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GLOBAL IMPERATIVES FOR BUSINESS AND LAW DEVELOPMENT

**II INTERNATIONAL SCIENTIFIC AND PRACTICAL
CONFERENCE**

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The collection contains reports of the Second International Scientific and Practical Conference «Global Imperatives of Business and Law Development», held at the Kyiv National University of Trade and Economics. Scientists discussed the directions of business and law development in conditions of transformation of global space in Ukraine and in the world. The current state of various branches of economic activity was reviewed taking into account certain traditions and innovations, legal issues of business regulation, directions of international economic cooperation were outlined.

У матеріалах II Міжнародної науково-практичної конференції «Глобальні імперативи розвитку бізнесу та права» викладені основні напрями розвитку бізнесу та права в умовах трансформації глобального простору в Україні і світі. Розглянуто сучасний стан різних галузей господарської діяльності, визначені традиції та інновації, юридичні питання регулювання бізнесу, окреслено напрями міжнародного економічного співробітництва.

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INTRODUCTION WORD

The development of world economy over the last decades has been characterized by the deepening of economic relations internationalization, which is manifested in strengthening of interconnection and interdependence of national economies, qualitative changes in the essence of trade and economic relations between countries, as well as introduction of new international trade forms and methods of its regulation. At the same time, increasing disproportions and global imbalances in the world economy, modern geo-economic and geo-political shifts have exacerbated the problems associated with the competitiveness of national economies and necessitated the research and identification of imperatives for business development and its legal regulation.

The impact of global and emerging regional threats requires radical change in approaches to management systems, both on the micro level and on the regulatory one, aimed to create institutional conditions for development of entrepreneurship being adequate to challenges of the time. Thus, during the last years scientific researches of deep long-term tendencies, structural and organizational changes in the sphere of international business, systems of corporate-state support of entrepreneurial sector activity have intensified. In order to implement the principles of this kind of support and to deepen the content of bilateral interstate cooperation projects with partner countries, it is necessary to take up further development of relationships within interstate economic and political cooperation to achieve clearly defined common strategic goal, which provides priority format both in the context of entities relating as partners, and through resources of provision, with a view to realizing significant, strategically important national interests of the participants of foreign economic and foreign trade political interstate cooperation.

Taking into account the necessity for application of comprehensive multidisciplinary approach to identify emerging imperatives and processes that take place in the global economic environment, the conference participants focused their groundbreaking interest on the economic, legal and institutional aspects of business and law development. The conference has become a forum for sharing ideas, being as well indispensable and wholesome experience.

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DISCUSSION PLATFORM 1

BUSINESS DEVELOPMENT IN CONDITIONS OF GEOPOLITICAL AND GEO-ECONOMICAL CHANGES

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THE ESSENCE OF THE PRO-PRODUCT ORIENTATION IN THE PROCESS OF CONTEMPORARY ENTERPRISE DEVELOPMENT

The product-oriented development and the market-oriented development are the directions of development which are among most frequently appearing in the literature on the subject. Examples of successful enterprises show that it is possible to achieve it in exactly these two ways. Therefore, currently, two orientations of enterprise development process stand out: the pro-market and the pro-product orientation.

The paper presents problems concerning the product oriented development of enterprises and the pro-product orientation of enterprise development process. The empirical part presents the research carried out among a selected group of stock-listed companies in the years 2010–2018, consisting in the frequency analysis of the occurrence of this enterprise development orientation.

Keywords: *business development, enterprise development, pro-product orientation, strategic management.*

Роек Томаш. Сутність продукту в процесі розвитку сучасного підприємства.

Розвиток міжнародної торгівлі в сучасний період можна охарактеризувати як поєднання нео-вільної торгівлі та неопroteкціонізму. Весь арсенал торгівельної та політичної боротьби між країнами проти традиційних форм обмеження імпорту, ефективні заходи регулювання зовнішньої торгівлі, вжиті адміністративні, фінансові, кредитні, технічні та інші особливості, що створюють переважні перешкоди, що ускладнюють вільний рух товарів через кордони країн. Аналіз та ідентифікація сучасних форм захисту національних ринків показали, що розширення протекціоністських форм та методів є

результатом застосування нетарифних обмежень торгівлі, які активно використовуються промислово розвиненими (розвиненими) країнами, зокрема в США, хоча вони представляють себе демонстраторами вільної торгівлі. Наслідки протистояння «великим» економікам проявляються у формі торгових війн, ескалація яких може сильно вплинути на глобальну економіку та торгівлю, а також негативно вплинути на економіку країн, що розвиваються.

Ключові слова: протекціонізм, неопротекціонізм, міжнародна економічна політика, торговельні війни, зовнішня торгівля.

Relevance of research topic. Development is treated as a process consisting of logically ordered phases and stages that normally developing organizations go through (Lozano Platonoff, Sysko-Romańczuk, 2003). Every enterprise undergoes changes over time. This is where the division of development into the ordered phases of the lifecycle of an organization comes from. The lifecycle of an organization is defined as «the entirety of phenomena (or processes) creating a closed developmental circle of an organization in a given period» (Gościński, 1989). Functioning in the turbulent environment and going through the subsequent stages of the organizational life cycle, enterprises constantly experience ups and downs. This is the most characteristic manifestation of their development. The research into the development of an organization enabled to notice that it reveals certain regularities.

Formulation of the problem. Thus, it is important to define what conditionings and determinants of the enterprise development process play a crucial role here, what has direct and indirect impact, and, most important, what can be shaped and what can be only reacted to (Machaczka, 1998). Successful enterprises are first of all distinguished by the skills to use changes as a way to survive and grow. Due to constantly appearing new situations and opportunities on the market, development for an organization is a constant game between it and its environment. At the same time, in the contemporary approach to development, the pressure is first of all put on a certain way of thinking and not specific techniques or methods (Doligalski, 2018).

Analysis of recent researches and publications. Enterprise development is a complex process of changes. It is shaped by conditionings which, to some extent, create a set of determinants of enterprise development. In most general terms, they can be defined as instruments, objects or processes designating (determining) the enterprise development process and having a direct or an indirect influence on the development.

In other words, conditions for enterprise development are permanently occurring possibilities or shorter lasting opportunities for the development of an enterprise, existing in a given place and time. They are constituted by all opportunities and threats which may conduce or limit, hinder or even prevent the development of an enterprise in the place where it conducts or would like to launch business activity. Most often, the conditions of the enterprise development process take the form of

certain resources (e.g. workforce, raw materials, technical infrastructure, the volume of demand for goods and/or services, etc.), thus, they have a real dimension, taking a material form. When they have been discovered, they may be used and consumed, to a certain degree contributing to the development of an enterprise in an active way, then becoming factors of development (Chomałowski, 1996). Then, they may stimulate, limit or hinder enterprise development. This is the way in which the development process is influenced by various kinds of economic instruments and parameters, legal regulations, principles of accounting and financial records, instruments of economic, fiscal policy, namely: prices, taxes, reliefs, principles of granting credits, subsidies, grants, etc.

When referring to the category of enterprise development, attention should also be paid to the fact that the enterprise functioning and developing processes remain under a direct or an indirect influence of various conditions and factors. Their occurrence and impact is related to a dynamic aspect of an enterprise and treating changes as objective attributes of the market functioning and the key determinants of the efficient and effective conducting of economic activity (Machaczka, 1998). Owing to that, the enterprise can achieve higher efficiency and, consequently, can achieve and maintain a permanent competitive advantage (Baden-Fuller and Mangematin, 2013). Therefore, one should notice the fact that the influence and the significance of individual conditions and factors with reference to the development process are diverse and to a great extent of an individualized character. A positive or a negative impact of individual factors on the development of an enterprise is relative and cannot disregard the internal situation of a given enterprise, as well as its place and role in the environment. The same factor in one enterprise can appear to be a stimulator of development, whereas in another enterprise, if it does not encounter adequate conditions, may not evoke changes suitable for the enterprise development.

Therefore, according to J. Schumpeter's theory, assuming that the main driving force of the development of enterprises and economies are entrepreneurs who create an elite social group, endowed with a spirit of «creative destruction» (Schumpeter, 1939), at the same time, the processes of functioning and development of an enterprise are under a direct or an indirect influence of many other conditions and factors whose impact is diverse and, to a great extent, of an individualized character. Adopting the assumption that the characteristics of every organization is determined by the states of its «potentials», we can claim that the development of an enterprise consists in the process of changes in the state of its potentials (the size, the resources, the age, etc.) under the influence of internal and external factors.

When discussing the impact of individual factors on the development of an enterprise, one must consider a number of various determinants of the situation of the enterprise, the most important including (Gabrusewicz, 1992):

- current level of development of both the enterprise itself and the economic system in which it functions;

- current developmental challenges of the environment in which the enterprise functions;
- the stage of the enterprise lifecycle;
- concept of business model and adopted orientation of enterprise development process.

The article focuses primarily on the last of the above four determinants of enterprise development, and mainly on the orientation of enterprise development process.

A business model is a method that is adopted by an organization for increasing and using their resources in order to present the offer of products and services to customers, the value of which exceeds the competitors' offers and at the same time ensures profitability for the firm. Such a model defines a detailed plan for earning money (both currently and in the long term) as well as factors conditioning the maintenance of permanent competitive advantage by the business. This means the achievement (in the long term) of better results than their competitors (Afuah, Tucci, 2003). This thesis is the basis for contemporary concepts of business models of enterprises that consist in the shaping of economic, organizational, personal, information and technical, and manufacturing progress, which in effect is supposed to bring about the prolongation of periods of positive changes as well as the shortening or elimination of periods of negative changes and, consequently, the growth of an enterprise measured with the efficiency of its functioning (Johnson, Christensen, Kagermann, 2008). Contemporary business models aiming at the development of enterprises are based primarily on two pro-development orientations: pro-product orientation and pro-market orientation.

Presenting main material. Within this research, an extensive literature review was carried out (Geissdoerfer et al., 2018; Zott, Amit, 2010; Smith, Binns, Tushman, 2010; DaSilva, Trkman, 2014) during which it was established that there are a number of definitions and classifications of orientation of enterprise development process among which there is an unclear terminology difference and implementation potential. Moreover, we can find more and more new concepts of enterprise development process in economic practice that have not been described in the literature so far (or their description is not full). The lack of adequate sources of information about all contemporary enterprise business models with their practical verification makes it difficult for scientists and practitioners to interpret them properly and implement them in economic entities. This potentially limits research, education, and training within that scope and constitutes a significant barrier to the implementation and adaptation of proper orientation of enterprise development process in enterprises. Moreover, it is also an obstacle to achieving a possible synergy effect between an appropriate orientation of enterprise development process, the currently conducted activity, and the conditionings of the environment. The practice of conducting economic activity shows that such a synergy effect is nowadays one of the basic factors for maximizing the

efficiency of business entities' operations. Therefore, two new orientation of enterprise development process really adopted by enterprises on the studied market were identified in the course of the conducted research; their influence on the development of the studied entities was assessed, focusing particularly on the pro-product concept.

The aim of the article is to present the contemporary pro-product orientation focused on business development and the frequency analysis of the pro-product orientation in the enterprise development process on the Polish market. The implementation of the paper's objective allowed to verify the research hypothesis: «The pro-product orientation in the enterprise development process is an important concept among Polish enterprises».

In the verification of the hypothesis thus formulated, a review and critical analysis of the literature related to the proposed subject was made, while an enterprise strategic analysis was applied in the empirical part, especially the Ansoff's model (transformed and adapted by the author in terms of the conducted research), based on the matrix of development vectors. The application of this model enabled the identification of enterprises using the analyzed orientation of enterprise development in the group of the studied enterprises as well as the strategies of development used in those enterprises. The research aims at the facilitation of making a decision by Polish entrepreneurs as for the choice of the proper orientation of enterprise development and indicating the consequences resulting from it. At the same time, it is worth mentioning that the research carried out is pioneering on the Polish market.

Within an attempt made to solve the research gap presented above, various methodological techniques were applied in accordance with the recommendations (Creswell, 2014). First, a review of the literature and the author's own experiences was done, and then broad consultations and discussions were conducted with representatives of company managers. Finally, the selected research model was used; by means of this, the research was carried out on a selected group of enterprises. The aim of the research was to identify and present contemporary actually used concepts of orientations focused on enterprise development, the strategies of development arising from them, and then the frequency of the occurrence of the pro-product orientation on the Polish market in the selected sectors of the economy that were assessed.

In the contemporary economy, the necessity to search for strategies whose aim is to indicate (identify) new sources of competitive advantages that would enable them to react to changes in the global environment seems to be a paradigm that determines the direction of the activity of enterprises.

Enterprise development strategies are primarily conditioned by the adopted concepts of development, which perform the function of a determinant and modifier of the decision-making process in defining the opportunities as well as the choice of a proper strategy of development (Richardson, 2008; Casadesus-Masanell and Ricart, 2010). For the needs of the conducted research, the basis for discussing these problems will be H.I. Ansoff's model showing the possibilities of choosing a proper concept of

development of an enterprise as well as the relationships between enterprise concepts of development and the choice of an appropriate strategy of development (Ansoff, 1957). Developed at the end of the 1950s, this model includes a set of strategies for development in the form of vectors included in the product-market matrix. This model has been transformed and modified in terms of the aim of the conducted research. H.I. Ansoff's model is presented in Figure 1.

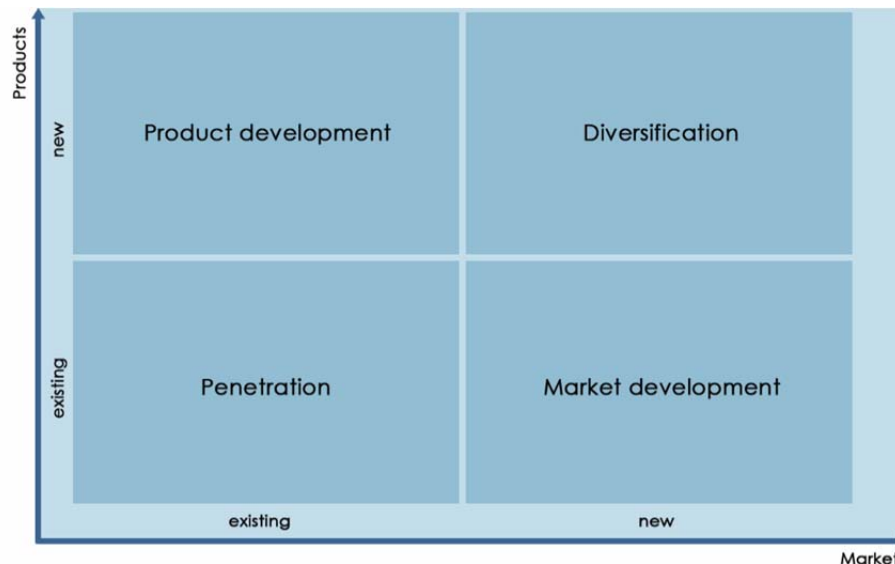


Figure 1. H.I. Ansoff's model of strategy of development

Source: Ansoff (1965, p. 109); Boyd et al. (1995, p. 35).

In the transformed Ansoff's model (modified for the needs of the conducted research), enterprise development can be realised within two orientations:

1. Product-oriented development (pro-product orientation) – enterprises implementing this orientation extend or modify the variety of goods and services produced within one sector as well as launch activity in new sectors and industries;
2. Market-oriented development (pro-market orientation) – enterprises implementing this orientation extend sales to new groups of customers or new geographical areas.

The choice of the proper development strategy consists in selecting a specific scope of the pro-product orientation and the pro-market orientation, that is finding a point in the presented matrix which would be optimum for a given organisation. There are four possible model strategies for development (Romanowska, 2004):

- *Market penetration strategy* – consists in undertaking actions that aim at increasing an enterprise's product sales in the existing market by encouraging customers to increase the number and frequency of purchases or searching for new customers;
- *Product development strategy* – consists in investing in products and introducing modifications of a product and product innovations, and (most of all) extending the product range and entering new sectors and industries;

- *Market development strategy* – consists in offering the existing products in geographically new markets or to segments of customers thus far untapped;
- *Diversification strategy* – consists in entering a new market with new products.

The modified Ansoff's model points to an alternative character of individual concepts of enterprise development. It may be used as a helpful tool in establishing the best development strategy for the enterprise, and it may be a basis to define the current enterprise strategy or its changes over time. Using Ansoff's model, it is possible to:

- define and mark the enterprise's current strategy on a chosen square of the matrix,
- show the evolution of the development strategy of a given enterprise in the long-term, marking consecutive years on the matrix,
- show the diversity of the development strategy in the studied population of enterprises.

In the literature, we can also come across numerous other strategies of enterprise development; however, they are often an extension, variation, or complement of strategies based on Ansoff's model. Ansoff is considered to be one of the pioneers creating the bases of strategic management, and his model seems to be one of the first fully formed concepts of strategic management as a systemised complete set of enterprise development strategies. A significant advantage of Ansoff's model is the possibility of its adjustment and modification in terms of the needs of specific research. Therefore, while conducting the research referring to the market-oriented development of the selected enterprises, the subjective model was used as a benchmark for the proper assessment.

Taking into consideration the fact that the contemporarily existing tendencies of enterprise management most often consist of the maximisation of its owners' benefits, within the framework of the conducted research companies listed on the Warsaw Stock Exchange (WSE) were adopted as the object. As a rule, these are enterprises with a long history of activity, advanced in the application of modern solutions in the management sphere, strongly related to the capital market and interested in the growth of their shareholders' benefits. At the same time, the stock exchange division into sectors guarantees the possibility of studying isolated groups that are homogenous as far as the adopted criteria are concerned.

The Warsaw Stock Exchange is a public institution whose goal is to ensure trading of securities (such as shares, bonds, pre-emptive rights, etc.) admitted to the listing. The WSE task is to organise trading of financial instruments. The stock exchange ensures the concentration of sellers' and buyers' offers in one place and at one time in order to determine the index and conclusion of transactions.

The Warsaw Stock Exchange is one of the most dynamic European markets, and it is an unquestionable leader in Central and Eastern Europe in respect of the key indices describing the market development level, such as capitalisation, the turnover

value, and the number of new companies entering the stock market. In terms of the number of listings, the Warsaw Stock Exchange has been at the forefront of European stock exchanges for several years. Such a dynamic and spectacular growth of the Warsaw Stock Exchange has made it attractive to investors, issuers, and firms mediating in trading from many countries of the world; today, the Warsaw Stock Exchange is a fully international market. Since the beginning of the existence of the stock exchange, shares have been the most popular among individual investors; therefore, Table 1 presents the basic data concerning the companies listed on the WSE during the years 2010–2018.

Table 1

Data concerning companies listed on WSE during the years 2010–2018

No	Specification	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	The number of listed companies at the end of the year	400	426	438	450	471	487	487	482	465
	- including domestic companies	373	387	395	403	420	433	434	432	414
	- including foreign companies	27	39	43	47	51	54	53	50	51
2	Capitalisation of companies (in millions PLN)	796,482	642,863	734,048	840,780	1,252,958	1,082,863	1,115,719	1,379,858	1,128,508
	- including domestic companies	542,646	446,151	523,390	593,464	591,165	516,785	557,124	670,976	578,949
	- including foreign companies	253,836	196,712	210,657	247,316	661,793	566,077	558,596	708,882	549,558
3	Average P/E ratio	18.2	12.5	11.7	15.8	29.9	18.3	17.3	39.2	11.8
4	Average P/BV ratio	1.16	1.06	0.89	0.96	1.09	1.05	0.82	1.09	0.87
5	Dividend yield (%)	2.4	2.9	3.9	3.6	3.1	2.3	3.4	2.3	3.3
6	Value of turnover in the whole year (in millions PLN)	234,288	268,138	202,880	256,146	232,865	225,287	202,293	260,978	211,850

Source: Author's own study on the basis of WSE data.

In the process of selecting the research objects, the sector approach was used; this consists in choosing the researched enterprises grouped in sectors as related to the criterion of the subject of activity. The chosen (or all) participants of the sector are

placed against the sector, and the relationships and reactions among them are described. This approach assumes that activities of an enterprise are a reaction to the changes undergoing in the sector and (first of all) to the decisions made by the most important competitors. The approach does not require going into the decision-making mechanism. An enterprise is treated as an object that transforms information and supplies inputs into certain decisions. Their big susceptibility to development (adopted by assumption, *ex ante*) should be a criterion of selecting sectors for the research. A lot of reasons (especially practical ones) speak for choosing the sector approach for the research into the strategic behaviour of enterprises. The following reasons lead to the decision:

1. Due to the reluctance of enterprises to give interviews and reveal data and information, it seems more real to observe enterprises from the outside and record their strategic reactions.

2. The sector approach enables us to understand better the logics of enterprise behaviour, since it relates them to changes undergoing in the whole economy, the sector, and in the behaviour of the sector participants, eliminating subjective ways of explaining the behaviour of enterprises.

3. The sector research is less laborious and cheaper – as a result, it can include a greater area of the economy and number of enterprises, which then translates into a broader base for formulating generalisations.

