved. To create new software products, programmers need to know the math, the theory of algorithms, the theory of information and coding,
the theory and technology of programming, and the like. However, the formation of a large volume of specific knowledge among graduates separately in fundamental and special disciplines, according to the law of the mutual transition of quantitative changes to qualitative ones, becomes insufficient, and there arises a need for the formation of qualitatively new knowledge to be systemic and deeply integrated.

In order to ensure that the results of studies in universities meet the needs of production, it is necessary to reorient the process of professional training of IT-specialists from predominantly reproductive, oriented to mastering students of past and modern information technologies, to productive, that is, to teach them to predict their development on the basis of past and current achievements, using the methodology of scientific knowledge, in particular, system methodology (based on the system approach) [3; 7].

That is, to prepare future IT-professionals for productive professional activities, it is necessary to build a learning system in such a way as to teach students to independently master the necessary level of professional knowledge on the basis of fundamental methodological knowledge and skills on which the principles of computer hardware and software are based (or will be based in the future). Having mastered the system methodology, any specialist has the ability to think systematically, that is, solving this or that problem, to consider it as a certain set of tasks, the results of solving which depends on a certain set of factors and conditions.

Let us prove the necessity of systemic fundamentalization of the professional training of IT-specialists based on the integration of fundamental laws, applying the philosophical categories "phenomenon" and "essence". Suppose that the principles of the operation of elements and blocks of the computer hardware are "phenomena", and the physical laws on which they are based are "essesces". Proceeding from the philosophical definition of the categories of "essence" and "phenomenon" [1; 2; 6; 8; 9], we can say that one essence manifests itself in the form of several phenomena. Hence it follows that it will be effective once for the formation of systematic thinking to teach students a finite number of physical laws ("essences") and give examples of their application in various nodes and blocks of the computer hardware than to study in detail a huge number of different phenomena without determining their essence.

Define the hierarchical structure of fundamental knowledge of IT professionals, for which we apply the philosophical categories of "general," "special," "concrete" [1; 2; 6; 8; 9]. If under the "general" knowledge necessary for the creation of new hardware and technology, for IT professionals to understand the philosophical laws of the development and functioning of technical systems, by "special" the laws and concepts of the fundamental sciences, on the achievements of which the production is based (physics, electronics, electrical engineering, mathematics, informatics), then the notion of individual technical disciplines stemming from philosophical and fundamental laws will be "concrete".

The basis of the content of technical disciplines of the computer direction is the system of knowledge and skills about various aspects of information technology.
Since information technologies are a technical system, when developing the conceptual basis for fundamentalizing the professional training of future IT-specialists, it is necessary to apply the categories "system", "structure", "element" [1; 2; 6; 8; 9]. For the formation the system knowledge of computer disciplines and the establishment of causal relations between students them, the structure and logic of the presentation of technical concepts should correspond to the structure and laws of the development of technical systems. I.e. the concepts of computer disciplines about technical objects must be submitted with an indication of what they are used for, what they consist of, what principles of their operation and what characteristics they possess.

For the system description of the concepts of computer discipline, in our opinion, it is advisable to apply the universal hierarchical model of the technical object $P = \{R, S, D, H\}$ developed by Y. Dietrich [3] and improved by N. Lazarev [4] on the basis of semantic features (Assignment ($R$), composition ($S$), principle of action ($D$) and characteristics ($H$)).

With this approach, the notion of computer discipline can be derived on the basis of fundamental natural-science, mathematical and philosophical laws and concepts that underlie the purpose, structure, operation principle and characteristics of a technical object. At the time of studying computer disciplines, students already know the fundamental philosophical, mathematical and natural science laws and concepts, therefore, in order to obtain a new technical concept, it is sufficient to determine the connections between them and the semantic features of the technical object. Algorithms for determining the connections between fundamental and technical concepts can be determined on the basis of the application of philosophical categories "phenomenon" and "essence", "cause" and "effect", "possibility" and "reality", "concrete", "general," "special", "Analysis", "synthesis" [1; 2; 6; 8; 9]. This approach to the presentation of educational material, in which even reproductive concepts are mastered by students as a result of productive activities, contributes to the formation of divergent thinking in them.

Considering the permanent variability of the content of computer disciplines (according to the law of negation of negation [1; 2; 6; 8; 9]) let us consider the philosophical categories "old" and "new" [6]. "Old" and "new" are philosophical categories that reflect the transition from one qualitative state to another in the development process. In the process of development, the "old" and "new" knowledge is in a dialectical relationship. New knowledge, denying the old, does not destroy it completely. New knowledge is characterized by special features: it is a natural consequence of previous development; the new absorbs all the positive of the old; it transforms the inheritance of the old in accordance with changed conditions.

In other words, just like the fundamental laws of physics and mathematics for students were once "new", today they formed a general scientific foundation for technical concepts in computer disciplines, and the new concepts of computer disciplines today will become old, becoming an industry foundation for new technical concepts.
This statement derived from philosophical laws and categories at the conceptual level describes the principle of a two-level continuous fundamentalization of the professional training of future IT professionals. The first level forms general scientific fundamentalization such as philosophical, natural-scientific and mathematical laws, based on which new technical concepts of computer disciplines are deduced, the second level is branch fundamentalization: each studied technical concept of computer discipline becomes the foundation for a new computer concept (Figure 1).

![Diagram of two-level fundamentalization](image)

**Figure 1: The principle of a two-level continuous fundamentalization of the training of future IT professionals**
*Source: compiled by authors*

**DISCUSSION AND CONCLUSIONS**
Thus, the application of the laws of dialectics and philosophical categories in developing the conceptual foundations for the fundamentalization of the professional training of future IT specialists allowed us to conclude that the content of computer educational disciplines in higher education institutions should be deeply integrated on the basis of fundamental concepts and laws of physics, mathematics, philosophy, on which the construction and principles of the operation of information technologies and their elements are based, and also to develop the principle of a two-level continuous fundamentalization.

The use of the principle of two-level continuous fundamentalization in the development of a methodical system for the training of future IT specialists will help students learn to adapt themselves quickly to changing situations and effectively search for solutions to non-standard problems based on general scientific and sectoral fundamental knowledge and skills.

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JEL: A23, I23

COMPUTER ANXIETY IN TEACHING WITH TECHNOLOGY

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Abstract: Computers today are applied in all areas of life including education. Now the teaching of computer has become part of school curricula throughout the world including Albania, as the most important part of modern education. Albanian school today already in the era of technology requires teachers who have skills in computer use. They should be able to use the software, to keep the syllabus, student evaluations, file, to demonstrate a new lesson, to require documents and instructional illustrations on websites. The application of computer and information technology in education has increased overall success of learning, but teachers are faced with computer anxiety. The Purpose of this study is to determine levels of anxiety computer to primary school teachers and student teachers to find out whether their levels of anxiety computer, differ. In this study participated 147 student teachers and 130 the primary school teachers. The data were collected through Computer Anxiety Rating Scale (CARS) validated by Heinssen, Glass & Knight (1987). The data were analyzed by t-test. The results indicated that the primary school teachers have significantly higher computer anxiety levels than the student teachers.

Keywords: computer anxiety, student teachers, primary school teachers

INTRODUCTION

The era we live in is the era of information technology and computerization. Ministry of Education and Science, in Albania relying on global trends and educational life today, as well as European competences for education (one of which is the use and development of skills of information and communication technology) has decided priority integration of Information and Communication technology in Education (ICT) in teaching/learning. Even in education, as in every area of life, ICT has brought a turn in the development of a learning culture by making knowledge more accessible to all students.

Computer ago considered as an innovation, while nowadays as a necessity due to technological orientations that are engaged in the field of teaching. Based on the priorities for the provision of standards and greater opportunities in education for Albanian students, the majority of primary and secondary schools are equipped with one or more laboratories or cabinets of information technology, along with the installation internet of over 2000 schools in the country. Consequently, educational...
capacity of schools has increased, teachers are trained to teach the computer and ICT curriculum is taking its full form.

Even though teachers are trained in the use of technology, computer new experiences are seen as suspicious by the teachers being accompanied by fear or anxiety. Bradley and Russell (1997) made a study with 350 Australian teachers and found that many teachers experiencing computer anxiety. Computer anxiety increases when participants are exposed to computers (Johassen, 1985). Computer anxiety affects both to learn about computers and the mastery of computer skills (Fennema & Sherman, 1976). Maurer (1983) in his study defined computer anxiety as the fear and apprehension felt by an individual when considering the implications of utilizing computer technology, or when actually using computer technology. A person who is computer anxious will act differently than a person who is not computer anxious. The person who is computer anxious will attempt to avoid computer utilization. When forced to use a computer, this person will voice dissatisfaction towards or disapproval of computers, will attempt to minimize the time spent using the computer, and the person who is computer anxious will show signs of excessive caution and hesitation when forced to use a computer. Johassen (1985) defined computer anxiety as "the state that results when people fear using computers or are faced with the prospect of using computers". Brosna and Davidson (1996) observed that a computer anxious person experiences emotions associated with anxiety such as fear, embarrassment, disappointment, irritation, frustration, awkward feelings, feeling of retrogression in task performance, computer avoidance, fear of losing control, associated with sweaty palms, chest pain, trembling etc.

In their study Rosen and Weil (1995) emphasize that anxiety can affect any teacher, but veteran teachers they were shown to suffer from anxiety rather than new teachers. From the research shows that there is a lack of studies in Albania related to computer anxiety as more to teachers. This study measured the level of computer anxiety to teachers. This study was designed as a descriptive study.

PURPOSE AND OBJECTIVES

The purpose of this study is to determine levels of computer anxiety for primary school teachers and student teachers to find out if their levels of computer anxiety change. The objectives were (1) to determine the levels of computer anxiety experienced by primary school teachers; (2) to determine the levels of computer anxiety experienced by student teachers.

METHODOLOGY

Participants: Participants in this study were 147 student teachers and 130 the primary school teachers selected via a simple random sampling technique. The average age for student teachers was 22 years old while for teachers 43 years old.

Instruments: Computer Anxiety Scale (CAS).

The teachers' computer anxiety was measured by a 19 item self-reported Computer Anxiety Rating Scale designed and validated by Heinssen, Glass and Knight (1987). For each statement, the participants responded on a 5-point Likert
scale (from strongly agree = 1 to strongly disagree = 5). Total scores ranged from 19, indicating a low level of computer anxiety, to 95, which would indicate a high degree of computer anxiety. Nine of the questions are positively worded and the remaining 10 items are negatively worded. The values were reversed to get accurate results for the data analysis. Heinssen, Glass, and Knight's initial trial of the Computer Anxiety Rating Scale resulted in high internal consistency with a Cronbach Alpha level of .87. The scale also demonstrated reliability ($r = 0.70, p < 0.001$) and stability ($t = -1.06, p < 0.30$) utilizing a test-retest interval of four weeks (Heinssen, Glass & Knight, 1987).

**DATA COLLECTION AND ANALYSIS**

The questionnaires were administered to teachers in all the selected schools and to student teachers who study for primary teachers. Collected data were then compiled and analyzed using the SPSS statistical package (v.17). Descriptive data analysis used in this study.

**DISCUSSION AND CONCLUSION**

From the analysis of the data was determined level of computer anxiety in 3 levels. Based on the frequency table *(Table 1)* we see that 14% of primary school teachers report low level of computer anxiety, while 33% of them have a moderate level of computer anxiety and respectively half of primary school teachers, 53% of them have a high level of computer anxiety.

<table>
<thead>
<tr>
<th>Level of computer anxiety</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low level</td>
<td>21</td>
<td>14.3</td>
<td>14.4</td>
<td>14.4</td>
</tr>
<tr>
<td>Moderate level</td>
<td>48</td>
<td>32.7</td>
<td>32.9</td>
<td>47.3</td>
</tr>
<tr>
<td>High level</td>
<td>77</td>
<td>52.4</td>
<td>52.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>146</td>
<td>99.4</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
<td>0.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>147</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: researched by author*

Based on the frequency table *(Table 2)* we see that 23% of student teachers report low level of computer anxiety while 45% of them have a moderate level of computer anxiety and 32% of student teachers have a high level of computer anxiety. Can be noticed that the majority of primary school, teachers experiencing high and moderate levels of computer anxiety a conclusion which is supported by the study of Bradley and Russell (1997) who found that many Australian teachers experiencing computer anxiety. It is clear that the majority of primary school teachers (53%) experiencing the highest levels of computer anxiety compared with student teachers (32%). In their study Rosen and Weil (1995) emphasize that anxiety can affect any teacher, but veteran teachers they were shown to suffer from anxiety rather than new teachers.
Table 2

<table>
<thead>
<tr>
<th>Level of computer anxiety</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Low level</td>
<td>29</td>
<td>22.3</td>
<td>22.7</td>
</tr>
<tr>
<td></td>
<td>Moderate level</td>
<td>58</td>
<td>44.6</td>
<td>45.3</td>
</tr>
<tr>
<td></td>
<td>High level</td>
<td>41</td>
<td>31.5</td>
<td>32.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>128</td>
<td>98.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Missing</td>
<td>System</td>
<td>2</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>130</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: researched by author

The fact that student teachers experiencing computer anxiety levels lower than primary school teachers shows that exposure to computer affects the level of computer anxiety. Johassen (1985) emphasizes that computer anxiety increases when participants are exposed to computers. The use of computers in teaching will continue to be practiced by teachers and by student teachers who are prepared to put in the work market. Computer anxiety continues to be an important issue for many teachers. Should be take appropriate steps to provide computer training to improve computer skills of teachers. Additional research should be conducted to identify variables that can contribute to high levels of anxiety computer to teachers.

REFERENCES

JEL: I23, Z13

DIE WAHL DER LERNMETHODEN IN DEN FORSCHUNGEN DER MODERNEN DEUTSCHEN WISSENSCHAFTLER

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Schlüsselwörter: Lernmethoden, Ausgliederung der Methoden, optimale Wahl, Wirksamkeit des Lernprozesses, Erfolgsfaktoren, Schülerkompetenzen, integrierte Lehrumgebung

Einleitung


So werden an der Freien Clara Schumann Schule in Leipzig (Deutschland) die Methoden der Aktivierung der Erkenntnistätigkeit, die Methode der Simulation von konkreten Situationen, die Methode des Rollenspieles von den Grundschullehrern breit angewendet, als auch die aktive Durchführung der Projektstage. Im Gymnasium No. 107 "Wwedenska" in Kiew sind die Lehrer fest davon überzeugt, dass die aktiven Lernmethoden die schnellere Erzielung der gestellten Aufgaben ermöglichen und


**MATERIALIEN UND METHODEN**

Bei der wissenschaftlichen Forschung wird von uns der Komplex der zusammenhängenden und komplementarischen Untersuchungsmethoden ausgenutzt, und zwar: gesamtwissenschaftliche wie die Content-Analyse, die Klassifizierung und Verallgemeinerung, die in den Werken der Wissenschaftler des In- und Auslandes angewendet werden; empirische Gespräche, Interviews, Diskussionen, Erörterungen der Forschungsprobleme im Laufe der wissenschaftlichen Treffen mit den deutschen Kollegen mit dem Ziel, die praktischen Anwendungsaspekte von den Lernmethoden in der Grundschule anzuleichen und umzusetzen.

**ERGEBNISSE**

Aufmerksamkeit auf die didaktischen Bedingungen der Wahrnehmung des Lernmaterialien der Schüler, auf die Funktionen der Lernmethoden und bezeichnen die Zusammenlegungen von den Methoden im allgemeinen [1; 2; 3; 4; 5; 7; 8]. Wir haben die Essenz der Begriffe "Methode", "Lernmethode", "Grundschulmethodik" in der ukrainischen und deutschen Pädagogik unter die Lupe genommen. Die Basisdefinition des Begriffes "Methode" (aus dem griechischen "methodos", ein Weg zum Ziel, eine Erfassungsmethode von den Natur- und gesellschaftlichen Erscheinungen) ist eine Herangehensweise bei der Zielerreichung, eine Lösung der konkreten Aufgabe; ein Samarium der Verfahren oder Aktionen der praktischen oder theoretischen Erlernung (Kognition) der Realität [9, S. 233].


Wir neigen zu der Meinung, dass eine Lernmethode als ein Verfahren der zielgerichteten gegenseitigen Tätigkeit von Lehrer und Schülern zu betrachten ist und die Managementtätigkeit des Lehrers (Planung, Organisation, Stimulation, Kontrolle, Korrektur, Analyse und Ergebnisbewertung) und lernend-kognitive Aktivitäten der Schülern (Lernfortschritte und Anwendung der Inhaltskomponenten des Lehrfaches, Selbstverwaltung) beinhaltet, was die Bildung, die Entwicklung, die Umwelterkenntnis, den Aufbau von Kompetenzen und die Persönlichkeitserziehung jedes Schülers gewährleistet [5, S. 65].

Uns imponiert die Stellungnahme von Herrn Professor H. Meyer dahingehend, dass Lernmethoden die Schüler aktivieren sollen und zwar ihre kognitive Motivation,
die Effizienz und die Selbständigkeit beim Erlernen des Fachs. Der Wissenschaftler teilt die Lernmethoden in der Grundschule je nach Tätigkeitsarten des Schülers und führt die Beispiele dieser Methoden auf: die Methoden, die sich auf das Sprechen (Morgenkreis, Kreis des sprechenden Steines, Tusche-Gespräch, Denkrunde oder Brainstorming, Positioniere dich, Interview, Ich Du Wir); auf das Schreiben (schriftliches Brainstorming, Lernduett, Kreative Zeitung, Analyse der Vor- und Nachteile); auf die Visualisierung (Zielbaum, Minikonzept, Gedankenlinie, Verhältnisgeographie, Galerie, Ideenbaum); auf die Klassifizierung (Spielfeld, Zielscheibe: Ampelrückfederung, arbeiten mit Tabellen, Zielevolution); auf die Inszenierung (freier Flug, Rollenspiel, stehendes Bild, arbeiten in Paaren, Texttheater nach Augusto Boal, Talk-show); auf die Komplexmethoden (Gruppenpuzzle, Laubsäge, Stationslehre, Spielplan, Zukunftsmaschine nach Robert Gang, lehrend lernen) gerichtet sind [4, S. 267].


Das Problem des effektiven Lernens im Rahmen der Zusammenarbeit zwischen Studierenden selbst, Schüler und Lehrer wurde in wissenschaftlichen Arbeiten des australischen Wissenschaftlers John Hattie ausführlich diskutiert. Auch in Deutschland wird John Hattie viel beachtet, sein Werk wird sowohl in Fachkreisen als auch in Feuilletons namhafter Zeitungen diskutiert [1, S. 36].

Wir waren vom Ansatz John Hatties beeindruckt, weil sich die Studie auf die Ermittlung der Bedingungen richtete, unter denen das Lernen am effektivsten für die Studenten auf einer integrierten Basis sei. Es sollte hinzugefügt werden, dass es im "Konzept der neuen ukrainischen Schule" heißt, dass die neue ukrainische Schule auf der Grundlage der persönlichkeitsorientierten Bildungsmodelle arbeitet. In diesem Modell versucht die Schule unter Berücksichtigung der Rechte des Kindes, seine Fähigkeiten, Bedürfnisse und Interessen in der Praxis auf dem Prinzip "Visible Learning" zu realisieren [1, S. 67].


Wir waren auch von den Charakteristika der 40 Methoden für die Grundschule von Professor Joseph Leisen beeindruckt. Das Buch "Methoden-Handbuch DFU" richtet sich an Lehrkräfte aller Schularten und Altersstufen im In- und Ausland sowie an Aus- und Fortbilder. Inhalt des Lehrwerks sind methodisch-didaktische


Beispielsituation "Auf Ideen kommen" hat folgende Charakteristika: Offenheit für alle möglichen Ideen, Brainstormingsituation, kreative Situation ermöglichen, Vielfalt von Lösungswegen ermöglichen, ungesteuerte Beteiligung aller. Anforderungen an die Methoden-Werkzeuge: diese Werkzeuge müssen offen gehalten sein und zum Brainstorming und zum divergenten Denken einzuladen. Die Lehrkraft muss zurücktreten können und wirkt vorwiegend impulsgebend. Wenn Ideen nicht kommen,
sollten die Werkzeuge abgestufte Ideenbringer anbieten. Es ist entscheidend, die Gruppe so zu stimulieren, dass sie auf Ideen kommt, die dem Einzelnen nicht oder nur selten kommen [3, S. 567].


F. Hass ratet an, die Lernmethoden integrativ anzuwenden, nicht nur beim Unterricht, sondern auch bei der außerunterrichtlichen Arbeit. Unter dieser Bedingung werden die Lernkompetenzen vom Schüler schneller und gründlicher gebildet. Diese Idee ist auch im "Konzept der neuen ukrainischen Schule" (2016) geäußert, wo die 10 Schlusskompetenzen der neuen ukrainischen Schule abgezeichnet sind, darunter die Lesekompetenz und die Fähigkeit das Gelesene zu erfassen, die Fertigkeit, die eigene Meinung mündlich und schriftlich auszudrücken, kritisch zu denken, die Fähigkeit eine Haltung logisch zu begründen, für eine Initiative zu sorgen, schöpferisch zu sein, die Fähigkeit Probleme zu lösen, Risiken einzuschätzen und Entscheidungen zu treffen, die Fähigkeit der konstruktiven Emotionenbeherrschung, emotionellen Intellekt einzusetzen und die Fähigkeit zur Teamarbeit [2, S. 133]. Nach Meinung von F. Hass sollen Kompetenzen eines Schülers beim Unterricht


**SCHLUSSFOLGERUNG**


Wir vertreten die Meinung, dass in der Grundschulpraktik der Ukraine die in der *Tabelle 1* zusammengefassten Methoden angewendet werden könnten.

**Tabelle 1**

<table>
<thead>
<tr>
<th>AUTHOR</th>
<th>METHODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frenk Hass</td>
<td>Denke, teile, bespreche; Mannschaftsschöpfungsprozesse; Ich glaube es ist so</td>
</tr>
<tr>
<td>Josef Leisen</td>
<td>Textpuzzle, der große Preis, Zwei aus Drei, Sprachkuller, Kartenserie, über das Fach reden, Thesen Spulentopf, Ordnung hineinbringen</td>
</tr>
<tr>
<td>Hilbert Meyer</td>
<td>Morgenkreis, Interview, kreative Zeitung, Gedankenlinie, Galerie, Ideenbaum, Spielfeld, Freiflug, Rollenspiel, stehendes Bild, arbeiten in Paaren, Texttheater, lehrend lernen</td>
</tr>
<tr>
<td>John Hattie</td>
<td>Kooperationslehre, Gruppenarbeit, Aufgaben mit Lösungsbeispielen, Aufgaben der problemsuchenden Art, Tests mit Feedback, entwicklungsfördernder Unterricht</td>
</tr>
</tbody>
</table>

*Quelle: vom Autor erstellt*

Dank unserer umfangreichen Analyse der Werke der deutschen Wissenschaftler und der Erfahrung der Lehrer der Freien Clara Schumann Schule in Leipzig

Es scheint zweckmäßig zu sein, die Wahlbedingungen der Lernmethoden in folgender Blockreihe darzustellen: 1) organisatorisch (die Abhängigkeit eines Schülers von den Umständen, die auf ihn einen Einfluss unmittelbar beim und indirekt außerhalb des Unterricht leisten; Arbeitsformen der Schüler (individuell, kollektiv, gruppenweise) in einer konkreten Lernsituation, ihre Antriebe und Bedürfnisse in Lernsituationen; eine Anbindung zwischen den Tätigkeiten inner- und außerhalb der Schulzeit, was den Prozess der einheitlichen, persönlichkeitsorientierten, integrierten Lehre mittels kompetenter Basis sichert) und 2) persönlich (Kompetenz eines Lehrers bei der Umsetzung der konkreten Methoden und seine Vorbereitung / Bereitschaft zum Unterricht; die Berücksichtigung der altersbedingten und individuellen Eigenschaften der physischen und mentalen Entwicklung der Schüler; Abhängigkeit des Zieles und der Aufgaben des konkreten Unterrichts und von der Kompetenz, die bei den Schülern erzeugt werden soll).

**REFERENZEN**

Abstract: The paper discusses the role of cultural heritage as dynamic factor of diversity development and as a cultural phenomenon in tangible and intangible reality. This research examines the approaches towards cultural heritage in different dimensions of culture including practices and options in the digital era of products and services with specific contents. The aim of the study is to find out the variety of approaches in the promotion of cultural heritage and new possibilities to increase the activities of companies and communities in the presentation of cultural assets in the augmented reality (internet platforms, social media, etc.)

Keywords: culture, heritage, approaches, diversity, development

INTRODUCTION

The early approach towards culture in practice developed by Bourdieu (1977) and Giddens (1973), has been improved by "cultural movements" from the culturally organized practice in an explicit or implicit way to particular things like charter myths (Sahlins, 1981), "cultural schemas" (Ortner, 2006, Sewell, 2005), cultural scripts (Alexander, 2004), "serious games" (Ortner, 1996), cultural safety (Williams, 1999), cultural connections for learning (Australian Learning and Teaching Council). Geoff Pelham (2016) defines the culture as "the taken-for-granted way we do things, which is so familiar to us that we hardly notice it; it is the ground from which figures emerge". In these conceptual frameworks, cultural heritage is almost everything created by people, artists, professionals, relationships and augmented reality as a whole. New symbols, new cultural patterns, new ways of introducing oneself by the usage of social networks (Facebook, LinkedIn, Twitter, etc.) and cultural experiences, new contents of the culture-driven actions and activities outline the cultural heritage as a dynamic environment for diversity, development and authority.

MATERIALS AND METHODS

According to UNESCO, the meaning of cultural heritage covers main categories of heritage: tangible cultural heritage (movable cultural heritage – paintings, sculptures, coins, manuscripts; immovable cultural heritage as monuments, archaeological sites, and so on); underwater cultural heritage as shipwrecks, underwater ruins and cities) and intangible cultural heritage (oral traditions, performing arts, rituals, etc.). The theoretical base of different studies on culture and heritage deduces some approaches towards cultural industries that create product interpretations and variations of management tools and instruments also as a framework for the exploring of the
companies' cultural heritage as a factor of dynamics and progress in the development of the social practices and business policies in a globalized context. Some national approaches of States "favoring specific fields of cultural activities according to their own economic sectors or cultural traditions are assumed as representative ones": (1) The British approach, which advocates the economic concept of 'The Creative Industries' in which creativity is the center of production processes, and which considers the products as intellectual property (and not only as copyrights); (2) The French 'Cultural industries' approach referred to the "content industry", which is both economic and statistical, and which essence is mass reproduction and copyrights; (3) The Scandinavian economic approach, 'The Culture and Experience Economy', which is largely based on technological progress such as the internet that facilitate access to and the distribution of cultural products.

The business complexity and necessity of faster launching of new cultural products and technologies, organizational structures and cultural shifts draw change and enrich the fundamental thinking about innovation and innovation culture as components of cultural heritage nowadays. Fons Trompenaars (2017) states that attracting opposites in cross-cultural communication and embedding the idea of innovation into every aspect of business operations ensure culture innovation in all organizational divisions of companies. "The main competence of a leader in an organization is dilemma reconciliation", Trompenaars outlines, diverse viewpoints as cultural differences must come together, and that is the source of true innovation. Effective businesses and synergy emerge when organizations can "combine values that are not easily joined, therefore are scarce and therefore profitable". This approach to diversity development could be also defined as cultural heritage in a business context in which innovation is not a program or an investment, but a cultural phenomenon. We can conclude that to engineer innovation and creativity leaders could develop their organizational structures, relations and professional networks, could design some cultural products (as advertisement notices, mix of cultural beliefs and preferences in building the corporate identity in the digital world of the company, ways to promote not only the business itself but also its cultural background and environment, etc).

This draws all the complexity of cultural heritage. An individual could create a masterpiece of cultural importance in the future, but only teams of individuals could implement different roles to ensure behavioral context and intentions to promote innovation, to save the creativity assets as cultural practices and traditions of a professional society. Trompenaars considers that the crucial stage for many mature businesses is so-called "exnovation, going outside the company, combining the strengths of different industries". The new cultural product or service is often simply a combination of existing resources from different points of view, which could be opposite, but enriched concepts in a novel way.

**RESULTS**

ESSnet-Culture Final Report (2012) points out that national preferences referred to the approaches of the creative and cultural industries are summarized as: (1) "Creative industries" approach: Austria; Flemish Community of Belgium;
Denmark (2000); Estonia; Latvia (2005); Lithuania; Sweden (2002); Romania; Bulgaria; United-Kingdom; (2) "Copyright industries" approach: Denmark (2006); Finland; Hungary; Latvia (2005); Norway; (3) "Experience economy" approach: Sweden (2004); Denmark (2003); (4) "Sector" approach, Cultural industries or sector specific studies; French Community of Belgium; France; Ireland; Poland; Luxembourg; Portugal; Slovak Republic; Spain.

Cultural Heritage focuses on the expression and performance of the ways of living developed by a community and passed on from generation to generation, including customs, practices, places, objects, artistic issues and values. Cultural Heritage is expressed often as either Intangible or Tangible Cultural Heritage (ICOMOS, 2002).

As part of human activities and cultural models of development, Cultural Heritage produces tangible representations of the value systems, beliefs, traditions, diversity resources and lifestyles. "As an essential part of culture as a whole, Cultural Heritage, contains these visible and tangible traces form antiquity to the recent past. Cultural Heritage is a wide concept. We prefer to concentrate on the similarities between the various heritage sectors, instead of on their differences". It could be assumed that the new paradigm of augmented reality and its practical implications can impede the processes of the consensus about cultural importance and values between different parties concerned. This could be considered as a precondition of the concepts' reinforcement of diversity as a factor of economic development and as a consolidated resource of prevention and preservation of the limited cultural values in a particular way.

The people-centered approach towards cultural heritage is based on the assumption of the increasing participation of people within a management system and on stimulating the implementation of heritage management ensuring that it is an integral element of conserving that heritage (International Centre for the Study of the Preservation and Restoration of Cultural Property, 2015). Engaging communities in the processes of making conservation and provision for management decisions for people and their heritage is a part of people-centered approach and could be considered as a culture-centered approach also connected with the reproduction of symbols, traditions, lifestyles and practices of teams' interactions. Communities can be of different types: communities of place (those who live within or near to heritage), communities of interest (those who feel a connection to or are interested in heritage) or communities of practice (those who work with heritage).

"Another strand of people-centered approaches to conservation is the Living Heritage Approach (Wijesuriya, 2015), where living heritage is characterized by the ongoing use of heritage by its associated community for the purpose for which it was originally created. Living heritage is linked strongly to a community and is therefore subject to a continuous process of evolution, as change is embraced as part of the living nature of the heritage place. This maintains a continuity of community connections (as expressed both in terms of tangible and intangible heritage) and those connected communities take responsibility to maintain their heritage by traditional or
established means. Furthermore, such heritage is linked to or has relevance for the contemporary life of the community who endeavor to draw various benefits from it. The digitalization and processes of organizing flat structures mainly through content increase the importance of the information usage as an asset in conservation and protection of cultural values and heritage. The web hosts facilitate the access to different digital cultural objects. Windhager, Federico, Mayr, Schreder, Smuc (2016) conclude that "to balance the drawbacks of parsimonious search-centric interfaces, various approaches have been developed to enable also visual access to these collections (of cultural objects), and to browse and explore the cultural richness of existing archives". They propose a variety of information visualization approaches and interfaces to digital cultural heritage collections in accordance with a chosen method of criteria like:

1) Spatial encoding: lists, slideshows, grids and mosaics, geographic maps (visualization method to show the spatial distribution of artifacts' origins), network diagrams (to explore the proximities and distances of artifacts or cultural actors in relational or topological spaces), set diagrams or treemaps (offer insights into categorically and often also hierarchically structured object metadata constellations), other diagrams;

2) Temporal encoding: linked timelines (implemented as coordinated temporal view in addition to spatial representations), animation, superimposition approaches ("merge multiple temporal layers or snapshots into one visualization, with temporal data aspects often being distinguished by different colors, or visualization of movement trajectories"), space-time cube (3D), other encoding;

3) Entity focus (focus on cultural objects and actors): text, images, artifacts, music/audio, film/video, artists/persons, topics/styles/areas;

4) Type of project: concept/prototype, interface, tool.