In accordance with the methodological assumptions, the research includes enterprises grouped in five WSE sectors: construction, electromechanical, IT, metallurgical, and food.¹ It was assumed *ex ante* that all the sectors selected for the research are sectors that are to a great extent susceptible to development, adequately numerous, and grouping enterprises with a long presence on the WSE.

Due to the necessity to establish the period and the number of the studied enterprises (being a compromise between the requirement to obtain a sufficiently large number of the studied group and conduct an analysis in a sufficiently long period), the following arrangements were made:

1. The years 2010–2018 were adopted as the period of analysis;
2. The total number of 66 enterprises (companies) was chosen as the object of the research, and each of them was listed on the WSE from 2010 until the end of 2018 at the latest.

Table 2 shows the presentation of the studied enterprises with a division into sectors.

The construction sector is a sector that concentrated the largest number of companies on the Warsaw trading floor at the end of 2018. It is also regarded as one of the most profitable and prospective sectors.

¹Division into sectors and attributing individual enterprises to them were carried out on the basis of the classification used by the Warsaw Stock Exchange.

The electromechanical industry stands out with increased diversification of produced goods and a high ranking in the economy. At present, it is the most dynamically developing sector in highly developed countries. Its role consists in supplying machines and devices to other branches of industry and economy. The development level of this sector influences the overall level of production, as well as the quality of goods. Thus, the relationships between the electromechanical sector and the fields of science are important, as is its ability to turn fast technological achievements into the production process. It requires extensive involvement of capital, high-tech engineering solutions, and highly qualified employees.

Table 2

Presentation of all sector enterprises

Sectors				
Construction	Electromechanical	IT	Metallurgical	Food
BUDIMEX	AMICA	ASSECOPOL	ALCHEMIA	AMBRA
DECORA	APATOR	COMARCH	BORYSZEW	GOBARTO
ELBUDOWA	HYDROTOR	ELZAB	COGNOR	INDYKPOL
ELKOP	INTROL	IFIRMA	FASING	KERNEL
ENAP	LENA	OPTEAM	FERRUM	KSGAGRO
ERBUD	MANGATA	PROCAD	HUTMEN	KRUSZWICA
ES-SYSTEM	PATENTUS	SIMPLE	IMPEXMET	MILKILAND
FERRO	RAFAKO	SYGNITY	KETY	PEPEES
HERKULES	RELPOL	TALEX	KGHM	WAWEL
INSTALKRK	REMAK	WASKO	MENNICA	ZYWIEC
LENTEX	WIELTON		ODLEWNIE	
MOSTALPLC	ZPUE		PERMEDIA	
MOSTALWAR			STALPROD	
MOSTALZAB				
PBG				
PEMUG				
POLIMEXMS				
PROCHEM				
PROJPRZEM				
SELENA				
ULMA				

Source: Author's own study on basis of WSE data and websites of the studied enterprises.

The IT sector is a sector that has very high dynamics and the expected beneficial prospects of development. At present, a number of companies make up this group, but the majority of them are characterised by less seniority on the stock exchange.

Enterprises of the metallurgical sector group deal with the production and processing of metals and related products, the extraction of metallic ores and foundry processes, as well as the production of fixtures, tin ware, tools, and vessels. The production of metal finished goods shows the highest growth dynamics in this sector,

whereas the production of metals shows the lowest dynamics. The prospects for the development of the metallurgical sector in Poland are considered to be favourable, so an increase in the investment expenditure in this sector is planned. This will accompany the modernisation and development of the Polish economy.

The food sector is one of the most important and fastest-growing branches of the economy in Poland. Globalisation processes and the gradual abolishment of international trade barriers accompanying them have increased the role of competitive struggle among enterprises in the internal and external markets. The conditionings have positively influenced the Polish food sector enterprises that, in addition to taking advantage of the European Union support for this programme, have coped with competition and market forces and become a significant element of competition in the European and world markets. Enterprises of the Polish food sector are now strongly connected with the international market and capital, which have also recognized it as a prospective sector whose development is worthy of investment.

An analysis of the degree of the pro-product orientation implementation in the process of the studied enterprises' development

Possessing an appropriate product portfolio is a significant condition of the functioning of every enterprise. A good competitive position and development are conducted by having products in various phases of life. It means that in a proper time cycle an enterprise should introduce new products or services to its portfolio, that is implement the pro-product orientation of development. The development is implemented in two directions: through diversification or specialisation in the product area. Diversification consists in the extension of the range of goods and services produced and offering it in new sectors and industries, whereas specialisation in manufacturing a similar range of goods and services to a large scale and with maintaining its frequent modernisation and innovative changes (Romanowska, 2009).

The pro-product orientation operates to the benefit of one of the two most important directions of enterprise development according to Ansoff's model. It consists in the expansion of the company's portfolio of goods and services, mainly through the aforementioned diversification and specialisation.

- For the needs of the analysis of the product portfolios of the studied enterprises, in order to define the level of the realisation of their development in the product area, the following assumptions and markings were adopted:

- I – stands for an enterprise specialised in one sector, namely manufacturing one range of goods or services or a few ranges within one sector.

- II – stands for an enterprise specialised in one industry, that is producing the range including goods or services within a few or all sectors of one industry.

- III – stands for an enterprise diversified in a related way, namely producing the range of goods or services within a few related industries.

- IV – stands for a conglomerate, that is an enterprise operating in a few non-related industries.

The classification of the surveyed enterprises to specific groups was made based on the annual financial reports from 2010–2018, annals of the WSE, annual reports of the management boards of the surveyed enterprises, and information posted online. The results of the research conducted in this scope are presented in Tables 3–7.

Table 3

An overview of the degree of the product-oriented development realised in the construction sector companies during the years 2010–2018

No.	Company	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	BUDIMEX	I	II	II	II	II	III	III	III	III
2	DECORA	I	I	I	I	II	II	I	I	I
3	ELBUDOWA	I	I	I	I	II	II	II	II	II
4	ELKOP	I	I	I	I	I	I	I	I	I
5	ENAP	I	I	II	II	II	II	II	II	II
6	ERBUD	I	I	I	II	II	II	II	II	II
7	ES-SYSTEM	II	II	II	II	II	III	III	III	III
8	FERRO	I	I	I	I	II	II	II	II	II
9	HERKULES	II	II	II	II	II	II	II	II	II
10	INSTALKRK	I	I	I	I	I	I	I	I	I
11	LENTEX	I	I	I	II	II	II	II	I	I
12	MOSTALPLC	I	I	I	I	I	I	I	I	I
13	MOSTALWAR	II	II	II	I	I	I	II	II	I
14	MOSTALZAB	I	I	I	I	I	I	I	I	I
15	PBG	I	I	II	II	II	II	II	II	II
16	PEMUG	I	I	I	I	I	I	I	I	I
17	POLIMEXMS	II	II	III	III	IV	IV	III	III	III
18	PROCHEM	I	I	I	II	II	II	II	III	III
19	PROJPRZEM	II	II	II	II	II	III	III	III	III
20	SELENA	II	II	II	II	III	III	II	II	II
21	ULMA	I	I	I	I	I	I	II	II	II

Source: Author's own study.

What results from the data included in Table 3 is that the construction sector is varied in the area of changes in the product portfolio. There are companies here which strongly realise development towards diversification (BUDIMEX, PROCHEM), companies with a little weaker degree of the realisation of this direction of development (ELBUDOWA, ENAP, ERBUD, ES-SYSTEM, FERRO, PBG, PROJPRZEM, ULMA), and also companies which in the analysed period both extended and limited their product portfolio (DECORA, LENTEX, MOSTALWAR, POLIMEXMS, SELENA). A separate group are companies which were characterised by stagnation within this scope (ELKOP, HERKULES, INSTALKRK, MOSTALPLC, MOSTALZAB, PEMUG). In this sector there are no companies which only limited their product portfolio in the analysed period.

Table 4

**An overview of the degree of the product-oriented development realised
in the electromechanical sector companies during the years 2010–2018**

No.	Company	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	AMICA	II	II	II	II	II	II	III	III	III
2	APATOR	II	II	II	II	II	III	III	III	III
3	HYDROTOR	II	II	II	II	II	II	II	II	II
4	INTROL	II	II	II	II	II	II	II	II	II
5	LENA	II	II	III	III	III	III	IV	IV	IV
6	MANGATA	II	II	II	II	III	III	III	III	III
7	PATENTUS	II	II	III	III	III	III	III	III	IV
8	RAFAKO	II	II	II	II	II	II	II	II	II
9	RELPOL	II	II	II	II	II	II	II	II	II
10	REMAK	II	II	II	II	II	II	II	III	III
11	WIELTON	II	II	II	III	III	III	III	III	III
12	ZPUE	II	II	II	II	II	II	II	II	II

Source: Author's own study.

The electromechanical sector companies are divided into two groups. The first one are those which in the studied period extended their product portfolio (AMICA, APATOR, LENA, MANGATA, PATENTUS, REMAK, WIELTON), the other one includes companies which did not change their product portfolio significantly (HYDROTOR, INTROL, RAFAKO, RELPOL, ZPUE). In this sector no companies which would limit the content of their product portfolio were recorded.

Table 5

**An overview of the degree of the product-oriented development realised
in the IT sector companies during the years 2010–2018**

No.	Company	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	ASSECOPOL	I	I	II	II	II	II	II	II	II
2	COMARCH	II	II	II	II	II	II	II	II	II
3	ELZAB	I	I	II	II	II	III	II	II	II
4	IFIRMA	I	I	II	II	II	II	II	III	III
5	OPTEAM	I	I	I	I	II	II	I	I	I
6	PROCAD	I	I	I	I	I	II	II	II	II
7	SIMPLE	I	I	I	I	I	I	I	I	I
8	SYGNITY	I	I	I	II	II	II	II	II	II
9	TALEX	I	I	I	I	I	I	I	I	I
10	WASKO	I	I	II	II	II	II	II	II	II

Source: Author's own study.

The data included in Table 5 show that in the IT sector 5 companies were recorded which in the years 2010–2018 extended their product portfolio (ASSECOPOL, IFIRMA, PROCAD, SIGNITY, WASKO), 2 companies which

extended and limited that portfolio at the time (ELZAB, OPTTEAM) and 3 companies in which no significant changes in the portfolio were observed (COMARCH, SIMPLE, TALEX). Similarly as in the case of the other sectors, none of the companies limited themselves only to decreasing the volume of their product portfolio.

Table 6

An overview of the degree of the product-oriented development realised in the metallurgical sector companies during the years 2010–2018

No.	Company	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	ALCHEMIA	III	III	III	III	IV	IV	III	III	III
2	BORYSZEW	II	III	III	III	IV	IV	IV	IV	IV
3	COGNOR	III	III	III	III	III	III	III	IV	IV
4	FASING	I	I	I	I	I	I	I	I	I
5	FERRUM	I	I	I	I	II	II	II	II	II
6	HUTMEN	II	II	II	II	II	II	III	III	III
7	IMPEXMET	II	II	III	III	III	III	III	III	III
8	KETY	II	III	III	III	III	IV	IV	IV	IV
9	KGHM	II	II	II	III	III	III	IV	IV	IV
10	MENNICA	II	II	II	III	III	III	III	III	III
11	ODLEWNIE	III	III	III	III	III	IV	IV	IV	IV
12	PERMEDIA	II	II	II	II	II	II	II	II	II
13	STALPROD	III	III	III	III	III	IV	IV	IV	IV

Source: Author's own study.

Table 6 presents the metallurgical sector companies. From the presentation it results that the majority of the companies of this sector extended their product portfolio in the analysed period, among them some did it significantly (BORYSZEW, KĘTY, KGHM), others to a little smaller extent (COGNOR, FERRUM, HUTMEN, IMPEXMET, MENNICA, ODLEWNIE, STALPROD). Apart from them, one of the companies (ALCHEMIA) marked changes, both positive and negative, in their product portfolio, and the remaining ones were characterised by the lack of substantial changes (FASING, PERMEDIA). No companies which would only limit their portfolio were recorded.

Table 7

An overview of the degree of the product-oriented development realised in the food sector companies during the years 2010–2018

No	Company	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	AMBRA	I	I	II	II	II	II	II	III	III
2	GOBARTO	I	I	I	II	II	II	II	III	III
3	INDYKPOL	I	II	II	II	II	II	III	III	III
4	KERNEL	II	II	II	II	II	II	II	II	II
5	KSGAGRO	II	II	II	II	II	II	II	II	II
6	KRUSZWICA	I	I	I	I	I	I	I	I	I

No	Company	2010	2011	2012	2013	2014	2015	2016	2017	2018
7	MILKILAND	II	II	II	II	II	II	II	II	II
8	PEPEES	II	II	II	II	II	II	II	II	II
9	WAWEL	I	I	I	I	I	I	I	I	I
10	ZYWIEC	II	II	II	II	II	II	II	II	II

Source: Author's own study.

What results from the data in Table 7 is that in the food industry 3 companies in the period of the research extended their product portfolio (AMBRA, GOBARTO, INDYKPOL), and no company limited it. It means that the other companies of the sector did not mark any significant changes in their portfolios. Those were: KERNEL, KSGAGRO, KRUSZWICA, MILKILAND, PEPEES, WAWEL, ŻYWIEC.

Conclusion. Table 8 summarizes the results of the study of the companies from the point of view of the scope of changes in their product portfolios, assuming, as the criterion of their division, the character of the changes observed during the research period.

Table 8

Changes in the product portfolios of the enterprises in the years 2010–2018

Categories of change	Number of enterprises	Percent of enterprises
Extension of the portfolio	35	53
Limitation of the portfolio	0	0
Extension and limitation of the portfolio	8	12
No significant changes in the portfolio	23	35

Source: Author's own study.

What results from the data included in Table 8 is that the majority of the examined enterprises (35 companies, i.e. 53%) in the studied period extended their product portfolio, which suggests that in the subjective period they realised enterprise development in the area of product towards diversification. At the same time, 35% of the total number of enterprises (i.e. 23 companies) did not make any substantial changes within that scope. The fact proves that the enterprises probably did not realise development in the area of product as their strategic goal in the studied period. Among the researched companies, 12% of the enterprises (i.e. 8 companies) made both the extension and limitation of the portfolio of their products, which means that periodically they realised development both towards diversification and specialisation in terms of product. Among them there are companies from three studied sectors only (Metallurgical, IT, Construction). An important fact which is worth noting is that among the studied companies there were none which would be characterised by the limitation of their portfolio only, that is a permanent realisation of development towards specialisation.

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MODERN DEVELOPMENT OF INTERNATIONAL TRADE: NEOPROTECTIONISM AND THE TRADE WARS

The development of international trade at contemporary period can be characterized as a combination of neo-free-trading and neo-protectionism. The entire arsenal of trade and political struggle between countries against traditional forms of import restriction, effective measures for regulation of foreign trade having been taken administrative, financial, credit, technical and other features which make overwhelming obstacles that complicate free movement of goods across the borders of countries. Analysis and identification of current forms of national markets protection have shown that the expansion of protectionist forms and methods is the result of the application of non-tariff trade restrictions, which are actively used by industrialized (developed) countries, particularly in the United States, although they represent themselves as demonstrators of free trade. The consequences of confronting «great» economies are manifested in the form of trade wars, escalation of which can greatly affect global economy and trading as well as adversely influence upon the economies of developing countries.

Keywords: *protectionism, neo-protectionism, international economic policy, trade wars, foreign trade.*

Мельник Тетяна. Сучасний розвиток міжнародної торгівлі: неопротекціонізм і торговельні війни.

Розвиток міжнародної торгівлі на сучасному етапі можна характеризувати як поєднання неофрїтрейдерства і неопротекціонізму. В арсеналі торговельно-політичної боротьби країн поряд з традиційними формами обмеження імпорту набирають силу ефективні заходи регулювання зовнішньої торгівлі: адміністративні, фінансові, кредитні, технічні та інші, які в значній мірі ускладнюють вільне переміщення товарів крізь кордони держав. Аналіз та ідентифікація сучасних форм захисту національних ринків показав, що розширення протекціоністських форм та методів здійснюється в

результаті застосування нетарифних торговельних обмежень, які особливо активно використовуються індустріально розвиненими країнами, зокрема США, хоча самі вони є демонстративними прихильниками вільної торгівлі. Наслідки протистояння «великих» економік проявляється у вигляді «торговельних війн», ескалація яких в значній мірі може вплинути на світову економіку і торгівлю та негативно позначитися на економіках країн, що розвиваються.

Ключові слова: протекціонізм, неопротекціонізм, міжнародна економічна політика, «торговельна війна», зовнішня торгівля.

Relevance of research topic. Increasing openness of national economies and liberalization of the system of foreign economic relationship in general is being accompanied nowadays by a complex of contradictions between individual countries and groups of countries, international economic organizations, multinational corporations and banks. It is reflected in the evolution of foreign trade policy, which in the context of globalization can be defined as the ratio between neo-free-trading and neo-protectionism. Protectionism being traditionally implemented by customs tariff instruments to regulate foreign trade by restricting imports or fiscal policy to stimulate exports, and aimed primarily at achieving competitive positions of national producers, is more actively complemented by new instruments of stimulating discriminating and restrictive in nature, the purpose of which is to provide countries with new competitive advantages.

Formulation of the problem. When analyzing assessment of the globalization processes in the world trading system it should be admitted that the weakening of traditional barriers between countries has not yet seized trade conflicts and trade wars. Trade wars between states that protect their own manufacturers have been ever taken place. However, only by the end of the 20th century having had become an instrument for achieving geopolitical goals they got the status of special sharpness. According to leading foreign researchers, in the future, trade wars are become a major problem in relations between the main trading blocks [1], which necessitates further study of modern forms and features of their manifestation.

These problems are essential especially for Ukraine being the country which is currently solving the problem of effectively integrating into the system of modern world economic relationship. When taking a closer step by Ukraine on the way to entry into the international economic processes special attention should be paid to developing a strong mechanism of forming the relation between freedom of trade and protectionism, which would smoothen the consequences of the deterioration crisis of the world economic environment, while at the same time maximizing the benefits that can be obtained from the external sphere.

Analysis of recent researches and publications. Contemporary manifestations of the doctrine of protectionism in the genesis of international economic policy have

been studied in the works of considerable number of foreign scholars, such as A. Åslund [1], F. Genereux [7], P. Krugman [9], A. Pozen [2], M. Roland [11] and others.

Ukrainian scientists, such as O. Dovgal [18], A. Mazaraki [25], L. Polishchuk [23], V. Sidenko [19] and others investigated manifestations of protectionism within trade policy based on the introduction of tariff restrictions and, later, non-tariff protection measures. In the works of such domestic researchers as O. Bulatova [17], V. Panchenko [21, 22], N. Reznikova [21, 22], I. Puzanov [24], etc. protectionism is considered as a complex of intricate mechanism of economic policy aimed at raising competitiveness within national economy.

Giving the tribute to domestic researchers' workouts, current global trends of protectionism in free trade, the consequences of the introduction of safeguards for developed and developing countries, the ability to protect economic interests of national manufacturers in the conditions of neo-protectionism require in-depth scientific research.

Presenting main material. Global economic instability is the challenge that gives rise to countries' striving of taking up protectionist measures to stabilize national economies. Developed countries, demanding to follow the principles of liberalism, protect their own market taking up measures that actually contradict the declared goals of the globalized economy, because they impose high customs duties unachievable for the rest of the world national economies, technical requirements, government subsidies for agricultural producers and other industries, whose activities are part of ensuring a high level of national security.

All these transformations in the world economy, the expansion of protectionist measures, the differentiated nature of protection methods of the national economy allow to confirm the formation of a new direction in economic theory – neo-protectionism.

Neo-protectionism is the policy of establishing administrative, financial, credit-providing, technical and other barriers that significantly impede free movement of goods across the country borders. The main instruments of neo-protectionism are tariff quotas, phytosanitary norms, state subsidies, technical barriers, countervailing duties, anti-dumping measures, standardization and certification of products, voluntary export restrictions, export crediting, etc. At the same time these instruments are not direct and open measures, therefore, on the one hand, they do not contradict foreign policy interests of the government, and on the other hand, they are effective measures to protect national exporter. Consequently, the main feature of neo-protectionism is furtiveness.

For example, voluntary export restriction is an arrangement between the exporting and importing country, under which the exporting country restricts the export of certain goods, but initiated by the importing country. This arrangement is not voluntary; it is merely a disguised coercion of trading partners to commit themselves

to restrict the export of certain goods to a particular country in order to avoid more serious protection measures. Usually they are used in their foreign economic policy by countries such as the USA and Western European countries; i. e. developed countries are actually forced to shift responsibility mostly on to developing countries as well as transmitting quite negative consequences along with it.

Thus, although both countries are supposed to have negative effects on the balance of current operations, the importing country will still have certain advantages, because of imports decrease, national production increases on either. Applying such a policy, the importing country protects the products of those industries that are in crisis or in the case of sharp increase of goods supply from particular countries and significant increase in their share within the total volume. Thus, the importing country protects its domestic market by building trade barriers that are imposed at the border of the exporting country.

WTO and international research center analysts are constantly monitoring and estimating trade measures taken by countries around the world. The results of such monitoring show that even against the backdrop of the gradual recovery of national economies after the global economic crisis of 2009 (Table 1), the tendency to apply protectionist measures not just diminish but, on the contrary, they've been increasing. The number of protectionist measures in 2015 exceeded even the level of 2009 crisis [3].

In 2018 49% of the world trade came under protectionist measures. In the same year governments of the world made 1870 interventions into global trade, incl. 1707 safeguard measures and 400 forms of activity directed onto liberalization. Subsidies for consumer/producer support, export incentives and tariff barriers were the most commonly spread in the past year. At the same time, as we can observe (Table 1), in recent years there has been a steady increase, along with the reduction of the number of tariff barriers.

Developed and fast-growing countries actively protect national manufacturers. In particular, the G20 has introduced 1,271 new protectionist acts and 327 trade liberalization measures in 2018 [15]. According to Global Trade Alert [8], more than 50% of the safeguards have been implemented by 10 countries: Canada, USA, Germany, India, Argentina, Brazil, Italy, United Kingdom, China, and Australia.

Table 1

Dynamics of world GDP, exports, imports and measures for protectionism

	2009	2012	2015	2016	2017	2018
<i>GDP, growth rate, %</i>						
World	-0,1	3,5	3,4	3,4	3,8	3,6
Developed countries	-3,4	1,2	1,9	1,7	2,4	2,2
Developing countries	2,8	5,4	4,3	4,6	4,8	4,5

	2009	2012	2015	2016	2017	2018
International trade, growth rate, %						
Volumes of world trade	-10,5	2,8	2,8	2,2	5,4	3,8
Exports of goods and services, growth rate, %						
World	-10,1	3,1	2,9	2,2	5,4	3,5
Developed countries	-11,2	2,3	3,8	2,2	4,4	3,1
Developing countries	-8,2	4,0	1,8	2,5	7,2	4,3
Imports of goods and services, growth rate, %						
World	-10,9	2,9	2,7	2,3	5,4	4,1
Developed countries	-11,6	1,2	4,6	2,7	4,3	3,3
Developing countries	-9,3	5,2	-0,9	2,0	7,5	5,6
The number of protectionist measures in the world, total, units	1332	1466	1376	1238	1483	1707
Including:						
Subsidies (excluding export subsidies), units	344	346	402	405	550	744
Share of subsidies, %	25,8	23,6	29,2	32,7	37,1	43,6
Export-related measures (including export subsidies), units	322	362	329	274	354	319
Share of export-related activities, %	24,2	24,7	23,9	22,1	23,9	18,7
Tariff barriers, units	230	263	246	200	210	198
Share of tariff barriers, %	17,3	17,9	17,9	16,2	14,2	11,6
Conditional trade defense measures, units	206	205	138	143	164	174
Specific share	15,5	14	10	11,6	11,1	10,2
Restrictions on public procurement, units	79	66	62	64	70	103
Share of public procurement restriction, %	5,9	4,5	4,5	5,2	4,7	6,0
Other, units	151	224	199	152	135	169
Other measures share, %	11,3	15,3	14,5	12,3	9,1	9,9

Source: calculated by author based on data [7, 15]

The beginning of Donald Trump's administration working in US in January 2017 was marked by surge protectionism, designed to stimulate job positions initiations and foreign direct investment (FDI) through high tariffs on imported goods and reduced taxes on exported goods. US protectionism based on the principles of mercantilism and active trade balance, views world trade as a field of winners and losers [20]. As a result, the US government criticizes China, Japan, the Republic of Korea, and all free trade agreements, such as NAFTA and free trade agreements (FTA) between Korea and the United States. Relying on a simplified analytical framework, US President D. Trump has ordered to withdraw from the Trans-Pacific Partnership and has made statements on the review of NAFTA and FTA with Korea, which are currently being under discussion. According to the new approaches of the President,

the US government is considering penalty tariffs against China and at the same time encouraging US companies to reconsider their approaches to investing abroad. Thus, the US government demonstrates its intention to overestimate the role of the US in the global economic and geopolitical order [4, 7, 13].

Major prerequisite for US protectionist economic measures is a sustained negative foreign trade balance within international trade of the country. The contradictions with China have arisen amid rapid changes, first of all, in economic relations. Thus, in 2017, the US trade deficit with China amounted to \$ 375 billion. Contradictions with Europe have arisen amid the close ties of some European countries with Russia, which the USA attributes to countries that deliver threat to national security. The United States, by imposing duties, hopes to force some EU countries to reduce co-operation with Russia and make Russia more compliant.

According to the WTO data, as of 2019, the United States is the country with the greatest number of protectionist measures against trading partners and subject to a set of similar actions [16]. In February of the current year, WTO officials issued information that global trade growth in goods would constantly slowly go down to 3.7% in 2019 due to protectionist measures applied.

Nevertheless, according to the analysis [14], despite high-profile protectionism, the USA has one of the lowest import tariffs among the most developed countries in the world. The average US import tariff in 2017 was 3.5% (the highest one was in South Korea – 13.9%, Argentina – 13.7 and Brazil – 13.5%); the lowest was fixated in Australia (2.5%). The country mainly applies non-tariff measures.

Based upon the analysis of data provided by the WTO showing the frequency of non-tariff barriers implementation (sanitary and phytosanitary measures, technical barriers, antidumping, countervailing measures, safeguards, special safeguards, quantitative restrictions, quotas) and export subsidies, we may point out that the integration structure was manifested as the least protectionist in the EU-USA-China triad. By the end of 2016 the European authorities supported or implemented 1931 non-tariff measures in total, most of which consisted of technical barriers, namely 1047, sanitary and phytosanitary barriers (591).

On the contrary, the USA has imposed itself as the most protectionist trade entity, considering that 5058 non-tariff barriers have been implemented, which exceeds the number registered in the EU in 2.6 times. Most trade barriers consisted of sanitary and phytosanitary barriers (2913) and technical barriers (1455). China ranks second place in the implementation of non-protectionist measures with 2530 non-tariff measures at the end of 2016 [14]. Taking into account the data analyzed, it can be affirmed that while the EU continues to implement non-tariff measures that affect free trade with the countries of the third world, it (EU) cannot be considered as the promoter of this trend.

Consequences of the introduction of protectionist measures for business and economy of the country as a whole is an important current issue. According to a survey of more than 2,000 business owners conducted by Global Innovation Barometer in 2018 [6] about the positive effects of government protectionist measures on business, there is the conclusion that business is divided into two camps; and «disputes» about protectionism and free trade are just gaining speed of momentum. For example, in France and Great Britain two-thirds of business owners approve protectionist measures, while in Germany they are much smaller in number, and in the United States there are just half of them.

Summarizing the research findings, it can be noted that protectionism in its short term perspective, especially for developing countries, can become a tool for the national manufacturer developing and stimulating instrument for domestic demand by temporarily protecting new industries and new products for the world market; maintaining competition on domestic market; significant investment into education (industrial policy stimulates demand for education); active cooperation between manufacturers and local suppliers; the spreading of technology to maximize the amount of knowledge bulk transmitted.

However, according to the IMF assessment, protectionist policies are the cause of trade wars and can lead to a recession in the global economy. The introduction of tariff and non-tariff barriers hinders the development of industrial cooperation and technology exchange. The closed market does not stimulate competition, resulting in poor quality and slower innovation [10]. Some studies show that in the medium-term perspective protectionism leads to decline in domestic manufacture, productivity and investment. It should be borne in mind that the introduction of protectionism can cause a counterthrust from countries on the world [9].

According to experts' opinion, the effects of the «great confrontation» would be laid upon and felt up by the weaker countries, to which Ukraine belongs. In particular, one can expect manifestations in: – reduction of the inflow of foreign direct investment into the country, which already have negligible volumes; – undermining stability of the world financial system as a result of the China-US trade war, which will also primarily affect the financial systems of underdeveloped countries; – due to the «loosening» of the situation on the commodity markets and because of the confrontation between the USA and China, in case of another crisis, the collapse is supposed to take place on commodity markets, which will negatively influence the Ukrainian economy, since about 70% of domestic exports is the raw materials [19].

As A. Aslund notes, large Ukrainian companies are exporting steel and agricultural products, and these export destinations are to be greatly affected by the trade war [1]. Therefore, in his opinion, Ukraine should be extremely interested in open markets.

The number of measures taken by the countries of the world against the Ukrainian manufacturer and currently in force today equals to 1176 units. These norms apply to: metallurgy (products of ferrous metals and steel – 244); ferrous metals and steel (110); automotive equipment (122); mechanical engineering (agricultural machinery – 96); agriculture (grains – 93). The largest number of such measures is implemented by the Russian Federation – 247.

According to the Global Trade Alert [8], the share of exports subject to protectionist measures introduced by both Ukraine and importing countries and third countries of the world is increasing annually.

In 2017, on average 45% of Ukraine's exports and 27% of imports fell under the instruments of protectionism. Most measures are taken against Ukrainian exports by the third parties and importers – non-tariff regulatory methods and import duties.

In Ukraine, the protection of the national producer is mainly due to the anti-dumping and import duties. At the same time, the main instruments in the developed countries are financial support of the producer through subsidies, state support in foreign markets, preferential export credits, and financial grants.

Therefore, in the short term perspective, some protectionist policy instruments such as state financial support for research and development, export credit policy, export insurance, investment protection, privileges and investment preferences may be used to import, replace, increase domestic production and resume domestic manufacture; production and export of high-tech products (innovations), state promotion of entering the world markets through diplomatic missions, trade missions (tools of promotion). Urgent measures protecting Ukrainian manufacturer from unfair imports may include: anti-dumping and countervailing duties, temporary restriction of imports to protect domestic industries.

Conclusion. Main characteristic features of the contemporary period of world economy and trade development, in particular, are the tendencies of disintegration and protectionism. When estimating modern protectionism, experts call it neo-protectionism, although combinations of security instruments are traditional customs tariffs, state support, subsidies, tender policy, product standardization and certification.

Domestic manufacturers are actively protected by developed and fast-growing countries, in particular the United States has the highest number of protectionist measures, mostly non-tariff, against trading partners, and against which a set of similar actions is applied. There are also non-tariff measures in the EU, most of which are technical, sanitary and phytosanitary barriers.

There are differing views on the implications of protectionist measures for national business. In France and Great Britain two-thirds of business owners approve protectionist measures, while in Germany there are far fewer and half of them are in the United States.

Short-term perspective protectionism, especially applied in developing countries, can become a tool for developing national manufacturer and stimulating domestic demand by: temporarily protecting new industries and new products for the world market; maintaining competition on domestic market; significant investment into education (industrial policy stimulates demand for education); active cooperation between manufacturers and local suppliers; spreading technology to maximize the amount of knowledge transmitted. However, the medium-term perspective protectionism leads to decline in domestic manufacture, productivity and investment.

Trade wars among developed countries can have adverse effects on underdeveloped countries, such as Ukraine, which may be manifested through decline of foreign investment and commodities exports, and instability of the monetary and financial system.

The effectiveness of neo-protectionism in Ukrainian realities should be manifested, on one hand, in the protection of national economic interests in foreign markets by state assistance of the whole world markets through diplomatic missions, trade missions (promotion tool), and on the other hand, along with the implementation of national manufacturer protection measures, which among others may be in the short term perspective, they are government financial support for research and development, export credit policy, export insurance, investment protection, benefits and preferences for investments in production and export of high-tech products (innovation).

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NATURAL RESOURCES USAGE AS A BASIS FOR TRANSFORMATION OF AGRICULTURAL PRODUCTION IN UKRAINE

The following article seeks to provide a brief analysis of some of the currently outstanding issues present in the field of agricultural production, which expose further risks for the national food security, and further suggests a solution for future development of the economic sector.

Keywords: *agricultural production, transformation, natural resource usage, sustainability, circular economy.*

Талавиря Микола, Войтовська Яна. Використання природних ресурсів, як основ трансформації сільського виробництва в Україні.

Зроблено короткий аналіз деяких актуальних питань, що існують в даний час у галузі сільськогосподарського виробництва, що наражає на подальший ризик національну продовольчу безпеку, та надалі пропонує рішення для подальшого розвитку економічного сектора. За останні десятиліття сільськогосподарський бізнес в Україні значно зростає, використовуючи природні ресурси для примноження обсягів його виробництва надзвичайно неефективно. Це стосується використання землі, води, джерел енергії, лісів тощо. Ефекти, спричинені необережним використанням природних ресурсів, посилюються постійними змінами клімату, що суттєво знижує ефективність сільськогосподарського бізнесу в Україні. Зайве говорити, що ця ситуація поклала свій слід на стан продовольчої безпеки всієї країни.

Ключові слова: *сільськогосподарське виробництво, трансформація, використання природних ресурсів, стійкість, кругова економіка.*

Relevance of research topic. For the last decades agricultural business in Ukraine has been extensively growing, while using natural resource assets for

multiplying its production volumes in remarkably inefficient way. This concerns use of land, water, sources of energy, forests and others. The effects caused by reckless natural resources usage is being reinforced by the ongoing climate change, which significantly reduces performance of the Ukrainian agricultural businesses. Needless to say, that this situation lays its footprint on the state of the food security of the whole country.

Formulation of the problem. In the view of the current situation, there is an urgent need to review existing approaches of managing of agricultural business and form new methods corresponding to newly emerged risks. This calls for searching of innovative means of business management. Therefore, the main objective of this article is to analyse the current institutional problem and further issues of natural resources usage in agricultural production of Ukraine.

Analysis of recent researches and publications. In the recent years there have been a great number of researchers discussing the mentioned range of problems in their scientific papers, including M.V. Gazuda, V.V. Poliovska, Z.M. Gerasymiv, V.P. Nahirna, S.M. Halatur, N.L. Kussyk, S.D. Fedorova, B.V. Pogrishchuk, I.V. Martusenko.

Presenting main material. Socio-economic changes happened following a breakup of USSR accompanied with climate change implications have become common for the whole Ukraine, boosting depreciation of the country's natural resources. One of the major issues that it has led to is land degradation. Different forms of land degradation have affected fertility of Ukrainian famous black soils resulting in huge economic losses for agricultural production and gross domestic product of the country. The most common in terms of land coverage degradation processes include soil erosion by wind and water (around 58% from the total land area), inundation of land, acidification, salinization and sodification. Food and Agriculture Organization of the United Nations has reported that world economy is losing annually around 40 billion US dollars in monetary value due to land degradation (Stoiko & Stadnytska, 2016). Further, it has been estimated that the content of organic matter in Ukrainian black soils has dramatically dropped by 0,22% during the period of 1986–2010 years.

The root causes of land degradation in Ukraine are being intensive chemical-based agricultural production, overuse of arable lands and unsustainable forestry practices. In the sequence of cause-and-effect linkage, degradation of soils state first results in decrease of productivity, causing further reduce in incomes for rural areas and potential risk of fall in food security for rural population.

According to the Ukrainian Hydrometeorological Centre weather anomalies have been observed in Ukraine, including increase of annual average temperatures, recurrence and intensity of extreme weather events, such as droughts, which occur every two or three years on 10 to 30 percent of country's territory and every 10–12 years on 50 to 70 percent of the total area. These are just a few examples of the drastic

consequences caused by land degradation and desertification problems aggravated by the rapid climate change. Gradually, climatic zones are shifting, and rising temperatures are creating conditions for spread of pests and diseases affecting critical crops and tree species.

The impact of climate change was recorded in Ukraine throughout the years with average monthly air temperature (minimum and maximum) hitting new records and abnormally hot summers like the one in 2010 (Zoi environment network, 2012). And together with given land degradation and desertification it led to huge losses in biodiversity, deterioration or disappearance of water bodies, intensification of the water supply problems for human consumption and industrial purposes and, as a consequence, worsening of populations living conditions. These are new risks, to which most of the agricultural businesses in Ukraine are not prepared to confront and, thus, experiencing enormous production losses, while deteriorating the situation further.

Institutional environment plays significant role in ensuring sustainable use of natural resources in agriculture, not least of which are public authorities. Subsequently, the current setting of the national institutional structure, responsible for natural resources management in agricultural sector of economy, is lacking coordination. In Ukraine the responsibilities lay on a number of national and sub-national institutions with different mandates (Table 1), which spread within the sectors of land and forest management, including environment, agriculture, with unclear ownership and tenure rights.

Table 1

Institutional framework (GEF, 2017)

Institution	Roles
National, Oblast and Rayon overnments	
Ministry of Energy and Environmental Protection	Responsible for rational use, reproduction and protection of natural resources; protection and rational use of lands; conservation, restoration and sustainable use of biological and landscape diversity, preparation of relevant legislation and regulations.
Ministry of Economic Development, Trade and Agriculture of Ukraine	The Ministry is in charge of development and realization of agrarian and forestry state policy, state supervision of land use and land protection. It can prepare draft legal acts and submit them to the Cabinet of Ministers
State Forest Resources Agency of Ukraine	The Agency develops proposals on improvement of legislation and regulations and duly submit them to the Minister of Agrarian Policy and Food for consideration; performs state management and supervision of forestry and hunting; organizes implementation of fire protection and forest-protection measures in areas belonging to its jurisdiction.

Institution	Roles
Oblast and Rayon State Administrations	The authority of Oblasts and Rayons State Administrations on land management includes: use of natural resources; environment protection; disposal of state-owned lands within the limits determined by the Land Code; coordination of land management and state control over land use and protection; implementation of national policies for land use and protection, development of economic incentives for sustainable land use and protection, some other issues according to the law «On Land Protection».
Oblast and Rayon Councils	The Oblast and rayon Councils do not have legal rights to manage lands outside of settlements' boundaries
Research Institutes	
National Academy of Agrarian Sciences	Includes over 50 Institutes, scientific centres and experimental stations. The main objective of the Academy is scientific provision of development of the agro-industrial sector of the country, which envisages implementation of fundamental research, organization and coordination of applied scientific agriculture researches, etc.
Leonid Pogorilyy Ukrainian Scientific Research Institute on Forecasting and Testing Machinery and Technologies for Agricultural Production	The institute is a key Ukrainian organisation providing state control for producing and export of agriculture machinery and equipment, assessment and optimisation of technologies, transfer of innovations, etc.
State Institution «Soils Protection Institute of Ukraine»	The institute is a sole state organization which is responsible for the State soil monitoring and agrochemistry passportization of agricultural lands.
National Scientific Centre «Institute for Soil Science and Agrochemistry Research named after O.N. Sokolovsky» of the National Academy of Agrarian Science of Ukraine	The institute is a leading science- and methodology center that manages and coordinates relevant research and development activities related to soil science, agrochemistry and soils protection for over twenty entities of National Academy of Agrarian Sciences of Ukraine, Ministry of Agrarian Policy and Food, Ministry of Education, Youth and Sports.
NGOs	
National Association of Agricultural Advisory Services of Ukraine	The purpose of the Association is to promote the improvement welfare of rural populations and rural development by increasing the knowledge and practical skills of rural populations and agricultural producers and protect the social, economic, professional and other common interests of its members.

While further analysing the functions of management and regulation accomplished by the State Land Resources Agency of Ukraine, State Forestry Agency of Ukraine, State Fisheries Agency of Ukraine, State Inspectorate of Agriculture of Ukraine, it should be noted that they are to some extent overlapping and duplicating

with the functions and tasks of the key Ministries. On the other hand, they accumulate attention to specific types of natural resources and state regulation of their use (Gazuda & Poliovska, 2015). All this just worsens the situation and implies additional risks for agricultural businesses operating in the country, profits of which are already being impressed by the implications of the climate change, including natural disasters, and consequences of depreciation of natural resource assets, such as land degradation.

Ensuring food security remaining to be one of the main tasks of the national security of any country, including Ukraine, and introduction of environmentally friendly approaches in agricultural production in the context of sustainable development is a priority to achieve successful functioning of the agricultural sector of the national economy. In this regard, there is an urgent need to establish a new model for the economic development and public management respectively that will be directed towards sustainable usage, conservation and restoration of the natural resources (Lobozynska & Nazarkevych, 2017).

In order to address existing challenges and, therefore, minimise the risks for efficient agricultural production and not to jeopardize national food security, there is a need to strengthen policy and environment with further transformation of the current economic model towards implementation of environmentally balanced natural resource usage technologies, such as multidimensional cyclical approach used in the model of circular economy. The paradigm of the circular economy includes ‘circularity’ of natural resource use, bringing different elements together, such as policy makers and businesses, into a single framework to enable a more systemic approach and creating additional value for the resources put in use (Preston, Lehne & Wellesley, 2019).

Conclusion. There is an urgent need to address current challenges occurred in the field of natural resource usage in relation to agricultural production in Ukraine and move toward more sustainable approach. With this in mind, a complete transformation of the methodologies and technological practices used in agricultural production should be made towards more sustainable means, including those based on the principles of circular economy in particular.

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SUSTAINABLE DEVELOPMENT OF INTERNATIONAL TOURISM BUSINESS IN OVERTOURISM CONDITIONS AS A GLOBAL IMPERATIVE

Considered issues of overtourism and urban tourism from logistical point of view in the aspect of tourism sustainable development. Substantiated problem of urban tourism logistics as a way of solving the problem of overtourism in cities. Revealed essence of complex logistic strategy of sustainable urban tourism development in the conditions of overtourism, which is based on four concepts: decentralization of tourism, reverse logistics, marketing impact on logistics and increased requirements to tourists safety problems. The first concept is based on the logistical organization of the tourist area of the city. The second concept involves an integrated approach to the utilization of the total amount of municipal waste, including tourist one. The third concept reflects how to use marketing to influence city tourist traffic. The fourth concept reflects the aggravation of the tourists safety problem in cities in the conditions of overtourism. In this context the experience of the Ukrainian city of Lviv has been explored.