Katrin Glinka, Sebastian Meier, Marian Dörk (2015) discuss the specific peculiarities in the potential of visualization, annotation and dynamic expansion of digital cultural collections. "Building on critical approaches in human-computer interaction, visualization and cultural theories, we explore how the interface could be a means of reflection, critique and inclusion". The authors develop some approaches towards cultural collections as: (1) the concept of "scented filters" used to explicitly highlight the un-seen: the blank spots, concentrations and potential biases within the dataset; (2) annotation and content creation ("An interface for annotation and content creation would allow users to visually identify missing data and add new items to the data set").

**DISCUSSION AND CONCLUSION**

From the study on cultural heritage approaches it could be concluded that:

1) The new roles of cultural agents include proactive participation in the communities that create and develop new contents, an implementation of new structure units and communication patterns, providing models of collaboration in the diversity choices and preferences about approaches and integration of different points of view to coexist, offering media expertise and supporting the development
of new literacy (Katrin Glinka, Sebastian Meier, Marian Dörk, 2015), competence and communities' social responsibilities.

2) The contemporary diversity paradigm and issues exist in the literature of cultural heritage and its implications in the real cultural objects and collections. The diversity development in approaches, concepts and conceptualization identifies some cultural gaps between possibilities, legislation, new interrelations and networks' presentations of symbols, traditions, practices and cultural movements through time and space.

3) The digitalization and augmented reality could be defined as conducive to adding values through culture and science, interested parties in the development of tourism, cultural heritage, people management and mutual activities in providing protection, safety and improvement of communities' life.

4) Cultural heritage as a concept could reconcile some cultural conflicts but could also create problems and unacceptable behavior like terrorism, denial of the scope of importance and consideration.

5) Cultural heritage discusses some issues about history of states, continuity, civilizations and new models of communication and recognition of the substantial differences.

REFERENCES


PECULIARITIES OF LEXEME MANKIND PERCEPTION
BY UKRAINIAN YOUTH IN THE CONTEXT
OF PRESENT-DAY CHRONOTOPOS

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Abstract: The article deals with the peculiarities of perception of the lexical unit mankind by the Ukrainian youth. It also dwells upon the social senses associated with the semantics of this lexeme taking into account the present stage in the development of the Ukrainian language and Ukrainian community. The materials of the article are based on the results of the associative experiment. The authors suggest their own vision of gender and mental aspects of the young people perception of the word stimulus mankind as well as they prove the social conditionality of the receptive activities of human consciousness, in particular the dependence of perception of the word as the language unit on the conditions of social chronotopos.

Keywords: means of communication, social chronotopos, social meanings, social mentality, mass consciousness, national self-consciousness, mentality, mental profile, perception, semantic field, semantic kernel, associative experiment, lexeme, associative field, associative flow, lexeme-stimulus, gender, gender differences

INTRODUCTION

Several factors induced us to write this article. The first factor is the experience of work with students, which proves a gradual alteration in the value structure of young people. The second factor is the statements of national researchers, including V. Burlachuk, concerning the changes in social meanings as a result of changes in Ukrainian public consciousness in terms of the social crisis [1], [10, p. 7]. The third factor includes the events that had a great impact on the Ukrainians’ consciousness during the period of 2013-2014. Since the language is a means of communication, the meaning of the word is associated with social meanings (concepts, emotions, motives). In addition, the knowledge of things is a component of social meaning. According to the definition of O. Suprunenko [6], the social meanings tend to be updated constantly. A. Sokolov states that it is worthwhile learning social meanings taking into account their movement in the social scope, the way they are understood by the recipients and "how long these meanings maintain their value for the society" [5, p. 20]. The researcher of social meanings O. Suprunenko believes that "only a huge scale wave is able to undermine the foundation of general social meanings. Sometimes the specific events give rise to a deeper understanding and forming on its basis the persistent forms of thinking and its expression, as well as to the formation of certain general meanings" [6, p. 7]. Thus, two issues are of great interest to us: which notions the lexeme mankind is related to in the recipients'
minds at this moment? Whether the situation in the country actively displayed in the mass media has any influence on the traditional perception of the lexeme *mankind*.

**MATERIALS AND METHODS**

The proceedings of such researchers as A. Sokolov [5], V. Burlachuk [1], O. Suprunenko [6], O. Denysevych [3], Yu. Makarets [4] became the theoretical basis for our study. The main aspects of the study of social communications and the nature of social meanings are in the focus of interest of the above-mentioned researchers. The investigation into the concepts MANKIND, FAMILY CIRCLE, FAMILY in the linguistic world image of Ukrainians has been made by Yu. Makarets and O. Slipchuk [4]. O. Denysevych [3] emphasizes the possibility of applying the associative experiment in the field of psycholinguistics and sociolinguistics as well as its application as the method of studying social impacts on the language taking into consideration the gender specificity of language learning and expression [3, p. 335].

A well-known sociologist A. Sokolov [5] believes that since social meanings are related to the ideal environment, it is necessary to examine them by means of ideal dimensions. For example, by means of the associations which also belong to the ideal and are related to the perception of information units. In our opinion, the associative experiment is the appropriate method of research, which will provide sufficient relevant results. The associative experiment makes it possible to recreate the semantic structure of the word in such a way to be recognized by the recipient. It also allows studying psychological, cultural, as well as sociological equivalents of the meanings that form the associative field of the word stimulus. Appealing primarily to the subconscious (as the participants of the experiment produce associations and do not explain how they understand a particular lexeme), this method also enables to descry the unity of conscious and unconscious meanings, which is defined in sociology as the term "Social mentality" [5, p. 56]. In addition, this method enables to clear up whether the associative fields of lexemes-stimuli cover the concepts (meanings, senses) they were traditionally linked by the previous generations, and which are recorded in the Ukrainian language dictionaries. The statistical method as well as the method of analysis and data interpretation should be applied to describe the peculiarities of perception the lexeme *mankind* by modern youth paying attention to the gender differences.

**RESULTS**

The experiment involved 100 first and second year students of Zhytomyr National Agro-ecological University (Ukraine). The same number of male and female participants were suggested to write a list of associations in front of the lexemes-stimuli *mankind*, *nation*, *people* that had already been printed in the forms. The research proved that the lexeme *mankind* is primarily associated among the students with such notions as *family*, *family circle*, *relatives*, *generation*, *ancestors*, *parents* and *successors* (Figure 1).
These associations actually reflect the semantics of the term "mankind". According to the explanatory dictionary of the Ukrainian language mankind includes several generations originating from the same ancestor; ling – the grammatical category of the noun in many languages [2, p. 1225]. Both girls and boys equally actively (14% of respondents) link the lexeme mankind with such notions as family, family circle, relatives (40% of the most common associations). Among the boys the lexeme mankind is associated with generation more often (8% of male representatives) compared to the girls. Moreover, the word stimulus mankind did not cause any associations among the girls (8% of respondents), which in our opinion is not natural for women. The lexeme mankind is identically (2% of boys and 2% of girls) associated with procreation and the knowledge transfer (approximately 6% of the most common associations). As it is shown in the diagram the girls' understanding of the word mankind is represented first of all by such notions as family, family circle, relatives, ancestors and descendants (the latter two associations cover the concepts of "past" and "future" thus demonstrating some intentionality to these time aspects). The boys' understanding of the lexeme mankind includes the following notions: family, family circle, relatives, generations, parents and ancestors (intention to the past). Thus, the difference in perception of the lexeme mankind among boys and girls consists in that fact that the girls subconsciously associate the mankind with both the past and the future, whereas the boys associate it with the past and older generations more often.

Modern sociologist V. Burlachuk affirms that in a crisis situation "the search for the tradition is supported by the psychological need for inveteracy in the past in
order to substantiate the title to the group existence as well as to intensify its sense of safety; the tradition selects those historical facts which could appear as the collective symbols in favour of the integration of this group, owing to which the special collective general state, social experience aimed at the maintaining a specific community are formed...” [1, p. 1]. As we can see, the associations obtained also reflect the disposition of meanings to the past. According to V. Burlachuk, common senses that will promote the society integration should exist in the social consciousness during the crisis time. We also managed to identify these senses. They are the so-called "common" recipients' associations. About 200 associations were generated by the students to the word-stimulus mankind. 42 of these associations turned to be common. They constitute 21% of the total number of associations.

Thus, such notions as family, family circle, relatives, generation, ancestors, affiliation, procreation, knowledge transfer constitute the semantic kernel of the lexeme mankind from the point of view of its perception by the students. These notions almost entirely (except the notions related to the last two associations) coincide with the interpretation of the lexeme mankind given in the dictionary of Ukrainian language [2] and the structure of the MANKIND concept in the study related to the specifics of its functioning in the Ukrainian linguistic world-image, and carried out by modern linguists Yu. Makarets and O. Slipchuk [4, p. 78]. Obviously, the semantic kernel of the lexeme mankind has not changed. But it does not mean that its perception has remained unchanged as well. The rest of association such as Ukraine, indestructibility, courage, glory, pride, soul, eternal, warm (warmth), you are not alone should be reckoned in. These associations give an idea of sense values of the experiment participants and are the components of their national self-awareness. Moreover, they suggest that the modern Ukrainian social chronotopos stipulated the appearance of new social meanings, which are not traditionally related to the concept mankind in the consciousness of Ukrainians.

DISCUSSION AND CONCLUSIONS

The semantic dominant in the associative field of the lexeme-stimulus mankind is formed by the associations family, family circle, relatives, generation, genealogical tree, procreation, knowledge transfer, descendants, affiliation, and involvement. The results obtained after a thorough study indicate to some gender differences in the perception of the lexeme mankind. The frequency of using the association descendants concerning the word-stimulus mankind is predominant among the girls and describes the peculiar semantic vector towards the future. The boys' perception of the same lexeme is quite different. It conveys its sense disposition to the past. Considering the cited above statement of V. Burlachuk we presuppose that the social emotional experience and need for the psychological safety is stronger among the boys during the times of national instability. The word-stimulus mankind didn't cause any associations in 4% of girls, whereas the boys always have certain associations with the word-stimulus mankind. Unfortunately, it is impossible to explain this phenomenon without further research.
The associations reflecting the social meanings are the constituents of the participants' national self-consciousness. They give the idea of the participants’ social values as well as allow creating their mental profile. Nowadays the senses related to the notions pride, indestructibility, eternity, courage, Ukraine, as well as family, family circle, relatives, ancestors, generation, procreation, descendants are in the center of the value system of the Ukrainian youth. These senses characterize the current stage in the development of not only the Ukrainian language, but the Ukrainian society taken as a whole.

REFERENCES


THE ROLE OF TEACHERS IN IMPLEMENTING THE SCHOOL-FAMILY PARTNERSHIP

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Abstract: The teacher needs to know the conditions in which his pupil has been grown and lives, the strengths and things that disturb him, his desires or needs. All of this irreplaceable information and resource for successful teaching can only be provided through co-operation and interaction with parents and pupils who can also be a powerful supporter of classroom work through the assistance they can provide in performing their duties at home, or even other home activities. Parents with their knowledge and experience can be of added value to the school. Partnership tends to weaken over the years if the school and teachers do not work to develop and implement appropriate partnership practices for each classroom level (Epstein and others, 2002). Beyond evaluation and rhetoric in the reality of schools, this co-operation does not always happen, which requires the readiness of both parties, but school and school staff are those who have the responsibility, legal obligation and expertise needed to enable the launch, promotion and support this partnership for the benefit of the quality and sustainable formation of pupils. Not rarely, this co-operation faces difficulties, which this paper attempts to highlight based on the teachers' viewpoint. For the realization of this study, 300 teachers of elementary education schools in Elbasan were surveyed. Study findings showed that teachers value the importance and usefulness of school-to-family partnerships and especially parent-teacher communication, but on the other hand it is noted that in everyday school reality relationships are often far from being collaborative.

Keywords: school-to-family partnerships, successful teaching, teacher's role, parents' involvement

INTRODUCTION

Studies show that the benefits of parenting in school life are multifaceted. They include the pupil, the parent, the teacher, but also the school as a whole. Parents are not just an important source of information for the teacher and the school about the child but they are also a valuable source of experience and expertise in various areas that the school should use in its daily work.

Coleman (1998) appreciates parent-teacher cooperation as of decisive importance in pupils' engagement, emphasizing that "pupils' engagement versus learning can be strengthened by the collaborative attitudes of parents and teachers". Parents' involvement in school life improves pupils' outcomes and increases parental satisfaction (Epstein 2008; Wanat, 2010).
Researchers but also teachers have raised common questions like: What do we need to know and do to help all children in school and enable their families to help them? How can school communication with families and community groups allow more families to lead their children on the right path from birth to high school? How can this communication be more familiar, friendlier, more valuable to school, and more acceptable to students?

**OBSTACLES IN TEACHER-PARENT COMMUNICATION**

All parents have something to offer. Schools need to evaluate and discover the special talents of parents, which can serve to build successful school-family collaboration (Wanat, 2010). In order to exploit these important resources for the benefit of their work and the best performance of their students, teachers should strive to understand and evaluate the cultural diversity and socio-economic status of students in their classroom (Lawrence-Lightfoot, 2004).

Teachers need to understand the context in which students live, learn and play. To do this they need to establish a close relationship and partnership with the parents of the pupils. According to Coleman (1998), most parents are aware that much more can be done to help their children learn at school and at home. Parents less involved often get involved actively when the school of their children has inclusive policies that make them feel valued, encouraged and supported (Lewis & Henderson, 1997).

In literature, it is cited often that one of the obstacles to effective parent involvement in school life is the low recognition by teachers of the parents' helpful potential both in school activities and in home support (LeFevre & Show, 2011; Anderson & Minke, 2007). From this, many scholars give the recommendation that teachers should be trained to work and engage with parents coming from different cultures as well as various socio-economic statuses (Freebody & Freebody, 2010).

In the OECD report (1997), it is emphasized that partnership development is a continuous process, which at all times is a subject for change. It is assessed as "an ideal or goal to be achieved towards which parents, teachers and schools should work together". And he cannot be considered as "a remedy to solve all the issues".

Anderson and Minke (2007) conducted a study to analyze the nature of parent involvement in their children's education. They classify the inclusion of parents in two categories: home involvement (e.g. homework help) and school attendance (e.g. attendance at school meetings). According to them, parents make the decision to include in the education of children according to their beliefs (meaning of the role, feeling of self-efficacy) as well as general opportunities and demands for inclusion from the school and their children. The perception of an invitation is as important as the invitation itself. If the school is able to convey to the parent that his/her involvement is welcome and pupils learning support is useful and successful, then this will affect parents' decisions to be involved (Walker et al, 2005).

The study by Mortimore and his colleagues (1998) noted that parental involvement practices represented one of the 12 factors that distinguished effective schools from the less effective ones.
Almost all teachers and executives want to involve families, but many do not know how to build positive and productive programs and are overwhelmed constantly by these efforts.

This creates an idle rhetoric in which teachers and executives make assessing and supportive statements about family-school partnership, but on the other hand do not take any action to promote and support it.

Lack of time is one of the obstacles in communication. Parents make great efforts to manage their families, work and their professional efforts. Mindset is another obstacle. Many of the parents feel uninvited and unsafe in school settings due to their status. Parents' insecurity, previous negative experiences may hinder the process of mutual teacher-parent communication. The negative history of these relationships often leads to unilateral and non-cooperative attitudes by parents.

Regardless of orders, official acts for parent involvement in school life, and teacher invitations, parents often feel excluded or limited in their ability to attend.

Schools should take steps to increase the understanding of the active role of parents and the sense of efficiency to help children to learn (Kathlen et al, 2005). Unilateral communication for information purposes rather than conversation is another barrier to communication. Often the teachers talk straight to their parents.

The reasons mentioned above as parent-teacher communication barriers can be avoided with a greater commitment of teachers and school staff as a whole, creating a spirit and welcoming climate for parents in school and planning activities that promote communication and School-family partnership.

The purpose of this paper is to identify teachers' attitudes and evaluations regarding teacher-parent communication and the reasons that prevent this communication from the viewpoint of teachers.

**METHODOLOGY OF THE STUDY**

The study method was that through the survey. 12 schools in the Elbasan region were selected: 7 in the city (6 public schools and 1 private) and 5 schools in the villages of this district.

The surveyed teachers are 300, out of which 85% are women and 15% men, mainly employed in public schools (94%) and in private schools (6%). About 60% of teachers worked in city schools, while 40% in the village.

The sample was selected with the stratified random selection technique, where Elbasan's schools were divided into 3 areas by location (first zone: schools in Elbasan city center, second zone: schools in the suburbs and third zone: schools in village).

**RESULTS OF THE STUDY**

Asked about the usefulness of parent-teacher communication, teachers appreciate the effectiveness of this communication and its impact.

Teachers should be expressed about their assessment of communication with parents (*Tables 1-7*):
The following question was conceived as a control question to verify the validity of the above question and the answers provided confirm the teacher's assessment of the usefulness of parent-teacher communication and its impact on school life.

Thus, teachers appreciate the usefulness of communication between them and the parents of students. Regarding the obstacles that make parent-teacher communication difficult, in the questionnaire were planned a range of alternatives where teachers would express their assessments.
Table 6

<table>
<thead>
<tr>
<th>Teachers are not trained to communicate effectively with parents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answers</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>Not at all</td>
</tr>
<tr>
<td>Somehow agree</td>
</tr>
<tr>
<td>Uncertain</td>
</tr>
<tr>
<td>Agreed</td>
</tr>
</tbody>
</table>

Source: researched by authors

Table 7

<table>
<thead>
<tr>
<th>Teachers have a lot of workload and do not have time to deal with the parents</th>
</tr>
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<tbody>
<tr>
<td>Answers</td>
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<tr>
<td>---------------------</td>
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<tr>
<td>Not at all</td>
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<td>Somehow agree</td>
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<tr>
<td>Uncertain</td>
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<tr>
<td>Agreed</td>
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</tbody>
</table>

Source: researched by authors

CONCLUSIONS

From the analysis of teachers' responses, comes clear their assessment of the usefulness of parent teacher communication. On the other hand, recognizing the difficulties and obstacles this process faces, in any case, they are directing the finger to parents.

Lack of time, parental communication skills are mentioned as strong obstacles, while the teaching load of teachers is moderately accepted as an obstacle and likewise the lack of teachers training to communicate effectively with parents.

This last reason raises an urgent request for the institutions responsible for teacher training, starting with the Ministry of Education and Sports, the Education Development Institute, RED/EOs, or the school directorates regarding the provision of training modules for parent-teacher communication and effective ways or strategies for its realization.

Equally important, this call is also for the faculties of teaching that can and should include parent-teacher communication as subject or separate modules as part of the school-family partnership.

On the other hand, it is important for the mid-term school plans to devote the right place and its importance to this process by planning long-term activities to ensure the continuity of parent-teacher communication, in the interest of school work, self-democratization of the school and above all the full and comprehensive education and training of pupils.

It should be seen the possibility of involvement in the teaching load to a part of the time teachers need to carry parent-teacher communication in various forms, especially in informal meetings.

Creating a welcoming climate for parents where they always feel welcome at school facilities is another important factor in fostering contacts between them. On the other hand, the school staff must see all the opportunities that they have to offer the opportunity to participate in the school activities either in their realization at the
proper times, sending invitations in time, creating a friendlier and inviting environment for the parents.

Only in this way, teachers and parents can coordinate their efforts to achieve better the common purpose: better and fuller child formation.

REFERENCES


PART II: ACTUAL ISSUES OF MACRO-
AND MICROECONOMICS

JEL: Z32

REGULATION PROBLEMS OF TOURISM INFRASTRUCTURE'S:
COMPLEX DEVELOPMENT IN AZERBAIJAN²

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Abstract: In this article we have investigated the modern state of the tourist infrastructure in Azerbaijan, which is a factor of socio and economic development, in fact, establishes proper conditions for the organization and servicing of the tourism sector. The stature of regulating the integrated development of tourism infrastructure at the public level is noted, where the role of the state is designated to the improvement of the social and institutional infrastructure of tourism. And this, in turn, effectively affects the expansion of the country's tourism industry.

Keywords: tourism, tourism infrastructure, tourism potential, state regulation, integrated development

INTRODUCTION

Worldwide practice illustrates that the rational functioning of economic branches is possible only with the formation of an appropriate and necessary infrastructure. That's why, the study of the problem of regulating integrated development and increasing infrastructure, in particular in the tourism industry, deserves close attention and a serious approach to their solution.

Tourism is one of the most profitable and dynamically developing branches of the economy, in many countries of the world it is among the leading and faster growing branches of the world economy, which bring essential share of income to the budget. This is the only one industry, called the phenomenon of the twentieth century, since it has significantly effects on the socio-economic, political and cultural life of the country. Possessing a multiplicative effect, it acts as a catalyst for socio and economic development, stimulating the development of different

² This work supported by the Science Development Foundation under the President of the Republic of Azerbaijan, Grant No EIF – KETPL – 2 – 2015 – 1(25) – 56/56/5.
areas of the economy that accompanying tourism. In addition, furthermore tourism contributes to the establishment of interethnic contacts and the integration of countries in the world economy.

MATERIALS AND METHODS

The theoretical and methodological basis of the investigation has made by scientific works of native and foreign scientists in the field of tourism industry development, official data of the state statistical service, the concept of development "Azerbaijan 2020: look forward to future", regulations and legal acts of Azerbaijan. Whenever resolving the tasks, there were used the systematic approach, economic analysis methods, comparative analysis and statistical classification.

RESULTS

In comparison with 1950, people today have begun to travel 44 times more often and however 20 years ago the number of tourist trips around the world was only 528 million. In 2015, for sixth years in a row, since the post-crisis 2010, the growth rate of international arrivals has exceeded the medium level and each year this indicator has grown by 4% or more.

"In 2015, international tourism has reached new pinnacles. The effective operation of the area contributes to the development of the economy and the establishment of jobs in many parts of the world. It is therefore very essential that countries tempt policies that promote the steady growth of tourism, including travel facilitation, human resource development and stability" said General Secretary of UNWTO Taleb Rifai.

Relating to the last one WTO data in 2015, the number of international tourists has increased by 4.4% and totalized more than 1 billion arrivals. Worldwide revenues from tourism, relating to the WTO in 2015 increased by 3.6% and amounted to 1 trillion 232 billion US dollars, including costs for accommodation, food, entertainment and shopping. This is not just only 9% of worldwide GDP, however 6% of world exports in generally and 29% of export of services in particularly. As possible to see, tourism remains the speediest growing industry in worldwide exports, on average the revenues of the tourism industry, taking into considering the costs of tourists for transportation, are 4 billion US dollars daily. Relating to the WTO in 2015, the total revenue, including transportation services, amounted to 1.4 trillion US dollars.

Relating to the annual report on the economic consequences of the World Travel and Tourism Council (WTTC), which has been published in 2015, the travelling and tourism industry supports approximately 284 million jobs worldwide, e.g. each 11th job at the international level. "Despite of the uncertainty in the world economy and the specific problems of the travelling and tourism industry last year, the sector has grown by 3.1% to a total of 9.8% of world GDP", said the President and CEO of WTTC. Nevertheless, in total the current financial situation 2016 has begun with good indicators in international tourism sector. Relating to the latest release of the
UNWTO International Tourism Barometer, which is from January to April 2016, the number of international tourist arrivals has grown by 5% and the results were more positive in almost all worlds' sub regions. Given the instability of the world economy, this indicator is considered very high.

Tourism is a new industry in Azerbaijan and is developing very fast, requiring organizational changes, strategic planning, marketing strategy, the availability of appropriate infrastructure, the development of tourism products and legislative laws in the tourism sector that meet the contemporary needs of the tourism industry.

Last time tourism has become a priority area for the state, which has become more focused on the development of local and incoming tourism. President H. Aliyev of Azerbaijan in June 4, 1999 adopted the law "On Tourism", which served as an incentive to the development of the tourism industry as becoming the basis and core of the legislative system in the field of tourism in Azerbaijan.

The government is frequently working to spread and strengthen the scale of the public policy in the field of tourism. The implementation of the state programs for the development of tourism for 2002-2005, signed by the decree of the President of the Republic of Azerbaijan from August 27, 2002 and for 2010-2014, signed by the President of the Republic of Azerbaijan I. Aliyev on April 6, 2010, are an essential proof about tourism, as an important and promising sphere of the economy under the close attention of the state.

The significant task of the public programs is the creation of a contemporary tourism industry in Azerbaijan, corresponding to high socio, economic and environmental requirements, turning it into one of the leading branches of the economy, creating quality conditions for developing the life of the Republic citizens, taking into consideration the complex development of infrastructure as well as ensuring accessibility and competitiveness of tourism services in the international market.

The development concept of "Azerbaijan 2020: look forward to future" also reflects the targets and objectives for the development of tourism in the country. Especially, the doctrine says: "Inwardly the framework of the concept, the development of the tourism infrastructure, expansion of the sphere meeting the international standards of tourism services, the growth of competitiveness of this sector and the increase of its share in GDP are envisaged." It is satisfactory that the strategic roadmap for the development of specialized tourism industry in Azerbaijan is one of the direction in the strategic roadmap for the national economy approved by the degree of the President of Azerbaijan I. Aliyev in December 6, 2016, which includes 11 directions.

Until now, the state legislative bodies and executive authorities of Azerbaijan have adopted over 60 various normative and legal acts, laws and state programs through regulating the development of the tourism industry.

In present time, Azerbaijan as a tourism developing country, despite of its high natural, historical and cultural potential, unfortunately, occupies a very small place in the world tourism market. The contribution of tourism to the country's economy
under Azerbaijan's GDP for 2015 according to the Ministry of Culture and Tourism is 2.4%, or 1.3 billion manat, and 5%, taking into consideration the multiplier effect. Meantime, the volume of inbound tourism, relating to the results of statistical research by the Azerbaijan State Statistics Committee in 2015 amounted to 1.9 million foreigners, while the amount of outbound tourism is 3.2 million people (more than 68%). It happens despite of the fact that the Azerbaijan's tourism potential is estimated at 5 million tourists per year. That's despite of the priority development of local, inbound and socio tourism, as illustrated in the law of the Republic of Azerbaijan "On Tourism" in our country through the outbound tourism market prevails.

The significant constraint in the development of the Azerbaijan's tourism industry, as previous, is the insufficiently developed infrastructure and low rates of improvement of its basic elements (transportation system, accommodation facilities, entertainment areas, etc) the quality and price of the services ensured the weak introduction of new forms, some methods and technologies of work. It is infrastructure objects that account for about 80% of the total revenue, received from the tourism industry, and they play a decisive role in the regional tourism economy, fulfilling the task of reconstructing tourism and turning it into a highly profitable, budget-making branch of the national economy. Therefore, there is a need to implement a set of infrastructure activities in general in the Republic and in the regions that host tourists.

Gratitude to the emerging infrastructure, tourism resources are being developed, their attractiveness and accessibility for tourists are increasing. This is the significant factor in the functioning of the entire tourism industry, the feeble development of which in many cases is the main obstacle to the development of the tourism industry. In a word, the tourism infrastructure is the determining basic condition for the development of tourism in the country.

And that's why, first of all in advance all the problems concerning the tourism infrastructure have to be regulated under state level. If the state starts investing in implementing measures for the integrated development of tourism infrastructure, tourist flows will increase in our country, which will seriously affect the socio-economic development of the country as a whole.

The progress of infrastructure facilities in Azerbaijan requires new approaches, since by the existing system of management of the tourism industry does not meet the requirements of contemporary society. Azerbaijan has to strive to take the primary place in the world tourism market, as the country's potential is very huge. In fact, it is advisable in the Republic to develop a set of programs for the development and further improvement of the touri
railway transport, power facilities, engineering and communication networks, hotel sector, enterprises, ensuring a normal access for tourists to same resources, ineffective functioning of entertainment, entertainment and leisure facilities, which contributes to the descent of capital abroad.

The most essential mission in the country under the purpose of increasing the number of tourists arriving in the country is the formation of tourist literacy of professional workers in recreation and leisure, also developing the quality and culture of service. The lack of professional staff in the tourism area is one of the reasons that impede the improvement of this area. As the joint research of the Ministry of Culture and Tourism and the University of Tourism and Management showed the country's need for cadres in the tourism sector will not be fully satisfied by 2023 only by 10 or 20%, which makes it even harder to resolve this problem.

Presently in Azerbaijan as an entirely there is a great need for personnel in the sphere of services, including those who are able to ensure them at a higher level. Frequently in the field of tourism in the country, people who do not have a proper work education. Apparently, the problem of training personnel for the tourism business is especially relevant. No matter how good the hotel is, its geographical location and internal arrangements, it depends on the skill and the cordiality of the staff, what impression the guest will have on staying in the city, whether he will return here again or not.

As a result, the effectiveness of tourism development in the region broadly depends on the integrated development of tourism infrastructure. The tourism infrastructure, as a complex of operating facilities and networks of industrial, social purpose, ensures the vital activity of the entire sphere of the tourism industry. Its presence testifies to the level of development of the national industry and high level of incomes of the population.

**DISCUSSION AND CONCLUSION**

Sophisticated growth of tourism infrastructure in Azerbaijan is the basis of organizing tourism activities. In order to use the tourist potential of the country in fully for the effective growth of local and incoming tourism which provides unlimited opportunities for meeting needs of our and foreign citizens in tourism services as its state regulation.

The progress and healing of the tourism industry in Azerbaijan is possible only if the complex growth of its infrastructure is realized which is feasible due to joint efforts of the state and business. State regulation of the tourism industry is mainly the management of the financing of tourism and tourism infrastructure in general, as well as the implementation of mutually beneficial projects with the business for the effective functioning of the tourism industry. This leads not only to the expansion of the private sector, however contributes to the creation of additional jobs, which, in turn, also contributes to the welfare of our citizens.

The world financial and economic crisis brought an understanding that it is essential to develop the non-energy area in country's economy, including tourism, which is one of the primary sectors of Azerbaijan. And furthermore, first of all, in
advance it should be developed the complex growth of the country's tourism infrastructure, which is its reserve, guaranteeing system, while acting as a catalyst for the growth of the tourism industry. Therefore, for the further integrated development of the tourism infrastructure in the country, it is essential for both state support and attraction of investments.

The tourism potential of Azerbaijan is enormous and this is reflected in the priorities of the public policy and strategy. Florian Zengshmid, the Twinning project manager, who is implemented as part of the Eastern Partnership initiative with EU funding of 900,000 Euros, to assist the Tourism Department of the Ministry of Culture and tourism of Azerbaijan in increasing its functional capacity. According to his opinion, the economy’s diversification and the focus on the development of the non-power sector are extremely essential for Azerbaijan. "At present, two million tourists, according to official statistics going to Azerbaijan in connection with the potential in the field of culture, because of the sun and beaches and etc. There are many things that have already been done with regard to hotels, infrastructure, restaurants, museums and etc", told the project manager.

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Abstract: In spite of the wide spreading of methods to segment customers into groups for marketing purposes, the popularity of using statistical methods for automated and independent is growing simultaneously. Nevertheless, clustering algorithms and other data science techniques are hard to implement into the current company's strategy and use them as a main tool for decision making. However, there are data, i.e. driven companies which use full power of data science and prediction analytics. This study aims at showing possible ways of using clustering in forming marketing strategy of a company and gives an example of using a cluster analysis into the real world problem.