Key words: *sustainable development, overtourism, urban tourism, complex logistic strategy.*

Смирнов Ігор. Сталий розвиток міжнародного туристичного бізнесу в умовах овертуризму як глобального імперативу.

Розглянуто питання овертуризму та міського туризму з логістичної точки зору в аспекті сталого розвитку туризму. Обґрунтовано проблему логістики міського туризму як спосіб вирішення проблеми овертуризму в містах. Розкрито сутність комплексної логістичної стратегії сталого розвитку міського туризму в умовах овертуризму, яка базується на чотирьох концепціях: децентралізація туризму, зворотня логістика, маркетинговий вплив на логістику та підвищення вимог до проблем безпеки туристів. Перша концепція ґрунтується на логістичній організації туристичної зони міста. Друга концепція передбачає комплексний підхід до утилізації загальної кількості комунальних відходів, у тому числі туристичних. Третя концепція відображає, як використовувати маркетинг для впливу на туристичний трафік міста. Четверта концепція

відображає загострення проблеми безпеки туристів у містах в умовах овертуризму. У цьому контексті досліджено досвід українського міста Львів.

***Ключові слова:** сталий розвиток, овертуризм, міський туризм, комплексна логістична стратегія.*

Relevance of research topic. Quite recently, namely in 2017, a new term appeared in the professional tourism vocabulary and it was «overtourism» [3]. This term reflects the challenges of managing the growing tourist flows in urban districts and the impact of urban tourism on cities and their inhabitants. Today, half of the world's population lives in urban areas, and it is estimated that by 2050 this figure will reach 70%. The growing number of tourists increases the consumption of natural and tourist resources of cities, exerts socio-cultural influence and growing pressure on urban infrastructure. Therefore, for urban tourism, the important task nowadays is to effectively manage the flows of tourists to ensure the positive effects of their visits to cities for both local residents and tourists themselves. Today tourism is one of the few sectors of the world economy, which is constantly growing, while ensuring socio-economic development, employment, infrastructure development and export (foreign exchange) incomes.

Formulation of the problem. The growth of urban tourism leads to the emergence of diverse challenges for sustainable development and practices that minimize the negative impact of tourism in cities, in particular on the use of natural resources, socio-cultural impact, increasing infrastructure load and tourists mobility and concentration management. In recent years, these challenges have also been accompanied by an increase in the offer of accommodation for tourists in cities through the new virtual platforms of tourist service. As a result, the number of tourists in cities has grown to such an extent that there were cases of negative attitude of the local population towards tourists, in particular due to the phenomena of their excessive concentration, especially in the central districts of cities, excessive noise and waste, as well as other inconveniences related to tourists. The case even came to the protests of the local population against tourists in some cities and emergence of terms like «overtourism» and «tourismophobia» and their use in the media. Therefore, it is important, even critical, to ensure the coordination of the development of urban tourism with the development of cities in the world agenda. This is reminiscent of the «New UN Development Program», which points to 17 goals for sustainable development, with particular reference to Goal 11 «Make cities inclusive, safe, resilient and sustainable» [2].

Analysis of recent researches and publications. The analysis of recent researches and publications on the subject of the article revealed that in Ukraine this topic is practically unknown. Instead, some author's works are devoted to the problem of urban tourism sustainable development [5; 6; 7]. The relevance of the topic, that is considered in the article, is evidenced by a study that was performed at the request of

UNWTO in 2017 «Overtourism? Understanding and Managing Urban Tourism Growth beyond Perceptions» [2].

Presenting main material. What does it mean under the name of overtourism and when did this term appear? In 2016, it was first introduced by the consulting company Skift, Inc. and was patented. This company provides information and marketing services to the global tourism and hospitality industry and works from 2012. The company immediately guided this term to urban tourism under the slogan: «Future of the world – cities. The future of tourism is in cities. The future of tourism -smart cities that are convenient for both tourists and locals. The development of smart cities leads to an era of tourist smart mobility» [4]. There are several definitions of this term. For example, universities – participants of the international project «Overtourism? Understanding and managing the development of urban tourism growth beyond perception» defined overtourism as «the negative impact of tourism on destination or its part that excessively affects perceived standard of living of citizens and tourists (due to deterioration in quality of tourism products provided)» [2].

Tourism is one of the most dynamic sectors of the economy of regions and cities. The urgent problems in this regard are the task of ensuring the sustainable development of urban tourism. This is especially true for the most popular destinations among tourists, including metropolitan and historic cities, which attract significant tourist flows. The latter means increase of tourist loading on cities tourism resource base, as well as on the entire urban economy, population, development and nature. In this context, solving problem of urban tourism sustainable development requires efforts consolidation of various scientific and practical branches, among which important place belongs to tourism logistics, studying the flow phenomena in tourism industry, highlighting tourist traffic as the main stream, and financial, informational, commodity, personnel, material flows as service ones (additional). The objective of tourism logistics in context of tourism industry sustainable development is to regulate the main flow (tourist traffic), that will ensure the conservation of tourism resource base in cities. This problem is now quite noticeable not only in cities – the world largest tourist centers, but also in Ukraine. This applies, for example, to Lviv, Kyiv, Odesa etc. The problem of tourist overloading in Lviv has especially been well known and that was reflected in author's publications [6;7]. Therefore, in our opinion, the development of a complex logistic strategy for the sustainable development of urban tourism in the conditions of overtourism is necessary. This strategy, developed by the author, is based on four concepts. First one is the concept of tourism decentralization, second one – the concept of reverse logistics, third – the concept of marketing impact on logistics, and fourth – the concept of increasing safety requirements for tourists (Fig.1). The first concept – *concept of tourism decentralization* – implies the need for an efficient logistic organization of the city tourist area (LO CTA). The main components of LO CTA are: 1) geological identification of tourism resource base; 2) logistic planning of tourist flows; 3) logistic design of tourist infrastructure;

4) logistic design of supply chains for tourism infrastructure objects. The first component covers the geographical and logistical identification of city tourist resources. The second component is based on determining the size and structure of tourist flows and their respective needs. The third component involves the logistic design of tourist infrastructure networks to meet the needs of tourists. The fourth component involves the logistic design of supply chains to meet the needs of tourist infrastructure networks with logistics and transport components in their composition.

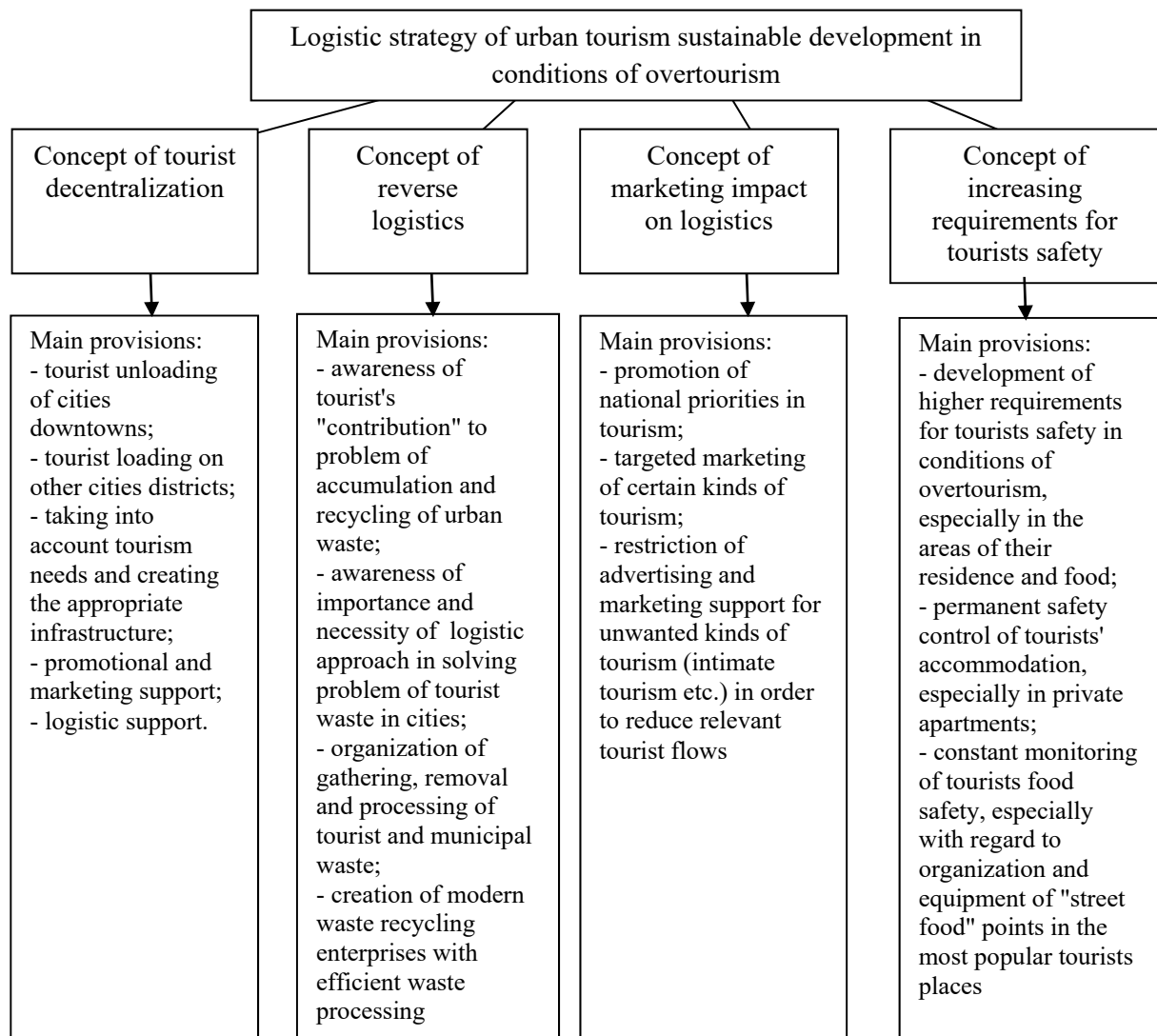


Fig. 1. Conceptual basis of complex logistic strategy of urban tourism sustainable development in conditions of overtourism (author's development according to [5; 6; 7]).

There are many other problems in city of Lviv, connected with overtourism, besides tourist congestion, among them – task of garbage removal from city's streets. In summer of 2016, after fire at Gribovychi landfill, Lviv did not know where to take out its waste, which volumes naturally grew with tourists number increasing. Not surprisingly, the tourist record of Lviv (2.6 million tourists in 2017 – the first place among Ukrainian cities) coincided with the «rubbish crisis» in this city. Thus, use of

the second concept, that is, *concept of reverse logistics*, aims to ensure the complete recycling of the total amount of urban waste. Meanwhile the daily volume of waste in Lviv is 600 tons. Problem of urban waste in this city can be solved on the basis of two approaches – transport and logistical. Until recently the first approach prevailed. And only recently city leadership turned to the logistical approach, that is, to the use of «reverse» logistics.

The third concept – *concept of marketing impact on logistics* – reflects one more problematic aspect of overtourism, which is related with sharp increase in the number of tourists in Lviv (which was warned by American experts who helped to develop «Tourist concept of Lviv»): as soon as tourism will begin to develop dynamically, among the guests of the city there will be those who come for intimate services. The popular Italian edition «La Repubblica» has dedicated special article to contemporary sexual destinations of the world, among which along with Thailand, Brazil, Cambodia, Cuba, Bangladesh, Colombia and Bulgaria, Ukraine is also mentioned. Until recently, according to «La Repubblica», to cities of Ukraine, where there was intimate tourism, belonged Odesa, Kyiv and Kharkiv. Lviv has recently joined them, although before the World War II it was a service city with numerous hotels, restaurants, and casinos. One can ask, what's the connection with logistics here? The answer is the following: the purpose of logistics is to study the flows processes in the economy in order to optimize them. Economic flows (including flows of tourists) link together such components of the market as demand and supply. Production (supply) applies varied marketing and advertising technologies to attract consumers with their demand. On the other hand, as we know, if there is demand appropriate proposal will be as well. But if there is no supply and no it's marketing support, then demand will be reduced greatly or disappear altogether. Applying these considerations to the situation with intimate tourism in Lviv, one can predict that if there is no active advertising and promotions of proposals from the side of night clubs, gentleman clubs, strip-bars etc., then tourists-consumers flows of this «tour-product» will decrease significantly.

Finally, the fourth concept – *increasing requirements for tourists safety*–reflects the need to apply increased tourists safety requirements in conditions of overtourism. The main provisions of this concept include: a) the development of increased requirements for tourists safety in the conditions of overtourism, in particular in spheres of their residence and meal; b) permanent and strict security control of tourist accommodation, especially in private apartments; c) the same safety control of tourist food – consuming processes with special attention to street food organization and equipment in the most popular among tourists cities locations. Examples of ignoring the above provisions with the following tragic consequences, unfortunately, happened in Lviv in early 2019. So, in January a gas-cylinder in kebab-shop exploded because of improper exploitation (at Svoboda Avenue near the famous Lviv Opera House, one person died – the shop employee, but a lot of people were frightened, including

tourists). The next tragic event, in January too, which led to the death of two Ukrainian tourists (from Kiev) from carbon monoxide, was connected with the hiring by them a private apartment with bad state of gas heating. And that was not the finish, as next tragic event happened in Odesa in August 2019 and it was connected with fire in «Tokio-Star» hotel (9 dead).

Conclusion. The dynamic development of urban tourism in the conditions of overtourism, which is currently observed in Lviv, causes a number of problems, including the tourist overloading, especially in their central and historical parts; the destruction of many historical and architectural objects and monuments; increase in the amount of urban waste, including tourist one; cases of intimate tourism; ignorance of the safety rules for tourists in areas of their residence and food with tragic consequences etc. The solution to most of these problems is possible while based on application of complex geologistics strategy, proposed by author. So the logistic approach, applied in «Concept of Tourism Decentralization in Lviv», should be extended to all other aspects of the city's tourism industry, including waste management, the use of advanced technologies and the attraction of national and international investments. These recommendations apply not only to Lviv but also to other major tourist centers of Ukraine – Kyiv, Kharkiv, Dnipro, Odesa etc.

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THE ASSESSMENT OF BANKRUPTCY RISK OF AN ENTERPRISE WITH THE USE OF MEASURES BASED ON THE CONCEPT OF ECONOMIC PROFIT (BASED ON CONSTRUCTION COMPANIES FROM THE POLISH STOCK MARKET)

The value-based management concept has been created, implemented and improved over the last 30 years in Anglo-Saxon countries and highly developed countries of continental Europe, and since early-2000s also in Poland and other countries of Central and Eastern Europe. Important for the efficient and effective use of this concept is the measurement and assessment of value creation efficiency with the use of value measures based on the economic profit concept. In the existing theoretical, methodological and empirical studies devoted to the conditionings of the use of value measures researchers hardly ever decided to verify their usefulness as estimators of enterprise bankruptcy risk. Bankruptcy prediction models created and used so far are based merely on the use of book and financial measures in their structure. It proves the purposefulness of conducting an analysis of the efficiency of value creation of an enterprise in relation to the assessment of its bankruptcy risk, basing on the use of value measures. In this context, the authors notice a significant research gap which has become a premise for the formulation of a hypothesis that measures based on the economic profit concept can be useful in explaining the level of bankruptcy risk of construction companies listed on the Warsaw Stock Exchange during the years 2010-2015. The verification of the formulated hypothesis is planned though conducting a discriminant analysis and thus attempting to build a discriminant function basing on relative values of economic profit.

Keywords: *value-based management, economic profit, efficiency of enterprise value creation, bankruptcy risk assessment*

Які Анджей, Чевік Войцех. Оцінка ризику банкрутства підприємства з використанням вартісних показників на основі концепції економічного прибутку (на прикладі будівельних компаній, що котируються на Польській фондовій біржі).

Концепція вартісно-орієнтованого управління була створена, впроваджена та вдосконалена протягом останніх 30 років в англосаксонських країнах та високорозвинених країнах континентальної Європи, а з початку 2000-х років також у Польщі та інших країнах Центральної та Східної Європи. Важливим для ефективного використання цієї концепції є вимірювання та оцінка ефективності створення вартості із застосуванням вартісних показників на концепції економічного прибутку. У існуючих теоретичних, методологічних та емпіричних дослідженнях, присвячених умовам використання вартісних показників, дослідники майже не намагалися перевірити їх корисність для оцінювання ризику банкрутства підприємства. Створені та використовувані досі моделі прогнозування банкрутства базуються лише на використанні в їх структурі книжкових та фінансових показників. Вищезазначене доводить доцільність проведення аналізу ефективності створення вартості підприємства для оцінки ризику його банкрутства, спираючись на використання вартісних показників. У цьому контексті автори помітили значний пробіл у дослідженнях, який став передумовою для формулювання гіпотези про те, що вартісні показники можуть бути корисними для пояснення рівня ризику банкрутства будівельних компаній, які котирувалися на Варшавській фондовій біржі протягом 2010-2015 років. Перевіримо сформульовану гіпотезу шляхом проведення дискримінантного аналізу та спробуємо побудувати дискримінантну функцію на основі відносних значень економічного прибутку.

Ключові слова: *вартісно-орієнтоване управління, економічний прибуток, ефективність створення вартості підприємства, оцінка ризику банкрутства*

1. Introduction

The value-based management concept (VBM) has been created, implemented and improved over the last 30 years in Anglo-Saxon countries and highly developed countries of continental Europe, and since early-2000s also in Poland and other countries of Central and Eastern Europe. Considering key objectives of the VBM concept, related to the maximisation of the market value of an enterprise, what is important for the efficient and effective use of this concept is the measurement and assessment of value creation efficiency with the use of value measures based on the economic profit (EP) concept. The measures enable to monitor the enterprise value creation process, also enabling the identification of the areas of its activity in which value is created, and the areas in which destruction of the enterprise value takes place.

They are also a useful source of information for the participants of the capital market about the effectiveness of managing capital resources entrusted by investors. Thus, value measures can also be treated as an element of the comprehensive system of the performance measurement of an enterprise (Mancini & Piscitelli, 2018; Škare & Hasić, 2016).

In the existing theoretical, methodological and empirical studies devoted to the conditionings of the use of value measures researchers hardly ever decided to verify their usefulness as estimators of enterprise bankruptcy risk. Bankruptcy prediction models created and used so far are based merely on the use of book and financial measures in their structure (Gavurova et al., 2017; Prusak, 2018; Wieczorek-Kosmala et al., 2018). It proves the purposefulness of conducting an analysis of the efficiency of value creation of an enterprise in relation to the assessment of its bankruptcy risk, basing on the use of value measures. In this context, the authors notice a significant research gap which has become a premise for the formulation of a hypothesis that measures based on the economic profit concept can be useful in explaining the level of bankruptcy risk of construction companies listed on the Warsaw Stock Exchange in the years 2010–2015. The choice of the time horizon and the objects of analysis is not accidental. It is a period of the accumulation of building investments concerning the construction and extension of sports, road and tourist and recreational infrastructure which took place in Poland in the years 2010-2012 in connection with the organisation of the UEFA European Championship, Euro 2012 by Poland and Ukraine, and which also contributed to a rapid increase in the number of bankruptcies of construction companies on the Polish market in the following years (2013-2015). The verification of the formulated hypothesis is planned though conducting a discriminant analysis and thus attempting to build a discriminant function basing on relative values of economic profit.

2. Economic profit as a measure of enterprise efficiency – theoretical background

The term of economic profit goes back to the end of the 19th century, as it comes from residual income which was used by Marshall (1890) in his work, meaning income calculated upon the inclusion of operating costs, debt and equity costs, as well as income tax. As opposed to profit as a traditional book measure of efficiency, economic profit, in addition to costs of foreign capital, includes also cost of equity, which is not considered by the book measurement of enterprise efficiency. Therefore, it is a measure which in addition to accounting information to a great extent considers also market information in the form of such parameters of equity cost account as: risk-free rate, market returns and investment risk level measured by β coefficient (Altaf, 2016). The conceptualisation and development of different types and applications of economic profit is related to the value-based management concept. The concept

brought, among others, a need for the measurement and assessment of partial effects of enterprise value creation through the use of appropriate accounting tools for this.