Keywords: marketing strategy, cluster analysis, market segmentation, company's strategy

INTRODUCTION

Contemporary media providers are working with Big Data sets, which are obtained from their clients. Every click and every action can be written into database with tremendous quantity of rows, which are saved in different formats on companies' servers. The issue is that after collecting such a big amount of data media-providers come across a problem to transform and explore all this information. All companies, which are able to collect data and want to investigate it, face this problem. Current data by driven companies use different tools to explore data and predict or prevent various events in their work. These tools may include programming languages, different types of databases, statistical and office packages, visualization tools etc. Using such instruments can have a significant economic effect on the company, where the data and analytics are the key point of making decisions.

Due to relatively young age of the field of data analysis in business, a very small amount of companies is using machine learning and advanced analytics in order to improve their productivity and change the strategy of work on the current market. Nevertheless, many companies try to prove their decisions based on data. However, most of them perform this analysis using only aggregated metrics or simple charts, which can describe a current state of company but cannot make any automated prediction without human intervention. In this article we try to show a real example of using advanced techniques of Data Science and how they can be used in order to change a business strategy of a particular company on the market. In particular, in the second section authors first describe the nature of need to conduct people into
different groups and widely used characteristics to differentiate people. In the third section we show an example how the problem can be solved on real data and how assessment metrics can be used. Taking into consideration the fact that Data Science methods are relatively new in decision making regarding a company strategy, in the fourth section we present how our inferences can be used to increase the company's profitability. Finally, in the final section we draw conclusions.

**NATURE OF THE PROBLEM**

The need to segment users or customers is one of the fundamental strategic marketing issues of companies. Traditionally, companies conduct segmentation manually, based on well-known customer's application or behavioral characteristics. After collecting this data on their customers the companies group use this information based on the similarity of their expectations or other target characteristics on companies' products or services. An organization is considered successful provided that a chosen segment is fully satisfied by the organization, as well as it predicts customers' needs and optimizes its profitability. In reality, in the epoch of data collection and digital transformation we are able to analyze more data such as customer behavior, additional data sources with information about buyers or external sources with data from stock exchanges, for instance. It also allows us to search hidden patterns in the data, observe market fluctuations and their influences on product sales to different types of customers (so-called elasticity) etc. These abilities give companies an opportunity to take competitive advantage and in the real world, they are a vital part of every marketing strategy.

Very often a data by driven company faces with the problem of classification current customers, but doing it without any knowledge of exact user characteristics and how they divide customers into groups. Moreover, a company should work with huge datasets, where data preparation for verification of some assumption can take lots of time. And a company has to generate and test vast amount of these assumptions. The possible answer how to deal with this issue is a cluster analysis. Although this approach simplifies the task of the company, it requires dealing with criteria of accuracy conducting such type of the activity. After carrying out the clusterization a company can classify every user into their own cluster.

The important part of performing such type of analysis is the ability to substantiate received results statistically, not based on human assumptions, expectations and without running enormous amounts of tests.

In regards to segmentation, we should keep in mind that we segment the market if we know what our target audience is. Typically, the following characteristics are used to segment customers: demographic (gender, age, education, possible income and, accordingly, purchasing power), geographic (living address, region, state, country), psychographics (lifestyle) and behavioral (purchase frequency, customer loyalty) ones. This approach is common in different industries and is founded on expectations toward some groups of customers. For instance, we can expect that men aged 30-40 with families and income $30.000 to $90.000 most probably would buy a hatchback or sedan instead of a sports car. This approach makes us
think more logically and we explain chosen characteristics as the ones that highly correlate to possible decisions. However, we do not take into consideration possible patterns in behavior, nonlinear dependencies and combination of pairs of variables or how they influence one another. In reality, when we conduct market segmentation we are moving from our theory about customer behavior to data, and verify this theory on available data.

On the other hand, we can choose another approach and base our decisions on current data. With this purpose, we can use machine-learning algorithms to identify existing clusters of customers and create new segments based on relations between data. In order to conduct a good, the clusters should be relatively homogenous within themselves and heterogeneous between one another. Thus, it implies that we are not always able to find clusters in our data, but we can always conduct segmentation, even on extremely homogeneous data.

The common issues in cluster analysis are defining a number of clusters, the ways to measure their similarity and to form clusters. In our article we do not touch upon a technical part of this question in our example, but, in general, if we want to apply our results to a company's strategy, we can choose zero, one, two and more or even hundreds or thousands of segments [1]. It depends on which type of marketing strategy our company follows. Choosing zero implies applying mass marketing strategy when we do not need at all. Or we could choose one segment and lead niche marketing with focus on well-defined segment. For two and more segments, differentiated strategy on multiple numbers of customer segments could be pursued. On the contrary, hundreds or thousands segments require a customized offer for each customer. We will discuss this topic again in Section 4 and talk about a company strategy.

EXAMPLES OF SOLVING SEGMENTATION PROBLEM BASED ON CASE OF ONE MEDIA PROVIDER IN THE US

In order to highlight possible application of clustering we have conducted this type of analysis on one of the largest cable television operator of the USA. In a structure of the collected data set the following information has been included: the title of a program, the class of a program, the language, the genre or set of genres, the part of time which was spent on watching this program, the number of households where the program was watched, the number of showed times, the duration of a program and the number of channels the programs was shown on. All data which cable operator was able to collect was gathered in one database and was aggregated in terms of users and other characteristics. In this paper we only briefly touch upon a methodological part of the model validation and selection of the number of the clusters focusing instead on possible using obtained results in developing the company's marketing strategy. Technically speaking, clustering methods, which were used in this research are the following ones: hierarchical clustering, k-means and DBSCAN and combination of Principal Component Analysis with all methods mentioned above. In order to choose the number of clusters the following most popular methods were used: Silhouette, Dunn and Gap statistic methods. And
finally, the chosen distance metrics were "Euclidean" and "Manhattan". Moreover, raw data was pre-processed and a feature extraction, generating of new features, scaling procedure and feature selection were conducted. After running the cluster analysis using all the mentioned methods above, the optimal number of clusters by voting method was chosen as two. On the other hand, it is evident that every company can choose another number of clusters, depending on necessary accuracy of the future marketing campaign or assumed number of clusters defined by experts instead of using technical criteria. We are able to find centers for each cluster, which can be clearly defined by some instances. For example, in Table 1 the first two programs, which are the nearest to the cluster's centers are presented.

<table>
<thead>
<tr>
<th>Title</th>
<th>Cluster</th>
<th>Number of households</th>
<th>View rate</th>
<th>Distance from the center</th>
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</thead>
<tbody>
<tr>
<td>The Peanuts Movie</td>
<td>1</td>
<td>114</td>
<td>0.438993264</td>
<td>0.350535583</td>
</tr>
<tr>
<td>The Princess Diaries</td>
<td>1</td>
<td>96</td>
<td>0.453828333</td>
<td>0.458517007</td>
</tr>
<tr>
<td>Deadpool</td>
<td>2</td>
<td>1077</td>
<td>0.446473228</td>
<td>1.21174013</td>
</tr>
<tr>
<td>Ride Along 2</td>
<td>2</td>
<td>862</td>
<td>0.401037795</td>
<td>1.21174016</td>
</tr>
</tbody>
</table>

Source: calculated by author

Clusters are shown on coordinate grid in Figure 1, where y-axis is a logarithm of total air duration and x-axis is a logarithm of household number. In our case, even after preprocessing, our clusters have a clear representation. However, this case is not common. For instance, if we decide to exclude characteristics connected with the number of households where the programs were viewed, we can get dramatically opposite results. In a simple example, considering clusters based on all characteristics mentioned above not including time of air duration in Figure 2, we can see that clusters are slightly overlapped. But, in N-dimensional space they have significantly different grouped shape. That was only one instance of common issue with high dimensional world, where we (inhabitant of three-dimensional spaces) cannot recognize patterns in more sophisticated space [2].

Figure 1: Shape of clusters in two-dimensional spaces
Source: completed by author
We are able to show only a small part of research, though many other techniques exist in order to conduct a cluster analysis [3], [4], [5]. The main question for business is how it can implement these results and turn them into money. Now, we will pay our attention to this issue.

**ONE OF THE POSSIBLE WAYS TO IMPROVE MARKETING STRATEGY WITH CLUSTER ANALYSIS**

Regarding Peter Drucker, the market along with society, technology and customer is the first of the assumptions of company's strategy. The second assumption is the specific mission of the organization and the third one is core competencies needed to realize the organization's mission [6]. In our case, the company can achieve its goal through developing data science techniques as one of the essential competency. The cluster analysis can help with this issue.

Data by driven analysis of customer groups can be a part of "marketing mix" as one of the marketing tools that the firm uses to pursue its marketing objectives in the target market [7]. Especially, cluster analysis can be applied easily to one of the best known management consulting framework to launch a new product, so-called 4Ps concept. Every category of this approach can be covered by application of cluster analysis in a particular situation and by using data science in general. For instance, Product category can include cluster analysis of customers to decide which product assortment can optimize profitability of the company or how to work with every customer at every stage of the product life cycle, especially at the growth stage with the aim to overcome "the chasm" in order to turn early adopters into constant users. The Price category may contain different pricing and discount strategies for every group of users. Cluster analysis for Promotion category is able to act as an addition to the current channel strategy, where the main goal is to reach target audience through different channels and massage strategies with the aim of...
communicating important product features to every cluster of customers. The next part of the framework, Place, in combination with clustering of customers is capable to assist in choosing the appropriate strategy of distribution: exclusive, selective or intensive. In addition, it can deal with improving assortment for every group and predict the customer location or distribution way (for every user).

Each part of these categories can be mixed with other approaches where we can use clustering analysis. For instance, correct clusterization of customers by every product or service for data by driven company can be a part of the Blue Ocean strategy framework [8]. Based on conducting the analysis of user clusters and the amount of money earned by each of them, a decision on eliminating of products or their functionality can be made, as well as what we can reduce in our products, which is not important for exact group customers; which attributes of our product or service we can rise for being above the industry standards for fully satisfy customers' needs and, finally, after analyzing cross industries trends and trends in changings user clusters over time, we will be able to decide which new attributes should be created, the ones which the industry has never offered.

Furthermore, we can analyze company clusters of users in Boston Consulting Group matrix, which is frequently used for product management, portfolio analysis and brand marketing [9]. Every cluster can be considered as a business unit, which can belong to one of four categories: cash cows, dogs, stars and question marks. We can slightly modify a standard BCG matrix and assume that each of our customer categories can be represented in two-dimensional spaces: with cash generation on one axis and market growth rate on the other one. Relying on BCG analysis we can implement the strategy for each cluster, which was formerly classified into these two dimensions.

The general advice is to reduce dogs, units, which generate low cash and have low market growth; analyze question marks, also so-called "problem children", which grow rapidly but do not generate much cash. They should be converted into stars with high-level cash generation in the future, or they turn into dogs. Stars generate and consume large amounts of cash, because they have a high market growth rate.

The main strategy of this type of units is to transform them into cash cows, with low cash consumption. The last category is cash cows as the units which generate a lot of money and have low growth rate. Because of low money consumption and relatively stable cash flow they are continuously "milked" and, typically, the generated profit from them is used to support question marks, cover some company costs and invest into R&D.

However, we should bear in mind that every clustering algorithm can be tuned in different ways with different numbers of clusters and it can have significant influence on our strategy in the future. With this purpose, researchers' advice to run clustering many times with varying numbers of clusters to choose the most stable results or give an opportunity to the management to choose the most intuitively right result [10].
CONCLUSIONS

In this paper we have reviewed the issues of using segmentation as a part of marketing analysis of a company, and proposed ways how the cluster analysis can assist in this situation. Also, we have touched upon the question of choosing the right number of clusters depending on our marketing strategy.

We have shown an example of conducting clustering analysis on real data and types of results which could be achieved. The author has demonstrated possible metrics, algorithms and approaches, which were used in the practical part of the research.

In addition, the possible approaches how cluster analysis can cover the company's marketing strategy have been shown. Typically, it can be used as a technical part of management consulting framework with little modifications within the framework in order to choose a target audience of the company.

For the time being the full implementation of clustering into the company's strategy is an extremely rare case, but in the future data by driven companies will embrace machine learning and data science techniques into their strategies more and more frequently.

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JEL: H11, J68, O15, R23
THE BASIS OF PUBLIC POLICY FORMATION FOR SOCIAL AND ECONOMIC SUPPORT OF INTERNALLY DISPLACED PERSONS

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Abstract: The nature and characteristics of public policy support for internally displaced persons (IDPs) in Ukraine have been discovered in this article. "Public policy support for IDPs" definition has been formulated. It is proved that governmental policies support IDPs as an activity can be carried out on four levels. Principles on which the formulation and implementation of public policy for IDPs ought to be based have been concretized. Both formulation and implementation of the fundamental principles of state policy on IDPs are the factor that will develop efficient and effective comprehensive national policy on IDPs, their adaptation and integration into the host society.

Keywords: governmental policy, internally displaced persons, governmental support, principles of state policy, adaptation and integration

INTRODUCTION
As the result of the annexation of the Crimea and Donbas, military conflict there was an emergence of forced migration. It ought to be noted that the category of internally displaced persons (IDPs), who were forced to leave their place of residence due to the war, was first recorded in Ukraine in 2014, forming a new type of migration for Ukrainian population.

As of the end of 2015, 1.7 million citizens were forced to leave their places of residence and sought refuge in other parts of the country, which led to the redistribution of population between the territories [1]. Among those are children, the disabled and the elderly, who are especially vulnerable category.

It ought to be emphasized that today issues related to addressing problems of IDPs, are relevant and require an integrated approach. There is a need in the immediate formation of state policy to support IDPs, the formation of mechanisms of its implementation, and is in terms of current economic difficulties.

MATERIALS AND METHODS

In the state system there exists the system for refugees' acceptance as well as an appropriate legislation to solve the problems of IDPs; however, the state was not ready to resolve such problems. Therefore, it seems appropriate to generalize the
theoretical advances concerning the basic concepts, categories for the support and welfare of these people.

The purpose of this research is to develop theoretical and methodological principles of the state policy to support IDPs.

RESULTS

In terms of international law, there is no universally accepted definition of IDP because countries have full freedom to define this category of persons in domestic law. The analysis of different interpretations of the IDPs' category [5; 6] has allowed concluding the direction of public policy to address a specific problem for society. It is necessary to emphasize that the IDPs, unlike refugees, remain within their own country, which forms the peculiarities of their state protection and support.

The analysis of scientific advances regarding the interpretation of the concept of "public policy" allowed formulating a definition of the "public policy support for IDPs". Thus, we believe that the public policy support of IDPs ought to be understood as based on the existing legal acts, agreed on the objectives of the system of public-management measures by public authorities to achieve the functions of the state due to the support of IDPs to help these citizens with their adaptation and integration in the host society to ensure the interests of citizens, society and the state as a whole. Taking into consideration the basic aspects of state policy on IDPs, we consider it as appropriate to study the subject and object as mandatory elements of political relations.

The subjects of public policies that support IDPs are the social environment, and institutions and organizations created by them which practical activities are aimed at influencing the livelihoods of IDPs as relevant facilities policy to support integration, adaptation to the host society. It ought to be underlined that objects on which the activities are subject-focused are public relations, IDPs as a whole, or certain categories of citizens, who are displaced within the country.

The subject (the management component) together with the object of appropriate public policy (managed components) and the relationship that arise during this process, form a system of public administration to support IDPs, and are characterized by complexity and large sizes. The state policy of IDPs' support as an activity can be carried out at four levels (Figure1).

As it has been rightly noted by the scientists, the responsibility for the situation of IDPs, under the Guide principles, is with the government of their country of citizenship. This is fully consistent with the laws of Ukraine, according to which IDPs as its citizens should be provided with all the fullness of rights [6]. Delaying active actions on IDPs in hopes of solving their problems by returning can only lead to the deterioration of the situation, tensions in relations between IDPs and indigenous habitats. Taking into account that the problem of IDPs is rather new to the country, it is of current interest that the foundations of government regulation in this area are the principles that indicate the relationship between managed objects and the managing entity of the system of state regulation, as well as proper correlation between them and other elements of the system.
It ought to be mentioned that the principles of public policy, based on public-methodological aspects of management, reflect the significant patterns, interrelation and interconnection in the government. In practice, these principles are of the nature of rules and norms that guide management activities in accordance with the social and economic conditions prevailing in the society [7, p. 14].

Drawing attention to the international guidelines for the development of public policy on IDPs it also should be stated that the Guidelines on the movement of persons within the country include basic principles of protection of IDPs' rights in line with international standards. Despite the fact that the recommendations are not obligatory, they represent minimum standards of working with IDPs; countries and institutions use them; their number constantly increases.

Focusing on the problem of formation of national principles of state policy on IDPs, we consider it appropriate to separate them into 2 groups: basic (general) and specific.

**Figure 1: Levels of public policies to support IDPs**

*Source: compiled by authors*
Basic (common) principles of state policy have been formulated in the law of Ukraine "On the principles of domestic and foreign policy" in Art. 2 and states the following: "The internal policy is based on the following principles: priority of protecting national interests; follow the law, ensuring the rights and freedoms of citizens, respect the dignity of every person; equality of all subjects of property rights before the law, protection of competition in economic activity; openness and transparency of preparation and decision-making by public authorities and local governments; sustainable economic development based on market principles and its social orientation; to balance national, regional and local interests; freedom, social justice and creative self-realization, participation in public and social affairs; social partnership and civic solidarity" [8].

Specific principles include the peculiarities of formation and realization of state policy on IDPs, the complex problems faced by the citizens in the context of social and economic characteristics of settlement areas, the nature of socio-economic and psychological adaptation and integration in the host society.

In order to systematize all abovementioned, it is vital to combine the specific principles of state policy on IDPs in subgroups. The main sub-principles, which ought to include the formulation and implementation of government policy on IDPs, in our opinion, should be the following: planning principles, organizational principles and the final result (Table 1).

### Table 1

**Principles of state policy on IDPs**

<table>
<thead>
<tr>
<th><strong>Group of principles</strong></th>
<th><strong>The principles and their characteristics</strong></th>
</tr>
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<tbody>
<tr>
<td>The planning principles are based on the formation of a system of interconnected goals and objectives, that take into account changes in factors of external and internal environment, ensure getting the maximum social and economic benefits of the proposed measures</td>
<td>the scientific principle – planning the activities to comprise the policy, which will support IDPs and has to be based on scientific methods to analyze trends and forecasts of socio-economic development of the areas and society</td>
</tr>
<tr>
<td></td>
<td>the principle of democracy – openness of activities in support policy of IDPs, involving the development of the scientific community and society</td>
</tr>
<tr>
<td></td>
<td>the principle of effectiveness – the attainment of the goals with optimal financial and social costs</td>
</tr>
<tr>
<td></td>
<td>the principle of adaptability is realized through the formation of the concept of IDPs’ support with regard to possible environmental changes that could lead to adjustment of strategic objectives and priority measures to protect and support IDPs and mechanisms for its implementation</td>
</tr>
<tr>
<td></td>
<td>the principle of risk minimization that implies the selection of assistance tools that have to be evaluated as well as different risks have to be taken</td>
</tr>
<tr>
<td>The final result principles as a whole determine the living standards of IDPs, their adaptation and integration in the host society</td>
<td>the principle of purpose determines the orientation of public policies that support IDPs to achieve the common goal of all parties</td>
</tr>
<tr>
<td></td>
<td>the principle of balance shows a balance of interests of all subjects of public policy, displaced persons and people in resettlement areas regarding strategic objectives and priorities; balancing economic, social and other purposes; balanced use of the resource base that is necessary to achieve the objectives</td>
</tr>
<tr>
<td></td>
<td>the principle of humanism expresses edifice that determines the value of human beings, their rights to freedom, happiness, development, identify their abilities, which consider human well-being</td>
</tr>
<tr>
<td></td>
<td>the principle of solidarity – the focus on strategic objectives that support IDPs and their integration and adaptation to the interests of the population, the priority problem is the quality of life</td>
</tr>
</tbody>
</table>
The integration principle into the field of legislation provides the compliance of regulatory affairs aimed at supporting IDPs with the European ones.

The principle of personification – for the direct impact of support to those, who are mostly in need; it is proposed to focus on the hardships of specific groups, taking into account their individual characteristics (the children, the pregnant women, the disabled, the elderly, etc.)

Voluntariness in matters of resettlement or return to places of residence

The organizational principles provide coordination and interconnection of management at all levels, ensuring complementarities of actions implemented in different sectors, and achievement of cumulative effect that is required for integration and adaptation of IDPs, maximizing the prospects for recovery and peace building

The principle of consistency assumes that actors of the public policy while determine the objectives, selecting methods, forms, tools, protection and support of IDPs, their adaptation and integration in the host society must take into account the changes taking place in the environment within which the system operates and develops

The principle of comprehensiveness determines that the state policy regarding IDPs must take into account different aspects: technological, economic, social, ideological, psychological, organizational and political ones

The principle of synergies – the synchronization of major reforms undertaken in the country and affect the formation of national support instruments for IDPs and therewith the consistency of trends support of municipalities in regional development

The principle of subsidiarity that provides the decentralization of power and authority accomplishment to protect and support IDPs at the level of government at which they can be performed more efficiently; provides the interaction of state and local governments and civil society institutions

The principle of conceptual approach to protect and support IDPs that ought to be based on the adoption of basic documents that would establish the main directions of state policy on IDPs aimed at developing the concept of support, social and economic and psychological adaptation, integration in the host society and can be used by both the state and private entities while choosing the direction of the future activities. Development of comprehensive state program to support IDPs, formed within the concept of IDPs’ support, to overcome the negative effects and the implementation of positive potential of forced internal migration

The principle of legitimacy - ensuring the legitimate rights and freedoms

Source: developed by authors

The Formulation and implementation of the fundamental principles of state policy on IDPs is the factor that will develop efficient and effective comprehensive national policy on IDPs, their adaptation and integration into the host society.

**DISCUSSION AND CONCLUSIONS**

Thus, the formation of the theoretical and methodological bases of the state policy to support IDPs, systematization of approaches to understand state processes in this area will integrate relevant scientific knowledge regarding IDPs’ support and will enable practitioners to form effective, reasonably informed public and managerial solutions to complex IDPs problems.

Therefore, nowadays there is a need in the formation of the concept of protection and IDPs' support and immediate formation of national assistance instruments, which are the main directions for the further research.
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MODERN TENDENCIES OF YOUTH EMPLOYMENT IN THE EU AND UKRAINE

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Abstract: The article is devoted to actual issues of youth employment considering the current stage of Ukrainian and EU labor market. The purpose of research is assessment of basic tendencies of youth employment in Ukraine and European Union; and grounding of practical recommendations to solving youth employment problems in modern conditions. In consequence of research, the directions for improving the situation of youth employment based on the experience of leading EU countries were proposed. So, among them: effective interaction between the labor market and the education market in the context of partnership between the government, educational institutions and business representatives (employers); stimulation of entrepreneurial activity of young people, through the use of preferential taxation mechanisms, information providing and consulting for documentation and features of their own business; development of innovative forms of employment and self-employment; government subsidies for those companies that take young workers in their first job; improvement of legal framework regulating of the labor market, providing of monitoring of youth labor market indicators.

Keywords: youth employment, labor market, unemployment, youth policy, competitiveness of young employees, regulation of employment

INTRODUCTION

Actual issues of the present time are the youth employment and the need to improve youth competitiveness in the labor market. Those young people, who constitute the future employment potential of any country, is currently the most vulnerable category of labor. The main reason for this is the lack of practical experience within their chosen specialty and the necessary skills and abilities that is a discrepancy to the needs of employers.

On the other hand, there is the unwillingness of employers to employ young workers through unwillingness to spend money on their training. That is why young people are often unemployed immediately after graduation. In terms of the European integration aspirations of Ukraine, it is necessary to solve the problems of youth employment in particular by attracting positive foreign experience and its adaptation to local realities. An essential requirement of the process of Ukraine integration to the European Union is to ensure the effective functioning of the labor market by attracting mechanisms of forming relations of highly productive employment and reducing unemployment.
MATERIALS AND METHODS

According to local scientists, the problem of youth unemployment is not only the lack of jobs, but insufficient supply of attractive jobs considering payment, content, work conditions [1]. Moreover, despite a number of positive qualities, including high mobility and ability to flexible adaptation to changing environmental conditions and the desire to acquire new knowledge, acquire necessary skills, unfortunately, young people lack experience and specific skills.

The problem of youth employment is a pressing issue not only in Ukraine but also worldwide. According to the International Labor Office (ILO), one million of young people reach working age in the next ten years [2].

The study of the problematic aspects of youth employment involved many scientists and researchers, including: K. Brenke, D. Bondarenko, E. Libanova, A. Rayevnyeva, M. Semykina, O. Sycheva, M. Tulenkov, Y. Zvonar and others [1-4, 7, 8]. The authors examined key aspects of youth employment and justified solutions to existing problems, including the need of balanced development of the labor market. However, domestic realities and enhance global trends of globalization require constant research, evaluation and analysis of supply and demand for labor market; monitoring of the state of employment and education market and justification of the main provisions of the state employment policy taking in account current conditions.

The article is to assess major trends in youth employment in Ukraine and the EU; as well as providing practical recommendations to address youth employment in modern conditions. Theoretical and methodological basis of research are fundamental tenets of economic theory, scientific works of foreign and home scientists, statistics of State Statistics Service of Ukraine and Eurostat. Among the methods that were used during the study, the main ones being: abstract logical (in the process of theoretical basis and justification of article conclusions); statistical and economic (for the study of mass economic phenomena and setting a trend); general economic analysis and synthesis.

RESULTS

European policy priority given to youth employment, especially concerns youth competitiveness on the labor market. These are the relevant programs and initiatives for the development of young people, among which special attention should be attracted to such as: "Youth on the move", "Opportunities for Youth", "Program for new skills and jobs" and so on. In general, the main areas of EU policy in the youth field are represented in the strategy "Europe 2020", which involves improving education policy, employment, development of labor potential formation mechanism of social responsibility. The features of the youth policy of the EU are: focusing on investing in education, development of entrepreneurial activity of young people, providing comprehensive practical training of young people in the workplace. Unlike traditional public employment policy in Ukraine, involving mainly passive measures within the activities of the State Employment Service (accounting of unemployed, payment of financial aid, information
services), the EU employment policy is active. That is, it does not focus on fighting unemployment by providing any jobs for persons registered as unemployed, but on the improvement of the quality characteristics of the working population, which contributes to increased productivity employment [3, p.146].

According to scientists, at present time and over the next decade in Ukraine the number of those entering the working age is to be less than the number of people out of it that generally creates a situation favorable to improving youth employment [4]. The statistical office of the European Union Eurostat defines the main labor market indicators, including employment and unemployment for young people aged 15 to 24. Therefore, for the purpose of comparing the relevant data on Ukraine and the EU a relevant population group was taken as the object of study. Comparing the overall employment rate of the population aged 15-70 (years) and the employment of young people in Ukraine and the EU (including the five selected EU countries with high economic development), the following conclusions can be made (Table 1).

Table 1

<table>
<thead>
<tr>
<th>Countries</th>
<th>2010</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2015 to 2010 (+/-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ukraine</td>
<td>58.4</td>
<td>59.6</td>
<td>60.2</td>
<td>56.6</td>
<td>56.7</td>
<td>-1.7</td>
</tr>
<tr>
<td>EU (28 countries)</td>
<td>51.9</td>
<td>51.6</td>
<td>51.3</td>
<td>51.7</td>
<td>52.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Austria</td>
<td>57.5</td>
<td>57.8</td>
<td>57.7</td>
<td>57.3</td>
<td>57.2</td>
<td>-0.3</td>
</tr>
<tr>
<td>Belgium</td>
<td>49.6</td>
<td>49.2</td>
<td>49.0</td>
<td>48.9</td>
<td>48.8</td>
<td>-0.8</td>
</tr>
<tr>
<td>Netherlands</td>
<td>62.2</td>
<td>61.2</td>
<td>60.2</td>
<td>59.6</td>
<td>60.0</td>
<td>-2.2</td>
</tr>
<tr>
<td>Germany</td>
<td>55.2</td>
<td>56.8</td>
<td>57.2</td>
<td>57.4</td>
<td>57.4</td>
<td>2.2</td>
</tr>
<tr>
<td>France</td>
<td>51.5</td>
<td>51.2</td>
<td>50.9</td>
<td>50.5</td>
<td>50.3</td>
<td>-1.2</td>
</tr>
<tr>
<td>youth employment rate (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td>33.6</td>
<td>33.4</td>
<td>32.5</td>
<td>29.5</td>
<td>28.2</td>
<td>-5.4</td>
</tr>
<tr>
<td>EU (28 countries)</td>
<td>33.8</td>
<td>32.5</td>
<td>32.1</td>
<td>32.4</td>
<td>33.0</td>
<td>-0.8</td>
</tr>
<tr>
<td>Austria</td>
<td>52.8</td>
<td>53.7</td>
<td>53.1</td>
<td>52.1</td>
<td>51.3</td>
<td>-1.5</td>
</tr>
<tr>
<td>Belgium</td>
<td>25.2</td>
<td>25.3</td>
<td>23.6</td>
<td>23.2</td>
<td>23.4</td>
<td>-1.8</td>
</tr>
<tr>
<td>Netherlands</td>
<td>63.0</td>
<td>61.1</td>
<td>60.1</td>
<td>58.8</td>
<td>60.8</td>
<td>-2.2</td>
</tr>
<tr>
<td>Germany</td>
<td>46.2</td>
<td>46.6</td>
<td>46.9</td>
<td>46.1</td>
<td>45.3</td>
<td>-0.9</td>
</tr>
<tr>
<td>France</td>
<td>30.1</td>
<td>28.6</td>
<td>28.3</td>
<td>27.9</td>
<td>27.8</td>
<td>-2.3</td>
</tr>
</tbody>
</table>


During the study of the period of growth in the whole in the EU, there is a slight increase in employment. In the context of the analyzed EU countries, the increase in employment is seen only in Germany (2.2 percentage points). Regarding the employment of young age – a tendency to reduce its level of employment is observed in all countries. Minor changes in employment during 2010-2015 were held in Germany, reducing of the rate by more than two percentage points is observed in France and the Netherlands. But especially sharply compared with the EU youth employment problem arises in Ukraine. This is according to statistical reports: the level of youth employment fell from 33.6% to 28.2% (5.4 percentage points). The highest level of youth employment in 2015 is observed in the Netherlands (Figure 1).
In the Netherlands in addition to the youth, employment rate is slightly higher than the overall rate. In all other analyzed countries, there is a significant gap between the two indices. This applies particularly to Ukraine, Belgium and France, where population employment levels are much higher than (almost twice) the employment of young people.

General unemployment rate, including youth unemployment in Ukraine and the EU are characterized by the following trends. During the analyzed period (2010-2015), the unemployment rate in Ukraine has increased. This applies particularly to the youth unemployment rate (growth rate of 17.2% in 2010 to 22.4% in 2015). At the same time, unemployment rates in the EU are characterized by a slight decrease. In particular, a significant reduction in the unemployment rate occurred in Germany (overall unemployment rate is declined by 2.4 percentage points, by 2.6 percentage points, the level of youth unemployment) resulting from a balanced policy in the field of employment, contributing to a more efficient functioning of the labor market. The highest rate of youth unemployment among the aforementioned countries in 2015 is in France (24.7%), Ukraine (22.4%), Belgium (22.1%). In these countries, youth unemployment exceeds the Pan-European index, which in its turn is also quite high with 20.4% (Figure 2).