Undoubtedly, as the most recognizable measure based on the economic profit concept is regarded to be economic value added (EVA). The measure was developed by the end of 1980s by a New York-based Stern Steward & Company, and then popularised by a pioneer work by Steward (1991) and continuators of his thought, first of all Ehrbar (1998), Martin & Petty (2000), McTaggart, Kontes & Mankis (1994), and Young & O'Byrne (2001). EVA has also gained a lot of recognition in the global business environment owing to its implementation by numerous global corporations, such as Coca-Cola, Siemens, Whirlpool, or Marriot Corp., which use it as a business performance measure, a tool of value-based management system and the base for pro-value motivation (Salaga et al., 2015). Economic value added is at the same time a measure which already in its basic form (basic EVA) constitutes the integration of accounting and financial measures being the parameters of EVA account in an enterprise. In various formulas for the calculation of EVA we can find such accounting measures as: NOPAT (net operating profit after tax), NP (net profit), ROI (return on invested capital), ROE (return on equity) and financial measures, such as: WACC (weighed average cost of capital) and cost of equity (Berzakova et al., 2015). It also confirms the evolutionary character of the process of development of enterprise efficiency measures. Experiences arising from the development of the applications of EVA and other measures based on the economic profit concept brought about, on the one hand, the emergence of different types of those measures and, on the other hand, the extension of the scope of their use in enterprise management. It refers, first of all, to:

- the creation of various forms of EVA arising from the scope of corrections applied in the account and focused on the objectivization of the efficiency measurement of enterprise value creation (Young & O'Byrne, 2001; Ehrbar, 1998),
- exposing the shareholder approach in EVA account through the use of the measure of economic profit for shareholders, used in the EBO model [the acronym coming from the first letters of this model creators' names: Edwards, Bell & Ohlson] (Bittelmeyer, 2007), also called estimated value created (EVC) (Galon & Nantell, 1994). The shareholders' perspective is also exposed by Rappaport (1986) in the shareholder value added measure (SVA),
- the creation of relative value measures based on the economic profit concept (Stronka, 2004),
- the use of measures based on economic profit for the purpose of business valuation within value controlling and within value-focused restructuring (Fernandes, 2019; Jaki, 2012).

An overview of selected measures based on the economic profit concept is presented in Table 1.

Efficiency measures based on the economic profit concept

No.	Symbol of measure	Calculation formula	Designations	Comment
Absolute and value measures				
1	EVA	$S_t \cdot M_t \cdot (1 - T_t) - WACC_t \cdot IC_{t-1}$	EVA – economic value added S_t – Net sales value achieved by the enterprise at the end of period t	Direct approach in the measure calculation
		$EBIT_t \cdot (1 - T_t) - WACC_t \cdot IC_{t-1}$ $= NOPAT_t - WACC_t \cdot IC_{t-1}$	M_t – profit margin $EBIT_t$ – operating profit before the payment of interest and tax at the end of period t (earnings before interests and taxes)	Operating approach in the measure calculation
		$NP_t + INT_t \cdot (1 - T_t) - WACC_t \cdot IC_{t-1}$	INT_t – interests at the end of period t	Financial approach in the measure calculation
		$(ROI_t - WACC_t) \cdot IC_{t-1}$	T_t – income tax rate at the end of period t $WACC_t$ – weighted average cost of capital at the end of period t IC_{t-1} – value of invested capital in total at the beginning of period t NP_{t-1} – net profit at the end of period t ROI_t – return on invested capital at the end of period t	Indicator-based approach in the measure calculation
2	EVC	$NP_t - E_{t-1} \cdot k_{E,t}$	EVC – estimated value created	Shareholder approach to economic profit
		$(ROE_t - k_{E,t}) \cdot E_{t-1}$	ROE_t – return on equity at the end of period t E_{t-1} – equity at the beginning of period t $k_{E,t}$ – cost of equity at the beginning of period t other designations – as previously	

No.	Symbol of measure	Calculation formula	Designations	Comment
3	REVA	$NOPAT_t - WACC_t \cdot \frac{IC_{MV,t}}{}$	REVA – refined economic value added NOPAT _t – net operating profit after tax at the end of period <i>t</i> $\frac{IC_{MV,t}}$ – market value of invested capital in total at the end of period <i>t</i>	Classical approach to economic profit
		$NP_t - \left((P_{S,t} \cdot N_t) \cdot k_{E,t} \right)$	P _{S,t-1} – market price of one share of the company at the beginning of period <i>t</i> N _{t-1} – the number of shares issued by the company at the beginning of period <i>t</i> other designations – as previously	Shareholder approach to economic profit
4	SVA	$\frac{\Delta NOPAT_t}{WACC \cdot (1 + WACC)^{t-1} - \frac{Inv_{A,T} - DEP_{ACC,t-1} + \Delta WC_t}{(1 + WACC)^t}}$	SVA – shareholder value added $\Delta NOPAT_t$ – change in net operating profit after tax annually Inv _{A,T} – value of investment expenditure on fixed assets planned to be incurred in the current period DEP _{ACC, t-1} – accumulated value of depreciations at the end of the previous period ΔWC_t – change in the value of net working capital in the current period	Measure based on Rappaport's concept
		$(TSR_t - k_{E,t}) \cdot E_{t-1}$	TSR _t – total shareholder return at the end of period <i>t</i> other designations – as previously	Alternative estimation formula
Relative and percentage measures				
5	CEE	$\frac{EVC}{E \cdot k_E} \cdot 100\%$	CEE – cost efficiency of equity	-
		$VCI - 1$	VCI – value creation index other designations – as previously	

No.	Symbol of measure	Calculation formula	Designations	Comment
6	CEC	$\frac{EVA}{WACC \cdot IC} \cdot 100\%$	CEC – cost efficiency of invested capital in total other designations – as previously	-
7	SEVC	$\frac{EVC}{E} \cdot 100\%$	SEVC – standardized estimated value created other designations – as previously	-
		$ROE - k_E$		
8	SEVA	$\frac{EVA}{IC} \cdot 100\%$	SEVA – standardized economic value added other designations – as previously	-
		$ROI - WACC$		
9	VCI	$\frac{ROE}{k_E} \cdot 100\%$	VCI – value creation index other designations – as previously	-
10	XEP	$EP_t - \underline{EP_B}$	XEP – indexed economic profit EP_t – economic profit established for period t $\underline{EP_B}$ – average economic profit established for similar companies (most important competitors, sector or the whole market)	In XEP formula economic profit values are corrected by the value of invested capital

Source: own study.

3. Methods and scope of research

The verification of the hypothesis posed in the article is planned through conducting a discriminant analysis, and thus the estimation of discriminatory force of diagnostic variables which are value measures based on the economic profit concept. The analysis began from defining the time span of the analysis and the subjective scope of the studied population of enterprises, as well as determining the criterion of discrimination of enterprises to the group of «bankrupts» or «non-bankrupts». The time span of the analysis will include the years 2010–2015. It is the period of preparing and implementing by Poland (together with Ukraine) the UEFA European Championship, Euro 2012. In the years 2010–2012 there was an accumulation of various construction investments, which during the years 2013–2015 contributed to the

rapid growth of bankruptcies of construction companies on the Polish market². Therefore, the study included companies listed on the Warsaw Stock Exchange, belonging to the construction sector. The classification was made based on the International Industrial Standard Classification (ISIC) – Section F (Constructing). To the group of «bankrupts» only those companies were assigned which in the analysed period filed bankruptcy petitions (both liquidation and arrangement bankruptcy). On the other hand, to the group of «non-bankrupts» those entities were classified which in the analysed period were distinguished by a good economic and financial standing and continued their activities. 44 construction companies were analysed. The structure of the studied population was as follows: 33 bankrupts (75%) and 11 non-bankrupts (25%). The source of necessary financial data was the base EMIS Intelligence – Polska. For the needs of calculations Statistica package (version 13) was used. The final shape of the database required to conduct such procedures as: verification and supplementation of missing values of variables with the use of the median, verification of variables from the point of view of outliers³, estimation of discriminatory force of variables with the use of classical coefficient of variation, examination of the normality of empirical distributions of value measures⁴.

For the measurement and assessment of the efficiency of value creation, the following measures based on the economic profit concept were used, whose characteristics and accounting formulas are presented in Table # 1:

- EVC – estimated value created,
- EVA – economic value added,
- SEVC – standardized estimated value created,
- SEVA – standardized economic value added,
- CEE – cost efficiency of equity,
- CEC – cost efficiency of capital,
- REVA – refined economic value added,
- XEP – indexed economic profit.

For the needs of the analysis the equity cost rate of the studied population of enterprises was estimated, using Damodaran's model (Damodaran, 2014). In order to determine the benchmark for the indexed measure, the subjective comparative base was defined, which included the group of «non-bankrupts», and then on the basis of their partial effects of value creation (determined by SEVC measure) their averaged value was estimated by means of the median. One of the requirements of discriminant analysis during the selection of diagnostic variables is their information capacity, which is estimated through the level of correlation of one variable with another one.

² The conditionings of the functioning of the Polish construction sector in the indicated period were described more broadly, among others, in the work (Jaki, 2018).

³ For this purpose, two-way Tukey's criterion was used ($\alpha = 5$).

⁴ For this purpose, the following tests were used: Kolmogorov-Smirnov, Lilliefors and Shapiro-Wilk, with the assumption of α on the level of 5.

To do this, on the basis of Pearson's linear correlation level, the set of four variables was selected, constituting the values of measures which, according to the authors of this paper, are most intensively used within the VBM concept. These are: FCFEPS – free cash flow for equity per share, SEVC – standardized estimated value created, TSR – total shareholders return and price-earnings ratio (P/E)⁵. The selected statistics (minimum/maximum value – MIN/MAX and the median – ME) of value measures constituting the output set of diagnostic variables to the research process are presented in Table 2.

Table 2

Selected statistics of diagnostic variables for the analysed companies

Measure	«Bankrupts»			«Non-bankrupts»			All companies		
	MIN	MAX	ME	MIN	MAX	ME	MIN	MAX	ME
FCFEPS	-41.06	51.37	0.29	-8.2	8.88	0.17	-41.06	51.37	0.17
SEVC	-0.40	0.03	-0.15	-0.6	0.45	-0.08	-0.61	0.45	-0.08
SEVA	-0.32	-0.02	-0.07	-0.6	0.10	-0.09	-0.61	0.10	-0.09
CEE	-3.69	0.21	-0.83	-4.0	2.99	-0.58	-4.04	2.99	-0.60
CEC	-3.67	-0.25	-0.85	-6.0	1.10	-0.88	-6.01	1.10	-0.88
REVA	-0.54	0.30	-0.14	-0.6	0.05	-0.08	-0.57	0.30	-0.08
XEP	-0.28	0.04	-0.02	-0.6	0.15	-0.00	-0.56	0.15	-0.00
TSR	-0.74	0.91	-0.28	-0.8	2.13	0.02	-0.83	2.13	0.01
P/E	-8.29	508.62	23.25	-51.4	74.72	10.52	-51.38	508.62	10.52

Source: Own calculations.

4. Economic profit in the assessment of bankruptcy risk – results of the research and discussion

The research employed a progressive stepwise method boiling down to the introduction of subsequent diagnostic variables with the highest discriminatory force to the model (Shiker, 2012). In the first place, the usefulness of four value measures in the prediction of bankruptcy risk of construction companies listed on the Polish capital market was verified, namely FCFEPS, SEVC, TSR and P/E. The results of the analysis showed that the selected set of variables is statistically significant (Wilks' lambda = 0.74345; F = 11.905; p < 0.0000). The greatest contribution to the discrimination of enterprises to the groups of «bankrupts» and «non-bankrupts» was revealed by P/E measure (partial Wilks' lambda = 0.783556), and the smallest one – by TSR measure (partial Wilks' lambda = 0.990162). Then it was verified whether various types of measures based on the economic profit concept influence the discriminatory force of the model. At the same time, it will allow to assess the level of usefulness in explaining the level of bankruptcy risk of the analysed companies. For this purpose,

⁵ Measures: FCFEPS, TSR and P/E are widely described in the literature devoted to the issues of business valuation, value-based management and value controlling. See: (Cornell, 1993), (Damodaran, 2012).

SEVC measure in the output set of variables was replaced, consecutively, by the following measures: SEVA, CEE, CEC, REVA and XEP. The results of the conducted analysis are presented in Table # 3.

Table 3

Parameters describing discriminatory force of measures based on the economic profit concept

Measure	Summary of discriminant analysis	Discriminatory force of variables	Comment
SEVA	Wilks' lambda = 0.76554; F = 14.190; p < 0.0000	partial Wilks' lambda: P/E – 0.801849; FCFEPS – 0,971173; TSR – 0.972289	SEVA measure outside the model
CEE	Wilks' lambda = 0.73087; F = 12.704; p < 0.0000	partial Wilks' lambda: P/E – 0.777353; FCFEPS – 0.954718; G1 – 0.956946; R1 – 0.989588	-
CEC	informative force the same as in the case of SEVA	-	CEC measure outside the model
REVA	informative force the same as in the case of SEVA	-	REVA measure outside the model
XEP	informative force the same as in the case of SEVA	-	XEP measure outside the model

Source: Own calculations.

The conducted analysis of the usefulness of the selected value measures in the assessment of bankruptcy risk of construction companies listed on the Warsaw Stock Exchange proved that out of six used types of economic profit the most useful one turned out to be cost efficiency of equity (CEE), which is indicated by the highest value of partial Wilks' lambda. The measure provides information about the intensity in value creation with regard to the values of the cost of capital invested by the shareholders. The second, in terms of the contribution of individual measures in the discrimination of companies, was standardized estimated value created (SEVC). The remaining value measures based on the economic profit concept (SEVA, CEC, REVA and XEP) were outside the model, which means that they are not useful in predicting bankruptcy risk. However, the most useful measure in the assessment of bankruptcy risk of construction companies turned out to be price-earnings ratio (P/E), a popular measure in the investors' environment. In consequence, we may be inclined to state that the earning potential of the analysed construction companies in the studied period, speculated by the capital market participants, could be information about the threat of bankruptcy. Also the fact that only measures using economic profit in the shareholder formula (based on net profit and equity) are useful in the assessment of bankruptcy risk is interesting.

5. Conclusions

The conducted study has proved that the selected value measures based on the economic profit concept may be a useful tool used for the needs of risk management of an enterprise, in the area of the assessment of its bankruptcy risk. In this way the formulated research hypothesis was verified positively. However, the method of estimating one of the leading parameters of economic profit, namely equity cost, is still a disputable issue. In the economic literature the fact that it is a parameter of intangible, non-cash, abstract and non-recordable character is stressed a lot of times, which additionally intensifies difficulties in its objective estimation. It is the reason for which numerous methods of the estimation of equity cost are used, and each method finally provides different results, which, with regard to the research problem presented in the article, implies a different discriminatory force of economic profit. Therefore, the conducted analysis should be treated as a base for further, multi-directional economic research, focused on building a linear discriminant function, with the application of a more varied sphere of VBM instruments, including measures based on cash measurement of the efficiency of value-based management of an enterprise, as well as different methods of the estimation of equity cost with regard to measures based on the economic profit concept.

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DETERMINANTS OF OPEN ECONOMIES EXPORT ORIENTATION

This paper primarily aims to explore the determinants of export orientation in terms of neo-protectionism of the 21st century and to identify the level of Ukraine's export orientation on the basis of combinatorial approach which included the calculation of export openness indicators and export commodity structure. The article deals with the leading trends of foreign trade liberalization. The present study analyzes scientific views of leading economic schools on the relationship of foreign trade policy and economic growth. The empirical findings indicate the expansion of application of regulatory measures both by the governments and international institutions; coordinating and promoting international cooperation in the areas of multilateral liberalization of foreign trade; increasing the use of non-tariff regulation measures to protect the domestic market from foreign competition. The results provided empirical support of ways of strengthening of export potential in Ukraine based on determinants of export orientation in modern conditions.

Key words: *export orientation, export promotion, open economy, free trade policy, international competitiveness.*

Пугачевська Катерина Сергіївна, Пугачевська Катерина Йосефівна.
Детермінанти експортоорієнтованості відкритих економік.

Метою статті є дослідження детермінант експортної орієнтованості в умовах неопротекціонізму XXI століття та ідентифікація рівня експортної орієнтованості економіки України на основі комбінаторного підходу, який ґрунтується на розрахунку показників відкритості та товарної структури експорту. У статті досліджуються ключові тенденції лібералізації зовнішньої

торгівлі. Проаналізовано погляди провідних економічних шкіл у частині взаємозв'язку між зовнішньоторговельною політикою та економічним зростанням. Отримані результати засвідчили тенденцію розширення практики застосування регуляторних заходів як з боку урядів країн, так і міжнародних інституцій; координування і сприяння міжнародній співпраці у сфері лібералізації зовнішньої торгівлі; зростання практики використання нетарифних заходів з метою захисту вітчизняного ринку від іноземної конкуренції. Емпіричне підґрунтя отриманих результатів дозволило сформулювати пріоритети розширення експорту України з урахуванням детермінант експортоорієнтованості у сучасних умовах.

Ключові слова: експортна орієнтованості, просування експорту, відкрита економіка, політика фритредерства, міжнародна конкурентоспроможність.

Introduction. In the context of globalization, the dependence of the economies of the vast majority of countries on the structural changes of the world economy as a whole, and international trade in particular, is increasing. Countries participating in international trade use the tools and principles of liberalism and protectionism in foreign trade, depending on the vectors of international economic policy. Research of the practice of using trade barriers shows the gradual transition of national trade regimes from rigid protectionism to the growing openness of national economies. At the same time, the tendencies that have taken place in recent years in the sphere of foreign trade relations have led to the emergence of regional trade agreements, which are the response of individual countries to the need to support exporting enterprises. Over the last decade, the number of such agreements has grown substantially, and is now expanding to over 50% of international trade, along with multilateral agreements within the WTO. A key feature of such agreements is the mutual preferential trade agreements between two or more partners. Such preferences may apply to anti-dumping policies, countervailing duties, sanitary barriers, i.e. those areas that are subject to WTO rules, but individual agreements regulate competition policy, capital and investment migration, anti-corruption policy, environmental legislation.

The lack of a unified policy on state export promotion, even in terms of WTO membership, has led to the separation of regional trade agreements into a separate group of instruments to increase the intensity and scale of state support for exports in order to increase the competitiveness of exporting enterprises and, as a result, the national economy.

In the context of globalization, export support is one of the directions of modern economic policy of foreign countries. In order to increase national competitiveness, developed and developing countries have significantly stepped up the intensity and scale of state support for exports. For Ukraine, this issue is particularly relevant given its high level of foreign trade openness and in the context of the implementation of the Association Agreement with the EU. Taking into account the abovementioned,

Ukraine must keep pace with global trade trends and adapt to changes that are taking place.

Analysis of recent researches and publications. The need to research the issue of export support is justified by scientists, who point to the need to synthesize different studies to obtain reliable results on the interdependence of export-oriented development, export dependence and export-promotion of national producers (Korablin, 2017; Sidenko, 2017; Shynkaruk, 2011; Skrypnychenko, 2015). The growing interest in export activities is driven by the transformation of the world economy, as well as the multifaceted manifestations of internationalization, which are reflected in the diffusion of new technologies, the conclusion of new trade agreements between countries, the reduction of trade barriers etc.

Currently thought-provoking issue is how to keep commitments on mutual market access as WTO members in terms of neo-protectionism of the 21st century. In this context, scientific findings are interesting, in which the policy of modern competition is revealed through particularities in different groups of countries (Leonidou et al., 2012, Bernini et al., 2016). However, the conclusion that regulatory support is most likely to be subject to determinants on the basis of specificity of national and regional models of economic development that rely on cultural foundations are, in the authors' view, important but insufficient as they lack the economic framework to formulate such generalizations. Thus, the aim of the article is identifying determinants of export orientation in modern conditions.

Presenting main material. The accelerated development of foreign trade operations in comparison with the dynamics of economic processes is one of the key features of the era of economic globalization. The statistics provided by the United Nations Conference on Trade and Development (Table 1) clearly show the long-term trend of export growth over of GDP growth. Starting from 1992, the coefficients of export growth rate over GDP is averaging from 1.08 to 4.36 (except for 2011–2016, which indicates a decrease in the importance of exports during this period as the main engine of global economic growth, mainly due to a decrease in the intensity of investment processes). These coefficients are particularly high in 2017–2018 for transition economies (11.48 and 8.23, respectively) and economically developed countries (3.91 and 3.87).

Table 1

Growth rates of exports of goods and GDP by groups of countries with different levels of economic development, %

Group of counties	1992–1995	1995–2000	2000–2005	2005–2010	2011–2016	2017	2018
Growth rates of exports of goods, %							
World	11.30	3.65	11.42	6.27	1.16	10.61	9.83
Developing economies	14.01	5.76	14.37	9.21	1.89	11.78	10.41
Transition economies	22.30	1.83	19.97	9.44	-3.18	24.10	23.12
Developed economies	10.02	2.79	9.54	4.10	0.92	8.95	8.56

Group of counties	1992–1995	1995–2000	2000–2005	2005–2010	2011–2016	2017	2018
Growth rates of GDP, %							
World	2.59	3.37	2.93	1.91	2.41	3.07	3.60
Developing economies	5.23	4.27	5.44	5.88	4.29	4.39	4.52
Transition economies	-9.87	1.51	6.60	3.61	0.54	2.10	2.81
Developed economies	2.37	3.18	2.11	0.46	1.62	2.29	2.21
Coefficient of growth in exports of goods over GDP							
World	4.36	1.08	3.90	3.28	0.48	3.46	2.73
Developing economies	2.68	1.35	2.64	1.57	0.44	2.68	2.30
Transition economies	-2.26	1.21	3.03	2.62	-5.91	11.48	8.23
Developed economies	4.22	0.88	4.53	8.93	0.57	3.91	3.87

Source: conducted by the authors on the basis of United Nations Conference on Trade and Development.