Thus, the problem of youth employment has not lost its relevance both in Ukraine and in the EU. According to the expert on the labor market of the German Institute for Economic Research in Berlin, Karl Brenke, real progress in the fight against youth unemployment can be achieved only through structural reforms in the states- members of the European Union; thus solving the problem is to change the professional education by more active involvement of young people to obtain practical profession [7].
Among the main reasons for the unsatisfactory situation in the area of youth employment one can point out the following. First, the discrepancy between the demand for qualified specialists and their supply. One of the preconditions for this phenomenon is the inconsistency in the needs of the labor market and the education market. This is a problem both for Ukraine and the European Union. The second reason is wages, e.g. young professionals choose a profession not according to their wishes and skills but according to the future earnings' level. The presence of such an imbalance between supply and demand complicates greatly the development of industrial relations. Another cause of youth unemployment is the lack of a sufficient number of jobs in the labor market. In order to find ways to solve this problem, it is advisable to turn to foreign experience. In developed countries, the youth is seen as valuable assets, efficient use of which can provide a decent future. The main focus of the state employment policy is to provide preventive measures to prevent unemployment, and not promote those who have lost their jobs. Education aims to increase productivity through the growth of knowledge and skills level, experience and qualifications. The system of employment regulation includes not only jobs creation but also provide training and retraining of redundant workers. As an example, labor market policy in Germany, which according to the analysis has the lowest level of youth unemployment. Thus, policies for youth employment in Germany include paying one-time grants to the company for each unskilled worker, who was hired for the job. In addition, each hired young workers aged between 16 and 26 brings the company granted tax benefits. Direct financing of enterprises involved in training of young people is also held. It should be noted that the German model of state employment policy involves moderate government regulation and protection of those categories of workers in need.
Moreover, in Germany, the bulk of direct subsidies are given to cooperative companies, formed on the basis of bankrupt enterprises from the unemployed who have some knowledge but lack skills in business organization [8, p. 51].

In France, as in Germany, for each hired unskilled worker one-time grant is given to the company. The state provides up to 80% of the costs associated with vocational education and salary payments to this category of workers.

It should be noted that the labor market in Germany and France takes place in the context of the Rhine model of regulation of social and labor relations. This model is based on the assumption that labor force takes objectively weaker position in the labor market than employers, and therefore requires state protection in the form of relatively high levels of legally established minimum wages and universal social health insurance and special state bodies that protect the rights of workers.

Considering the experience of foreign countries, Ukraine has to form an expedient system of youth employment policy not only through government mechanisms, including public service employment, but private recruitment agencies. It is very important to establish partnerships between enterprises and business representatives, public authorities and universities. Dialog between education, government and business should be the basis for the implementation of measures aimed at increasing youth employment. The main areas of cooperation should be the following: improvement of the legal framework in the context of preferential taxation of enterprises that employ young workers according to the vocational training programs of the state employment services; upgrade of educational standards in forming the system of competences to meet the requirements of employers; expanding the opportunities for practical training of university students, youth training; attracting potential employers in the educational process in higher educational institutions, conducting joint lectures and seminars; the scientific and technological development, diploma, student youth participation in development projects commissioned by employers; consolidation of efforts of educational institutions and enterprises (staff customers) on the employment of graduates; development and expansion of the function of career centers that are based on educational establishments.

In addition to the abovementioned measures concerning the problem of youth employment there should be a directed stimulation of self-employment and entrepreneurial activity of young people through the provision of targeted state assistance to start their own business; youth creation of co-working and state grant competitions on the basis of actual problems of modern times.

**DISCUSSION AND CONCLUSIONS**

Thus, in addition to a clear prioritization policy on youth employment with their focus on improving the competitiveness of youth, it is appropriate to take into account the positive experience of the developed countries of the EU, which is expressed in the introduction of a number of measures aimed at solving the problems of the youth labor market in Ukraine. Including: the formation of mechanism of effective interaction between the labor market and the education
market, as well as a trilateral partnership between the government, educational institutions and business representatives (employers); increasing of the entrepreneurial activity of young people, stimulation of the establishment and development of their business; training and seminars for young people establishing their own business, innovative forms of employment and self-employment, organizing job fairs for unemployed of career guidance activities, carrying out vocational-training activities; provision of public subsidies for companies that take young workers on the first job; improvement of legal framework regulating the labor market, including legislative consolidation of the status of "young entrepreneur"; formation of constant monitoring indicators of the youth labor market, particularly in the context of the analysis of vacancies and the field of state order, creation of the information base on supply and demand in the labor market. The proposed actions as to the solving the problem situation will improve the competitiveness of young people in the labor market, reduce youth unemployment, and result, in a general improvement in the economic and social state of the society.

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PECULARITIES OF EUROZONE MONETARY POLICY
AND CONSEQUENCES OF THIS POLICY

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Abstract: The article presents the European Monetary Union as final result of the European integration. It discusses the international importance of a single currency (the euro) in the pre-crisis period and analyses its advantages and disadvantages. It deals with current economic problems faced by the European Monetary Union. The article analyses distinctive features of the Eurozone currency and the European monetary policy, as well as the consequences of monetary policy. The article discusses potential stages of the EU development as well as future perspectives of the euro and the European Monetary Union.

Keywords: euro, European Union, the Eurozone, the Eurozone monetary policy

INTRODUCTION

The European integration process and its result, the establishment of the European Union and afterwards, the European Monetary Union with a single currency (the euro) are one of the most significant economic and political factors in the development of Europe. European integration was impacted by political and economic conditions; at the end of World War II Western European countries agreed that Europe should become a democratic and flourishing economic region, which will never go to war. In order to achieve these objectives, it was necessary for EU member states to joint their efforts and establish close cooperation. This could be achieved by coordinating macroeconomic and particularly monetary and fiscal policies of member states, ensuring the efficient allocation of all resources (labor and capital) and distributing goods and services as well as ensuring their free movement within the region.

January 1, 1999 is an official date when the European Economic and Monetary Union came into existence, whereas January 1, 2002 is the date when the euro was introduced as an accounting currency in 12 EU countries. In the context of international monetary system, the establishment of the European Monetary Union is one of the major events after the Bretton Woods system of global monetary management collapsed. The introduction of the euro is of economic and political significance. A national currency is an important symbol of national sovereignty, whereas a rejection of national currency is considered as a loss of national sovereignty.

The following researchers analyzed various aspects of European integration: Amadeo, Angeloni, Chintrakarn, Benjamin, Feldstein, Galati, Tsatsaronis, Frankel, Rose, Norris, Pisani-Ferry, Samuels, Ramlogan, Shalder and other famous authors. In Lithuania the European integration problems were discussed by Davulis, Kropas Kuodis.
The objective of this article is to identify advantages and disadvantages of a single currency (the euro), to analyze current problems in the Euro Area and to evaluate distinctive features of monetary policy and future perspectives of the European Monetary Union. The following research methods were used: a systematic analysis of scientific literature and its generalization.

THE INTERNATIONAL SIGNIFICANCE OF THE EURO

The pre-crisis period was a golden age for the majority of EU and Eurozone countries, since it was marked by a rapid economic development and growth. Therefore, the weight of the euro gradually increased and it became one of the most important international currencies. Practically speaking, the euro became the world's second largest international currency after the US dollar. Pisani-Ferry et al. [15] and Angeloni [2] analyzed the changing positions of the euro and the US dollar and future trends in their exchange rates. Statistical data on exchange rates of the euro and the US dollar shows that the value of the euro against the dollar fluctuated due to various reasons, however, its weight increased [1].

The euro was considered as the stimulus determining the integration of Euro Area financial markets and fostering their development. As noted by Gaspar [3], the impact of the introduction of the euro on financial markets is extremely significant and it gives effects faster than in other economic sectors. The euro integrated and consolidated financial markets of the European Monetary Union and expanded the scope of financial instruments, which resulted in an optimal allocation of the capital stock among the Eurozone member states [17]. The Monetary Union and the euro provide conditions for reinforcing the role of the European Union as the International Finance Centre in global financial markets. The adoption of the euro affected internal financial markets of the European Monetary Union [10]. After the adoption of the euro, the national currency and the euro exchange rates disappeared. This factor insignificantly and positively affects the scope of a national product.

The impact of the euro on other economic sectors is considered positive, especially on the international trade development; it is called the Rose Effect [9]. Rose discovered that trade flows among countries, which belong to the European Monetary Union, is higher compared to the EU countries, which do not belong to the Monetary Union. The increasing trade encourages economic growth. Frenkel & Rose [9] discovered that the increase in the country's trade by 1 percent increases GDP by 0.33 percent. According to the statistical data, a positive impact of a single currency on the trade between the countries that belong to the European Monetary Union was discovered by other researchers [4].

We do not call these results into question, however, it should be noted that the pre-crisis period was significant for a rapid economic growth in all EU countries and the increasing scope of trade. Considering the fact that countries that belong to the European Monetary Union are the strongest ones with regard to their economic development, it is apparent that their economic growth and the scope of trade were much faster. Therefore, the economic and trade growth in the countries that belong
European Monetary Union in the pre-crisis period was determined not only by a single currency (the euro) but also a favorable economic environment. On the other hand, the economic growth in the pre-crisis period was evident in the Baltic countries, which did not belong to the European Monetary Union. In 2004-2007 the economic growth in Lithuania, which according to Rosenberg [16] was unprecedented in the post-war Europe, was around 10 percent. An analogous situation could be observed in other Baltic countries such as Estonia and Latvia. Similar situation was observed in the post-crisis period.

Slovenia, which in 2007 outpaced Lithuania due to joining the EMU, after global crisis was facing a risk of becoming a problematic country; currently, its economic indicators are lower than in Lithuania, e.g. the volume of the state debt in Slovenia exceeds the limits specified under the Maastricht Treaty criteria [5], [6]. Nevertheless, Slovenia is a member of the European Monetary Union. Therefore, the euro itself cannot solve economic problems and cannot guarantee the economic growth and prosperity.

It should be noted that the countries, which carried out conventional monetary policies, lost their independent economic policy measures when becoming the members of the European Monetary Union and transferred it to the European Central Bank. However, the European Central Bank carries out the monetary policy considering the overall situation in the Euro zone and without emphasizing distinctive features of separate countries. This is a great loss, which might have negative and unacceptable consequences. Regardless of all the advantages specified by the European Monetary Union, statistical data shows that the foundation of this Union was profitable to economically stronger countries [8, 14].

MAIN ECONOMIC PROBLEMS OF THE EUROZONE

The international significance of the euro and the economic power of countries that belong to the European Monetary Union were increasing until the beginning of the global crisis. However, the global crisis changed the situation in the Euro zone and weakened the weight of the euro. The changing situation in the Euro Area and the weakening of the euro due to the global crisis raised doubts about its benefits, moreover, the existing situation highlighted evident disadvantages of the euro as a single currency. To some countries a single currency made it impossible to take advantage of the currency devaluation in the period of economic downturn in order to maintain the country's competitiveness in the international market, which was demonstrated by Poland that managed to retain GDP growth even in the crisis-period. However, for Greece and other problematic countries of the Euro zone a single currency became a barrier restricting their opportunities to overcome their economic problems. Regardless of the fact that in Poland, our neighboring country, the introduction of the euro was widely discussed, the introduction of the euro straight after the crisis period was considered as a negative step and in addition, it was believed that the economic development in Poland might decrease after the introduction of a single currency and the opportunities to carry out an independent monetary policy might be little [11].
Some foreign economists and analysts had doubts about the benefits of the euro and the Euro Area stability already at the beginning of the global crisis. According to Munchau [13], this crisis might cause the monetary policy crisis and jeopardize the European Monetary Union. Similar attitude was maintained by Evans-Pritchard [7] who had doubts about the Euro zone efficiency. Some researchers [12] admitted that one of major weaknesses of the Euro zone was inefficient fiscal adjustment. According to them, an ineffective monetary policy deepened the economic crisis of the Eurozone member states. A fairly severe attitude towards a single currency was provided by Feldstein [8], who believed that the euro was a failed experiment that caused the debt crisis in some Eurozone member states, the instability of European banks, high unemployment rates and other economic hardships. As stated by the author, most of the Eurozone countries would avoid significant debts and other economic hardships if they had their national currency. When the Eurozone countries abandoned their national currencies, they lost the opportunity to print money and reduce the real debt burden ratio by means of inflation.

DISTINCTIVENESS AND EFFECTS OF THE EUROZONE MONETARY POLICY

The problems discussed were inevitable, since a single currency was introduced in the countries that were at different levels of their economic, political and cultural development, whereas the project on the euro introduction was insufficiently thought out and underestimated. Each Eurozone country shapes and implements an independent economic policy specified under the Maastricht Treaty (except for the monetary policy). Therefore, the economic situation might differ considerably in different Euro zone countries. Countries that have their own currency can affect the scope of exports and imports through adjusting the exchange rate, fostering the economic growth or reducing inflation by means of monetary and fiscal policies. The Eurozone countries, which have a single currency, are deprived of such opportunities. National Central Banks of countries, which carry out an independent monetary policy, can respond to a concrete economic environment of the country: if the country's economic growth is rapid, the interest rate might be increased (by adjusting the money flow) in order to limit the inflation. However, if the economic growth decreases, the interest rate is reduced so that to stimulate investment and the aggregate demand of the country's economy. The Eurozone countries are deprived of these opportunities.

The implementation of the monetary policy in all Eurozone countries is much more complex than in a single country. In this particular case, the monetary policy is based on evaluation of economic forecasts of the entire Eurozone and not merely on the national development trends. The European Central Bank sets the uniform interest rates for all the Eurozone countries. This type of monetary policy would be adequate if economic trends of all the Eurozone countries were similar. However, the union in which the state has a high degree of independence in political and economic spheres, the economic situation of different countries might differ considerably. Some countries might experience economic downturn and they need
an encouraging policy, whereas others might be at risk of economic overheating and they need a restrictive monetary policy. A single currency is unable to solve these controversial problems.

It is evident that the European Monetary Union can stimulate the monetary policy if all the Euro zone countries experience the economic downturn. In that case, the European Central Bank reduces the interest rate and increases the euro circulation, which should encourage the economic growth, however, according to economic theories, this kind of monetary adjustment is inefficient. This is confirmed by the pre-crisis and crisis period practices. The monetary policy maintaining price stability is acceptable under favorable conditions, when the economic growth of all the countries of the European Monetary Unit increases regularly, however, during changes in economic conditions such economic system cannot cope with the emerging challenges, which is evident from the current situation. If, for example, the USA being essentially a unitary state and able to stimulate the economic growth by using conventional measures, could overcome the crisis much faster and the dollar resurgence against the euro exchange rate has increased, the European Monetary Union can liquidate the consequences of the crisis much slower.

Supposedly, the European Monetary Union will cope with the consequences of global crisis within a shorter or longer period. It should be noted that the measures of the European Union oriented towards the economic recovery are aimed at a greater centralization of financial and banking systems. Global crises might occur in the future, since market economy has no measures to restore the damaged proportions, however, it will face new problems, which would require non-conventional solutions. On the other hand, a single currency and a centralized monetary policy are incompatible with the political structure of the European Monetary Union, i.e. the union of sovereign states. In terms of historical monetary policy, this situation of the European Monetary Unit should be considered as an apparent step backwards. A single currency of the European monetary Union (the euro) and also the European Monetary Union will be significant only when a closer economic, social and political integration among its member states will be established. This means that it should be a unitary economic system with common markets of all kinds, the common income and financial system and equal guarantees for all the residents of the European Monetary Union countries. However, this kind of market consolidation will inevitably determine a closer political integration of countries. Therefore, cardinal structural changes would emerge leading to the creation of a unitary European state, which could formally have the federal structure. However, the question is whether prosperous EU countries will be willing to share their wealth with poor European countries. Possibly, they would prefer the resent variant to provide financial assistance to poor countries when strictly monitoring its appropriate allocation. On the other hand, if Baltic countries, small countries of a unitary system, lose its political independence it might lose its sovereignty as well as its national and cultural identity. This could be an evident danger in the conditions of globalization.
Differences in the well being of different regions of the country and the threat of emigration will not vanish within a short period of time. On the other hand, the law will be the same for all regions of the country, which means that there will be no special protectors defending the interests of its residents. Therefore, the effects of establishing such a state for Lithuania or other small countries might be threatening and difficult to predict. It is likely that Lithuania might become a national minority on the brink of extinction inhabited on the EU territory.

There is another variant regarding the EU development. According to this model, the European Union should remain the union of independent countries with the common market. That market would not use a single currency; however, it would be an obstacle and cause unnecessary problems. The institutional framework of the European Union should be changed as well. This variant would be more acceptable to Lithuania. Therefore, it is difficult to say something concrete about the immediate future of the euro and the European Monetary Union, since their future prospects are vague.

CONCLUSIONS

The foundation of the European Monetary Union was a result of a long-term process of European integration, which had political and economic objectives. In the pre-crisis period the economic development of the EU countries, especially the rich ones, increased, whereas the international significance of the euro increased as well. The global economic crisis and afterwards the Eurozone debt crisis revealed the disadvantages of the Eurozone and the need for structural reforms within the Union. It is believed that establishing the Financial Assistance Funds for rescuing the Eurozone debt crisis and the Eurozone banking system consolidation will make it possible to cope with the current situation in the Eurozone; however, these measures will not solve all structural problems existing in the Eurozone. Political independence of the European Monetary Union Member States is incompatible with the single currency (the euro) and the monetary policy carried out by the European Monetary Union. Future perspectives of the European Monetary Union with its single currency (the euro) are vague to this day.

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COORDINATION OF THE ECONOMIC SECURITY SYSTEM

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Abstract: The properties of the enterprise economic security system, which are the result of the analysis of the static condition of this system and manifest in its operation, are shown in this article. The content of the "feature system" concept is defined actually functions of the enterprise economic security system and settings which allow to describe them. Both functions and sub-functions of the enterprise economic security system have been characterized; conditions for their implementation are determined.

Keywords: securitology, economic security system, functions, functional approach, hierarchical

INTRODUCTION

The issue of content, characteristics and performed functions of the economic security system belonged to relevant, but not enough explored in the economic securitology yet. The concept "function" is used in the characterization of objects, which are complex systems capable of self-preservation that is focused on organized systems. Basing on the semantics of the corresponding words, in a general form [1, p. 55] "function" is defined as the purposeful nature of the properties of the system or of its separate elements. From the standpoint of activity approach, according to which the activities, as S.L. Rubinstein stated, is a set of purposeful directed actions, the system function should be considered as a set of actions aimed at achieving of certain goals [2, p. 24]. The functions of any object (and system also) are determined by the type of structure of the object and vice versa [3, p. 591]. The relationship between the class of structures and the class of functions is not isomorphic: it could not be said that only this function corresponds to this structure, and that this function can be performed by this structure only, although a certain function can only be performed by a particular class of structures and vice versa [3, p. 592]. The combination of functional and structural approaches led to the emergence of structural and functional approach to the description and explanation of the systems in which their elements and dependencies between them are investigated in the framework of a single whole [4, p. 22].

MATERIALS AND METHODS

The functions of the enterprise economic security system contribute to the preservation of the system, because their implementation provides economic security as a condition of the enterprise activity.
The feature of the functional approach is its sufficient narrowness. So, it is usually used not in "the pure form" but together with other methods of cognition, often with a structural approach, as there the closest connection between structure and function exists. The functional approach is appropriate not only in the research of the structure of the enterprise economic security system, but also in the research of the functional organization of this system, which is a set of system functions and the connections between them [5, p. 103]. Because the nature of the enterprise economic security system, as, indeed, any other system, is disclosed more fully in the functions, which the system performs, the provided system properties are synthesized in a single unit with the help of the performed functions by the system, and the ability of the enterprise economic security system to perform its functions, in its turn, is determined by its properties.

From the position of the functional approach to the functioning of the enterprise economic security system should be considered as a performance on the system-based functions of the system in accordance with the peculiarities of the enterprise activity, the state of the external environment and resource provision (the enterprise physical and intellectual capital).

RESULTS

From the standpoint of activity approach the functions of the enterprise economic security system are functionally specialized form of management — security-providing, the content of which is execution with a given target the scope of works of a certain type, set of actions and operations that with the condition of joint activities of specially trained workers contributes to the providing of the enterprise economic security which is a necessary condition for its activities and development.

The work in performance of functions of the enterprise economic security system is considered as a sequence of actions, procedures that: 1) happen within a certain (often well-defined) period of time; 2) have results that can be measured and provided in a certain some form (in our case it is properly prepared information); 3) require tool support (methods, means, ways, procedures, algorithms, etc.) and appropriately trained personnel; 4) require certain resources (time, costs for obtaining information, costs for equipment, computers and other office equipment, the costs for salaries of the specialists).

The functions of the economic security system are performed continuously, i.e. their implementation is continuous and cyclically repeated, that, in fact, provide for indefinite long operation of the system, whereas the work of particular kind, action and operation is executed to achieve a specific result and is divided into continuously and discretely performed. The list of the functions of the enterprise economic security system is not completely defined, although regarding their composition, there are enough reasonable opinions. However, they differ considerably sometimes. E.g. the functions of the enterprise economic security system are provided, which in varying degrees are acknowledged by the majority of researchers, such as monitoring, analysis, intelligence, counterintelligence functions [6]. Such functions of the
Enterprise economic security system are close to the function of the enterprise management system and intersect with them in a certain way. The reason for this is seen in the application of the scientific expansion and in unconscious recognition of belonging of economic security to the enterprise management.

There are other opinions concerning the functions of the enterprise economic security system. Thus, in source [7] such functions of the enterprise economic security system are given: 1) administrative and managerial: defining of rights, responsibilities and the individuals responsible for security, execution of the representational functions in this area; 2) economic and managerial: granting of resources that are necessary for the solution of the tasks concerning ensuring the enterprise economic security, training and conduction of events of organizational and technical and legal nature, aimed at preservation of ownership of the enterprise; 3) accounting and control: definition of those kinds of activities, which are subjects to protection as well as possible factors of financial instability and the enterprise instability, evaluation of sources of their occurrence; 4) organizational and technical: establishment of the organizational structure of the economic security system and organization of interaction between the separate structural subsections; 5) planned and production: development of complex programs of ensuring the enterprise economic security; 6) material and technical: equipment of the economic security system with the special technology; 7) scientific and methodical: accumulation and spreading of experience in the field of ensuring the economic security, as well as organization of training of the employees subsections; 8) informational and analytic: gathering, accumulation and processing of data relating to the sphere of economic security, creating the necessary technical and methodological tools for their use.

The provided functions have too general nature, whereby they can be used to reveal the content of any system, for example, the system "enterprise" or the enterprise management system. These functions require specific content for the enterprise economic security system. The direct consequence of the lack of settled opinion concerning the functions of the enterprise economic security system is that their content is not completely and fully disclosed, unexplored relationships, not shown forms of implementation, and the lack of parameters of descriptions.

In a general view, it is offered to refer the following functions to the composition of functions of the enterprise economic security system: monitoring, analytical, precautionary, control functions and the function of organization. Each of the provided functions of the enterprise economic security system has its own purpose, is enough uniform in content owing to the homogeneity of the performed works, operations and activities. These functions of the system can be considered basic, that is, those which implementation provides the execution of its purpose by the enterprise economic security system. Among the provided functions the monitoring, analytical functions and control function are common functions, but the warning one is to the special, because the content of its sub-functions is inherent only to the enterprise economic security system.
The functions of the enterprise economic security system are executed with the purpose of fulfillment by the system of its appointment – ensuring of the enterprise economic security, and work and actions that make up the content of the function, are carried out in accordance with the understanding of the content of ensuring of the economic security. The attention to the functions of the enterprise economic security system is caused not only due to the fact that the description of their content can reveal the purpose of the system and peculiarities of its functioning. Most of the functions of the enterprise economic security system are complex hierarchical, that is, in its turn, consist of several sub-functions. These ones include analytical, warning and control functions. The degree of readiness of these functions of the enterprise economic security system is different. Among the sub-functions of the enterprise economic security system we should stop on the system audit separately. Almost for the first time this question is considered by S.V. Kavun [8, pp. 60-72]. The audit of the enterprise economic security system is defined as a systematic, independent and documentary process for obtaining data about the state of the system, the results of its operations as a whole and its separate subsystems, the efficiency of the functioning of the system [9, p. 223].

According to S.V. Kavun, the main purpose of the audit of the enterprise economic security system is to establish the degree of conformity of used protective measures to the selected criteria of results of the functioning of the economic security system at the enterprise owing to the implementation of its functions. The audit of the enterprise economic security system does not substitute the monitoring of condition and operating of the system.

The results of the audit of the enterprise economic security system are the basis for objective evaluation of the quality of implementation of the functions of the system [10, p. 61].

Besides the sub-function of audit the implementation of the control function of the enterprise economic security system within the framework of the procedural sub-function provides the control (total or selective) of execution by the other subsections the decisions of the enterprise management concerning the insurance of the economic security, respect for the principles of ensuring the economic security by the subsections, among which it is necessary to indicate the principles of legality and not causing of harm to other activities of the enterprise. Every function of the enterprise economic security system, like any research object, must be described using some parameters. The structure and scope of the function can be used as such parameters.

The "volume of function" concept, which is intended for the characterization of the content, organizational forms and methods of realization of the function, belongs to L.I. Zahainov who was trying to introduce it to the theory of functions of the government [11, pp. 91, 95]. However, in the methodology of the functional analysis of the state this concept was not perceived [12, p. 160]. But the trend, which was founded by this attempt, for the recognition of the "poverty" of the content of the notion "function" that does not allow to fulfill the full functional
analysis of the investigated object, is still remained in the methodology of the functional analysis of the state, and in the methodology of the enterprise management. For example, in the methodology of the enterprise management the function is considered as division of labor [4, p. 117].

However, the function should be considered not as something single, non-segmented, but as complex, internally contradictory formation, rich in content that has many facets, sides, manifestations [13, p. 161]. The above mentioned belongs to the functions of the enterprise economic security system completely too.

The concept "volume" is a special concept that is associated with measurement. In order to operate this concept in functional analysis, it is necessary to define the measurement of volume of the function [13, p. 161].

This task, the measurement of volume of the function, has not still received the solution in the functional analysis due to the ambiguity, complexity of formalization or its conditional nature, as well as lack of attention from the scientists. It is hardly appropriate to solve the tasks of the measurement of volume of the function within a particular science as economic securitology, because such decision is more likely to have a partial character, which may turn into common only with a certain probability.

Therefore, we should confine ourselves only to the focus of attention on the need of the measurement of volume of the functions, common approaches to which may find their application in system creation in economic securitology, and the remark that the volume of each of the functions and the sub-functions of the enterprise economic security system depends on impact of a number of factors (type of the enterprise activity, market position, intensity of competition at the market, the degree of aggressiveness of the external environment etc), is defined by the determinants of construction of the enterprise economic security system and its status in the enterprise management system.

**CONCLUSIONS**

Thus, the enterprise economic security system is intended to ensure the enterprise economic security, which is recognized as one of the main conditions of its activities and development.

The system is quite complex, the mentioned peculiarities are inherent to it, which can be useful in system designing, organization of its functioning and management.

The economic security system executes its appointment owing to the implementation of a number of considered functions.

The functions of the enterprise economic security system are a functionally specialized form of management activity and security-providing, the content of which is execution with a given target the scope of works of a certain type, set of actions and operations that with the condition of joint activities of specially trained workers contributes to the providing of the enterprise economic security which is a necessary condition for its activities and development.
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ABOUT SMALL AND MEDIUM BUSINESS OF GEORGIA
INTERNATIONALIZATION WITH THE EUROPEAN UNION STATES

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Abstract: This article is about internationalization of small and medium business of Georgia with the European Union States considering significance of Georgia’s rapprochement to the European Union and involvement of Georgian small and medium enterprisers in the European markets. Internationalization barriers are mentioned and considered. To decrease them, the government of Georgia shall establish special programs, implementation which will help small and medium enterprisers to extend integration in the European Union. These programs will be related to finance export subsides, enhancement of skills and knowledge, obtaining full information, etc.

Keywords: small and medium business, European Union, harmonization, barrier, internationalization, export, potential

INTRODUCTION

The European Union is the largest trade partner of Georgia. Trade between them develops the dynamic way. Trade turnover increased three times in 2000-2005 [1, p. 104], while growth in 2010-2014 made up 201.6% [2, p. 252]. Georgian export to the European Union States made up to 21.8% of total export of 2014 [2, p. 252], i.e. it was 2-3% more than in 2012-2013. The abovementioned statistics testifies the European orientation of Georgian trade cooperation. Germany, Romania and Italy are among top ten trade partners of Georgia [3, p. 141].

Partnership and Cooperation Agreement (PCA) initially was a regulatory framework document governing trade between the European Union and Georgia; PCA came in force on July 1, 1999. On June 14, 2000, Georgia became a full member of World Trade Organization (WTO), after which trade commitments were born by Georgia before the European Union as well as trade commitments before Georgia has been considered in PCA and WTO members’ unified format. Afterwards other documents were also added.

Georgia shall make its best to become closer to the European Union and exercise the grace regime established for the countries entering the common market. Harmonization and compatibility of interests is the main aspect of EU-Georgia relationships. The Georgian party shall comply with the requirements made by the European Union and European market.

Georgia is a small country. Its territory (69700 sq m), population (4.497 million) and resources are small. Therefore, significant economical growth of Georgia is actually impossible in the own geographical area and with own resources only. To
provide proper economical growth of Georgia the country should be involved in the international market, first of all, in the EU market. This process cannot be simple. It may be hindered with numerous barriers. It does not mean that integration of Georgian small businesses in EU market is impossible. We just need to be aware of difficulties and barriers, existing on our way as well as we should study and apply the methods and mechanisms, through application of which other small countries overcame these barriers and fully integrated in the European area.

**BUSINESS INTERNATIONALIZATION BARRIERS**

Business internationalization barriers are numerous. Despite that, barriers of 10 groups are determined and studied basically. These are [4, p. 7]:

1. Foreign business opportunities awareness problem, i.e. lack of knowledge about strong features and competitive advantages of competitors;
2. Lack of capital necessary for goods export to a foreign market;
3. Lack of awareness on potential foreign clients, as well as lack of communication with them;
4. Insufficient and unreliable information about thorough studies of foreign market;
5. Foreign competitors' prices;
6. Shortage of staff, which is in members competent on the internationalization process;
7. Lack of representation offices abroad;
8. High foreign delivery expenses;
9. Lack of managerial expertise and skills in the field;
10. Lack of local authorities' support.

When considering the abovementioned barriers in terms of Georgian small and medium business internationalization, it becomes clear that they are quite few. These barriers are established for the European Union member states, which have to encounter some barriers against internationalization in Europe. These barriers are obviously more for Georgia. In our opinion, to abovementioned 10 barriers, the following may be added:

1. Language barrier;
2. Incompatibility of the Georgian and European business legislation;
3. Insufficient conformity of Georgian goods to European standards;
4. Low quality of Georgian goods;
5. Fear of an unknown environment (market);
6. Lack of access to foreign distributors;
7. Different currencies and frequent variations of exchange rate;
8. Lack of knowledge on export procedures;
9. Strict regulations of foreign states;
10. Fear of political instability in foreign states;
11. Lack of knowledge of foreign customers' demands;
12. Cultural differences between Georgia and foreign countries and many others.
We believe that awareness of these barriers and further overriding of those may be very difficult not only for Georgian small and medium enterprises, but even for large ones. That's why very few Georgian large enterprises make export activities. Small and medium enterprisers work mainly for the local (domestic) market.

For a purpose of integration in the European market, small and medium enterprisers should be aware of above mentioned barriers, adopt and apply in practice the practical means, programs and activities carried out to override those barriers by other states.