The structure of world exports for more than 50 years has also undergone significant transformations. Thus, the share of economically developed countries decreased from 70.84% in 1960 to 51.92% in 2018, while the share of developing countries increased from 24.41% to 44.60% (Table 2). Among them, China had a significant growth rate of exports, which accounted for 1.97 % in world exports in 1960, but as a result of the implementation of reform and openness policies it began to grow in 2000 – 3.41%, in 2011 – 10, 35%, and in 2018 – 12,77%. The second and third place in the share of world exports in 2018 is the USA and Germany with figures of 8.54% and 8.01% respectively.

Table 2

Structure of world exports of goods in 1960–2018 by groups of countries with different levels of economic development, %

Group of counties	1960	1970	1980	1990	2000	2010	2015	2016	2018
Developed economies	70,84	76,40	66,34	72,41	65,77	53,94	52,23	53,56	51,92
Developing economies	24,41	19,03	29,46	24,17	31,85	41,99	44,59	43,65	44,60
Transition economies	4,76	4,57	4,20	3,41	2,39	4,06	3,18	2,79	3,48

Source: conducted by the authors on the basis of United Nations Conference on Trade and Development.

For countries that have made the transition to a market economy in the last decades, both unprecedented opportunities and significant risks are opening up in the global context of structural changes in the economy. The potential for successful economic policies to dominate the world market (as demonstrated by China, the Republic of Korea, and other countries in East Asia) depends on a purposeful public

policy for the development and proactive pursuit of innovation. Instead, the risks are related, first of all, to the lack of response of the society, government and business elites to the new demands of the times (Shynkaruk & Sidenko, 2011).

Increasing the degree of export orientation has a positive impact on the undeveloped economies through the initiation of a comparative advantage mechanism, which allows the country to concentrate its production capabilities on those segments for which it has relatively better conditions. However, the fact that active participation in international trade has significant advantages over the autarchy model does not mean that the infinite expansion of the country's exports is effective (Shynkaruk & Sidenko, 2011).

J. Bhagwati identified the conditions according to which «impoverished growth» in international trade could occur, in particular: worsening trade conditions, low elasticity of demand for goods – key export positions of the country, low elasticity of demand for imported goods at price, reduction goods as a result of increased imports, a high proportion of imports in consumption (Bhagwati, 1957). Hypertrophy of the export-oriented sector of the economy is characteristic of countries with underdeveloped internal market in the context of neoliberal globalization, under which the mechanisms of industrial policy in less developed countries are dismantled under the pressure of global organizations and governments of leading countries. As a consequence, the process of import substitution of unprofitable economic activities from a global point of view is increasing. However, given that such activities are often an important prerequisite for the development and satisfaction of basic needs of the population, such an evolution of the structure leads to an increase in the share of price-inelastic critical imports, which increases the likelihood of «Bhagwati conditions». The impoverished growth mechanism is not the only threat to countries with hypertrophied export sector. Potential risks for countries include the Dutch disease mechanism, which occurred during the transition period in some post-Soviet countries. Its essence is the de-industrialization of the economy as a result of the discovery of a new source of natural resources. The main feature of the «Dutch disease» is the increase in the national currency of the country as a result of improving the trade balance, which reduces the competitiveness of manufacturing industries. In Ukraine, it has taken on a slightly modified form and was associated not with the raw materials sector but with semi-finished products. Its essence was to replace more complex production with simpler use of less skilled labor – with a corresponding depreciation of accumulated human capital (Shynkaruk & Sidenko, 2011; Bernini et al., 2016).

According to international comparisons, the Ukrainian economy is quite open, as its exports of goods and services to GDP fluctuate within 50%. Data from the United Nations Conference on Trade and Development indicate that in 2016–2017 it was 49.3% and 48.0%, respectively, and significantly exceeded the world average of 28.3% in 2017 (Table 3). Ukraine's openness to import operations is also significantly higher than the world average. In 2016-2017 it was 56.2% and 55.9% respectively.

**Comparative analysis of the dynamics of openness indicators of Ukraine
and the world in 2005–2017, %**

	2005	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Export quota												
World	27,0	29,7	31,0	26,2	28,5	30,4	30,3	30,4	30,1	28,3	27,3	28,3
Ukraine	47,8	41,3	43,8	42,8	48,2	51,3	49,2	44,6	49,0	52,6	49,3	48,0
Import quota												
World	26,6	28,9	30,4	25,5	27,8	29,7	29,5	29,4	29,4	27,7	26,7	27,6
Ukraine	47,0	46,8	51,5	44,5	51,2	57,5	57,4	53,1	52,5	55,2	56,2	55,9

Source: conducted by the authors on the basis of United Nations Conference on Trade and Development.

There are countries with a much higher export quota in the world. In particular, in Hong Kong in 2017 it was 188.3% (in 2013 – 221.6%), in Singapore – 173.4% (in 2008 – 231.4%). However, such colossal values are reflection not only of the extraordinary economic development but also of the offshore status of the country with its high level of re-export activity (Korablin, 2017).

The abovementioned trade openness of the domestic economy is further enhanced by the fact that almost 60% of export operations of large taxpayers occur under indirect contracts.

In Ukraine, the production of raw materials with a low level of value added dominates over a long period. Unfortunately, many Ukrainian enterprises, including Motor Sich, Antonov, Pivdenmash, and Hartron, are more likely to be production symbols of national capabilities than the technological basis of the domestic economy (Korablin, 2017).

According to the World Bank, the average share of high-tech products in the structure of industrial exports of Ukraine in 2017 was 5.0%, which is 3 times less than the world average (16.1%) (Table 4).

Such technological segmentation is evident in view of the commodity structure of exports, which is dominated by primary manufactured products, including ferrous metals, cereals, vegetable oils, ores, slag and ash, and chemical fertilizers.

Table 4

Indicators of high-tech products (HTP) export of individual countries in 2017

№	Country	Export of HTP, mln USD	Share of HTP in industrial exports, %	№	Country	Export of HTP, mln USD	Share of HTP in industrial exports, %
1	Singapore	136,16	49,2	18	Israel	7,36	13
2	Hong Kong	141,72	29,7	19	Canada	24,22	12,9

№	Country	Export of HTP, mln USD	Share of HTP in industrial exports, %	№	Country	Export of HTP, mln USD	Share of HTP in industrial exports, %
3	Malaysia	41,17	28,1	20	Poland	13,68	7,7
4	China	504,38	23,8	21	Bulgaria	1,34	7,6
5	France	98,69	23,5	22	Croatia	782,00	7,5
6	Kazakhstan	1,77	22,7	23	India	14,46	7
7	Ireland	25,73	21,4	24	Spain	15,57	7
8	United Kingdom	68,63	21,1	25	Italy	27,79	6,8
9	Netherlands	63,62	18,6	26	Chile	590,00	6,1
10	Norway	3,59	18,4	27	Tunisia	603,00	5,2
11	Latvia	1,34	16,6	28	Guatemala	234,00	5,1
12	Republic of Korea	72,70	14,2	29	Moldova	29,00	5,1
13	Germany	171,63	13,9	30	Portugal	2,35	5
14	Hungary	13,48	13,8	31	Ukraine	1,01	5
15	Japan	83,66	13,8	32	Cameroon	29,00	4,7
16	USA	110,12	13,8	33	Peru	197,00	4,7
17	Sweden	15,01	13,2	34	Yemen	3,00	4,7

Source: conducted by the authors on the basis of World Bank.

An analysis of the structure of Ukraine's exports by broad economic categories revealed a predominance in exports of intermediate goods (82.88% in 2017) and a small share of means of production (3.27% in 2017) (Table 5).

The long-term evolution of the structure of Ukrainian exports moves in parallel to structural shifts in the economy as a whole. At the same time, changes in the structure of Ukraine's exports, in the absence of effective national policy in realizing the structural priorities of economic development, played a powerful catalyst for the processes of structural simplification of the Ukrainian economy (Sidenko, 2018; Skrypnichenko et al., 2015).

Table 5

Export structure of Ukraine by Broad Economic Categories in 2005–2017

BEC	Commodity group	2005	2017
	Consumer goods	11,08	12,89
112	Food and beverages, primary, mainly for household consumption	1,13	1,45
122	Food and beverages, processed, mainly for household consumption	4,33	5,46
61	Consumption goods nes, durable	1,14	1,52
62	Consumption goods nes, semi-durable	2,14	2,31
63	Consumption goods nes, non-durable	2,35	2,14
	Goods for intermediate consumption	84,47	82,88
111	Food and beverages, primary, mainly for industry	11,81	11,90
121	Food and beverages, processed, mainly for industry	9,28	9,36
21	Industrial supplies nes, primary	16,57	15,54
22	Industrial supplies nes, processed	37,87	37,23
42	Parts and accessories of capital goods (except transport equipment)	2,61	2,79
31	Fuels and lubricants, primary	0,31	0,11

BEC	Commodity group	2005	2017
32	Fuels and lubricants, processed	0,90	1,44
53	Parts and accessories of transport equipment	5,12	4,52
Capital goods		4,04	3,27
41	Capital goods (except transport equipment)	3,06	2,69
521	Transport equipment, other, industrial	0,98	0,58
Other categories		0,41	0,96

Source: conducted by the authors on the basis of United Nations Comtrade Database.

For Ukraine, the urgent task of reorienting development priorities, which, in addition to existing ones, should include moving away from one-sided export orientation while strengthening domestic demand, in particular in high-tech industries and diversifying the export structure itself in the direction of increasing the share of high-tech goods and services.

Conclusion. Contrary to the tendency of increasing openness of national economies, free trade policy has its peculiarities in different groups of countries and is differentiated according the specificity of national and regional models of economic development, which in turn reflect the priorities determined by objective factors (in particular, natural resources, size and geographical location of the country, etc.), as well as subjectively established orientations based on the cultural and value foundation.

The study of empirical and statistical information has made it possible to identify that increasing the level of export orientation has a positive impact on undeveloped economies through the initiation of a comparative advantage mechanism, which allows the country to concentrate its production capabilities on those segments for which it has relatively better conditions, but actively participating in international trade does not mean that the infinite expansion of the country's exports is effective in view of the «impoverished growth», which in terms of neoliberal globalization acquire a special reality due to the specific realities of pricing on the one hand, and the formation of economic structures – on the other.

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INFORMATIONAL IMPERATIVES FORMATION OF REVENUE MANAGEMENT

Using the principles of revenue management which are applied in any business environment, the study found that there are statistically significant returns on the RevPAR and occupancy in Ukrainian hotels after implementing the Revenue management system for the period from 2012 to 2017. The implications of this study are important to the hotel managers, including revenue managers, night auditors, restaurant managers and owners because it indicates that there is important to implement dynamic pricing strategy to increase the revenue.

Keywords: *revenue, revenue management, hospitality, dynamic pricing strategy, Ukrainian hotels*

Мельниченко Світлана, Кулик Марія, Полтавська Оксана. Формування інформаційних імперативів управління доходами.

У статті розглядаються принципи revenue менеджменту, які застосовуються в готельному бізнесі. Автори аналізують статистичну залежність показників RevPAR і завантаженість в готелях України після впровадження системи revenue менеджменту за період 2012–2017 роки. Обґрунтовано необхідність використання результатів дослідження в практиці впровадження

динамічних цінових стратегій менеджерами готелів, в т. ч. revenue менеджерами, нічними аудиторами, менеджерами ресторанів і власниками бізнесу з метою підвищення доходів.

Ключові слова: дохід, управління доходами, гостинність, динамічна стратегія ціноутворення, українські готелі

Relevance of research topic. The impact of revenue management on the development of Ukrainian hotels has been thinly examined. After the 2014 crisis, the occupancy of hotels was extremely low. It was 25–30% average occupancy on the market. In 2017, on average, the average occupancy of Ukrainian hotels has already increased. Today, hotels are not the most profitable segment of economics. But hoteliers are convinced that changes in the Ukrainian tourism business make it even more attractive.

Formulation of the problem. The goal of this study is to analyze the dynamics of hotel revenue management development in Ukraine, based on statistical information for period from 2012 to 2017 yy, techniques and tools are used to analyze the data from websites of different hotels and to verify the hypotheses.

Analysis of recent researches and publications. Revenue management, also referred to as Yield management, was first widely implemented in the airline industry⁶ and has been a common practice for the hotel industry as well as many other service industries⁷. Based on certain demand forecasting techniques and optimization models, RM has been found to be very effective in generating extra revenue by dealing with diversified and uncertain demand, given a fixed capacity of perishable inventory. Although with a somewhat wider range, a similar result of 1–8% has been reported for the improvement in profits in the hotel sector⁸. As for RM in the hospitality industry, the study by Anderson and Xie (2010) serves as an excellent source for a summary of its development, while also providing an outline of previous research. Although the practice of RM has become an essential element in the everyday operation of hotels, as highlighted by Shoemaker (2003)⁹, the implementation of RM can have an adverse effect on customers' perceptions of a company and even destroy customer loyalty, the basis for the long-term profitability of a company¹⁰. Some research work has, however, addressed the negative impact of RM for the hotel industry. For example,

⁶Smith, B. C., Leimkuhler, J. F., & Darrow, R. M. (1992). Yield management at American Airlines. *Interfaces*, 22, 8–31.

⁷Anderson, C. K., & Xie, X. (2010). Improving hospitality industry sales: Twenty-five years of revenue management. *Cornell Hospitality Quarterly*, 51(1), 53–67.

⁸Jones, P. (2000). Defining yield management and measuring its impact on hotel performance. In A. Ingold

⁹Shoemaker, S. (2003). Future of revenue management: The future of pricing in services. *Journal of Revenue and Pricing Management*, 2(3), 271–279.

¹⁰Rigby, D. K., Reichheld, F., & Dawson, C. (2003). Winning customer loyalty is the key to a winning CRM strategy. *Ivey Business Journal*, March/April, 21–5.

Sheryl Kimes¹¹ recently adopted a qualitative approach and interviewed hotel managers to derive a comprehensive summary of the conflicts between relationship management and RM implementation. In another works she has drawn a lot of attention in the research field of the hospitality industry¹².

Presenting main material. For the first time Revenue Management began to be used in the West in the early 90's in the field of air transportation, and then became relevant in the field of hospitality, and now this technology is actively used in Ukraine and the countries of the former USSR. The history of implementation of hotel revenue management in Ukraine is near five years.

The concept of yield management (revenue management) has gained its popularity until the 1980s and continues to evolve to the present. Improved in geometric progression, computer technology in turn contributes to the further implementation of this approach in the hospitality industry. By its very nature, hotel income management is a systematic (automated) approach to pricing through the management of the inventory of a room suite and the decision to set the price for each room in this stock.

The most important goal of any business is to focus on profit to generate revenue. As a result, «profit» is an important measure of business efficiency. In practice, an enterprise can manage income in different ways. Different customers are willing to pay different prices for using the same amount of resources. Basically, this procedure is called «yield management» also known as «revenue management». According to Sheryl Kimes (2002), this can basically be described as «selling the right product to the right customer at the right time at the right price.» Basically, revenue management helps managers plan the perfect business mix for their business¹³.

By its very nature, hotel income management is a systematic (automated) approach to pricing through the management of the inventory of a room suite and the decision to set the price for each room in this stock. The primary purpose of this approach is to maximize income in any given period of time.

In other words, depending on the projected demand for placement services, there is a constant adjustment of prices reflecting market trends. Thus, the key element of the hotel income management system is the forecasting of demand for future periods.

Moreover, revenue management can control customer demand, although using variable pricing and bandwidth management to increase profitability. According to Christopher Lovelock, Paul Patterson, Rat Walker (2004), there are two major interconnected areas for effective consumer demand management such as pricing and customer service life. For the most part, prices can be fixed or variable. «Fixed price» can be introduced as one price for the same service for all customers at all times and «variable

¹¹ Kimes, S. E., & Wirtz, J. (2003). Has revenue management become acceptable? Findings from an international

study on the perceived fairness of rate fences. *Journal of Service Research*, 6, 125–135.

¹² Kimes, S. E. (2011). The future of hotel revenue management. *Journal of Revenue and Pricing Management*, 10, 62–72.

¹³ Kimes, S. E. (2002). Perceived fairness of yield management. *Cornell Hotel and Restaurant Administration Quarterly*, 43(1), 22–30.

price» can explain different prices at different times or for different client segments. Variable pricing helps control the demand for a simple process. This can lead to a reduction in the cost of discounts in the low cost of the hotel for all customers or may be in the form of price discounts for certain types of customers.

Today, Revenue Management practices are increasingly interested in the owners and managers of hotels, including the small numbered stock, but still not all managed to implement revenue management systems. We can say that the market in this direction is only developing. That's why I'm sure that managing profitability – both from the sale of rooms and the provision of additional services, the provision of banquet and meeting rooms, events – will be the main trend of the hospitality industry for many years to come. With the right approach, Revenue Management will take the work to a better level not only the sales or booking department, but the entire hotel complex.

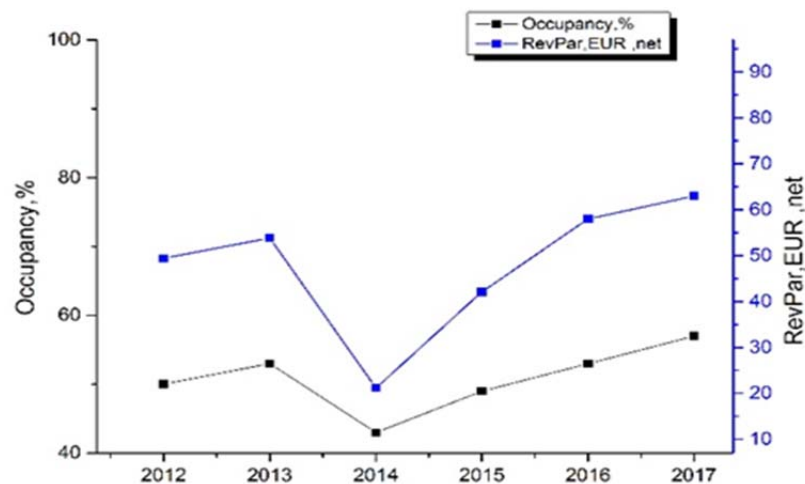


Figure 1. Graphic representation of Occupancy and RevPar dynamics in the Ukrainian hotels

Source: Own development by authors

In figure 1 we can see the positive tendency of increasing of occupancy and RevPar metrics in Ukrainian hotels after the crisis in 2014. Modern circumstances in Ukrainian hotel business require new communication technologies and the new methods of organization and management of the processes. create a technological basis for efficient development in Ukrainian hotels. At the same time in figure 2 we can see the tendency of increasing of ADR in UAH and decreasing of ADR in EUR in Ukrainian hotels after the crisis in 2014. It is appropriate to update the usage of revenue management technologies such as dynamic pricing, segmentation and forecasting demand. Revenue Management in the hotel business is the technology that determines the best price per room based on demand forecasting, that is, the sale of the desired guest room at the right moment at the right price. Revenue Management determines the direction of the sales strategy of the hotel complex.

Principles of revenue management are applied in any business environment. They are great for hotel business. The optimal conditions necessary for introducing income management methods are:

- capacity of sales resources must be fixed – hotels have a fixed number of rooms for sale; Flexible counting of rooms – deviation from the norm;

- Resources should be considered as perishable products – numbers not sold today can not be sold tomorrow at the expense of the percentage of yesterday’s downloads (numbers are sold in advance, before their actual use);
- Demand can be segmented for different markets or by price level.

Hotels that meet all of the above conditions will be able to show better results with revenue management methods. The size and style of the hotel, as well as the market where the hotel operates, will affect the observance of each of these conditions. For example, your market may be limited geographically, or you have to set prices in accordance with the instructions of the government. However, your product will most likely meet at least two of the three requirements outlined above.

To date, in Ukraine there is an obvious tendency to develop this technology not only in network and large hotels, but also in small hotels, where only one employee can handle income control.

If we talk about hotels with a large number of funds, then there, as a rule, there is a department of revenue management, whose employees monitor the changes in prices on the market and conduct an analysis of their own numbers, in order to timely generate the desired price.

For hotels that are just beginning to implement Revenue Management, it is very important in the early stages to correctly identify and shape demand segmentation, which is determined by a combination of factors such as location, list of services provided, competitive environment and price elasticity. For analysis of competitors it is possible and necessary to use widely used tools. It may be such tools as STR, to provide daily reports on the main indicators of the hotel (downloads, average price and profitability of a room) compared with the chosen pool of competitors, as well as to explore open competitor prices in electronic sales channels and various resources for information exchange between hotels.