**EUROPEAN ACTIVITIES IN INTERNATIONALIZATION OF SMALL AND MEDIUM ENTERPRISES**

European and some other countries became timely aware that in order to ensure their economical growth, they shall create the programs contributing to internationalization and barriers overriding. Governments of these countries realized that enterprisers were not able to cope with this problem themselves. State financial aids were considered especially important [5, p. 408]. These programs are implanted in Belgium, Australia, Czech Republic, Finland, Netherlands, Sweden, Great Britain, Estonia, Italy, Hungary, Israel, Singapore, etc. Special services aiding goods export are established in the abovementioned countries (agencies, foundations, boards, administrations, banks, etc.) For example [4]:

- Canadian Trade Representation (EDC) helps enterprisers to establish international contacts;
- Turkish Export Credit Bank facilitates forwarders through export financing;
- International Cooperation Agency of Netherlands (EVD) provides financial and informational support to small and medium enterprises;
- Norwegian Export Grants Institute (GIEK) offers business enterprisers simplified export and credit operations;
- German Federal Government assigns credit warranties for export to small and medium enterprisers;
- Czech company EGAP insures small enterprisers, while government of the country issues long-term loans to manufacture goods for export;
- Export and credit provision corporation "Kuke" functions in Poland. It has developed export simplified provision program for small enterprisers. Estonian Export Warranty Credit Foundation "KredEx", which finances small and medium enterprisers.

The USA, Korea, Mexico, Denmark, Switzerland, Hungary, Greece, Republic of South Africa carry out the same practice.

Except financial aid programs, governments of various countries help to the small and medium enterprisers must reduce such internationalization barriers as lack of managerial skills and knowledge. It is carried out in Brazil, Estonia, Australia, Greece, the Czech Republic, Great Britain, France, Israel and some other countries. Both micro- and small business help service SEBRAE functions in Brazil. It offers managers trainings and consultations to start exporting. Estonian organization Enterprise Estonis, teaches modern management to managers of small
and medium enterprisers' modern management, consults them on export issues. Export Academia of the Czech Republic carries out similar activities. Ministry of Economics and Trade of Israel conducts trainings, gives professional advice to small and medium enterprises, etc.

Numerous programs are created abroad to overcome informational and communication barriers, too. For this purpose, agency APEX-BRASIL functions in Brazil, which helps small and medium enterprisers to make analysis of the export market. International Trade Commission of Canada has agents in 140 towns to detect export potential and establish unions, etc. We consider that small and medium enterprisers and government of Georgia shall get aware of this practical experience and apply it for the European Union integration enhancement.

CONCLUSION

The issues considered in this article enable us to make the following conclusion: internationalization of small and medium enterprisers is quite a complicated process. Numerous barriers prevent them for doing that. In order to reduce or entirely remove such barriers government of Georgia shall help small and medium enterprises through development of the special programs, which has been widely practiced in a number of foreign states.

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MODERN TRENDS AND PROBLEMS OF DEVELOPMENT OF CONSULTING SERVICES INDUSTRY IN UKRAINE

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Abstract: the paper considers the analysis of modern trends and problems of consulting services industry development in Ukraine. The structural configuration of Ukrainian consulting services market with functional features, sectoral affiliation of clients, as well as geographical location of consulting companies are analyzed. The characteristics of main causes of instability of consulting activities in Ukraine are outlined. The main organizational and economic steps for development of consulting activities in Ukraine towards a post-industrial society are defined.

Keywords: consulting services, consulting activity, consulting services industry, consulting companies, development

INTRODUCTION

Nowadays consulting has become an extremely important element of market infrastructure in countries with developed economy. Global consulting industry revenues (including HR, IT, strategy, operations, management and business advisory services) will be about $488 billion in 2017, according to Plunkett Research estimates. This represents reasonable growth from $470 billion during the previous year. In the U.S., consulting of all types including management, scientific and technical, has generated $254.8 billion during 2016 up from $242.1 billion the previous year [9]. Consulting has become the norm of business and one of the most effective and dynamic forms, where hundreds of thousands professionals are engaged. The increasing complexity of tasks solving with consultants and a growing competition in the market of consulting services lead to the fact that more and more organizations and individuals engaged in counseling seek to provide professional services based on the real professional standards in this area. Therefore, summarizing the experience of consulting, analysis of new trends in its development, research the specific of consulting services in Ukraine are essential for its further development, for the training of consultants and for all areas of domestic business.

MATERIALS AND METHODS

Researches of problems of consulting services industry have been made by foreign and Ukrainian scientists, such as E. Beych, A. Blinov, V. Verba, M. Kubr, K. Makhem, R. Mettsher, T. Reshetnyak and others. In their studies, they analyzed a
history and the essence of consulting, its main features and principles. However, there is still the lack of information about the modern trends and problems of consulting services market in Ukraine. Thus, the purpose of the paper is the analysis of the main trends and problems of development of consulting services industry in Ukraine and identification the key organizational and economic directions to ensure its further development. The basic results of research have been received with using of methods of the analysis and synthesis based on documents of the international organizations and the official data of State Statistics Service of Ukraine.

RESULTS

The most important reasons for the rapid development of counseling and increasing demand for consulting services in the global market are the following:

1) the general trend of business globalization, which contributes the increasing demand for consulting services among both multinational corporations trying to capture new markets, and the new companies, hoping to be positioned in the market;

2) the possibility of using consultants' ideas and talent as a competitive advantage in a market competition;

3) the necessity of information technologies' implementation that extremely improve company’s productivity [2].

The origin of the consulting industry in Ukraine was characterized by the occurrence of spontaneous consulting firm under the influence of western companies. The new conditions of Ukrainian economy, processes of denationalization and privatization had given a new impetus to the development of consulting. Consulting has become a special industry, a business with huge profits. Nowadays the main suppliers of consulting services in Ukraine are [3]:

1) subsidiaries of large foreign companies serving government structures on taxation, budget management, improving the regulatory framework;

2) foreign consulting firms working with the private sector;

3) foreign consulting firms working under the programs of donor organizations and providing technical assistance in consulting in priority sectors of economy;

4) domestic consulting companies and others.

The capacity of consulting industry in Ukraine is represented in Table 1.

Table 1

<table>
<thead>
<tr>
<th>Period</th>
<th>The capacity of consulting services market in Ukraine (mln USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>500</td>
</tr>
<tr>
<td>2008</td>
<td>423</td>
</tr>
<tr>
<td>2009</td>
<td>340</td>
</tr>
<tr>
<td>2010</td>
<td>300</td>
</tr>
<tr>
<td>2011</td>
<td>337</td>
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<td>2012</td>
<td>390</td>
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<tr>
<td>2013</td>
<td>445</td>
</tr>
<tr>
<td>2014</td>
<td>416</td>
</tr>
<tr>
<td>2015</td>
<td>395</td>
</tr>
</tbody>
</table>

Source: developed by authors on the basis [3]
However, measuring the size of the consulting sector and its share in the economy of Ukraine reliably is very difficult. This is due to the following reasons [4]:

*firstly*, there is no such activity as consulting in the State Classificatory of Economic Activities in Ukraine that doesn't allow to keep statistical reports of consulting companies;

*secondly*, the complexity of determining the structure and areas of cooperation between Ukrainian enterprises and consultants, which leads to the lack of necessary forms of related costs regulation in the financial statements of companies;

*at last*, high level of shadowing of the national economy results in significant errors in statistical indicators of income of individual companies, industries, sectors and country in general.

Traditionally consulting services market is segmented with the following criteria: functionality of consulting product; sectoral affiliation of clients; geographical location of consulting companies. Analyzing the structural configuration of consulting services market with functional features, we can say that Ukrainian companies have got a quite low level of management and business culture. They focus their management efforts generally on finding the opportunities for optimization the tax payments and legal supporting of their activities as the ways of improving the efficiency of operation. This is confirmed by the following: 30% of the domestic consulting services market is related to tax and legal consulting. The purpose to ensure transparency, accuracy of information support of making decisions have increased demand for IT consulting which is 21% of the market in Ukraine. However, there is a steady trend of increasing interest of domestic companies in financial products and strategic consulting, which are 17% and 13% of the market accordingly. The domestic companies' purpose of improving their efficiency has led to involving HR consultants and consultants in operational management (11% and 8% in the structure of consulting services) [6]. The key clients of consulting companies for the last five years were the companies of metallurgical, chemical, telecommunications, construction and financial services industries (Table 2).

### Table 2

<table>
<thead>
<tr>
<th>Sector</th>
<th>Type of consulting product</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strategic consulting</td>
</tr>
<tr>
<td>Power engineering</td>
<td>+</td>
</tr>
<tr>
<td>Metallurgy</td>
<td>++</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>++</td>
</tr>
<tr>
<td>Food processing</td>
<td>++</td>
</tr>
<tr>
<td>Construction</td>
<td>+</td>
</tr>
<tr>
<td>Financial services</td>
<td>++</td>
</tr>
<tr>
<td>Retail sales</td>
<td>++</td>
</tr>
<tr>
<td>Extraction of oil and gas</td>
<td>+</td>
</tr>
</tbody>
</table>

*Source: developed by authors on the basis [7]*
Analyzing the dynamics of consulting geographically, we can say that the most powerful domestic consulting companies are focused in Kiev (over 75% in the number of companies and 85% in sales). Such concentration is caused with the location of the central offices of the "big 4", consulting world leaders and leading Ukrainian companies in the capital.

It should be mentioned that Ukrainian consultants have some advantages: the knowledge of the underlying causes (related to mentality, national characteristics) of existing management problems and proposing the best solution as a result, and the capacity of adaptation the modern management methods and tools to the specifics of domestic enterprises.

Stimulating the development of domestic consulting business is connected with the need to reduce both dependence of Ukrainian economy from foreign experts and the costs on highly paid foreign consultants.

There are over 300 domestic consulting firms in Ukraine, half of which focus exclusively on management consulting services. The majority of Ukrainian consulting companies are at the stage of development where they can determine their own specialization, competences and needs of their potential customers. There are domestic consulting companies which have formed their own methodology of work, unique consulting technology and have developed new methods and approaches to solving management problems inherent to Ukrainian business.

However, despite the fact that a significant number of companies feel the need for consulting assistance in managing the demand for consulting services in Ukraine remains low. The main reasons of this situation are:

1) the difficult macroeconomic situation and the overall decline in business activity in Ukraine;
2) the lack of culture of cooperating with independent experts;
3) the low solvency of customers;
4) the difficulty of evaluating the efficiency of consulting services;
5) no guarantee of certain results and a positive effect from consulting;
6) the difficulty of getting the objective information about the consultants and their potential.

Unlike the common for developed countries systematic cooperation between consultants and companies, consulting services in Ukraine unfortunately are demanded occasionally. There is still no trend of positive attitude of the majority of Ukrainian businesspersons to this industry.

Investigating causes of rather low rate of development of Ukrainian consulting services market it should be noted that among the restraining factors there are the lack of the legal framework regulating the consulting activities, Ukrainian classifier of consulting services, effective professional association of consultants. Such association should enhance the quality of consulting services, protect the market from non-professionals and develop a business culture of society in general.

The lack of reliable information about the consulting services market (the number of operators in the market, the types of consulting products, their consumer
characteristics, the cost of consulting services, the scope and effectiveness of consulting firms) not only creates conditions for unfair competition, but also doesn't allow potential customers to focus on this market.

DISCUSSION AND CONCLUSION

The history of functioning of consulting services market in Ukraine can be described as the era of learning. We mean learning of consultants to work with clients, creating their own methodology, unique products in the market, the formation of reputation, which is a primary for any customer when choosing a consulting firm. We mean also the learning of clients most of whom begin to realize that a large part of their business is the results of intellectual work that should be constantly enhanced with the aim of searching for new competitive advantages.

Thus, on the basis of our results for the further development of consulting activities in Ukraine towards a post-industrial society, the following main organizational and economic events should be implemented:

1) creating the professional consulting association, which would help to reduce the dependence on foreign experts;
2) optimal adaptation of "know-how" in management area for the specific conditions of Ukraine by local professional consultants;
3) decreasing the involving of foreign specialists will help to reduce the cost of many consulting projects and make the service more accessible;
4) forming the professional education system for preparing consultants (mainly the implementation of professional consulting education in Ukrainian universities);
5) free access to professional information sources;
6) regulation of the legal framework;
7) improving the quality of consulting services by involving specialists of certain fields of science and industry;
8) adapting foreign experience to the conditions of the national economy.

However, the most important, in our opinion, is the implementation of such economic activity as consulting into the State Classifications of Economic Activities that should help to obtain reliable information on quantitative parameters and trends in the consulting business in Ukraine.

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CONCEPTUAL FRAMEWORK FOR EVALUATION OF ECONOMIC IMPACTS OF RDI INSTRUMENTS

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Abstract: The paper introduces some of the main ideas behind impact evaluation of research, development and innovation policy instruments. Evaluation can be a powerful learning tool when the research is relevant and of high quality. This implies, inter alia, assessing not just the process and immediate effects of public interventions on direct beneficiaries but also systematically linking these interventions to longer-term impacts, accounting for spillover effects. However, in a longer time perspective attribution (casual inference) is more problematic. Moreover, while there is a general consensus to shift from the traditional input-output approach (confining the assessment of an intervention to merely input and output additionality) to behavioral additionality (assessing the persistent behavioral change influenced by an intervention), one can see the tensions between evaluation theory and practice.

Keywords: impact evaluation, research, development and innovation policy, counterfactual, additionality

INTRODUCTION

The postulate for more "evidence-informed" policymaking stimulated a number of impact evaluations of public interventions, including research, development and innovation instruments, which are high on political agenda in the EU and worldwide. Since 1990s there is a growing trend to evaluate how RDI policy can change the ways things are done (Georghiou and Laredo, 2006).

The paper offers observations and insights about the approaches and methods employed in evaluation of RDI public interventions. Its overall aim is to provide better understanding of the RDI policy evaluation, its specific requirements and challenges, as well as to discuss recent developments in this field. The methods used entail a literature and documentary review on evaluation theory and practice, among others, the Science and Innovation Policy Evaluation Repository (SIPER) data has been utilized.

IMPACT EVALUATION.

INVESTIGATING WHAT WORKS IN RDI POLICY

Evaluation can be defined as "a systematic process for gathering and interpreting information intended to answer questions about a program" (McDavid, Huse and Hawthorn, 2006, p.491), a policy or an organization. The questions if well-crafted help build knowledge and critical thinking about specific public interventions. Mark et al (2000) distinguished four purposes for which evaluation is performed:
Impact evaluation is a type of evaluation which is structured around one particular type of inquiry: what are the changes that can be attributed to a particular public intervention (the problem of identifying and measuring of net effects of public interventions, thus in this case the evaluation questions start with: what? how much/many?), as well as how these changes were brought about (the problem of identifying the underlying generative mechanisms that explain how these changes were caused in a particular context, in this case the evaluation questions start with: why? in what context?) Depending on the prevalent purpose an evaluation serves, the stress is on the first type of questions: what? how much/many? (accountability objective), or second: why? in what context? (lesson-learning objective).

In the case of evaluation of economic impacts of RDI instruments, the fundamental problem is, on one hand, how effective are public interventions in generating knowledge, and on the other hand, how effective they are turning knowledge back into economy (new products, services etc.). Not only the supply side of RDI policy should be taken into account but also the demand side by implementing instruments which aim to improve the capabilities and readiness of potential customers to buy and use innovations (Edler, 2016).

**IDENTIFYING AND MEASURING THE EFFECTS OF RDI INTERVENTIONS**

First, it should be stressed that impact evaluation and cost-benefit analysis (CBA) (or cost-effectiveness analysis) are two distinctive tools, although they are usually combined in the case of large-scale infrastructure projects or programs. CBA estimates the total expected benefits of a particular public intervention, as well as its total expected costs in monetary terms and assesses whether the identified benefits outweigh the costs. Impact evaluation, in turn, is based on the theory of action, also known as the theory of change, which describes how and why a desired change is expected to happen in a particular context. It draws the path (casual logic) from inputs to immediate effects (outputs), intermediate and long-term effects (impacts), identifying important preconditions for success and providing justifications supporting the links between programs inputs (activities) and effects of different levels which are expected to produce. The effects are operationalized by a set of indicators, which are a marker of accomplishment or progress made toward achieving a specific outcome or impact.

In the case of direct financial support for firms to stimulate RDI activity evaluation metrics are commonly confined to productivity issues of assisted firms, without accounting for spillover effects.

Yet, research and development implies the creation of knowledge, which can be retained hardly by the ones who create it and spills over to third parties, including competitors. They are presumably able to imitate one's knowledge base activity at a much lower cost (Figures 1-2).
resources needed to conduct a particular public intervention

e.g. grants, subsidized loans, equity financing

OUTPUTS
immediate effects
directly produced using the INPUTS

e.g. increased business R&D investment leveraged by public support, acquisition of new technology, equity (co-) investment in innovative enterprises

EXTERNAL FACTORS

OUTCOMES
(intermediate impacts)
consequential effects on beneficiaries

new products and services, new or upgraded production lines, new hi-tech enterprises established

ULTIMATE IMPACTS
long-term effects felt by 'indirect beneficiaries'
growth in sales and exports of innovative or HT-products, increased labor productivity rates, increased share of HT-manufacturing employment and knowledge intensive service jobs in total employment

Figure 1: Simple intervention logic
for direct financial support for business RDI activities
Source: own elaboration based on Technopolis Group & MIOIR (2012)

Assisted firm

New knowledge

Improved products

Market competition

Profits

Private Returns

Improved products

Other markets

Other firm's profits

Spill-Overs

Other user benefits

User benefits

Private Returns

Other user benefits

Figure 2: Complex intervention logic
for direct financial support for business RDI activities
Source: on the basis of Jaffe (1998)
This is so-called appropriability problem and relates to the semi-public good characteristics of knowledge, for which exclusion is feasible but rarely or never perfect (Arrow 1962). Intellectual property rights such as patents mitigate, but do not completely solve the problem of firms' inability to capture all of the benefits of their innovations. Thus, evaluation should be designed in such a way that it explains how these effects occur, and owing to this, be able to identify which subset of non-beneficiaries is most likely to be affected by a particular intervention (see: Czarnitzki and Kraft, 2012; Capelli, Czarnitzki and Kraft, 2014).

**ATTRIBUTION PROBLEM IN IMPACT EVALUATION OF RDI INTERVENTIONS**

It is crucial to compare the situation with an intervention and in the absence of it (i.e. constructing the counterfactual scenario) and capture the difference between these two. It is not sufficient to analyze only the outcome, confined to the assisted firms themselves. A positive change, for instance in the performance of the target firms can be the result of other than public support factors, such as general macroeconomic conditions. Public interventions are not carried out in a proverbial vacuum and the changes observed in socio-economic reality are, for a most part, affected by many various factors. It is a problem directly linked to the identification of a causal relationship between public support and its effects. Only then, evaluation provides proper feedback on effectiveness of a particular public intervention.

\[ \text{Impact} = Y_1 - Y_1^* \]

**Figure 3: Net effects of an intervention**

*Source: own elaboration based on Gertler et al (2011)*

The methods used to measure net effects of public interventions encompass experimental and more frequently as quasi-experimental designs, since the classic experimental design, although regarded as 'the golden standard' is hard to implement in real life. Due to the policy rationale firms can hardly ever be randomly assigned to participate or not in a particular public intervention (e.g. public support program). Quasi-experimental designs estimate the policy impact by comparing the outcome of the assisted firms (beneficiaries of a particular public intervention, called the treatment group) and the outcome of a group of those firms
which have not been supported (non-beneficiaries), which captures what would have been if a program, policy had not been implemented (i.e. the counterfactual); however, firms are not randomly assigned to both groups, thus, to make sound judgments, a comparison group must be as similar as possible to the treatment group in terms of baseline (pre-intervention) characteristics. There are different techniques for creating a valid comparison group, for example, regression discontinuity design (RDD) and propensity score matching (PSM), (for more see: White and Sabarwal, 2014, Kubera, 2016).

The difference made by a public intervention, in the terminology of evaluation, is called "additionality" of the support measure (Buisseret et al, 1995). The additionality can be analyzed in reference to: input, output or behavior of targeted firms. Input additionality indicates the degree to which firms' inputs increased because of the public intervention. The key evaluation question is whether public funds substitute or complement private RDI expenditure since there is a risk of so-called crowding-out effect. (However, a rejection of the crowding-out effect of public support to research and development does not automatically translate into new products or services, as innovations do not always require being engaged in R&D activity and on the other hand, R&D efforts do not always lead to innovation). Output additionality, in turn, identifies the amount of the firms’ outputs increased because of the public support. This additional output can be characterized by the introduction of new products, production processes or patenting activity or more frequently, be affiliated with productivity growth. These two concepts: input and output additionality are well established and widely considered as the core of neoclassical (heterodox) policy rationale, which ultimately seeks to remedy market failures, with the focus on incentives and resources.

The least examined concept is the behavioral additionality, which can be defined as persistent behavioral change influenced by public action. It is regarded, as being the core of evolutionary (structuralism) view that state should intervene in order to increase cognitive capacities of agents and to resolve exploration (exploitation), selection, system, and knowledge processing failures rather than simply addressing market failures. This, in turn, should lead to an increase in innovation performance (Edler and Gök, 2012). The majority of studies use collaboration as an evidence of behavioral additionality. The issue is, that they frequently measure the change in resources for collaboration or a number of new collaboration established, by comparing two static points: before and after an intervention, without providing evidence on the dynamics of behavioral change. However, there are also some other dimensions taken into account while investigating behavioral additionality, such as: improved management (increased level of various management practices), or project follow-up (a significant portion of projects followed by other projects) (Cunningham, Gök and Laredo, 2012).

DISCUSSION AND CONCLUSION

There is a growing demand for evaluating not just the process and immediate effects of public interventions on direct beneficiaries but also longer-term impacts of public interventions, accounting for spillover effects. However, this poses several
challenges. In a shorter time, perspective attribution is more certain, but not an impact, which many not come about yet, while in a longer time perspective, impact is clearer, but attribution is more problematic. Moreover, the common practice in evaluation is the isolation of individual instruments from the overall policy context (Edler, 2012). Yet, the effectiveness of individual instruments is disguised, because there is a wide range of public actions, which target the same specific group or pursue the same policy goal. Recent years have seen increased interest in the "policy mix" to support business RDI activity (e.g. more attention is paid to demand side of the policy by influencing those requesting, buying or applying innovations). As it is important to understand the relative contribution of a particular instrument, it is also vital to consider how these instruments interact with each other. On top of that, impact is the combined result of an intervention and its context. Thus, evaluation findings are hard to generalize, since they are very context specific.

REFERENCES


Abstract: The purpose of our research is to create a methodic of the business planning, which would, from the one hand, be efficient and based on the latest scientific achievements, and, from the other hand, would have to be so easy and clear, that it might be used by an average small business representative; at the same time, it must have the algorithm of business plans making based on all of the current international standards. We can confidently affirm that both creating and applying of a business plan have a general feature; they are developed and used by people. Whereby it is the small business that is characterized by a low acquirement level of people and the impact of their acquirement level onto the business planning result.

Keywords: business Planning, ASPiRiN, small business

INTRODUCTION

The small business is an important component of the modern state of the economy. One of the important features of the small business is that it might be started with almost any citizen.

This forms its important peculiarities such as numerosity of small businesses, and also, averagely low training level of small business leaders in the field of management and economy.

MATERIALS AND METHODS

These peculiarities explain why those principles and patterns which work with medium and large business work weakly or do not work at all with the small business: medium and large business subjects employ management specialists with the eligible level of training and experience, while the small business management is realized with an entrepreneur, who had taken all the risks and organized the business-process himself.

It is a feature of medium or large business leader either not to work for operational management at all, or to hire the eligible specialists in those fields, in which he is not professionally trained. For the small business, as long as it has significantly less resources, than the medium and the large one, such situation is less possible, because the operational management is executed by the owner himself and he takes the decisions corresponding his training level.

On the assumption of the above-mentioned the medium and large business development strategy consists in choosing the necessary employees for gaining the goals the company foresees while the main strategy of the small business is the
enterprise owner personal improvement, or creation of the circumstances under which he could take efficient decisions with the current development level.

Working out a business plan as a component of the investment project is a zero-option condition of a business start-up preparation. A big number of organizations have developed their own business-planning standards: KPMG, UNCTAD, EBRD, ISO, U.S. SBA, Eurocomission, etc.

But practically all the developed standards are directed to people who are significantly trained, that is why the majority of small entrepreneurship subjects, as a result, do not use these methodologies, considering them too complicated or not useful at all. It means that the significant part of small entrepreneurship subjects work without any business plans. This situation witnesses that currently the issue of creation the method of business plans development, which would be applied for the small business, is actual and not solved. The issue of business-planning methods analysis and structuring is not new; it is lit up in the researches Shkurko (2013), Strantsov (2014), Sahlman (1997). At the same time, the existing business-planning standards are studied from the organizational forms point of view.

As it was stated above, the small business is characterized with the significant impact of the human factor onto the decisions making. It means that applying instrumentals of the economic directions, concerned with psychology and its achievements in the field of studying the process of human thinking and an individual's decision-making might bring good results. These directions might be observed in the bounded rationality theory by H. Simon (Simon, 1978), in which he tells that human choice is rational, but to a certain extent, described as "rationality limits". Simon marked two fields of "rationality limitation" such as attention and intellect, and consequently he added will and egoism.

There are also important researches, results of which allow to create methodologies for business plans developing, such as article "The Magical Number Seven plus or Minus Two" by G. Miller (Miller, 1956) (a human comprehends from 5 to 9 terms simultaneously and if there are more terms, they unite in groups), and also the cognitive load theory by J. Sweller (the cognitive load is the quantity of mental efforts, necessary for achieving the goal) (Sweller, 1988), and almost all practical researches of J. Julien in the field is user interfaces projecting (they represent the qualitative estimations of cognitive load) (Julien, 2012)

The author has already conducted researches in the given field. In article (Maksymov, 2017) he studied existing business-planning standards, defined the basic elements and united them into certain categories, formulated the mnemonic abbreviation ASPIRiN, which describes the business-plan basic elements.

The main purpose of this research is to develop a methodology of business-plan creation, which could be efficiently used by the small business leaders through the most possible decrease of cognitive load, necessary for a business-plan development.

**RESULTS**

Hereby we will fix the qualitative estimations of the cognitive load (*Table 1*):
Table 1

<table>
<thead>
<tr>
<th>No.</th>
<th>Qualitative estimation of the cognitive load</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Choosing from several variants &lt; Formulating an own variant (Julien, 2012)</td>
</tr>
<tr>
<td>2</td>
<td>Sequence of choice from several elements without a certain result &lt; Sequence if choice from one element without a certain result (Julien, 2012)</td>
</tr>
<tr>
<td>3</td>
<td>Digestion of the information presented in schemes and text &lt; Digestion of the information from one (Simon, 1978)</td>
</tr>
<tr>
<td>4</td>
<td>Known &lt; Unknown (Julien, 2012)</td>
</tr>
<tr>
<td>5</td>
<td>The volume of memory available – from 5 to 9 elements (Miller, 1956)</td>
</tr>
<tr>
<td>6</td>
<td>If the quantity of elements is increased they are memorized by groups (Miller, 1956)</td>
</tr>
</tbody>
</table>

Source: created by author

Hereby we visualize the basic business-plan elements (Figure 1).

![Figure 1: The Basic Elements of a Business-Plan based on the ASPiRiN Methodology, performed using Xmind Software](source: created by author)

To decrease the cognitive load of working with these elements we marked the sequence of elements and connection between each of them (no. 2, 4 in Table 1) and also conducted the search of existing methodologies, suitable for developing of the certain unit (no. 1 in Table 1), as far as in case of using the method a business plan author does not create his own form, but answers certain questions described in the method. It is also important to mention that modern economical science already has a lot of achievements which are possible to be applied to the corresponding business-planning elements (no. 1, Table 1), as far as in case of using the methodology the data standardized by the chosen methodology beforehand should be stated.

For visualization of the methodology elements we used intellect-cards, performed using Xmind Software (no. 3, Table 1) and BPMN 2.0 method using the ARIS-EXPRESS Software. All of the actions in the methodology are divided into blocks, the quantity of the actions in each block is not more than 5 (no. 5, 6, Table 1). When choosing the final recipient of this research results it is possible to define two categories: individuals, who make decisions, i.e. the small business leaders, and also business-consultants and specialists in serving the small business.
Table 2
Description of the Project of a Business Plan Creation based on the Critical Way Method

<table>
<thead>
<tr>
<th>No</th>
<th>Top</th>
<th>Actions Description</th>
<th>Carrier, Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>The circumstances of the business start-up. Req. for the decision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>The idea</td>
<td>The idea formulation</td>
<td>Mentally</td>
</tr>
<tr>
<td>2</td>
<td>Idea recording</td>
<td>Idea description</td>
<td>Rec. on the material carrier</td>
</tr>
<tr>
<td>3</td>
<td>The situation analysis</td>
<td>SWOT-analysis</td>
<td>SWOT-analysis, PEST-analysis</td>
</tr>
<tr>
<td>4</td>
<td>Mission</td>
<td>Mission defining</td>
<td>Rec. on the material carrier</td>
</tr>
<tr>
<td>5</td>
<td>Vision</td>
<td>Formulating of actual activity directions</td>
<td>Rec. on the material carrier</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Corresponding ways with the mission activity</td>
<td>Rec. on the material carrier</td>
</tr>
<tr>
<td>6</td>
<td>Goal</td>
<td>Goal formulation based on SMART</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Strategic plan</td>
<td>Defining of the stages of goal achievement</td>
<td>Recording on the material carrier</td>
</tr>
<tr>
<td>8</td>
<td>Production description</td>
<td>Scenario + BPMN-scheme</td>
<td>BPMN</td>
</tr>
<tr>
<td>9</td>
<td>Marketing description</td>
<td>Sales funnel</td>
<td>AIDA, Sales Funnel</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product line</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Non-basic processes description</td>
<td>Scenario + BPMN-scheme</td>
<td>BPMN</td>
</tr>
<tr>
<td>11</td>
<td>List of resources needed</td>
<td>List of resources needed for production; for marketing; for non-basic processes</td>
<td>Rec. on the material carrier</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rec. on the material carrier</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rec. on the material carrier</td>
</tr>
<tr>
<td>12</td>
<td>Staff assistance</td>
<td>Staff description</td>
<td>Maslow Pyramid, EQ</td>
</tr>
<tr>
<td>13</td>
<td>Funding</td>
<td>Financial description</td>
<td>Financial coefficients</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Staff value</td>
<td>Average wage on the labor market</td>
</tr>
<tr>
<td>14</td>
<td>Other provision</td>
<td>Description of other forms of provision</td>
<td>Rec. on the material carrier</td>
</tr>
<tr>
<td>15</td>
<td>General list of processes and resources</td>
<td>Consolidation of all processes and resources</td>
<td>Rec. on the material carrier</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rec. on the material carrier</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rec. on the material carrier</td>
</tr>
<tr>
<td>16</td>
<td>Risks estimation</td>
<td>Risks matrix composing</td>
<td>Risks matrix</td>
</tr>
<tr>
<td>17</td>
<td>Management scheme</td>
<td>Management scheme description</td>
<td>Kanban / critical way method / Scrum</td>
</tr>
<tr>
<td>18</td>
<td>Ready business plan</td>
<td>Formatting all elements in one document</td>
<td></td>
</tr>
</tbody>
</table>

Source: created by author

The main targeted audience will be the business-consultants, as far as they can apply these achievements in the process of their enterprises activity development.
CONCLUSIONS

Figure 2: Scheme of a business-plan creation, performed using BPMN 2.0 in ARIS-express Software

Source: created by author

1. The data about peculiarities of human conscience from the different theories and researches is gathered.
2. The research data allows defining all the necessary elements of a business-plan for the planned business to be successful.
3. The proposed algorithm allows developing each element of a business-plan step by step basing on the previous steps and using the modern methodologies.
4. The developed algorithm allows uniting the different existing methodologies into one non-controversial whole, which includes the possibility to estimate a certain methodology working quality.
Applying: The given methodology is used for consulting the small business representatives and it also is a ground for the school organized by the regional fund of entrepreneurship support that works at Kharkiv regional state administration.