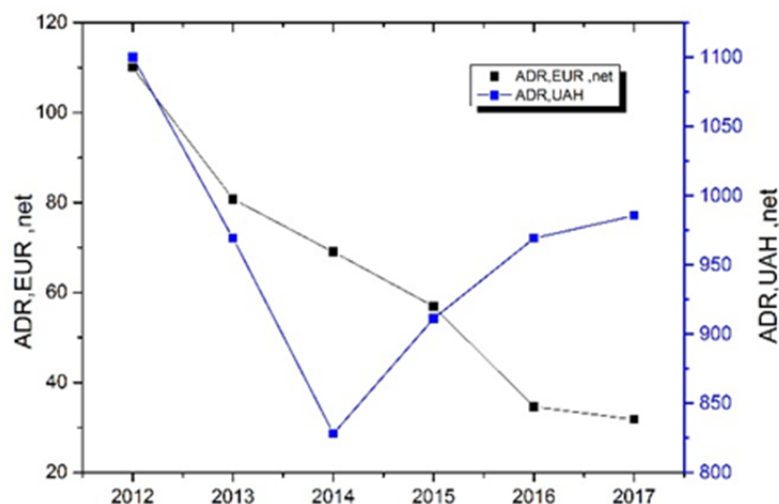


Figure 2. Graphic representation of ADR dynamics in the Ukrainian hotels

Source: Own development by authors/

There are IT solutions to study and shape pricing policies, one of which is the Price Optimizer (Price Optimizer) from YieldPlanet. YieldPlanet Price Optimizer is a

tool that analyzes the prices of a large number of online resources. This is an ideal solution for hoteliers whose purpose is to form an effective pricing policy for a number of hotel and business services, based on a thorough analysis of the dynamic pricing policy of all players in the market. The Price Optimizer module gives you the opportunity to not engage in routine work on the analysis of competitor prices and gives more time to make strategic decisions, thereby reducing the cost of human resources.

Conclusion. The system of revenue management allows us to evaluate all aspects of the business activity of the subject of the hotel business, concerning the structure of capital, creditworthiness and other weighty components. On the basis of continuous monitoring of the business environment, organic mastery of strategic thinking and management methods, designed for the future. The modern-day revenue management has a global analytical basis, strategic thinking and management techniques for sales. Therefore, an increase in the level of profitability of an enterprise should be based on a deep financial and economic analysis of the enterprise's activity: an assessment of the technical and economic indicators of the enterprise's activity and the organizational level of production, the use of production capacities and fixed assets, raw materials and labor, economic relations, etc. We can say that the market in this direction is only developing. That's why managing revenue – both from the sale of rooms and the provision of additional services, the provision of banquet and conference rooms, events – will be the main trend of the hospitality industry for many years to come.

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ASSESSMENT OF NEWLY IMPLEMENTED VALUE ADDED TAX ON ECONOMIC GROWTH AND DEVELOPMENT OF KINGDOM OF BAHRAIN

Value Added Tax (VAT) is a consumption tax is being charged on goods and services. VAT is a major worldwide tax instrument which enhances economic growth. Recently GCC countries has executed VAT and Kingdom of Bahrain also implemented it as on 1st January 2019. The aim was to increase the revenue base of Government and make fund available for developmental purposes that will accelerate economic growth. This research aim is an empirically examination on the contribution of VAT to the growth of economy and identify the reasons of implementing the VAT in the Kingdom of Bahrain and to outline the effects, benefits, and challenges of doing so. This study provides certain considerations to be taken in line of Kingdom of Bahrain's economic environment, these considerations are mainly aimed to define the effects of VAT related SMEs and other business, VAT as a cultural policy tool, and the implications of VAT. As well as defining expected challenges related to levels and rates of VAT compliance, periodical changes in VAT laws, VAT collections and refunds, financial literacy, complexities of VAT legislation, and control over the cost of living. The data of this study was collected from secondary and primary sources from selected SMEs, business, and general public overview of Kingdom of Bahrain. Some findings and suggestions are addressed in the study that may be the prerequisite for banking organizational growth and development.

Keywords: VAT, TAX, GCC, Revenue, Economy

Бансал Атул. Оцінка впливу нещодавно введеного податку на додану вартість на економічне зростання та розвиток Королівства Бахрейн.

Податок на додану вартість (ПДВ) – податок на споживання, що входить у ціну товарів та послуг. ПДВ є основним податковим інструментом у світі, який сприяє економічному зростанню. Нещодавно країни РСАДПЗ почали застосовувати ПДВ, зокрема Королівство Бахрейн почало застосовувати його з 1 січня 2019 року. Метою введення ПДВ було збільшити дохідну базу уряду та забезпечити доступність коштів для розвитку країни, що прискорить економічне зростання. Метою дослідження є визначення внеску

ПДВ у зростання економіки, виявлення причин впровадження ПДВ у Королівстві Бахрейн, окреслення наслідків, переваг та викликів цього кроку для країни. Це дослідження містить висновки щодо наслідків впровадження ПДВ для МСП та іншого бізнесу, ролі ПДВ як інструменту культурної політики. Окрім того, розглянуто виклики, пов'язані із рівнем ставки ПДВ, періодичними змінами у законах про ПДВ, зборами та поверненням ПДВ, фінансовою грамотністю населення, складністю законодавства про ПДВ та контролем за витратами на життя. Дослідження містить данні з вторинних та первинних джерел, зокрема МСП, іншого бізнесу та загальний огляд Королівства Бахрейн. Деякі висновки та пропозиції проведеного дослідження можуть бути використані для розвитку підприємств банківського сектору.

Ключові слова: ПДВ, податок, РСАДПЗ, дохід, економіка.

Introduction

The research discusses about the increase in value added tax in the Kingdom of Bahrain, and it was also mentioned that it will be implemented in the year 2019, January 1st. it was the official announcement that was made in order to release the regulation. The Kingdom of Bahrain is considered to be attractive as well as low tax environment, in order to keep the environment for the wider use of developmental reforms. Introduction of the value added tax on the supply of goods and services is framed to be at the rate of 5% in the previous financial year 2018. Implementation of value added tax for the business procedurals and new taxpayers will have implications in the Bahrain's Kingdom.

Research aim

The aim of this research study is to investigate and analyse the increasing impact of the value added tax in the Kingdom of Bahrain. It also aims in setting out all the rules and procedures of VAT in order to provide general information. There is no responsibility in order to assume the binding of documents and committing the increase in revenue for any taxpayer.

Research question

- What are the effects of value added tax in the Kingdom of Bahrain?
- What are the characteristic features of VAT in order to increase the revenue?
- Determine the impact of VAT in order to satisfy the marketers as well as consumers?
- Analyse the perception of retailers, chartered accountants, wholesalers, consumers and tax officials regarding the increase in VAT in The Kingdom of Bahrain?

Research objectives

- To analyse the effects of value added tax in the Kingdom of Bahrain
- To identify the characteristic feature of value added tax with respect to increase in revenue

- To determine the impact of value added tax on satisfying the marketers and the consumers
- To analyse the perception of retailers, chartered accountants, wholesalers, consumers and tax officials regarding the increase in VAT in The Kingdom of Bahrain

Problem statements

Value added tax is the indirect tax, which is imposed on the goods and services. This imposition is operated by the government when budget surplus is taken into consideration, with respect to increase in revenue and its financial budgetary deficit. Value added tax generated revenue in order to evade tax not only on the products but also on the services in order to generate high source of revenue in the business economy. Taxes and duty charges are imposed by the government on the people in order to fulfil the infrastructural demand, technological demand and entrepreneurial demand. The purpose of this study is to set out all the general principles of VAT related to the Kingdom of Bahrain, and also aims in providing all the rules and regulations, which is necessary to determine the supply for VAT. Implementation of value added tax for the business procedures and new taxpayers will have implications in the Bahrain's Kingdom as stated by (Baunsgaard & Keen 2010).

Literature review

VAT preparations are definitive in order to accelerate the business by introducing it with new and big challenges, which are effective for the business from the aspect of non-tax environment. Value added tax impacts in obligating the operations from the standard rate and also makes Bahrain aware of launching new version of value added tax as a guide in order to support the business organisations. VAT is experienced in all the parts of the countries and is also implemented in order to keep track on the laws and regulations that might increase in the future terms.

Effects of value added tax on expats in the country

According to Mears (2016), the survey conducted regarding the value added tax for the members of GCC in United States of Arab enjoyed the high price levels from extracting oil and delivering it to the international summits. These businesses were rated with low taxations, which was surprising for majority of people and lately it started considering all types of taxes and also provide benefits to the GCC states. There certain international as well as domestic factors that compelled the GCC to reconsider the taxation policies in order to extract energies from the consumption of threat which are increasing on the daily basis. Welfare policies are also absorbing the revenues of GCC; this shows the increase in free trade zones from the ongoing trade in the national level. The first policy that needs to be adopted is direct and indirect tax, which reviews the historical perspective of taxation of all the business in the recent years. Increase in economic globalisation in GCC countries are advised to implement taxation strategies in order to keep the organisation from the emended pressure from the governmental aspects and from financial institutions.

Consequences of value added tax with respect to inequality

As opined by Alavuotunki *et al.* (2017), this research impacts on the introduction the value added tax on the revenues that are generated for the governments by the use of micro data. This introduction leads to affect the conventional county with respect to effective regression analysis and instrumental analyzed variable. Development of tax revenues, which are increasing in the developing industries by building the domestic revenues with efficient capacities and challenges are financially fighting with the poverty. These are unfortunately affecting the economic activities. Involving and introducing the income tax as well as the personal income tax stands out for innovation strategies for majority of the countries in GCC and UAE. All the policies of the value added tax was accompanied with the reduction of all the duties such as the custom duties as well as the excise duties and also including the tariffs as well. Therefore, these policies leads to the expansion of Value added tax by striking all the membership aspects in the developing economy in the world.

Generating revenue from oil and state budget dynamics

As opined by Kreishan *et al.* (2018), the research discusses about the long term relationship and the short term relationship among the revenues and expenditures of the government. It also uses the analysis of the time series as well as analysis of the annual data with respect to integrated variables, which results in revealing the all the governmental aspects. It also mentioned that increase in oil with 1% leads to inducement of governmental expenditures. Moreover, the policymaker of Bahrain focuses on diversifying the governmental revenues from various sectors, especially from the oil market. Adoption of revenue from the state budgeting and oil refining revenue leads in promoting the economic development as well as the social goals of the government towards the development of the educational system, healthcare, economic activities as well as the social activities to improve the well-being of the public with respect to increase in their standard of living.

Policy implication of taxes with respect to outputs

According Gunter *et al.* (2019), it was stated that the tax changed its output with respect to non-linear effects that took place with the innovation of the initial taxation policies. This initial role of the taxation policies uses the tax multipliers aspects and the narrative approach in order to identify the tax changes as well as the findings that are related to the theoretical aspect of tax multiplier. Identification of the data sets with respect to novels among 51 countries and identifying the exogenous changes reports about the estimation. Evaluation of the initial tax levels negatively multiplies the highest values and also tends to become zero at the low levels of the initial tax rates. This evidence shows the effect of change in output, which is highly non-linear. These findings have some important implications, which reflect the potential output in order to affect the rate of changes in the tax rates. The research basically focuses on the outputs which results in the non-linear effects, which change

the output of the relevant policies. It focuses on the relevance of outputs due to the arguments that are mobilizing in provisioning of goods and social aspects in order to bridge the infrastructural gaps.

Mandatory adoption of financial reporting with respect to reducing the income tax revenue

According to Mao & Wu (2019), it was stated that it is mandatory for all the business to adopt the international financial reporting standards that is mainly known as the IFRS. This adoption is made mandatory with respect to form a regulatory change in GCC countries. This adoption of the IFRS policy bridges all the financial gaps among the earnings of the accounting department as well as the taxable income, which is highly increasing in the GCC countries. From the research conducted, it was suggested that review on the taxes has low rate of conformity, which is adopted in association to avoid the corporate taxes and collection of revenues from the lower income tax. This study examines the governmental impact that has mandated the adoption of IFRS on the country's revenue through the income tax. The strategy uses various data panels in order to cover the empirical results that lead in decreasing the revenue from the income taxes.

Current issues regarding VAT for employment in Gulf Cooperation Council

Shayah& Sun (2019), stated that the study focuses on the current issues that are faced with respect to human capitals in order to achieve the economical development aspect from the oil sectors of GCC. The research also discusses about the demographical factors of the GCC countries in order to notify the issues that are contemporary with respect to employment. They have similar characteristics with regards to demographic and labor forces, which is eventually growing the unemployment population in the faster rate. Low employment on the private sectors and low participation of women's is also spreading unemployment among the citizens of GCC. According to the recent study, it came into consideration that the HR practices in the GCC countries are growing and expanding the business with respect to developing the talent and innovation among the employees. It was also mentioned from the study that 5% of the value added tax has affected the country of UAE in the financial year of 2018.

Structural constraints of VAT in Bahrain

Almajdoub (2018), stated that Bahrain is discovering oil from all the gulf region of Arab, Bahrain was the first country, which started its run regarding the oil reserves in diversifying the economy by expanding all the non-oil industry. Implementation of the economic developmental strategy builds in sustainability, competitiveness and faire acceptance of all the governmental plans, which increases the productivity and capacity of the Bahrain's citizens. With respect to the demographic pressures in the Bahrain's economy, the natural resources buffers to measure the government spending which includes the fuel and all subsidized food with introduction of value added tax

from the financial year of 2018. These announcement of the introduction of value added tax leads to extract all the costs that are determined for the production of commercial investments. This will boost the economic aspects of Bahrain by investing in the oil sectors with respect to expand the fiscal position, which is blowing the financial sectors. It was also noted that the GCC countries includes GINI index with respect to measure the inequality on the basis of per capita GDP.

Value added tax on corporate governance and inequality

According to Chan & Ramly (2018), it was stated that the inequality in the income is one of the growing concern, because it is adversely affecting the stability of the socio economics and also regulates the institutional stability and the economical performances. Despite of reduction in the income inequality, implementation of VAT is still being criticized because of the regressive nature. The effect of VAT is enhancing the income inequality, which is focusing on the moderating role, which generalizes the endogeneity issues and the auto correction issues. The role of VAT reduces the debatable issues which are regressive in nature and also earns huge percentage of income of consumption on the food and services. These services are compared to the individual whose income is higher and also widens the income inequality. Investigating about the impact of VAT develops the income inequality by initializing the role of governance in the country of GCC. The research basically focuses on the value-added system in order to determine the governance factors by improving the link between the VAT and the inequality of income.

Analytical approach on VAT revenue elasticity

As opined by Acheson *et al.* (2018), the analytical approach states the elasticity that is generated from estimating the VAT revenues which underlies the income and expenditures of the regulatory reforms. The VAT revenue generated leads to changes in output of the households, which is steadily increasing in the current economy. Introducing of VAT in the income inequality doubles the result regarding the reduction in elasticity of VAT. It states that higher the income tax rate more is the reduction in the disposable incomes. This research also highlights the importance of tax policies, which are judging the policy makers in order to have a broader knowledge regarding the fiscal crisis with a composition of tax. The elasticity of the VAT revenue is lower than it estimates to be in order to have a greater progress report with respect to income tax system as compared to other countries. Analytical estimation of VAT leads to responsiveness in generating revenues to change the income levy and change in health ley as well. VAT is applied to all the countries in the world in order to share the accounts of the total tax revenue with respect to significant variance.

Structural theory of VAT

According to Keen & Lockwood (2010), this theoretical aspect describes about the VAT functions on the In-house basis, in order to prepare for the change with respect to transforming of new projects into structural way. This will lead to wider the business with the help of development and changes that are relevant in engaging the

process. Implementation of planning, designing and monitoring of VAT within the business function considers all the issues regarding resource constraints in an organisation, availability of the technical expertise with specialised knowledge, designing of process and integration of core business policies, monitoring of risk management and implementation of governance, potential support for the technology is required in order to gather all the data and also processing of complex business functions.

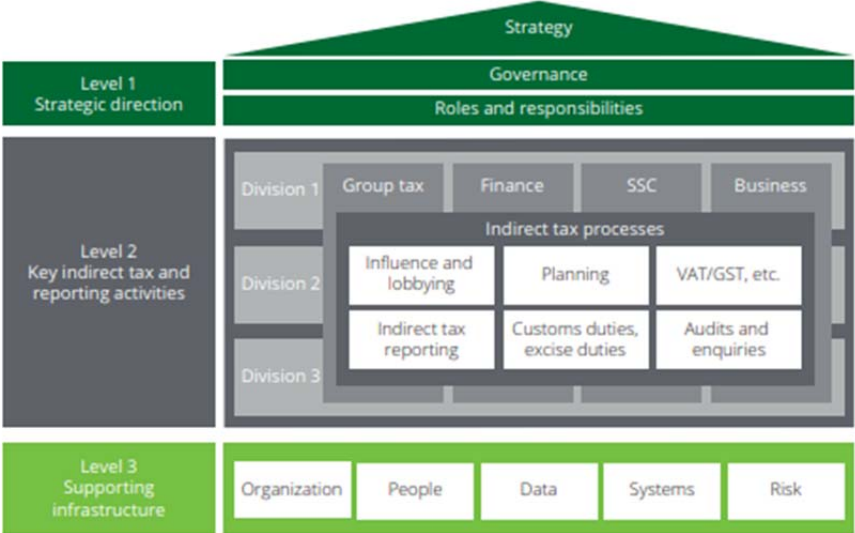


Figure 1. Structure of VAT (Keen & Lockwood 2010)

The above diagram illustrates about the leading levels of taxation approach in order to functionalise the indirect tax of the business. The types of function and activities that are performed globally in the GCC countries are mentioned within the diagrammatical representation. The first level talks about the strategic direction, which includes the head of value added tax that is applicable to all the members in the senior department of financial institutes. This includes the functional ownership over the governance factors and activities with respect to their roles and responsibility. The second level discusses about key of indirect taxes and its reporting activities with respect to financial team members and the third level describes about supporting the infrastructural aspects which processes all the risk factors and underpins all the operational frameworks that is supported by the in-house VAT.

Research methodology

According to Mears (2016), this study focuses on the positive research philosophy, and this positivity extracts surveys and statistics, which implies collecting of primary data. This research, studies the non-probability method of quota sampling which leads to extracts convenient data that is involved in this quota sampling. The methodology complies of various scale of measurement for VAT from various financial institutes in order to generate the VAT functions. This dissertation will provide a clear knowledge about the tools and the functions which are utilised in order

to find out all the revenue aspects that are generated from the financial aspect of value added tax. In order to conduct a research regarding VAT, its effects on the income generation as well as in the income inequality of the individuals in the Kingdom of Bahrain.

Research Philosophy

Research philosophy will consider the positive characteristics which take the factual knowledge about the VAT from all the financial aspects of the business. This section of research philosophy provides the main idea collection of data through effective methodology and also analyzing the datasets in a proper manner. In order to conduct the research all the four philosophies are represented which deals with positivism, post-positivism, realism as well as interpretive research. Research philosophy is vital in order to outline and analyze the rich essentials of the financial perspectives. This research philosophy not only helps in understanding the dataset of taxation but also helps in assisting and finding the information from all the levels of value added tax as stated by (Baunsgaard & Keen 2010).

Research approach

As opined by Chan & Ramly (2018), the research approach deals with the two approaches in order to analyse the research topic that was based on the taxation policies in Bahrain, to generate the revenues. The two approaches that were used are the deductive research approach and inductive research approach. The deductive research helped in analysing the research with all the relative datasets and with financial documentation. Inductive approach studies the effective way of conducting the research projects.

Research Design

The research design defines the strategic aspects that were integrated in the research topic in a congruent manner as well as in effective manner. The research design addresses the issues substantially and also addresses the problems in the research study. This research provides structural collection of data with explorative design perspective as well as descriptive design perspective.

Data analysis

The data analysis is done with the help of primary data and secondary data analysis. The collection of primary data involves information collection from all the sourced data. Majority of the data and information's are collected on the basis of primary data collection, and it also done by utilising the secondary resources such as review, newspapers, books, articles, websites, journals and many more aspects. According to Shayah & Sun (2019), the utilisation of strategy is done by interviewing through the primary data by providing questionnaires to the respondents. Qualitative and quantitative research strategy is followed in the research topic in order to interview the respondents along with conducting a survey.

This research summarises about the VAT, generated revenue for the kingdom of Bahrain. This generating of revenue affects the economic sectors, which requires

considerable effort of the people, business, processes, systems as well as the stakeholders for VAT. The research study also highlights about the effective data implementation, which came into force in the month of 1st January, 2019. It also discusses about the scope that will help in revenue generation, and also discusses about the zero rate supplies.