REFERENCES


RESOURCES FOR THE DEVELOPMENT OF THE TOURISM INDUSTRY IN THE REGIONS OF AZERBAIJAN REPUBLIC

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Abstract: Tourism has a huge impact on the development of countries' economies as a complex. Increasing economic activities are supported by tourism service sector. Many such reasons make tourism sounds very attractive for the solutions of socio-economic problems. Increasing investments towards tourism sector benefits many countries' economies. In Azerbaijan, tourism has also become one of the main service sectors. Generally, tourism started to raise its importance in Azerbaijan after independency. This sector has been prioritized by the government and many programs have been made in order to develop tourism in Azerbaijan. As a result of all these things, the flow of both foreign and local investments has been put to Azerbaijan.

Keywords: tourism sector, potential, regions, tourism industry, perspective, tourism planning

INTRODUCTION

Tourism is a noble industry in the enhancement of world economic standards in many forums. Current debates in various ongoing forums align towards the enhancement of planning and development initiatives. Recent developments have seen more effort incorporated from the private and public players in the tourism industry. An investment in cultural and heritage tourism helps build a sense of pride of place, making any city a better place to live, a better place to locate a business, and a better place to visit but, before an investment in cultural and heritage tourism is made, the first step being taken is to conduct an assessment of the city's potential for that specific tourism.

MATERIALS AND METHODS

The article provides an informative overview of the nature of tourism its history and growth the structure of the Azerbaijan industry and the impact of tourism from Azerbaijan perspective. The report will draw a conclusion, which highlights area of consideration in tourism planning.

RESULTS

Tourism is a high potential industry the world over and there are several economies which are totally based on the tourism industry for their survival. The ancient history of our culture has left behind exquisite monuments and castles together with archaeological finds for the tourist who is interested in them. Besides this, our
country has been blessed with natural scenic beauties, right from the coastlines and beaches to the majestic mountains and hill stations. Mountains, forests, farmlands, coastal areas, and nine out of a possible eleven distinct climate zones from subtropical to alpine climates provide Azerbaijan with a broad range of natural environments that can be used to develop a range of tourism activities and to attract a diverse group of tourists. Azerbaijan is rich with natural resources, including oil, natural gas, and mineral reserves as well as large areas of farmland. It is these areas of farmland, and more broadly, the rural areas of Azerbaijan, which could best offer and support unique tourism products. Many parts of Azerbaijan have good weather conditions and fertile soil that are favorable to many different types of crops, including: fruits (apples, cherries, grapes, olives, lemons, persimmons, melons, raspberries, strawberries, currants, plums, peaches, pears, and pomegranates); vegetables (tomatoes, potatoes, carrots, beets, cabbage, cucumbers and onions); grains (wheat, maize, barley); tea; nuts; tobacco; and cotton. Thus, these areas could attract the international tourists who are looking for more remote getaways that will allow them to view traditional cultures and sample local cuisine. The country also has 4,300 species of plants and more than 18,000 animal species. Of these, fourteen species of mammals, thirty-six species of birds, and thirteen species of amphibians and reptiles are listed as endangered in the Red Book, which was last updated in the early 1990s. The Caspian Sea coast is a key north-south migratory corridor for mammals and birds and has a unique hydrofauna including at least one endangered marine mammal species. There are attempts to protect, preserve and enhance this rich fauna by the establishment of "protected areas" and national parks.

In addition to the natural and rural attractions, Azerbaijan has a rich history that resulted from its incorporation into the strongest of early empires; it had been ruled by the Persians, Romans, Arabs, and Seljuk Turks. Beginning around 1050, under the Seljuk Turks, the country enjoyed a cultural renaissance that witnessed many of its greatest architectural and artistic achievements. In addition to its rich history, Azerbaijan also has a diverse artisan base and a number of religious attractions both ancient and modern that would be of interest to Muslims, Christians, and Jews, as well as those fascinated by the ancient religion of Zoroastrianism. There are many destinations in Azerbaijan that would be of interest to tourists. Baku is the preeminent example of an ancient city gone modern. Baku has a unique architecture that ranges from grand mansions inspired by the turn-of-the-century oil boom to a walled Old City that houses the ancient Shirvanshah's Palace as well as the 12th century Maiden's Tower. While history is evident everywhere, Baku remains Azerbaijan's most cosmopolitan city with a wide choice of restaurants and active nightlife. Short excursions from Baku yield such sites as Gobustan, where 30,000-year-old rock carvings are preserved, and Yanar Dag where natural gas perpetually burns along the mountainside. Further west, beautiful Sheki will also be sure to impress with its wooded-mountain backdrop set at the foot of a mountainside. Its most impressive buildings are the Khan's Palace with its intricately crafted windows and the atmospheric Caravanserai hotel. Moving further west is
Azerbaijan’s second city, Ganja, which most visitors could use as a base to explore the Lesser Caucasus. In the northeast part of the country, Guba is a quaint town with 19th century architecture. Across the river from Guba is the Mountain Jew town of Krasnaya Sloboda, perhaps the largest all-Jewish town outside of Israel. In the south lies the city of Lenkoran, home of the Talysh ethnic group and Azerbaijan’s tea production. In spite of the enormous natural tourism potential economic potential, there are still many challenges that need to be overcome. The infrastructure and transportation system will need a significant overhaul. The telecommunications industry needs to improve and expand connectivity and service availability in smaller urban and rural areas. In spite of the potential in the oil and energy sector, the full benefits of petroleum revenues will likely not be realized by the great majority of the population for five to eight years. Thus, efforts to support local economic development initiatives to reduce poverty and unemployment need to be continued and expanded. The development of a strong tourism cluster would help in this regard.

Accepting the geographical importance of Azerbaijan, being on the Silk Way has a huge impact on east-west, north-south economic relations. This is also essential for tourism relations with other countries. Business relations from tourism sector are increasing day by day because all these advantages of Azerbaijan.

Problems of tourism in Azerbaijan can be solved with many ways as right governmental decisions. Regulations on these issues will solve all the problems quickly and will raise the speed of development in this sector.

The tourism potential of Azerbaijan comes from the geographical location of regions, rich flora and fauna, beauty of the nature. Last years’ development has increased the interests of both domestic and international tourists to Azerbaijan.

Let’s look at some tourism destinations of Azerbaijan.

Nabran tourism center in Khachmaz is in the most famous place to visit in summer. Also, in different places of Khachaz, hunting tourism has been created. Vulcans of mud near to the city is believed that have a medical effect on health.

Gabala is one of the beautiful cities of Azerbaijan. It is famous for in history with albun churches, historical mosques, turbes, and magbaras among tourists. The climate and nature are very good for tourism purposes. Right now, 12 hotels are in Gabala and one of them is 5 stars’ hotel, named as Caucasus Resort Hotel. There is an amusement park in use of tourists in Gabala named as Gabaland too.

Masalli is another tourism city with beautiful nature and is famous for its Istisu medical complex.

Ismayilli is known for its old history and its Lahich village. Ismayilli is a tourism destination where is well known by foreign tourism. Also, Girdiman fortress is in this place too.

Nakhchivan Autonomous Republic is always famous for its historical places. The age of the city is supposed to be more than 3,500 years. Historical places are mostly in Ordubad, Culfa, Sharur. Culfa is known for its Turshsu and Duzdag medical tourism places. In Shahbuz region, Batabatlake is very essential for attracting foreign tourists in summer. Mostly, tourists from Turkey and Iran come
to see Nakhchivan, Gamigaya place. Ordubad is famous for its historical connections with Nuh prophets visit. Pictures on rocks in Gamigaya attract the tourists' interests. Goygol water in Ordubad is known for its unique taste. AshabKahf in Nakhchivan hosts thousands of tourists every year. But, problems for tourism in this territory are for not having direct connection with Azerbaijan and it always takes much cost to arrive there.

Karabagh is one of the most beautiful places of Azerbaijan Republic with its huge potential of tourism. But, being under invasion of Armenia does not let to use its resources in tourism sector.

**DISCUSSION AND CONCLUSION**

For Azerbaijan tourism has a lot to offer but at the same time care has to be taken not to mistreat it. The social and cultural impacts of tourism on Azerbaijan so far have been on the whole beneficial but as tourism continues to grow this could change. Non-economic benefits of tourism are maximized when visitors and hosts share mutual interests and when trade is relatively small. However, these factors limit potential tourist markets and income. One solution to this problem could be promotion of Azerbaijan as a high quality destination at a higher price i.e. less tourists spending more money. Azerbaijan tourism is largely reliant on Eco-tourism, so to maintain the tourism industry it is imperative that our environment is conserved. However, tourism itself can have negative effects on the environment. The tourism sector must act responsibly in its use of the environment and any use must be sustainable. It is the economic effects of tourism, which bring the most benefit to the host nation. Tourism is a low import user, which means more of the money earned here stays here. The government is earning money through tourist taxes such as the airport tax increased export earnings and income tax revenue from people employed by the industry. A balance must be struck between these benefits and associated negative impacts on the community and the environment. If Azerbaijan is to see more growth in tourism, we must try and make the country more attractive to visit. More flights low visa requirements favorable exchange rates are all facilitators that will make Azerbaijan more appealing with a high tourist flow.

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BETTER UTILIZATION AND MANAGEMENT OF EU FUNDED STRATEGIC PROJECTS UNDER THE PHILOSOPHY OF THE INVESTMENT PLAN FOR EUROPE

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Ministry of Interior, Bulgaria

Abstract: As citizens of the European Union we need a high level of public services. The European polices being implemented by means of different funds concerning many sectors amongst Member states. Our future as Europeans is bound to be liaised with solidarity. European policy gives raise the question how would every one euro be spent for betterment of the community? Some MS trust more in conventionally based services; others include private business and set up business model public-private partnership (PPP). The realization of the PPP model encompasses on time project fulfillment, procedural transparency, innovation and added value for the potential users. Manifestation of the PPP is liaised with decrease of Member states corruption levels. In fulfillment of projects under the PPP, the benefits and added value usually overcome funds spent thereon. Currently, private sector is able to ensure sustainability in long contact duration. The PPPs are stipulated in article 185 and article 187 of the Treaty on Functioning of the European Union (TFEU). Hence, the Investment Plan for Europe (IPE) is based on wide collaboration between public and private sector. Meanwhile, the PPP provides synergies amongst fulfillment of the EU projects, programs and finally policies. The purpose of the scientific survey is to be shown the synergy of the PPP in public services provision. The subject of the article is betterment service management of the EU funded strategic projects.

Keywords: public-private partnership, project, management

INTRODUCTION

The European strategic policy is being aspired to inclusion of private funds into the EU projects. The projects funded under the Investment plan for Europe are set up firstly, by means of common pull of € 321 billion. The European fund for strategic investment (EFSI) is ensured € 16 billion, whereas € 5 billion provided from the European Investment Bank and the rest should be provided by private and public contributors. Secondly, there is a possibility the total amount to be raised up at least € 500 billion by 2020 and long aim € 630 by 2022. The idea consists of the philosophy, every one euro to be included into real economy and to be reached

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3 The Schuman Declaration, May, 9, 1950, Available at: https://europa.eu/european-union/about-eu/symbols/europe-day/schuman-declaration_en.
every one citizen, also financial markets to be moved into the EU strategic projects. This is a great solidarity amongst too many stakeholders. In the end of 2016 were approved more than 324 transactions in 27 of the 28 EU member states. The funds are invested in many sectors, notably digital, energy, research and development, smaller companies, social infrastructures, environment and resource efficiency. Why in the Investment plan for Europe are included private project funding? Almost in every one PPP project, the owner of financial resources is simultaneously the owner of the public service. Policy sensitivity over project performance is pointed out in borrowing process. If given PPP stakeholder, especially private party takes bank loan and after one or two years, the same government is not in power. Consequently, the newly chosen government is supposed to be not interested in the same public service provision on that way, so the borrowed money from the private party is under great risk. Meanwhile, there are risks for tax-payers and future service users. By dint of strategic policy of the Investment plan for Europe the risk will be mitigated. The European policy is getting different and all institutions of the Union provide security business measures in strategic projects fulfillment. Hence, the corruption practices can be diluted. Moreover, synergy in EU finding goes along with combining different funds. The PPPs are liaised with high level of transparency, low corruption level, high motivated and skilled institutions, and free running private sector and embedded universities in business developments and notably in innovations. The realization of the Investment plan for Europe needs acceptance of the principles for management of the PPPs\(^5\). Every one Member state with accepted principles has a great opportunity for realization of the highly qualified and sustainable PPP project. By inclusion of the PPP in our European agenda the successful MS in the PPP possess policy leadership in PPP projects; clear, predictable and sustainable legislative framework; qualified and skilled institutional role; transparency public procurement process and ensuring best value for money (VfM) level.

In the course of the current inquiry article, it has been established that in accordance to \(e\)-government Development Index\(^6\), market development level of the PPPs\(^7\) and in conjunction to the Transparency international\(^8\) \(^9\), is concluded that the most prosperous EU Member States possess the highest \(e\)-government level, the lowest corruption and highly developed PPP markets. Consequently, the Investment plan for Europe will be realized on a best way in that MS. In addition, anti-corruption practices\(^10\) are liaised to poverty reduction and decrease of

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\(^5\) Organization Economy cooperation and development, public governance and territorial development public management committee, 32nd Annual meeting of Working Party of Senior Budget Officials, June, 6-7, 2011, Luxembourg.


\(^10\) A comprehensive EU anti-corruption policy, Available at: http://eur-lex.europa.eu/legal-content/EN/TXT/
disproportionality across citizens. The PPP is an instrument optimizing project infrastructure, hence the Investment plan for Europe aims turning private capitals into realized projects on a high social level. There are many risks in utilization of EU funds on a cost benefit manner. In conventionally delivered services, it is a common practice\textsuperscript{11} construction documents to be signed on a highly risk. Besides, in many projects funded by EU grants, asset embezzlement is often practice. That attitude comes from non-reformed administrative management systems in course of service creation and provision to the EU citizens. Policy makers are chosen to serve fairly, providing enough value for money level in every one public service.

In accordance to the authors’ viewpoint there are valid differences between the public-private partnership business model and conventionally delivered public services. \textit{Firstly}, the main problem in the provision of public services, based solely on conventionally procured service, is the quality of the assets used in construction process as well as maintenance costs in the context of service duration (\textit{Figure 1}).

\begin{figure}[h]
\centering
\begin{tabular}{c|c}
1. Money flow – EC funding and co-financing & 2. Public procurement process \\
5. Assets of the service – maintenance by Public sector & \\
\end{tabular}
\caption{Conventionally procured service}
\end{figure}

\textit{Source: created by author}

In conventionally procured services, there are preliminary control services, which provide quality control of that process. \textit{Preliminary control (ex-ante assessment)}, as an administrative step in public procurement awarding process does not possess enough knowledge and skill needed to carry out its statutory functions. In some MS, the preliminary control is not an independent administrative function due to political influence. \textit{Secondly}, in many literature sources is recognized the effectiveness of the PPP business model in service provision. In PPP the project costs decrease due to the long project duration. The assets quality is based on more innovations and high quality standards. Currently, there are fraudulent practices in the PPP. The question arises from long contract duration, where the payments could be hidden from public sector to definite PPP project. Meanwhile, the money flow from public budget is possible to be not underpinned by a high level of culture of transparency in project execution. The preliminary control (ex-ante assessment) is possible to be transferred in partly from public to private sector or to be set up collaborative committee, whereas public administrations can be empowered with monitoring process. Private sector is usually liable for service maintenance. Hence, the risk

from low ex-ante assessment would be terminated as well (Figure 2).

<table>
<thead>
<tr>
<th>1. Money flow – private sector (contractor, banks, etc.)</th>
<th>2. Public procurement process (Delegate of the preliminary control to the private sector)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Assets of the service – maintenance by Public sector</td>
<td>6. Monitoring system by the users to private sector (the contractor)</td>
</tr>
<tr>
<td>7. Feedback by potential users – quality increased by Private sector</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 2: Public-private partnership philosophy**

*Source: created by author*

By providing public services by means of PPP business model, the responsibility over the maintenance of the assets is delegated to private sector. Hence, the public expenditures will go down and the EU and MS budget reveals new possibilities in front of the European Strategic investment plan, European Structural and Investments Funds as well as Horizon 2020 and other EU programs. Moreover, the effectiveness level of the Investment plan for Europe will provide great synergies. The synergy's applications are clearly stipulated by the European Commission\(^{12}\). The policy of effective application of the PPP across the EU Member states need to be accepted anticorruption approaches, administrative reforms, law enforcement of regulations and social change\(^{13}\).

It is taken into account that by application of the PPP model, VfM assessment will provide more added values to the EU citizens. The United Kingdom Treasury defines VfM as the optimum combination of whole-of-life costs and quality of the good or service to meet the user's requirement\(^{14}\).

The author of the article has explained schematically, why the Investment plan for Europe will provide more added values for the EU citizens. Currently, fulfilment of the PPPs is stipulated in PPP programs on a MS level\(^{15}\). One of the key advantages of the PPPs is the budget certainty in the course of multiannual budget framework. Moreover, the PPPs ensure potential users, citizens and residents with a high quality of project benefits for long time\(^{16}\). The first scheme presents conventionally delivered public services and the second one as Public-private partnership strategic vision. Both outline the duration of public

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\(^{12}\) Enabling synergies between ESIF, Horizon 2020 and other research, innovation and competitiveness-related Union programs, the European Commission, Directorate-General for Regional and Urban policy, 2014.


\(^{15}\) Altra Capital (2016), Value for Money in Public Private Partnership, pp. 2-3.

expenditures, levels of effectiveness and phases in service creation and delivery. On the next scheme is depicted the conventionally delivered public service.

**Phase 1**: the quadrangle OO1A2A reflects the brought overruns in public procurement awarding. In that stage is visible the ineffective preliminary control influenced by policy-makers. Hence, the low quality of assets involved in public project in the initial period or in period of construction leads to increased expenditures in the future maintenance in the whole project cycle.

**Phase 2**: the quadrangle AA2B2B represents the overruns and misrepresentation of the EU and government budget made by given MS. Let's assume that the construction phase is finalized in 5 years' period and the allocation of government budget is made without strategic planning. Hence, we are faced of missed funding of important projects for the next years and realization of the EU policy as well.

**Phase 3**: the quadrangle BB2C2C shows increasing overruns about maintenance of project assets of the service. It is possible to be realized dominos effect in the budget appropriations management; otherwise, budget headings will be left without enough financial limits to be covered strategic projects (Figure 3).

![The curve of public expenditures](image)

**Figure 3: Conventionally delivered public service**

*Source: created by author*

The rectangle OO1LC1 explains lost financial sources by using conventional government procurement instead of the PPP. The period of maintenance of low quality public assets causes budget shortage for new and better public services.

In the fulfillment of PPP projects, the government budget possesses strategic
vision in the process of drafting it. The collaboration between public and private finance increases the opportunity of being funded as many as possible strategic projects in fulfillment of the Investment plan for Europe. The Investment plan for Europe deals mainly with fulfillment of PPP projects. The next scheme depicts PPP strategic vision and provision of synergy on a policy, program and project level between different EU funds (Figure 4).

**Figure 4: Public-private partnership strategic vision**

*Source: created by author*

**Phase 1**: the quadrangle OO1A1A represents the great scale of initial funding with mainstream to be provided the best services for users. The private sector is main contributor for the involvement of high quality assets in the provision of public services.

**Phase 2**: the quadrangle AA1B1B encompasses the possibility for public sector to manage public budget more effectively by reallocation of EU budget appropriations for new strategic projects, because the private sector, by virtue of PPP business model, covers budget expenditures. Accordingly, in this way is found out new public management.

**Phase 3**: the quadrangle BB1C1C represents the end effect about greater possibility for set up of new EU funded projects. Consequently, the Investment plan for Europe is being provided competitiveness-related budgets for other strategic projects under cohesion policy. Hence, be means of *Line N* we can see leveraging effect on a
project level also synergy.

CONCLUSION

Our EU community deserves the highest quality of public services. The Investment plan for Europe by means of the PPP will provide us with great social value on a project level. The way of establishment of the PPP business model is really long and hard. The EU Member states need highly skilled and experienced policy-makers and administration. The PPP spreads over a long project life, full with best practices of the private sector, hence public users of the services will increase its common social wellbeing. The ruling of the Investment plan for Europe will give us cohesion and regional prosperity based on solidarity.

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15. Enabling synergies between ESIF; Horizon 2020 and other research, innovation and competitiveness-related Union programs, the European Commission, Directorate-General for Regional and Urban policy (2014).
Abstract: Home pet market in China experiences a rapid boom. Panda Dogs are taking hearts and "Yuans" of Chinese customers. A rapid rise in demand for Panda Dogs raises questions about this product and its characteristics. It appears that Panda Dogs are stylised to look like Pandas as a national and beloved animal of China and Chinese people. Despite the shortages and incredible demand, Panda Dogs are not as unique as they appear. The Chow Chow Dog is the hero behind the popular Panda Dog. Being a regular Chow Chow with some cosmetic enhancements added to make it look like Panda, Panda Dogs don't hold their appearance for too long. The grooming is a necessity in case of Panda Dogs because if not continuously supported, the dog loses its unusual and distinguishing look. Economic concepts, such as price elasticity of demand, supply of Chow Chow Dogs, and shift in demand can be found in the case of Panda Dogs. The purpose of this article is to go deeper into the Panda Dog phenomenon and gain the understanding of how the Panda Dog became an overnight sensation, which changed the home pet market landscape.

Keywords: economics, Panda Dogs, China, demand, supply, economic theory

INTRODUCTION

Not so much time ago, Chinese home pet industry was taken by storm after the Panda Dogs were introduced to the market. Panda Dogs are an increasingly popular breed of Chow Chow Dogs, who "undergone a lot of cosmetic tomfooleries to make it resemble a panda" (New York Post, 2014). The high demand for Panda Dogs in China is evident when considering the compact size of the pet, and a unique reference to China's symbolic animal, the Panda.

However, the "Panda camouflage" disappears after roughly 6 weeks. It means that the owners of Panda Dogs will have to bring back their pets for "touch-ups" (HuffPost Canada, 2014) every 6 weeks. In the end, the individual who has purchased the Panda Dog will then have to use the grooming services in order to maintain the dog's appearance as the main selling point of the right.

MATERIALS AND METHODS

The demand for Panda Dogs is relatively inelastic, because even with a major change in price for Panda Dog, the demand will decrease insignificantly. This is shown in Figure 1. Relatively inelastic means that relatively large changes in price cause relatively small changes in quantity.
As we can see from the graph, the increase in demand for Panda Dogs in real life is shown by the shift in demand curve from the position D to D1. The transition to the right represents the increase in demand for the product, in this case, Panda Dogs. Due to the shift, the price increased significantly, moving from position P to P1, while quantity increased in less proportion from position Q to Q1. This situation, where the quantity is not as responsive to change in demand as price is, means that a product's demand is inelastic. Thus, this tells us that the supply of Panda dogs is fully depending on the provision of Chow Chow Dogs. With the increase in sales of Panda Dog as a consumer good (consumer goods are products that are purchased for consumption by the average consumer), the sales of Chow Chow Dogs will also increase proportionally, as a producer good (producer goods are goods that are used in the production of other goods or services). Panda Dogs can only be made from Chow Chow Dogs using cosmetic enhancements. Furthermore, the dog will lose its unique look after only 6 weeks.
So, the owners, who bought a dog that looks like a panda will enjoy it for only 6 weeks, and after that, they will end up with a regular Chow Chow Dog, which means that the unique selling point of the good will be gone. This will make a huge new market of Panda Dog owners for the grooming salons. The demand for grooming services will increase significantly. The reason is that people want to bring back a unique look to their dogs. The results are shown in Figure 2.

As we can see from the graph, the demand for the grooming services increased, which is shown by moving from position D to D1, where the equilibrium price point has shifted from the position A to B. The supply of the grooming services adjusted to the change and shifted from S to S1, which caused an equilibrium price point to move from the position B to C. Both curves shifted to the right, and that resulted in the increase in price from P to P1 and change in quantity from Q to Q1. Thus, as we can see, the growth in the demand for Panda Dogs leads to an increase in demand and provision of grooming services, because it becomes a necessity for the Panda Dog owners.

![Figure 3: Supply of Chow Dogs](image)

Due to the fact, that it is impossible to increase the production of Panda Dogs rapidly, we can claim that the price elasticity of supply for Panda Dogs is price inelastic. The reason is that it is impossible to increase the production of Panda Dogs without increasing the production of Chow Chow Dogs.

On the graph, we can see that the increase in demand for Panda Dogs causes a demand for Chow Chow Dogs to increase. This lead to an increase in supply, which leads to a creation of a new equilibrium price point.

**RESULTS**

Economic theory can be clearly identified in Panda Dog case. The abnormal popularity and demand are arising from a unique selling point of the product as a clear allusion to real Pandas, which are very popular among the Chinese people as
a national animal. It is evident that the Panda Dog captures the widest consumer gap on the home pet market in the middle class. While the upper class of Chinese consumers usually prefer dogs like Tibetan Mastiff which is famous for their high price which in some cases can reach 2,000$ US, the middle-class consumers didn't tend to purchase one specific dog breed, but instead the range of popular breeds was rather broad. However, the Panda Dog became the really best seller due to their low price, unique identity differentiating them from other dogs and their reference to the beloved symbol of China, the Panda bear.

The high level of popularity led to Panda Dogs becoming a price inelastic product. This is the outcome of the vast popularity of the good, which obtained a unique image in the minds of consumers, who were ready to pay more for a Panda Dog than any other breed. The availability of Panda Dogs also made them a very accessible good for customers, who were able to purchase dogs in almost every corner of the country. Because Chow Chow Dogs are basically Panda Dogs without grooming makeup, the rise in demand for Panda Dogs will inevitably lead to a proportional rise in demand for Chow Chow Dogs as well. Businesses and entrepreneurs involved in the distribution of Chow Chow Dogs will benefit from increased demand for and popularity of Panda Dogs. This arrangement implies that the abnormal rates of demand for Panda Dogs do affect the production and distribution sectors of the economy, particularly ones that are involved in production and distribution of Panda Dogs.

Lastly, grooming services are becoming a necessity, and possibly reach the price inelasticity for the owners of Panda Dogs. This results from a disadvantage of Panda Dog as its look isn't permanent, but rather temporary. This implies that owners will have to use the services provided by grooming businesses, in order to maintain the main selling point and unique appearance of their Panda Dog. In case if owners will refuse to use the grooming services for their Panda Dog, the makeup will disappear in roughly 6 weeks, and after that point, the Panda Dog will turn into a regular Chow Chow Dog. The irony of the situation is that Chow Chow Dogs are actually cheaper than Panda Dogs.

**DISCUSSION AND CONCLUSION**

In the future, Panda Dogs will probably go out of fashion, and people will stop buying them in such big quantities. It will happen according to a life cycle of the product. After a boom stage, Panda Dogs will enter the maturity stage, and finally stagnation. There are a couple of reasons for that to happen. One of them is a change in fashion and trends within Chinese society. The demand will start to decline after Panda Dogs will go out of fashion or lose its uniqueness.

Possibly, Panda dogs will become a niche market, because they are hard to take care of and hard to maintain their look. In this case, the demand will also decrease significantly. However, Panda Dogs will be able to keep a low level of demand, created by people who are willing and able to purchase a dog that needs to have a grooming every 6 weeks. The exchange for that work will be the exceptional appearance of the dog, which resembles the Panda. It is uncertain if this rate of demand as for the niche product will be higher than that for the competing breeds,
like Chow Chow or Shar Pei. This factor will decide the future destiny of Panda Dogs. However, the demand for grooming services will remain high, because there are people who are already invested into a Panda Dog as their dog of choice. This group of individuals will have to use the grooming services because otherwise, the dog loses its value and its look. For such, individual grooming services will remain a price inelastic good. In this case, Panda Dogs can be perceived as an asset, for example, a car, while the grooming services can be perceived as petrol for that car. From this simple allegory, we can see that Panda Dogs need grooming to maintain its unique selling point as much as a car needs petrol to function. In the future, the demand for other breeds of dogs will recover and the boom of Panda Dogs will end after some time, according to the concept of the product lifecycle.

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BIASED COMMUNICATIONS BETWEEN STATE INSTITUTIONS AND THE PUBLIC

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Abstract: This scientific article focuses on the quality of communication between the state institutions and broad layers of population. In the worst case scenario may become a cause of overall negative social attitude towards the state policy, for example tax payment, and damage people's trust in authorities. The article is based on the author's research in the state government communication with the society. Research findings can be used by administrative managers of various institutions so that they could reconsider their work obligations and the system of remuneration of their employees. As a result, public financial means may be saved, relocated and put to a better use.

Keywords: human resources, refusal of medical treatment, Minister for slander

INTRODUCTION

Nowadays not only the availability of human resource is important, but also the problem of its productivity. The principles of good governance are implemented by people who are workers and employees. Administrators and managers of different levels not only lead, manage and direct, but determine the quality of implementation of good governance principles just by doing their job well. By their personal example, they make an impact not only on the managed environment, and also on the activity of their present and future subordinates and colleagues.

At present, a number of decisions of the Latvian government have produced negative results and are responsible for the present government low prestige. The public trust neither the state governments.

The goal of the article is to motivate public institutions to improve the quality of their communication with wide layers of society. The improvement of communication can make a significant contribution to the development and implementation of the principles of good governance.

MATERIALS AND METHODS

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

RESULTS

Communication errors between public institutions and the society: Some time ago the story of Linda Misevica, the resident of the town Jelgava (pronounced
"Yelgava") and a young mother of two children (hereafter referred to as "the patient"), attracted the attention of people all over Latvia. The story was about the quality of received medical attention in a major Latvian hospital. Since the medical doctors in this case misinformed the society, we shall keep track of the developments of the event not only by date of February, 22, but even by the hour, so that any interested person would be able to have the correct picture and compare it to the factoid provided to the press.

Even some time before the incident the patient occasionally felt tightness in the chest; however, without a pronounced feeling of pain. On February 5 in the morning she again felt tightness in the chest and even fainted twice. Her husband took her to the Jelgava hospital. There the doctor asked what had ailed the patient before, measured her blood pressure and sent her to her general practitioner or family doctor.

On February 7, the patient again felt tightness in the chest and fainted the third time. The next day her GP examined her, prescribed blood and urine tests, and, because of her losses of consciousness, encephalography. On February 19, the patient became worse; all abovementioned symptoms were complicated by nausea and vomiting. The patient called 113. There, they refused her the emergency medical assistance, and advised some painkillers in tablets and patches. The patient did not become better though and after two days called 113 again. And again she was refused emergency medical attention and suggested that she herself should come to the local hospital. There the hospital doctor decided that the fault was in the spine, and sent her to the X-rays, which did not show anything wrong. The doctor also prescribed three pharmaceutical drugs, which, as it turned out later, did not correspond absolutely to the real diagnosis of illness and had a negative side effect on the patient's liver.

On February 22, the patient arrived at Riga Austrumu Clinical University Hospital (hereafter referred to as "Gailezera clinical hospital"). Later Gailezera clinical hospital made a number of statements for the press on Linda Misevica's case:

The first statement was made at the end of February in a broadcast of Latvian Television Channel 1 (hereafter referred to as LTV 1) news program "Panorama. "The cause of pain was found, but the patient ran away, even without waiting for the surgeon's consultation. We are very, very sorry. All test results were received within an hour and a half, which was very, very quickly! She would be hospitalized. This, of course, was her own wrong decision," said Gailezera clinical hospital chief medical doctor Eriks Kalnins (hereinafter – Kalnins). In the interview, Kalnins also pointed to the fact that there was enough patient capacity at the hospital. Apparently, this fact was not known to the consulting physician at the hospital admission ward who said to our patient: "... There are no free beds in Gailezers! Go where you are a declared resident!" Is it possible that the information on the patient capacity of Gailezera clinical hospital was hidden from the medical staff of the admission ward? On the face of things, those who had at least some real information about the case could not feel anything but frustration and dissatisfaction after Kalnins's final words about the patient's "own wrong decision" or her own problem. Of course, our patient had a very serious problem and was in great
trouble. She arrived at Gailezera clinics and Kalnins's realm according to her GP appointment and in severe physical pain. The potential reason of pain had already been tentatively stated by her GP. After a GP referral the patient "delivered her problem, trouble in the hands of Gailezera clinical hospital".

Soon one more statement appeared on the Internet. It can be found at https://www.aslimnica.lv/lv/jaunumi. The print version was created on 30.03.2016 at 13:11:

"... There is another side of the story unknown to the public when the patient arrived at Gailezera hospital, she was given medical aid in compliance with all her complaints. She was examined by a medical specialist and all the necessary checks were carried out. The whole process was recorded by the hospital video surveillance cameras. Recordings will be handed over to the law enforcement authorities. The information about what in this particular case took place off screen", may not be disclosed publicly.

... We as medical doctors assume the obligation to provide our patients with medical care, but we want to emphasize that the patients also have a duty, the duty to participate and cooperate in the medical treatment process".

However, our patient had never imposed any restrictions on the publication of the facts that may or may not have occurred "off-screen" in her case. On the contrary, she just wanted to have the situation depicted as it was without her being blackwashed and defamed.

The patient fulfilled her obligations; she arrived at Gailezera clinical hospital with a family doctor request. But she did not receive it. Only one diagnostic examination was conducted, a sonography.

"We cannot force anyone against their will and if the patient actively resists the medical treatment process, does not comply with the doctor's prescriptions and ignores the elementary demands, then they themselves will have to take responsibility for the consequences..."

This statement contains plain disinformation and accusations for patient. In her case the medical doctors of Gailezera clinical hospital neither initiated nor conducted any treatment process. There was just nothing she could have resisted to. At Yelgava clinic examinations and diagnostic tests that were carried out showed that the reason of her suffering was the already perforated ulcer. The necessary treatment process had been started immediately.

On February 22, the patient arrived at the family doctor. He referred her to Gailezera clinical hospital with a request to hospitalize the patient, investigate the case and help her. He also gave her some medication to prevent stomach irritation. The family doctor in his referral to Gailezera hospital clearly expressed his suspicion of gastric ulcer. As it became apparent later this preliminary diagnosis was not taken into account by Gailezera hospital medical staff. The patient reached Gailezers hospital. The admission ward referred her to a consulting physician, who was free as no waiting line of patients preceded our case. However, the consulting physician started asking the patient what kind of referral was that, why she did not go Jelgava hospital, but the referral was to Gailezers! The consulting physician did not even familiarize herself with the results of the diagnostic tests that our patient had on her. However, a referral to sonography was written out, which showed 4
gallstones. There were no waiting lines to sonography also, so Kalnins's allegations that the investigations had taken an hour and a half did not correspond to the facts. The only one prescribed diagnostic procedure had been completed quickly and it was sonography. Is it possible that Kalnins also had been under the influence of the full moon and his time evaluation became distorted? Altogether, our patient had waited at the consulting doctor's surgery door about 2 hours. This means that there was the time to find answers to all "I don't know" and "You should be medically treated in Jelgava" which were offered to our patient's question: "What should I do?" There was also the time to find out, when the medical specialist mentioned by Belevics would arrive (the surgeon, according to Kalnins's statement to the press). Then our questions arise, what kind of medical specialist handled our patient's case, what kind of medical consultants were they, what were their responsibilities, etc. The answer "I don't know" is not the answer of a medical professional and does not require a high medical qualification. Our patient's question was consistent with the inscription on the surgery door "Consulting medical specialist".

In the meantime, the patient felt even more pain, and with tears in her eyes asked for some pain relief, which the consulting doctor refused. The patient went out to get her GP prescribed medication from the car. They helped a little.

At Jelgava hospital endoscopy showed a duodenal ulcer, some additional investigations that followed showed that the ulcer was already perforated. So the head of Gailezera clinical hospital acted all high and mighty in vain because the medical staff of his clinic had not conducted "all necessary examinations", but only one, and that was not the one that really could have diagnosed the cause of trouble. This means that Gailezera clinical hospital performed incomplete investigations, not, as Kalnins alleged in the press "... all necessary investigations and tests".

In all likelihood, the Gailezera clinical hospital head doctor Kalnins really was under the influence of some supernatural forces, because in his interpretation the same facts were turned inside out. In his interpretation the patient was helped promptly, she did not have three diagnoses: already perforated duodenal ulcer (preoperative stage), damaged liver because of wrongly prescribed medication (the liver was later cleansed) and four gallstones. The four gallstones take the "honorary" third place. Our patient would have been grateful if she had been treated in the way described by Kalnins, if it actually had happened, which, unfortunately, did not.

We should look for the third side of things or "the third side of a coin". One can say that it is impossible and coins have only 2 sides, by anything are possible under the influence of "full moon" or some other supernatural force. So, here are the facts:

- Gailezera hospital medical staff did not render the patient any medical assistance (all her complaints had been ignored). Kalnins in interview to LTV 1 said: "... She would be hospitalized ...", but in reality nobody was going to hospitalize her;
- The patient did not see any medical specialists, let alone talked to anyone. However, Kalnins in the same interview said that "She ran away without waiting for a consultation with our surgeon".
- No medical checks or tests had been carried out, what Kalnins meant speaking about "all tests" is a riddle wrapped up in an enigma;
• Only one diagnostic procedure had been conducted – sonography.

The video surveillance camera is a very useful invention. Only it does not speak. The decision of Gailezera clinical hospital head doctor and his press service to give the CCTV camera records to the law enforcement agencies looks like a "fig leaf" (Kalnins as the head doctor and technically competent person should have been fully aware of technical capabilities and shortcomings of video surveillance cameras). This "fig leaf" could neither depict all nuances of the situation, nor approve or disprove the process of rendering medical assistance at Gailezera clinical hospital. What the patient had to go through in Gailezera clinical hospital admittance ward on February 22, was first unbiasedly reported in the LTV 1 news program "Panorama".

**Communication errors between Ministry of Health and the society:** Also, the Minister of Health Guntis Belevics (hereinafter – Belevics) made the following misinforming and even insulting comments:

a) "A hoax and a false story..." and "the influence of the full moon...", this was his reaction to the information in the media that much needed medical aid in a medical institution had not been provided;

b) "...The young woman herself is to blame; because she did not have patience to wait for the medical specialist examination..." This argument occurred together with Kalnins and invocation of "the influence of the full moon".

From the above description of the facts every reader will be able to understand whether the patient was a hypochondriac, unreasonably seeking medical help, or she was like a personage of Juhan Smuul's literary work "The Colonel's widow or Doctors don't know anything" (Smuul, 1968), who was fond of well sounding diagnoses; or she was under the influence of a mythical "full moon", or she was just a person in pain and in real need of a real medical help. And Belevics with Kalnins are creators of bad publicity for Gailezera clinical hospital and defamers of the patient.

Belevics's response despite his very responsible position was inadequate, deceptive and offensive of the dignity and honor of the patient. His words and attitude attracted attention and sparked a negative reaction in mass media and were later discussed in a number of publications. The press disclosure was far from being a factoid and newspaper hoax, but the minister having used his official position, wrongly accused the media of blackwash.

The innuendo that the patient was a person effected by the phase of moon ("coo coo" as was wittily interpreted in one of the web commentaries), was personal defamation. Although Belevics's position in seniority equals to „the medical officer of the highest rank”, he had no right to make such "unscientific" conclusions and defame the patient. In the most serious way, the Health Minister may be reproached for supporting the system in which the following was possible. This system is visible in relation to patient. In addition, your system Belevics publicly defended.

From Bauska (about 60 km from Riga) and quite late in the evening the ambulance brought a small child with the mother to the Children's Clinical University Hospital. The medical doctors on duty in the admission ward refused hospitalization, and sent out the child and the mother out on the street, leaving them to their own devices and not taking into account a late night time. During the night the baby became worse. Early in the morning the baby was hospitalized after all. Later the
State Health Inspection investigated the case, and it was concluded that two medical doctors (surgeons) were guilty of neglect and irresponsibility. In this particular case, the attitude of medical officialdom to the patient showed a positive development though. On March 9, in LTV 1 program "Direct speech" (in Latvian "Tieša runa") the Children's clinical hospital Chairwoman of the management Board Anda Caksa (Minister for Health after Belevics forced resignation) in the presence of the Health Minister apologized to the child's mother for what she and her child had to experience in the Children's clinical hospital. By this action Caksa, being also the Belevics's advisor, demonstrated how a responsive administrator should act in a conflict where the administration was on the wrong side.

At the time of the previous Minister of Health I. Circene, who was a medical doctor herself, such cases had not been so numerous. Also, when the ambulance happened not to take a patient to the right hospital, they were taken to the right place by a medical transport, for example, from Sigulda hospital to a hospital in Riga, if such a transfer was necessary, instead of being left to find way to another hospital on their own.

To our knowledge, I. Circene, when she was the Health Minister and other ministers before her, never defamed patients and the press, did not assault their dignity and honor, and did not impose arbitrarily only their views on the point of the matter.

In the system of health care under the direction of Belevics there was no place for compassion and kindness. If there were some pleasant exceptions, their scarcity was not able to change the whole picture. For the sake of at least one positive example the author can report a case, when he was discharged after a surgery at the hospital of Traumatology and Orthopaedics, and he heard the medical staff asking their patients: "How are you going to get home? Shall we order a taxi for you?"

**MAIN CONCLUSION AND PROPOSALS**

The next Health Minister should correct the existing deficiencies so that to ensure that medical services corresponded not only to existing regulations, but also to the principles of human compassion.

The duties of the Department of direct taxes acting under the auspices of the Ministry of Finance partially overlap the duties of the State Revenue Service. It is highly recommended to carry out the audit of duties not only in these two institutions, but of the whole system of state administrative institutions. This could produce a significant saving of the state financial resources.

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THE PRINCIPLES OF VEGETARIANISM

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Abstract: Usually, the data of nutritional value of aliment and food products are related to traditional aliment and food nutritional values in the European temperate zones. Also, are not taken into account some of the delicacies (such as oysters, green frogs, etc in France, by the northern European peoples favorite lightly rotten herring and at the northern peoples, such as the Inuits of Greenland, rotten for several years in ice polar bear meat, etc). Also in the food structure is adopted the traditional general menu structure of these latitudes, such as salads, first and second dish, dessert.

Keywords: balanced foods, menu, carnivores and vegetarians

INTRODUCTION

As the food and foodstuffs we understand all that is used for human consumption. What people can use as food is determined often by the potential eater psychological perceptions of a particular food product. Therefore, the green frog is delicacy for French, but others cannot take it in the mouth, for the Chinese and some other East Asian nations, the dog meat is acceptable for human consumption, but for Europeans such meat is disgusting. During the Olympic Games in Seoul the International Olympic Committee, to not shock the Olympics participants, recommended to Seoul restaurants not to offer dishes with dog meat. The fresh (uncooked) cold meat that is poured with broth is delicious for Japanese. For the Europeans such food is not acceptable. In Latvia, the big, by Latvian beliefs, overgrown catfish meat is not edible (Catfish is a big fish that usually live in Daugava). Also, in the closest European destinations, for example the Muslims do not eat pork and Jews who believe that pork as "dirty". It is similar, the Far East countries with snakes. Primitive society in Africa and Australia (Aborigines) recognized as edible worms under tree bark, anthill content and underground worms in Australia. These foodstuffs the eaters find edible. Scientists recognize that these primitive peoples' foods are good protein sources.

MATERIALS AND METHODS

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

RESULTS

Vegetarianism nature: In the development of civilization, chronologically the first was carnivorous (hunters, farmers, fishermen), and then omnivores (to the
hunters and livestock farmers were joined vegetable growers). These two groups of civilizations had developed an appropriate rhythm of life with appropriate activities. Their menu was completely guaranteed food resources balance. Today, in industrial society without a corresponding traditional foods, are also becoming increasingly accessible exotic products and spices from the South countries. Spices are often becoming exotic foods. Consequently, more consistently introduces itself persistent vegetarian menu. Often this phenomenon is known as the "fashion direction". Vegetarianism [German Vegetarismus, lat. Vegetabilis, of plant origin] dietary regimen based on the plant product use. Vegetarian proponents recognize that for human consumption are necessary foods obtained only from plants and the human digestive tract is suitable for vegetable food digestion and assimilation. They believe that animal foods, especially meat, causing the body poisoning by animal protein degradation finished products (urea, uric acid, etc). However, these claims are not based on sufficiently extensive scientific research (the same protein degradation end products resulting also from the decomposition of plant proteins).

Partially vegetarian adherents consuming uncooked products of plant origin, others fried and boiled. Some vegetarians add dairy products and eggs to their plant products. Such a diet has mixed nutritional properties, and from the physiological point of view it is acceptable. Modern nutrition based on more recent physiology and biochemistry discoveries, recommends a mixed (vegetable and animal products) diet. Then the body it is best being provided with all the necessary nutrients for life (with the indispensable amino acids, which are the most animal protein, the enzymes, fat, fat-soluble vitamins, minerals, trace elements, etc.). Plant and animal products complement each other and contribute to a better use of nutrients. In order to ensure the bodies physiological needs for protein in just a vegetable protein, vegetable products take a much greater extent. Moreover, plant proteins are digested much worse than animal proteins. Complete vegetarianism doesn't provide the organism with all the necessary nutrients for life.

A brief history: The earliest evidence of vegetarianism as the idea, supported by a noteworthy number of people mentioned in ancient Indian context, and in connection with the Ancient Greek civilization in Southern Italy and Greece 6th century. B.C. In both cases, the diet was closely connected with the non-violence towards animals and supported by a variety of religious groups and philosophers.

In the past, in Europe the vegetarians called Pythagoreans. With the spread of Pythagoras work in Europe was revealed that the famous mathematician and philosopher Pythagoras during his lifetime by health and ethical reasons had refrained from eating meat. The same did his adherents in the 6th century B.C. Pythagoras was a pacifist. He had said: "As long as Man continues to be the ruthless destroyer of lower living beings, he will never know health or peace. For as long as men massacre animals, they will kill each other. Indeed, he who sows the seed of murder and pain cannot reap joy and love" (Passmore, 1975).

Consequently, with the focus of the Roman Empire to Christianity in the late Hellenistic period, the vegetarianism in Europe practically disappeared. In some monks Orders of medieval Europe, due to asceticism, the meat use was restricted or banned, but they continued to eat fish. Vegetarianism in Europe revived only in
France during the Renaissance. Widely distributed it became in the 19th and 20th centuries. Catholics help to strengthen vegetarianism by 3 weeks of Advent before Christmas and 4 weeks of fasting before Easter. And Russian Orthodox Old Believers fasts are more and more wide. In these periods, believers should not eat meat dishes and fatty dishes. The Hare Krishna movement (hereinafter, the Hare Krishnas) attracts relatively large vegetarian regiments (Tähtinen, 1976). Seventh-day Adventists has an important role in the US in distribution of vegetarian. A significant proportion of vegetarians come directly from this religious group. This group acts into the research on vegetarianism. Seventh-day Adventists are not a homogeneous mass: most of them are strict vegans, while others have given up only of meat. These groups have a very healthy lifestyle.

The first Vegetarian Society was founded in England in 1847 and then in Germany, the Netherlands and elsewhere. International Vegetarian Association – National Societies Association was founded in 1908.

British "Vegetarian Society" was set up the word "vegetarianism" from the Latin "vegetus" which means lively, cheerful, alert (same as vegetarians describe the feeling caused by a vegetarian diet) (VSN, 2000) However, in many dictionaries it stated that the term comes from the English word "vegetable" (Spencer, 1993).

The Oxford English Dictionary also notes that the word "vegetarianism" was used even before "Vegetarian Society" was founded, but wider use of the word started up with "Vegetarian Society" founding in Ramsgate, 1847.

In Latvia vegetarianism is known since the 19th century beginning when the in fashion came exercising, swimming, sun bathing and the awareness of a healthy lifestyle. In 1927, in Latvia was founded a non-profit organization "Latvian vegetarian society". During 20ies and 30ies, there was series of lectures, cooking courses, tours and exhibitions in connection with a healthy and environmentally friendly lifestyle. Vegetarianism is often associated with life assurance and religion. For example, Hare Krishna, Hindu, Tibetan Lamaists etc. Also, they are pacifists. Some choose vegetarianism, as have grown up in a culture which lifestyle as vegetarianism is a common thing or been motivated by a spouse, a family member or close friend. (It is also often happening, when young people get married a vegetarian and omnivore and everyone sticks to own convictions. In such families usually greater load is on woman, as she needs to prepare 2 types of menu).

In Latvian language, the word "vegetarianism" is used at least since the early 20th century. During 20th century the vegetarianism popularity grew due to various reasons such as health, ethical and, more recently, environmental and economic. Today, Indian vegetarians, which are mostly Lacto Vegetarians, accounts for more than 70% of the world total vegetarians. There is approximately 20-40% of the Indian population, and only less than 30% of Indians regularly eat meat. US survey shows that only 1-2.8% of adult Americans do not eat meat (including poultry and fish meat).

**Groupments of vegetarians:** As Vegetarians are usually considered people who do not eat meat, fish, poultry or their products. Vegetarian menu can be drastically different from the radical vegetarian or vegan diet; some vegetarians consume fish and dairy products. Nowadays, vegetarian diet and a diet that includes a lot of
vegetation and a few animal products, has gained scientific recognition. American Institute for Cancer Research, the American Cancer Society and the National Institute of Health are just a few of the many protective health organizations which recommend this type of diet. Australian and New Zealand Association of Dieticians recognize a vegetarian diet for a healthy and enough rich of nutrients; moreover, such a diet helps to prevent and treat various diseases. Vegetarianism has finally acquired a well-deserved recognition.

Choice for an individual to become a vegetarian can be based on lifestyle, ecology, economics, ethics, culture, fashion, tradition, psychology, spatial location, social environment, etc. Justification can also be complex. After vegetarian selection criteria, can be grouped vegetarian ways, e.g. Indian vegetarians (ARI). Vegetarians can be divided into the following criteria: a typical menu in the foodstuffs used in a specific vegetarian group.


**Nutritional types associated with vegetarianism:**

*Fruitarian* is type of diet in which are only fruits, nuts, seeds and other products derived from the plant without destroying. *Su vegetarians* are Hinduism incurred, which also exclude smelling vegetables: garlic, onions, leeks, etc. Macrobiotics is based on whole grains and beans. However, not all the macrobiotic diet is a vegetarian, because some of them are also used fish. *New vegetarians* include to foods of plant origin also milk products and eggs. Such a diet has mixed nutritional properties. From the physiological point of view, this is acceptable. Diet of *Fresh eaters* consists of fresh or low temperature processed fruits, vegetables and nuts. *Episodic non-vegetarians* irregularly, in some cases, include in the menu non-vegetarian food, e.g. fish or a piece of meat. *Hidden omnivores* it's a group of people or individuals that in the society presents itself as vegetarians, but often their diet includes fish, chicken, and other meat food products. *Vegans* do not use any animal products; these are not present also in their diet (IVU). Among these vegetarian types there are no sharp boundaries. These variants partially overlap.

It should be noted that most vegetarians also avoid those products which contain ingredients derived by killing the animals, and these ingredients may not be listed on the packaging. For example, they avoid cheeses, which tend to be rennets of gelatin (from animal skins, bones and tendons), for some sugars bleaching are used bone coal (e.g. Cane sugar, but not beet sugar) and alcoholic beverages (beer, wine) where as fining agents are sometimes used gelatin or crushed shellfish or sturgeon fish. For moral reasons, such vegetarians, who eat eggs, often prefer eggs obtained from chickens not kept in cages.

*Semi-vegetarian varieties: From the above types of vegetarianism can be isolated the vegetarian group "Semi-vegetarian varieties"*
As a partial vegetarianism sometimes is called dietary variant, where are mainly fruits and vegetables, but also has a separate non-vegetarian product. Such a diet is often chosen by those who have decided to reduce the consumption of meat or gradually become vegetarians. These diet variant names are derived from the word "vegetarianism". Stricter vegetarians and sometimes following a mixed diet variant, considered critical. In addition, some people who consider themselves vegetarians are actually semi-vegetarians (Gale et al, 2006).

Semi-vegetarian is a diet free of certain kinds of meat, such as "red meat", but there are other types of meat. Pesco Vegetarian is a diet, which does not have any meat other than fish or other aquatic animals. Pollo Vegetarian is a diet, in which there is no meat, except poultry. Flexitarian is a diet, based on vegetarian products, but may exceptionally include meat. The reasons why people become vegetarians are different, such as health problems, ethical standards, religious beliefs, the desire to save money, even popular products taste is important. Below is a small overview of the different types of vegetarianism.

Vegetarian distinction can be made according to several criteria from the above enumeration reasons why people become vegetarians. It is possible to create a separate vegetarian convention, where the reason to become a vegetarian is religion as vegetarian Buddhists, Krishna Consciousness, or Hare Krishna followers (hereinafter, the Hare Krishnas).

In this work, human menu is selected as the object for study. Therefore, for vegetarians' classification criteria serve the full menu peculiarities from carnivorous to complete vegetarians (vegans).

Partially vegetarians: Largely used vegetarian diet, however, often include in their diet animal products.

Lacto Vegetarians: Diet includes milk, milk products and eggs, but do not use meat, fish or bird meat.

Vegans: Diet with no meat, no fish, no poultry, no milk, no eggs or gelatin; sometimes no honey.

A diet containing animal meat: Lacto Vegetarians and Lacto Ovo Vegetarians can get all the necessary nutrients, subject to the provisions of a balanced diet. Food diversity should put emphasis on complex carbohydrates and products with low fat content, including grains, legumes, fruits, vegetables and dairy products low in fat, as well as eggs, nuts and seeds. It helps to ensure enough energy and protein, and is a good source of all essential nutrients.

CONCLUSIONS

The reasons why people become vegetarians are different, such as health problems, ethical standards, religious beliefs, the desire to save money, even popular products taste is important. A number of international organizations and institutions recognized the vegetarian diet as a healthy and enough rich of nutrients. Complete vegetarianism does not provide the organism with all the necessary nutrients for life. Choice for an individual to become a vegetarian can be based on lifestyle, ecology, economics, ethics, culture, fashion, tradition, psychology, spatial location, social environment, etc. Justification can also be complex. Among vegetarian types
there are no sharp boundaries. These variants partially overlap. Some people who consider themselves vegetarians are actually semi-vegetarians. Vegetarianism is often associated with life assurance and religion.

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Abstract: The present article describes the poor condition of Georgian economy, substantiates the necessity of accelerating the economic growth and highlights the foreign economic orientation's role of different vectors in its implementation. It is emphasized that having only one way of economic relations (European Union, Eurasian Customs Union) will take us to nowhere! That is why Georgia should do the voluntary, mutually beneficial and balanced integration to the whole world instead to only those two sides.

Keywords: The Deep and Comprehensive Free Trade Area (DCFTA) between Georgia and the EU, Economic growth, foreign economic liberalization, foreign economic orientation, diversified international markets, balanced integration, the European Union, the Eurasian Customs Union

INTRODUCTION

It is logical to find out firstly the situation in Georgia according to the basic indicators of economic security. Generally, on the one hand, Georgia stands out of post-Soviet countries with its market and institutional reforms, and on the other hand, major socio-economic problems are still unsolved. Poor conditions of Georgian economy are reflected in the ratings data, published by RIA Analytics [5, p. 80]. Whereby, our country's economic development (GDP per capita is $3,789) is ranked 116th in the world. Georgia is at about eight times lower than the EU average of this indicator (GDP per capita is $32,000). In other words, despite of the Association Agreement on June 27, we are still seriously lagging behind in economic development. By our calculations, it will take 30 years to overcome that lag (assuming that EU will remain at this level [15, p. 1].

RESULTS

By the safety standards, the unemployment rate should be no more than 5-6%, but according to the official statistics of Georgia, this figure equals to 12%. In addition, there are some more pessimistic calculations. This increases retardation of the actual GDP from the potential GDP, causes unemployment and poverty.

Logically, foreign trade, the country's openness contributes to economic growth, but this is the case, when import and export and balanced or export dominates. In Georgian, import is 3.5 times higher than export, which means that our product is not competitive enough in foreign market. In another words, Georgia is lacking so-called "second economy" and therefore, the international benefits in the outside world.
Usually, domestic product should be redundant in consumer basket, but 75% of Georgian consumer basket is filled with imported product [14, p. 430]. In other words, domestic market is not saturated with enhanced productivity, but it is with imports exceeding exports. This means, Georgian product is not competitive and profitable, even in the domestic market. So, Georgian market is dominated other countries' "second economies". The largest part of the supply is established outside the country.

Georgia has employed more abroad (750-800 thousand people) than domestically (600 thousand people). Compatriots living overseas transfer remittances, which exceeds foreign direct investments (FDI) for several years. In 2013, transfers amount 818 million USD (53% of total 1535 million USD). There was not such income from FDI since 2008 [8, p. 2]. This means, the largest part Georgian supply and demand is held abroad. It turns out that Georgia is lacking manufacturers and users, there are only mediators. In other words, Georgian economy, essentially, is standing on one foot instead of three. This demonstrates economic instability.

Thus, the most urgent task in the country is acceleration of economic growth, because without that it is impossible to raise living standards, to overcome the backwardness in EU economic indicators, to strengthen international reputation and awareness. In addition, it is also necessary to note that we are interested in accelerating the national economic growth not only for the production of domestic goods, but also for consumers, which are the main subject of internal market. We can say that consumers are formed during production of goods.

In the modern world, economic openness is essential for country's economic development. In addition, the smaller the country is, the more the mentioned regulatory is revealed. That is why the Georgia's foreign economic openness and liberalization is important for accelerating the economic growth. This is because, from the world's experience, there is a strong correlation between economic growth rates and liberalization of foreign economic activity. Calculations conducted by economists at Harvard University showed that there was 5 times less growth of GDP per capita (0.7%) in the countries with closed economic (protectionist) policy than the ones with economic openness and liberalization (3.5%) [4, p. 63].

Liberalization of economy, first and foremost means the liberalization of exports and imports. For Georgia, as a country with a small domestic market, export demand is very important to be added to the internal demand to encourage local enterprise and economic growth. Outdoor markets-focused strategy accelerates the process of specialization, which leads to increased productivity because of resource saving. In addition, this contributes to closer contacts with the world economy and adoption of new the knowledge and technologies. Export growth facilitates the employment and foreign exchange inflows, which helps the importation of production resources in local market needs. Finally, export-oriented policy attracts FDI, as in developing countries FDI is often placed in such fields, which manufacture the export products with cheap local resources. The negative effect is increased prices of product, which can be causes by high tourist inflows and exporting the relevant product in high, profitable prices.
Entrance of the imported product without tariffs in Georgia has both, positive and negative effects. The positive effect is that the abolition of tariffs due to cheaper imports lowers the prices of local products, which is reflected on the well-being in three ways: (1) Users get the immediate benefit from cheaper and high quality products; (2) As a result of cheaper imported resources, domestic producers can lower their expenses, become more competitive and generate new export opportunities; (3) The relatively lower price of capital might encourage local and foreign investments. The negative effect is the declined budget revenues. Domestic producers may be deprived of some share of the domestic market by foreign competitors, which will lead to productivity reduction in some sectors of local industry. However, the freed up resources from one sector can be used in another in which domestic and international specialization occur.

The Deep and Comprehensive Free Trade Area (DCFTA) is the most important part of the Association Agreement with European Union for Georgia. That is because it includes a mechanism of economic integration with EU and it allows its internal market in. Unlike other free trade agreements signed by Georgia, DCFTA includes both goods and service liberalization. In addition, DCFTA includes a wide range of issues related to trade (e.g. food safety, competition policy, intellectual property protection, financial services and other) and provides a gradual approximation of Georgian legislation with the EU legislation. DCFTA allows Georgia to obtain three freedom components of EU internal market out of four: goods, services and capital are free to move. The fourth one is the process of legalization of the visa regime contributes to people's free movement.

Approximately 80% of EU Association Agreement is about trade liberalization, deep and comprehensive trade. "Deep" means that the agreement provides for tariff reduction, abolition of non-tariff barriers and approximation of trade-related regulations to EU (quality standards, food safety and the safety of non-food products). "Comprehensive" means a wide spectrum of trade with EU, not only particular groups trading with goods and services.

In this regard, the interest is where the country applies for foreign economic orientation during the terms of openness. The answer is ambiguous: One group of politicians, economists and entrepreneurs support Georgia in the European Union. The second is integration to Eurasian Customs Union and the third group believes that Georgia should voluntarily integrate to the whole world. Obviously, each of those directions has the right to exist only with convincing arguments. However, it is very important to take into account what kind of benefits and losses will each option bring. In my opinion, having only one-way of trade and economic relations is pointless for the country. Therefore, in cases of Georgia's foreign economic orientation, we must take into account the fact that: Georgia does not have a consistently good or consistently bad partners, Georgia has a permanent economic interest. Accordingly, Georgian economy has to have its vector in an area with the economic benefits. Given's evidence is cited by the statistics below. Russia was the main partner of Georgia in foreign trades until the announced embargo and
Russian-Georgian war. Then Turkey replaced. Although, after embargo in 2006, Georgian wine and water diversified their markets, but as soon as Russian markets opened last summer, the demand turned out a lot higher than it was estimated. In only 6 months, 21-22 million bottles of wine were exported (40% of total exports) instead of 10 million. Russia’s share in the export of Georgian wine was increased because of the tensions in Ukraine. Wine is exported in China too, even though it is one of the top five manufacturers of wine itself. Predominantly, Georgian wine is demanded by elite circles in China. Recognition of Georgian wine in is higher in Russia, so it is important to raise it in China too. At present, Russia's share is 9.4% of total Georgian exports, a bit lower than Ukraine's (10.4%). Meanwhile, In January 2014, Russia's share in total trade turnovers (6.7%) has surpassed Ukraine's (6.3%) and became the fourth trade partner for Georgia, ahead of Ukraine, which is fifth in top five. Systematic shift in top ten of largest trading partners evidences the above said. It should be emphasized, that the EU Association Agreement on deep and comprehensive free trading does not impose any restriction on the free trade agreements signed with other countries by Georgia. On the contrary, free trade areas, for example, with the countries like Turkey, facilitates trade expansion, as companies face the cheaper possibilities to unite the components of manufacturing processes and imports. Georgia is able to produce free trade relations with Russia, Ukraine, Turkey, Azerbaijan, Iran, US, China or any other current or future partners.

By contrast, of Eurasian Customs Union, free trading area does not demand the equalization of every partner's import and export levy. In addition, it does not oblige them to maintain the same trade policy towards the whole world. Poland and Baltic countries' experience shows that they maintained the economic relations with Russia and other CIS countries even after joining the European Union. E.g. Poland's experience refutes the idea that EU membership will automatically lead to "frozen" economic relations with Eastern countries. On the contrary, Poland’s accession to EU significantly increased its exports to the eastern region, particularly in Russia, which was led by the overall growth of the Polish economy. If in 2004 the eastern part's share in Poland's exports and imports amounted 7.0 and 9.7% respectively (Russia accounted for 1.7 and 2.1%), in 2012 it increased to 10.0 and 16.3% (accordingly, Russia's share rose by 5.4 and 14.3%). I think it is quite normal [6, p. 2].

The fact that European free trade area preserves the sovereign right for associated and moreover, for full-fledged members of implementation of foreign trade policy with non-member countries, is both good and bad, I think. It is good in the short term, because Georgian product's competitiveness, quality, safety and security can't meet the European standards at once. Accelerating is unthinkable here. We must not repeat the negative experience of Poland and Baltic countries. According to experts, the unemployment problem in Poland is the clearest example of the negative effect after associating with EU. The high level of unemployment is explained by the erroneous policy of dismantling the steel and coal industries, which, in turn, led to a severe downturn in Mechanical Engineering, which focuses on urban industry. It was led by European Union's strict environmental standards,
which was activated after joining the EU. Investing the enterprises for increasing the ecological awareness was considered as inappropriate and economically unprofitable by Polish government. This happen when the mentioned branches form the significant amount of jobs, which can't be compensated even by dynamic development of the high-tech and small and medium enterprise sector. In Ukraine, the unemployment rate is significantly lower because of maintaining the industrial enterprises (but environmentally harmful ones). The only Ukrainian, but quite important advantage is the relatively low level of unemployment [6, p. 3]. In Baltic countries, 70% of small farmers went bankrupt because they couldn't quickly adopt the EU standards and effective European foreign state control system. Therefore, Georgia should consistently and slowly revise and change economic ties with the CIS. Long-term goals are rather complex and diverse here. Not a single country (especially the CIS countries with higher risk levels) should have a 25% share in Georgian exports and imports in order to diversification, reduce risk, and at the same time, more modern and flexible trade structure should be formed.

World's practice shows that most of the free trade agreements covering countries in the same area. Neighboring countries become trading partners due to shorter, safer and economical distance for goods' movement. Also, costumer's tastes are similar and therefore the distribution channels are easily formed between them. The neighboring countries have common interests and are more willing to coordinate jointly their policies [1, p. 40]. However, the geographical proximity is not the main factor in all regional trade agreements. For example, regional trade agreement between Canada and Israel is not based clearly on geographical proximity, but most of the others are built in that. Armenia has a regional trade agreement with Kazakhstan, Moldova, the Russian Federation, Turkmenistan and Ukraine. India has trade agreements with most countries in the region. European Union's member, Germany exports 62.9% of its goods to EU and imports 58.3% from its countries. Switzerland is not an EU member, but has a trade agreement anyway and it exports 59.7% of its goods to EU countries and imports 78% from them. The North American free trade agreement covers Canada, US and Mexico. There are many reasons for importance of geography in regional trade agreements. Neighboring countries often, but not always, have a common history, language, culture and monetary units. Countries tend to form trade unions if they are peaceful to each other. Proximity reduces the expenses of transporting, which decreases the overall costs of trading products. Various studies have shown that when the distance between two countries increases by 1%, the international trading decreases by 1.1%. On the other hand, trade between two countries increases by 80% when they have a common border, common language increases it by 200% (e.g. English language in US and Canada or Russian in post-Soviet republics) and the common currency increases it by 340% (18 countries in European Union which have adopted euro). Another incentive for regional trade agreements between geographically close countries is that trade among the members of trade bloc will increase to 330%, rather than the absence of a treaty [2, pp. 3-11].
Unfortunately, besides of benefits from regional trade agreements established on the basis of geographical proximity, Russia could not become a reliable trading partner of Georgia because of the traditional political motive in its attitude to post-Soviet countries, which became clearer after the introduction of embargo against Georgia in 2006 and the free trade agreement cancellation on July 31 2014, which was signed in 1994 [13, p. 45].

It is axiomatic that the economic interests are the main factor in unity of various countries and its people, but somehow Europe is interested in Georgia more politically than economically and this is not covered up. The European Union makes a covenant with Georgia, as it believes that Georgia is on its European path and it desires to establish a European management model. Georgia is an important partner for EU politically, but less important economically. That is why the independent study, after considering the size and Georgia's minimum share in EU trade (0.1%), says that the overall effect of the agreement will be negligible for EU. In contrast, it is expected that Georgia will receive almost 300 million Euros (4.3% of GDP) in the form of additional income, if the reforms are carried out [7, p. 3]. So, the benefits of the agreements depend on the process of reforms. It turns out that the logic of economic development is not always attributable to the economic factors. In my opinion, this makes the economic prospects less optimistic and positive.

**DISCUSSION AND CONCLUSIONS**

Obviously, a stable and secure EU market consisting of 28 countries with higher than 500 million consumers (real GDP per capita is 32,000 US dollars) is more attractive than the Eurasian Customs Union consisting of 4 countries with less than 175 million consumers (real GDP per capita is 16,000 US dollars), which plagued the economy for political purposes. The EU market is attractive, but at the same time, it is high demanding. Therefore, Georgia's trade links with this business world should enhance and expand with the same size as the Georgian product's competitiveness as quality, safety, security and law, the accreditation system, infrastructure and local staff's qualification closer to EU. Discreet and sober European businessmen can't be misled by promises, special and preferential terms, which he will use with privileged manner. He believes and trusts only those conditions that apply across the country.

On the negative side, the worst thing might happen in the long term of keeping the economic relations with CIS (of course, if there won't be an increase of standards of production and deleting the politicization of economy), is lowering the quality of products. We have to underline that the low demand for good's quality on CIS markets courage the local enterprises to cling those markets since there is relatively easy to produce, rather than the European Union and other developed countries' markets.

Every normal and strategically minded government diversify the economic relations, finding short and secure ways to access new markets, implementing the
policy of rapprochement and not alienation. Diversification is not only having 25% share in one or two foreign countries. The more diverse the market is there are lower risks and high possibility of a long-term success and vice versa. For example, the comparative analysis over the past half century shows that the fast-growing countries with high growth of population as well as economy are mostly in Asia. Those are: South Korea, Singapore, Thailand, Japan, China and Indonesia [3, p. 9]. The common characteristics are interesting in those countries during the economic development. The main common peculiarity in those countries is a high diversification of production. Paul Romero, who was the founder for directions of endogen development of economy, illustrated a homemaker, who puts too much effort to improve meal for increasing the quality of a dinner. Always have to bring up the professionalism, kitchen equipment expenses and to buy higher quality, more expensive products while it is much easier way to increase the dinner quality by preparing another meals and diversifying the dinner. Indeed, if South Korea has not chosen the way of diversification and stick with the traditional preferences, it still would be a rice producing country instead of world's leading cars and electronics producer [11, pp. 20-21]. So, after the ratification of the Association Agreement with EU, entirely new industries may emerge and develop in Georgia.

Considering of a Georgia's small export market we can assumed that the EU Association Agreement facilitates the creation of new export products, rather than the existing ones to expand. This assumption is particularly true when the export basket doesn't contain any derivative products. So far, several industry sectors of Georgia are beyond the international division of labor. Export potential is still unused. A substantial increase in real economic growth is more likely to coincide to the structural changes in Georgian export basket. Therefore, instead of aiming to increase the volume of same products, the export promotion policies should be discovering and using new export products, which can be produced under relatively low trade barriers and implementation of the local policy of market development [10, p. 79].

The predominant share of the resources of Georgian export products really means that the country's processing industry still has not plaited into international division of labor. This is undoubtedly a problem, but, at the same time, a new possibility and a reserve of the export growth. Industry can make a big contribution to the Georgian economy, which will be much more important than the one all about "hotels and restaurants". It will be difficult for Georgia to keep the most qualifies citizens without a revival of the industry. If Georgia ignores industry factors and sticks with the economy of "hotels and restaurants", why should young people bother studying abroad, which is quite complicated and expansive? Why they should stay in Georgia, where the knowledge and talent can't be used? And why should they be prepared as business management specialists? [12, p. 52].

European companies have an alternative for opening the new Georgian markets: increase product exports and investments in logistics, or expand the export of capital in Georgia and organize their own or joint ventures. Based on the
experience of the world, a country integrates economically with its export-imports not the investments. Therefore, on the transitional stage (deep and comprehensive trade regime) of Georgia's integration with EU, product exports may be expanded in the first place instead of investments and technologies by the European partners. Also, the deep and comprehensive free trade agreement should not be overestimated. "Deep and comprehensive free trade area" offers big opportunities for Georgian entrepreneurs, however, the high rate of exports can't be fixed in a short term, because non-tariff access is not a major barrier for Georgian export products. Effective system of state control should be guaranteed as well as product quality. Only the effective state control system gives opportunity to EU to allow the export of high-risk (meat, dairy products, honey) products from Georgia. The entrepreneur must ensure that the quality of products meet European requirements. State agencies need a special training. For example, the food safety agency should be at the level that it is able to organize the relevant inspections. When the country declares its readiness and says that, for example, its meat production meets EU standards, then the mission arrives to check the system [9, p. 1]. After the transitional period, the quality requirements will become mandatory for exporters, as well as local for market sellers.

In the medium and long run, it is expected that the EU association agreement will increase the domestic and direct foreign investments, will promote the creation of new companies and modernize several economic sectors with help from European Union. Growth of investments will contribute to creation of new jobs, which will positively influence the growth of salaries. Harmonized rules will become more transparent for citizens and businesses and will be able to obtain the information from Georgian government about the implementation of agreement.

The association agreement gets the parties in somewhat unequal conditions of justice. For example, according to the agreement, EU "entry price" is fixed price of import will affect 28 tariff lines (fruits, vegetables, grapes or what is strategic for Georgia). This means that if the product sale price (invoicing price) in Georgia is lower than the fixed price set by EU, the importer will have to repay those distortions. If the sale price will be equal or more than the EU "price" then the products will be completely free from customs duties and the main 28 products will be imported without any charges from EU to Georgia.

Finally, widely famous question, why is not the Russia's reaction on the signing the agreement between EU and Georgia same as Ukraine's? Because the agreement does not get Georgia in as enslaving conditions, such as the case of Ukraine: 1) Georgian industry is not as close to the Russia's military industrial complex as Ukraine's; 2) Russian population is not as densely settled in Georgia as in Ukraine; 3) Unlike Ukraine, Georgia's economy is less depended on Russia, while the energy almost does not depend on.

Overall, the potential benefits from the European integration is very attractive for the national economy, however, it contains a lot of danger. The success is largely depended on the country's leadership, local businesspersons and EU joint
efforts and coordinated actions. However, the most important is the leadership and its will to integrate with EU. Otherwise, if Georgia remains only on the stage of Association and free trade zone, will lose the potential of northern vector and at the same time will not receive the dividends from the west. Georgia will remain just a selling country of raw materials and low-quality goods from civilized Europe. In some ways, Georgia will lose sovereignty, because the management of some issues (such as legislation, development of technical regulations, international accreditation and its protection, environmental requirements for manufactures products and others) will be subject to Brussels.

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Abstract: In the paper the authors explore the opportunities and challenges for a knowledge-based industry from an emerging market, in particular an Aircraft industry in Ukraine, to develop globally. While analyzing the major factors that affect the internationalization of the industry chosen, it was revealed that Ukraine has strong basic and developed factors, such as unique technologies, skilled labor, extensive experience in aircraft design and construction, developed cluster of related and supporting industries. At the same time the industry faces unfavorable demand conditions in the domestic market what makes it to develop international cooperation and go more actively to international markets. Among the major determinants affecting the industry's international opportunities, the following have been revealed and explained: strategy setting, financial issues, legislation affecting the industry, innovations, and partnerships within and outside the industry.

Keywords: emerging economies, international business, globalization, competitive advantage, aircraft industry, cluster of related and supporting industries

INTRODUCTION

I have been exploring the issues of integration of emerging markets into the global markets, in particular how countries with emerging market economy can utilize their expertise in knowledge-based industries and become a part of highly competitive global marketplace. The recent internationalization processes require existence of certain determinants as well as application of innovative models of international cooperation. The example of aircraft manufacturing industry in Ukraine, which has been historically developed as an integral part of a wide industry network of the former Soviet Union, demonstrates the challenges and opportunities for newly emerging markets to cooperate internationally. The research objective is to explore the opportunities for a Ukrainian aircraft producing industry to cooperate internationally and become a considerable player in the world aircraft manufacturing market. In order to reach the research objectives, the following research tasks have been set:

1) to analyze current status of the aircraft industry in Ukraine and in the world, and the multidirectional relationships among the industry stakeholders;
2) to identify and explore the determinants affecting the aircraft industry and to reveal their positive and negative influence on the internationalization process;
3) to discover potential opportunities for international cooperation of Ukraine in the aircraft industry area.

BACKGROUND

Historically, being a part of a larger economic commonwealth, Ukraine was one of a few aircraft producing countries in the world. Currently, Ukraine as an independent country is the producer of various types of aircrafts, including commercial cargo and passenger planes as well as military ones. The world largest cargo airplanes Mriya and Ruslan were produced in Ukraine.

Today Ukraine is one of the 7 countries in the world that have full cycle of aircraft design and manufacturing, starting from design developing and finishing with serial production of airplanes (Davydenko, 2014). Aircraft construction industry is a global one. The level of educating specialists for aircraft and its supporting industries in Ukraine is traditionally of a very high level. These factors allow Ukraine to strive to be incorporated in this fast developing and strategically important sector of world economy.

RESEARCH METHODOLOGY

For the research purposes, we used such methods as comparative and historical analysis, synthesis, empirical methods of research: marketing research and statistic processing of the obtained information. We used SWOT-analysis to discover strong and weak points of the enterprises, as well as their opportunities and threats. The Porter's diamond was used to analyze the prerequisites of the industry current status and cluster competitiveness. The Porter's Five Forces model was used to analyze the competition in the cluster industries. The recent trends in politics and economies of industries and countries involved were taken into consideration.

The data collection included the following sources of information. Secondary data included government publications, as well as those of international, regional, and national industry organizations; business and scientific journals; previous researches, and other. The general methods of getting the primary information was taking interviews and getting the opinions of experts at personal meetings as well as professional events, exhibitions, conferences, etc.

UKRAINIAN AIRCRAFT INDUSTRY OVERVIEW

As it has been mentioned before, Ukraine is one of the leading world states in aircraft industry, who has the physical and human facilities for all the stages of aircraft production (from idea and design development to the manufacture of final products). Main enterprises that form the full cycle of production in this industry are located in three regions of the country: Kyiv, Kharkiv and Zaporizhzhia regions.

The two biggest plants, Kyiv national aircraft plant Aviant and Kharkiv national aircraft enterprise, as well as technology provider, Antonov ASTC (Aircraft scientific and technical complex), have been cooperating for over 70 years and providing
leading solutions in aircraft technology. Their cooperation resulted in a production of a number of AN model airplanes: from AN-2 to AN-148 (Table 1). Today Antonov is a worldwide brand of passenger, transport, and military planes of small, middle, and heavy class categories. Table 1 shows that Antonov aircraft producer is number 6 in the world by the number of planes produced (Flightglobal ACAS, 2014).

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<th>No.</th>
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<td>Other manufacturers</td>
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Source: Flightglobal ACAS database, 2014

In aircraft industry of Ukraine there are 26 design bureaus and factories that work on making diverse equipment for airplanes (Chernyavskaya, 2010).

During the last 10 years, there have been numerous changes in Ukrainian aircraft industry, including restructuring the inside and between the enterprises. Major challenges for aircraft industry are related to not yet fixed de-facto ways of cooperation, information sharing and knowledge transfer.

**UKRAINIAN AIRCRAFT INDUSTRY IN A GLOBAL MARKET**

In Ukraine the aircraft industry has always been facing specific economic conditions: it has the specific funding source; it has been mainly a state property; and its customers have been state inherited since Soviet Union times.

The current market conditions in the aircraft industry are characterized among other by such negative factors as: blocking by Russian counterparts who still have a significant influence, and sometimes, ineffective use of state funds.

Currently the majority of strategically important enterprises of aircraft industry belong to the State. The aircraft industry in Ukraine is in its transformational stage when the decisions made will have a significant long-term effect on the whole industry and a country development.

All the problems in aircraft industry could be divided into two categories. The first one is related to the aircraft industry itself, and the second one is rather of a large-scale and should be dealt on the government level, President and State.

There are positive changes that increase the attractiveness of Ukrainian aircraft market. In 2015 the government adopted "The State strategy of aircraft industry development till 2020" (Ukraine's Aerospace industry, 2016).
MAJOR FINDINGS AND ANALYSIS RESULTS

During the research there were revealed major determinants affecting the aircraft industry, and indicators, which influence the industry's opportunities for internationalization. In Table 2 the determinants affecting industry's internationalization process are identified and explained.

<table>
<thead>
<tr>
<th>No.</th>
<th>Determinant</th>
<th>Major Indicators</th>
<th>Indicator behavior</th>
<th>Indicator influence on internationalization of Ukrainian aircraft industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>General industry dynamics</td>
<td>Financial indicators</td>
<td>Negative dynamics for most of companies</td>
<td>Mostly positive</td>
</tr>
<tr>
<td></td>
<td>Competition level within a country</td>
<td>Intensifying competition</td>
<td>Positive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Industry structure</td>
<td>Emerging market-driven enterprises</td>
<td>Positive</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Financial issues</td>
<td>Income from operation</td>
<td>High incomes for few enterprises, low incomes for many</td>
<td>Both positive and negative</td>
</tr>
<tr>
<td></td>
<td>Government subsidizing</td>
<td>Subsidies decrease</td>
<td>Positive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Macro-economic situation</td>
<td>Not stable</td>
<td>Mostly negative</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Production process</td>
<td>Use of latest technologies and equipment</td>
<td>Decreasing but still high level</td>
<td>Both positive and negative</td>
</tr>
<tr>
<td></td>
<td>Human capital</td>
<td>Experienced</td>
<td>Positive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount of production</td>
<td>Still high amounts</td>
<td>Positive</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Partnerships within industry</td>
<td>Industry participants number</td>
<td>It is a stage of industry restructuring</td>
<td>Both positive and negative</td>
</tr>
<tr>
<td></td>
<td>Industry participants relationships</td>
<td>Formation of market relationships</td>
<td>Mostly positive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Independence level of industry participants</td>
<td>Increasing level of independence</td>
<td>Positive</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Partnerships outside industry</td>
<td>Involved institutions' number</td>
<td>High number</td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td>Stage of market development</td>
<td>Growth after stagnation stage</td>
<td>Positive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Level of internationalization</td>
<td>Low level</td>
<td>Rather positive</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Knowledge &amp; Innovations</td>
<td>Existing knowledge</td>
<td>High level of knowledge</td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td>Budgets available for research &amp; development</td>
<td>Decreasing budgets</td>
<td>Positive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strategy and willingness to innovate</td>
<td>Traditionally pioneering, high willingness</td>
<td>Positive</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>State involvement</td>
<td>Openness for internationalization of national regulations affecting industry</td>
<td>Dynamics toward openness</td>
<td>Mostly positive</td>
</tr>
<tr>
<td></td>
<td>Level of state involvement in industry</td>
<td>Decreasing state involvement</td>
<td>Positive</td>
<td></td>
</tr>
</tbody>
</table>

Source: authors' research findings
As we can see, the positive influence of indicators in favor of the Ukrainian aircraft industry internationalization prevails. At the same time, attention should be given to the factors, which have negative as well as twofold influence on the internationalization process.

Below are described the factors related to general dynamics of the industry and its international opportunities, financial issues, manufacturing aircrafts and components for the industry, development of relationships within the industry and with partners in supporting industries as well as governmental and international institutions, innovations potential for the future of this knowledge-based industry.

**Industry dynamics.** During the last decade the development of aircraft building in Ukraine went on simultaneously bottom-up due to the individual enthusiasts in the industry as well as top-down due to the state support.

**Finances.** Financial standing of government enterprises in the aircraft manufacturing industry in general is more stable than that of private ones.

**Manufacture.** The private enterprises manufacture their products of a world quality standard level. Ukraine has all the facilities, equipment, and technologies to design and manufacture the transport airplanes.

**Customer and supplier relations.** The government aircraft companies react slowly on the market demand changes. The relations between state enterprises and their customers and suppliers are difficult at times because of high degree of formalities the former have.

**Knowledge and innovations.** The private firms often poach the specialists that have been working before in the state enterprises. In particular, qualifies constructors and engineers are in high demand at a labor market. Generally, the state firms have highly-skilled employees, but older compared to the ones in private firms.

**Relations among industry participants.** The private aircraft manufacturing firms are keen to develop the cooperation with national and foreign companies. The state firms are the members of national and global networks, though often are not aware of and not utilizing the advantages of such cooperation.

**State policies related to the industry.** National and industry regulations in the country support the initiatives in the industry developed both ways: from private enterprises "bottom-up", and from the state ones "top-down".

**CONCLUSION**

Currently Ukrainian aircraft industry is in the situation when it cannot withstand being confined to the national level. The internal and external conditions make this knowledge-based industry get internationalized and become an integral part of the global aircraft market. Recent breakup with formerly closest partners from Russia makes the Ukrainian enterprises to look for new international allies. The companies involved in the industry as well as the government have particular opportunities and challenges of such international cooperation. The factors affecting general development of the industry and its international opportunities, which have been identified and described in the paper, include strategy setting, financial issues, legislation affecting the industry, innovations, and partnerships within and outside the industry.
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Abstract: The article reveals the methodology of scientific cognition of complicated systems, where more and more attention is being paid to the theory of dynamic stochastic (synergetic) during the investigation of socioeconomic phenomena and processes. Synergetic approach in sociology, ecology and economy is considered. It is specified that time takes center stage and becomes definitive for understanding the system behavior. The directions of development of social theories that use conceptions of synergetic are considered. The topicality of synergetic analysis and modeling as of today are reasoned. The system (model) of determining the synergetic effect of production, considering the time, is formed and introduced.

Keywords: modeling, synergetic, effect, methodology, system

INTRODUCTION

Synergetic approach in sociology, ecology and economy has quite short historical path, it is rather the newest, modern methods that give the investigators the opportunity to analyze the processes (phenomena, problems) from the perspective of synergetic apparatus and to model these processes (phenomena) with quite high probability of their display in the future.

MATERIALS AND METHODS

It is worthy of note that during the past decade the number of investigations, which use nonlinear apparatus and methodology, was significantly grown. In programs of methodology, more and more attention is being paid to theory of stochastic during the investigation of socioeconomic phenomena and processes. Such scientists considered this problem: B. Mandelbrot [1] author of theory of fractal set of mathematical chaos; V. Muller-Benedikt, author of article "Chaos and self-organization"; Russian physician V.D. Poremskii, one of the first scientists-synergetic of Russia.

Article concept is to determine the methodology of synergetic analysis and main principles of modeling the complicated socio-ecologynomic systems from the perspective of synergetic.

RESULTS

In 1963, science-fiction writer Ray Bradbury published a story "A sound of Thunder", where he defined the idea of dynamic chaos: small reasons can have,
and as a rule, do have quite significant consequences. The hero of a story has set off for the past, where in ancient days accidentally squashed a golden glow moth, which has had very significant consequences for the world. This is called a high sensitivity to benchmark data [2].

There were times, when during the investigation of the same phenomenon, but with specified parameters, the results amazed with their divergence. Such phenomenon was defined as a phenomenon of dynamic chaos and the result of investigation was an establishment of final forecast horizon.

In 1963, a Nobel prizewinner R. Feynman [3] put forward an idea about the principal limitation of our ability to forecast and envisage even in space, which can be described by classical mechanics. It turned out to be that we could not provide a long-term forecast of behavior of great number of relatively simply systems' phenomena. Formally, such systems are determined, i.e. if we know current condition of the system and its development rules of "conduct", then theoretically, we can easily determine (forecast) what will happen to this system in the future. However, in practice that is not true at all. It is explained by the fact that even minimal inaccuracy in determining the initial condition of the system is being accumulated in due course and for some time (period) passed, we lose the ability to forecast at all. Thus, time takes center stage and becomes definitive for understanding the system behavior. Such system behavior is characteristic for many objects that are being investigated in economy, ecology, sociology etc. That is why it is possible to study them from the perspective of theory of dynamic chaos, which is often called the synergetic: (a) as a science about self-organization of physical, biological, social and other systems; (b) as a science about collective and coherent behavior of systems of different nature; (c) as a science about unstable conditions that precede the catastrophe; (d) as a science about universal laws of evolution in nature and society; (e) as a nature that gives an opportunity to investigate the processes and phenomena on micro and macro levels of their development and to quite accurately forecast them in the future. The use of principles of synergetic gained an active implementation in social sciences, economy and ecology in late 70s of XX century. As of today, several fields of development of social theories are formed, which use the conceptions of synergetic: (1) philosophical field, which studies the new opportunities of cognition theory; (2) field that searches and establishes chaotic modes of corresponding phenomena; (3) modeling of social, economic, ecological, technological and other processes and phenomena.

Let us more deeply consider the creation of models of social phenomena. Broadly speaking, such model should be created by simple mathematical rules: (1) formalization of the process (phenomenon, problem) as a hypothesis, which is being described by corresponding equations; (2) solving these equations by dint of computer technologies; (3) establishment of process dynamics and cause-and-effect relationships that occur in the process among its components, which cannot a priory, is predicted by our logic.

This scientific approach is logically reasonable, but, unfortunately, is not perfect and is worthy of criticism. It is explained by the fact that firstly, many parameters-
components not only for equations, which describe the processes, but also for assumptions, are being selected by the investigator, resting on his human factor, level of knowledge etc. This carries the "human factor", which immediately makes the result unforeseen.

Secondary, the implementation of computer analysis of phenomenon under the principle "the more will be considered, the better" has already proved its failure. Computer yields a dry, uncultivated result, which cannot be interpreted (explained or used) to human intelligence and conditions. For example, in American scientists-ecologists' research about the necessity of environmental enhancement, the computer recommendations were to sharply decrease the population on the whole planet.

In this regard, synergetic approach is more perspective, the principle of separating rank parameters, i.e. small but enough for be analyzed number of variables of complicated system lies at this approach's heart. Other parameters adjust to these variables in the process of system development. This significantly simplifies the system and brings hope for the possibility of correct modeling of complicated system that describe the process (phenomenon) by dint of determined number of parameters. However, in practice the task of determination (separation) of rank parameters as indicators of system are the most complicated, problematic and debatable. Moreover, there is a problem of determinability and measurability of parameters in system and correctness of their interrelation. I.e. like, e.g. consideration of profit (by value), septic condition (by scores) and time (by years) in the same parameter system. How to put social performance evaluations by the results of surveys in the form of the same parameters system?

In such cases, as of today, the investigators try to find dynamic systems with similar behavior instead of distinct determined formulas of process (phenomenon), e.g. the Ressler attractor, which is a brick for investigation in many intellectual fields from chemical kinetics to the model of social rebellions' direction. In this case, the emphasis is laid not on the quantitative description, but on qualitative description of the system. Direction that is being considered, got called the soft modeling, this is sometimes defined as an art of getting relatively reliable conclusions of analysis of not very reliable models. However, the issue about how the model, which was constructed "to the image" accords to the reality, remains open. Separate direction of development of synergetic (socio-synergetic) is a modeling on the ground of quantitative methods. Benchmark data of the model construction are the quantitative parameters of social sciences. It is quite enough for it to use method of benchmark data probability, for example, by dint of frequent sociologic surveys. The issue of studying the theoretical aspects of using the quantitative methods in history and socioeconomic sciences is being studied since 70s of XX century (University of Göttingen). It is worthy of note such problems among main problems of these investigations: (a) lack of data; (b) lack of standard statistic methods and corresponding research programs; (c) impossibility of repeated measures; (d) quite significant data bias, because valid fluctuations (directions, characteristics) of system are difficult to determine due to the presence of statistical noise of the system.
Topicality of synergetic analysis and modeling as of today is connected to the peculiarities of modern era, where instability, variableness of humanity social existence and his economic growth become almost the most stable and long-present characteristic of modernity. "There is an intensive transformation of social institutions and the change of all social, ecologynomic and cultural components of the social development along with the people's view on the sense and purposes of existence" [4, 5].

Traditional interaction of sociologists, ecologists, economists and mathematicians at the modern stage of investigations has almost run its course. Since the complexity of tasks, which appear now, it needs more constructive approaches that combine the efforts of specialists of various fields of society activity for the solving these tasks and realistic events forecasting.

One of the tasks of interdisciplinary rapprochement can be the attempt not to teach humanities-minded person mathematics and simplify the course on mathematics to the level of its perception by humanities-minded person, but to bring them up to percept the mathematical ideas (postulates, laws), which could be correct bifurcation points for the problems in economy, ecology, sociology etc.

The investigation of socio-ecologynomic effect ($E_{INT}$) can pursue solving various tasks, but the main one among them is receiving an answer to such questions: how to organize effectively the production of ecological, economic and social point of view and how it should develop in the perspective.

Practical solution of this matter is possible only in the ground of deep analysis of various changes as characteristics of production that occur during its organization and the determination of these changes' impact on final results of enterprises' activity. At this stage one of the main scientific principles of analysis and design of any object, which posturizes the cluster of interdependent elements, becomes systematic approach that consists of consideration of these object elements as a system [6, p. 7]. As shown in modern scientific literature of system analysis issues, there were a lot of research, but, in our opinion, the most optimal is a determination of system, given by V.F. Sytnic: "From scientific perspective the system may be defined as the cluster (combination, set) of interdependent elements of parts. These elements create a unified whole (unified complex) and are aimed at achievement of purposes" [7, p. 22]. Thus, the formulation of this definition in Sytnic's opinion is based on three main postulates: the presence of number of interdependent elements, creation of unified whole of these elements and the presence of certain purpose and destination, which is characteristic exactly for this cluster of elements.

From systematic approach perspective, our research is happening by these stages:

1. Determination of purpose, which is necessary to be achieved as a result of research, and a selection of outcome measure, which allows differentiating methods of achieving the purposes and choose the best ones among them. Herewith the requirements and interrelations of more general system are being considered.

2. Carrying out a structural analysis of the system, the determination of destination of every subsystem and every system element. Herewith element-by-element structure
of system construction and aspects of separate parts and elements are being determined. System modeling is in widespread use to do so [8, p. 85; 9, p. 28].

3. Establishment of nature of interrelation among the system elements, i.e. the functional description of the system [6, p. 37; 10, p. 14], is certainly being implemented, which lies in the determination of functional dependences among the system elements. This allows determining a nature and degree of impact on the system of condition of its functioning to raise the effectiveness.

4. Formation of decisions for improvement of system functioning, considering its interaction with other systems and system of higher grade. Search for decision is being made based on benchmark data, which is obtained as a result of analysis and rules of decision selection.

System is also being determined by system objects tasks, their characteristics and relations among them.

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Figure 1: System of determination of synergetic production effect considering time
Source: created by author
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System objects are: purpose, enter, exit, limitation, feedback. Quantitative aspects and degree of reliability characterize enter and exit. Benchmark data is a source for "entering" the system; the results are the source for "exit". Methods of research are the process. Determination of the indicator of socio-ecologynamic (E\text{SYNERG}) as an assessment of performance of enterprises is a complicated process, which consists of at least these stages: (1) determination of every component of indicator of socio-ecologynamic effect for the enterprise; (2) determination of synergetic indicator for enterprises. Generalized scheme of such process from system approach perspective is presented on Figure 1.
CONCLUSIONS

The creation of such models from a perspective of theory of determined chaos as synergetic, as of today, is the most current and at the same time complicated task. This is explained by the fact that investigator must have comprehensive expertise of disciplines that the phenomena refer to, and he must use high technologies and ultramodern computer technology and at the same time, he must not yield to the fashion for using the synergetic as a science in all fields of human activity.

Synergetic approach to issues of instability and unbalance, theory of economic recession-growth (crises theory), unpredictability of social development etc., becomes an irreplaceable tool for solving such problems and requires wide investigation and implementation, not only in practice of socio-ecologynomic analysis of society condition and development, but also its modeling, forecast and wide implementation in research activity of investigators.

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