Results and Findings

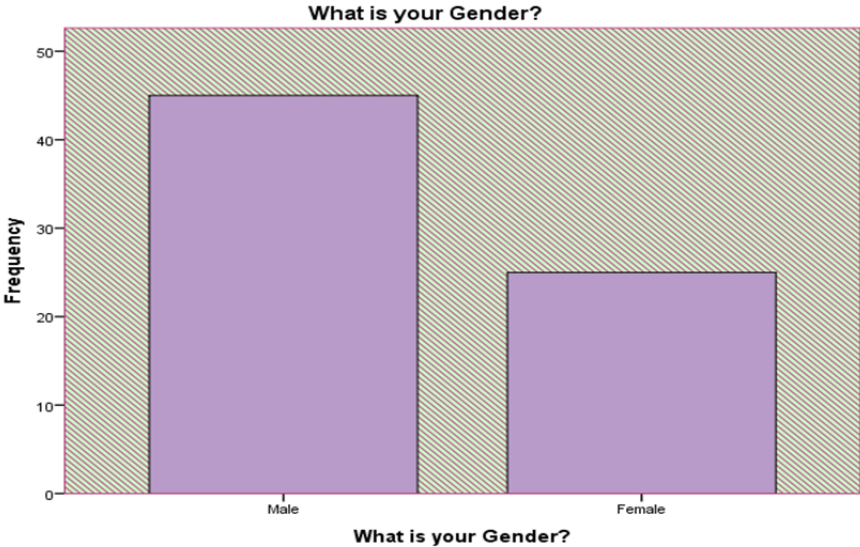
The following chapter presents the results or survey which is organized to collect data from the 70 respondents. The questionnaire survey contained 4 demographic and 10 close ended questions that are discussed in the following results and discussion part.

Demographic interpretation

Table 1

What is your Gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	45	61.6	64.3	64.3
	Female	25	34.2	35.7	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		

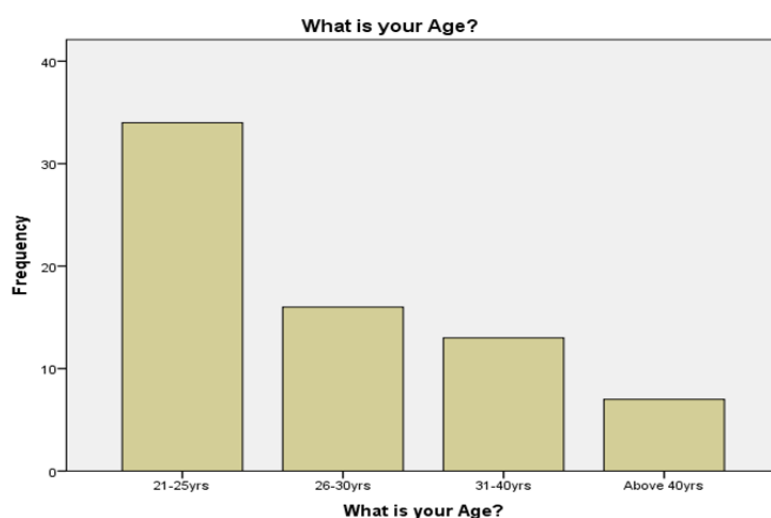


The results presented in the above table and graphs have shown that there were total 70 respondents have contributed in the research in which majority are males that are 61.6% of the total population and there were 45 males and 25 females’ respondents.

Table 2

What is your Age?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21–25 yrs	34	46.6	48.6	48.6
	26–30 yrs	16	21.9	22.9	71.4
	31–40 yrs	13	17.8	18.6	90.0
	Above 40 yrs	7	9.6	10.0	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		100.0			

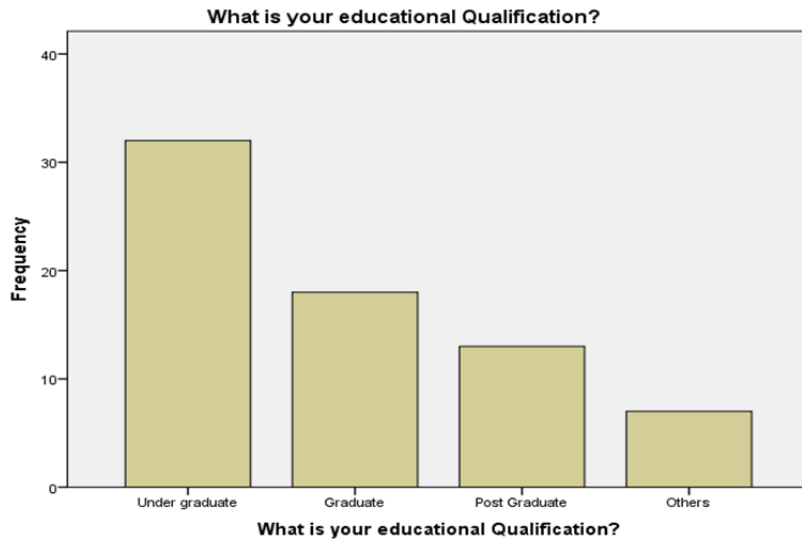


The above graph and table show that majority of the participants belong to the age group of 21–25years as 34 respondents are from the age group 21–25 yrs. The other respondents that have participated in the research belong to 26–30 yrs., 32–40 yrs. and 7 participants are aged above 40yrs.

Table 3

What is your educational Qualification?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under graduate	32	43.8	45.7	45.7
	Graduate	18	24.7	25.7	71.4
	Post Graduate	13	17.8	18.6	90.0
	Others	7	9.6	10.0	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		



The above table and graph show that from the 70 respondents' majority have qualification under graduate. However, there are also around 18 in respondent who have graduate degree.

Table 4

What is your Profession?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	28	38.4	40.0	40.0
	Employee	18	24.7	25.7	65.7
	Unemployed	15	20.5	21.4	87.1
	Business Person	8	11.0	11.4	98.6
	Others	1	1.4	1.4	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		



In this demographic question the respondents are asked about their profession. From the research it is found that in the research survey the students are large in number as 28 respondents are student. Following this, the other are employees, business personas and others.

VAT Questionnaire Interpretation

Table 5

The money raised from value added tax would help Bahrain lower the massive BHD 11.5 billion national debt.?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	17.8	18.6	18.6
	Disagree	10	13.7	14.3	32.9
	Neutral	23	31.5	32.9	65.7
	Agree	20	27.4	28.6	94.3
	Strongly Agree	4	5.5	5.7	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		

The above table shows the frequency of the Q1 in which it is found that the people has mixed response about the statement that «VAT would help Bahrain to reduce Debt» as 20 respondents believe that VAT implementation strategy would work in reducing and paying back the huge debt.

Table 6

A value added tax would help Bahrain deal with the major economic issues plaguing its economy?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	24	32.9	34.3	34.3
	Disagree	18	24.7	25.7	60.0
	Neutral	21	28.8	30.0	90.0
	Agree	6	8.2	8.6	98.6
	Strongly Agree	1	1.4	1.4	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		

In the response of the survey question about the hope of associated with the VAT to resolve the economic issues, it is found that some respondents do not expect that VAT would be effective in solving economic issues of Bahrain as 24 strongly disagreed about the statement. These results show that people in Bahrain seem not happy with the implementation of VAT.

Table 7

VAT encourages people to save more money to avoid paying taxes?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	11.0	11.4	11.4
	Disagree	17	23.3	24.3	35.7
	Neutral	23	31.5	32.9	68.6
	Agree	14	19.2	20.0	88.6
	Strongly Agree	8	11.0	11.4	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		

The above table shows the results about the statement «VAT encourages people to save more money to avoid paying taxes». In the response of it the respondents have shown negative result as majority of them do not believe that forceful save of money could bring any prosperity in their lives. However, some also believe that this idea would work for the economic rebuilt.

Table 8

At what extent do you agree that for an in-debt nation VAT might pose short term negative but long-term positive impact on its economy?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	9.6	10.0	10.0
	Disagree	14	19.2	20.0	30.0
	Neutral	17	23.3	24.3	54.3
	Agree	18	24.7	25.7	80.0
	Strongly Agree	14	19.2	20.0	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		

The above table shows about the impact of in-debt nation VAT on the economy. The majority of respondents in the favor of this in-debt nation VAT policy that has long-term positive impact on the economy. However, some respondents show neutral behavior whereas other respondents do not agree with in-debt nation VAT which has positive impact on the economy.

Table 9

Consumer spending has decreased in the after-math VAT implementation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	30.1	31.4	31.4
	Disagree	18	24.7	25.7	57.1
	Neutral	16	21.9	22.9	80.0
	Agree	10	13.7	14.3	94.3
	Strongly Agree	4	5.5	5.7	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		

The above table shows that the behavior of spending after the implementation of math VAT. According to respondent majority are disagree with that after the implementation of math VAT the spending behavior of consumers is decreased. However, few respondents are agreed with that the spending behavior of customers is decreased after math VAT implementation.

Table 10

Do you agree that implementing VAT significantly decrease SME’s production?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	12.3	12.9	12.9
	Disagree	13	17.8	18.6	31.4
	Neutral	12	16.4	17.1	48.6
	Agree	26	35.6	37.1	85.7
	Strongly Agree	10	13.7	14.3	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		

The above data shows the response about production of SME's which is reduced after the implementation of VAT. The majority of respondents agree with the statement as production of SME is reduced after VAT. However, other respondents are disagreed with the significant impact of VAT on the production of SME's.

Table 11

Implementation of VAT has increased inflation rate that reflects negative impact on Economy.?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	5.5	5.7	5.7
	Disagree	6	8.2	8.6	14.3
	Neutral	16	21.9	22.9	37.1
	Agree	28	38.4	40.0	77.1
	Strongly Agree	16	21.9	22.9	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		

The above table depicts the numerical data about the significant role of VAT that has negative impact on the economy. The majority of respondents agree that inflation rate is high with the implementation of VAT that decreased the economy. However, some respondents show neutral behavior as they have no idea about impact of VAT on their economy.

Table 12

Do you agree with the idea of Bahrain's government to implement VAT with an aim to increase revenue to support national economy?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	27.4	28.6	28.6
	Disagree	11	15.1	15.7	44.3
	Neutral	20	27.4	28.6	72.9
	Agree	15	20.5	21.4	94.3
	Strongly Agree	4	5.5	5.7	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		

The above-mentioned table depicts about the implementation of VAT by government that support national economy of Bahrain and generate large revenue. The majority of respondents disagree with the implementation of VAT and its positivity

because they have idea that VAT disturb the economy of Bahrain. Therefore, some are agreed with the implementation of VAT which enhanced the economy of nation as generating large revenue.

Table 13

Do you think that due to the increase in VAT, the revenue might increase but foreign investment will reduce that can pose negative impact on the economy as foreign investment is a major part of Bahrain GDP?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	8.2	8.6	8.6
	Disagree	4	5.5	5.7	14.3
	Neutral	10	13.7	14.3	28.6
	Agree	28	38.4	40.0	68.6
	Strongly Agree	22	30.1	31.4	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		

In the above table, data depicts the response of respondents regarding to the VAT that increased the large revenue at national level but reduced the economy in foreign investment as the GDP of Bahrain is disturbed. However, the majority of respondents show that the implementation of VAT reduced the foreign investment that has negative impact on the GDP of Bahrain. Some respondents show neutral behavior.

Table 14

At what level do you agreed that VAT would grow Bahrain’s revenues by up to 2% of the country’s GDP?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	35.6	37.1	37.1
	Disagree	17	23.3	24.3	61.4
	Neutral	20	27.4	28.6	90.0
	Agree	6	8.2	8.6	98.6
	Strongly Agree	1	1.4	1.4	100.0
	Total	70	95.9	100.0	
Missing	System	3	4.1		
Total		73	100.0		

The data of above-mentioned table depicts about the implementation of VAT that enhanced the revenue as well as country's GDP. According to the respondent's majority are disagree with the positive role of VAT that would enhance the growth of Bahrain's economy more than 2% of GDP

Regression analysis

Table 15

Regression Analysis

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	2.326	1	2.326	2.095	.152 ^b
Residual	75.516	68	1.111		
Total	77.843	69			

Table 16

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.682	.333		5.045	.000
	.155	.107	.173	1.447	.152

In the above table, it is found that the beta values are 1.682 and .155 between the actual and expected ratio whereas the significance value is .000 which shows that the relationship between the variables is significant.

Pearson's Correlation

Table 17

Correlations

		VAT.	SMS's Production
VAT	Pearson Correlation	1	.200
	Sig. (2-tailed)		.097
	N	70	70
SMS's Production decrease	Pearson Correlation	.200	1
	Sig. (2-tailed)	.097	
	N	70	70

The correlation test is performed to evaluate the relationship between the two variables i.e. VAT and SMEs production in which it is found that there is positive

relationship between the two variables with Pearson correlation value .200 which means that when VAT increases then it would decrease the production of the business.

Table 18

Reliability Scale Analysis

Cronbach's Alpha	N of Items
.712	10

The above table shows the reliability scale test results which is used to check the consistency of the research. In this test the results show the Cronbach's Alpha value as .712 which shows that the research has good consistency and the research results are acceptable.

From the results of the research it is found that people have mixed response towards the role of VAT in economic development. Some of the respondents believe that VAT has increased burden on the economy by reducing the production of the business organizations as well as by it has caused decrease in the foreign investment. On the other hand, it is also found that the collection of the revenue through the VAT is expected to contribute 2% in the GDP of the country. Overall, there are mixed expectation of the respondents regarding the role of VAT in the economic development of the country.

Conclusion and Recommendations

Conclusion

Value added tax is a technique use by the government to earn revenue to support the economy of the country. The VAT is also known as consumption tax which is required by the consumers on the consumption of some services or goods. The governments all over the world have been using this technique in which the consumers directly participate in supporting the economy. The VAT was introduced in UK in 1973 whereas recently, Bahrain has implemented 5% VAT from the of the year 2019. Bahrain had been zero tax country but the debt of the country increased to alarming situation and reached to BHD 11.5 billion that raised major economic issues for the country. Subsequently, to tackle this economic situation, the government of Bahrain has decided to impose 5% which has been implicated since 2019. The government is expecting that it would be a great idea to support lingering economy of the country whereas on the other hand, the locals as well as the SMEs and MNCs have recorded serious protest against this act of the government.

From the research, it is found that the implementation of VAT has posed multifaceted facts on the economy of Bahrain. On one side, it is exposed that the inflation rate has increased in the aftermath of the implementation of VAT. It is also

found that the production especially of SMEs has greatly reduced that pose negative impact on the economy of the country because due to the reduce in the production the profit margin of the companies has reduced two ways such as in terms of taxation as well as in term of reduced business that pose negative impact on the economy. Following this, there is another major concern associated with the economic suffering of Bahrain under the influence of VAT implementation such as it is found from the research that in aftermath of VAT, the foreign investment has also reduced at great extent that posed new economic challenges. Foreign investment contributed huge in the economy of Bahrain therefore, decrease in the foreign investment might pose new challenges. Furthermore, the individuals have also received its influence as the increasing inflation rate has reduced consumer's buying power that cause reduces of capital in market circulation.

On the other hand, it is also found that the Vat that seems a huge burden on the economy at the initial stage would produce better result by reducing the debt of the country that has reached to alarming scale. According to the research, the positive long term impact of the VAT is found as it is expected that from the first years the VAT collection would help to contribute 2% of the GDP of the country that is a good sign. Moreover, it is concluded that in short term VAT seems as an inflation bomb on the public and business sector but in long terms it is focused on to bring prosperity to the country.

Recommendation

From the research, it is found that by addressing the current situation of the country the idea of VAT implementation is a good step by the government but at the same time, there is need to create awareness among the people about the VAT and its expected long term impact on the economy of Bahrain;

1. There is need to create awareness among the people of Bahrain about the goals behind the implementation of VAT.
2. The government should give compulsion to the SMEs and other individuals that are living below the poverty line.
3. VAT performance should be monitored timely to ensure whether government is achieving its goals or not.

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MONETARY POLICY COMPOSITION & ELEMENTS: A COMPARATIVE STUDY BETWEEN DEVELOPING AND DEVELOPED ECONOMIES

Every nation's economy based on the monetary structure. A sound Monetary structure implies the better economic growth for the country, so for being competent economy in the world every nation's tries to adopt better Monetary decisions which are helpful in cyclic development and maintains inflationary pressure, resulting in effective growth in Gross Domestic Product, which refers to the Monetary value in terms of finished goods and services produced with in a country's border in a period of time. In achieving targeted economic growth rate, Monetary Policies plays an important role, how monetary policies maintains stabilized economy growth rate for the country and prevents the downfall in the economy, how assets price and general economic conditions are being affected by a result of monetary policies decisions in the economy, and last but not the least how Monetary Policies committees are being formed? To get the answers of these questions the concept of Monetary Policies composition and its element should be studied. This paper analyses the monetary policies composition, monetary policies Committees set up in different countries for taking monetary decisions Transmission its regulations in different countries that adopted for making sound economy of the country. RBI Monetary Policies reports are taken for the analysis and its transmission analyzed by reviewing the different Committees in developed or developing economies.

Keywords: *Monetary Policies Committees, Monetary Policies Framework, Transmission Mechanism, Cyclic Development, Inflationary Pressure, GDP.*

Бансал Швета, Бансал Вакул. Склад та елементи грошово-кредитної політики: порівняльне дослідження економік, що розвиваються та розвинутих економік.

Економіка кожної країни базується на грошово-кредитній системі. Міцна грошово-кредитна система передбачає економічне зростання для країни, тому

для того, щоб бути конкурентоспроможною економікою у світі, кожна країна намагається приймати кращі рішення в галузі грошово-кредитної політики, які сприяють циклічному розвитку та підтримують інфляційний тиск, що призводить до зростання валового внутрішнього продукту, який є ринковою вартістю товарів та послуг, вироблених усередині країни за певний період часу. Грошово-кредитна політика відіграє важливу роль у досягненні цільових темпів економічного зростання. Дослідження концепції грошово-кредитної політики та її елементів дає можливість проаналізувати яким чином грошово-кредитна політика підтримує темпи зростання економіки країни та запобігає падінню економіки, як впливають на ціну активів та загальні економічні умови рішення в галузі грошово-кредитної політики і останнє, але не менш важливе, як формуються Комітети з питань грошово-кредитної політики. У цьому дослідженні проаналізовано структуру грошово-кредитної політики, комітети з монетарної політики, створені в різних країнах для прийняття монетарних рішень. Проаналізовано звіти RBI з грошово-кредитної політики та досліджено діяльність Комітетів з питань грошово-кредитної політики розвинених економік та економік країн, що розвиваються.

Ключові слова: Комітети з питань грошово-кредитної політики, основа грошово-кредитної політики, трансмісійний механізм, циклічний розвиток, інфляційний тиск, ВВП.

INTRODUCTION

In the developing phase of every economy in the world, every country wants to achieve its best rank in GDP rankings among other countries, for achieving this goal a nation has to become so sound in financial structure of the country, which is depends on the quick and smooth flow between aggregate demand and aggregate supply, better the flow between these two financial structure and economic condition have more strength. for targeting this and maintaining good liquidity Monetary policy should be very primitive in action, to grasp opportunities and strength full enough to build wall for threats to the economy like financial crises downfall in currency rates.

Monetary Policies includes rules and action which are adopted in different situation by Central Bank. the primary objective of the monetary policies to maintain price stability but beside this monetary policy encompasses to achieve different objectives associated with its primary objectives like Unemployment, financial stability at Domestic level or settlements in foreign payment operations. The quantity of individuals varies country wise who choose for framing monetary policies nations. At one side, decisions are made by a single Authority. where the Governor alone is in charge of financial strategy incorporate the Bank of Israel and the Reserve Bank of New Zealand. At the other extraordinary, Central banks work substantial for Monetary strategy (MPCs) that involve in excess of twelve individuals

A protrusive example is the Governing Council of the European Central Bank which consists of 21 voting members. Similarly, in the U.S. Federal Open Market Committee, 19 members are participating in policy discussions, out of which 12 hold voting rights. Fry, Julius, Mahadeva, Roger, and Sterne (2000) report that 8 (of 82 surveyed) central banks have monetary policy boards with more than 10 members. These changes are made through powerful exchange along a few edges between various household short-term and long-term securities in domestic or in foreign market. For this a sound economy needs strong institutional environment so that loans and advances, exchanges rates in financial market strikes an optimum balance between these by financial market intermediation in domestic and foreign contracts.

REVIEW OF LITERATURE

The literature on the MPC is young however already spectacular in terms of sheer breadth. what's fascinating is that the wide span of country responses that it's thrown up, making generalization nearly not possible. A non-intrusive, grouping approach would maybe be best suited to drawing lessons from this rich array. The key problems that have attracted interest within the literature are: is that the monetary policy decision-making entity separated out of the central bank's higher-up and government management structure? is this entity individualistic or collegial? what's the look of an entity chargeable for monetary policy formulation and implementation?

Prachi Mishra, Peter Montiel, Rajeswari Sengupta Indira analyzed Monetary Transmission in Developing Countries: Evidence from India (2016)

Cross-country variations within the effectiveness of monetary transmission are doubtless to be necessary. As is well understood, the channels through which monetary policy affects aggregate demand depends on a country's financial structure. Relevant factors embody the extent of the country's links with external money markets, its rate of exchange regime, the dimensions and composition of its formal financial sector, the degree of development of its cash, bond, and stock markets, the liquidity of its markets for real assets such as housing, and both the costs to its banks of doing business as well because the competitive atmosphere in its banking sector. These characteristics differ significantly among countries.

It is examined that broad cross-country differences in the links between central bank policy actions and bank lending rates in advanced, emerging, and low-income economies (LICs). We focus on the association between central bank policy rates and money market rates, as well as that between money market rates and bank lending rates. In doing thus, we tend to seek to unearth suggestive empirical regularities, instead of to spot specific causative relationships. We find a much weaker link between the policy instrument (central bank interest rates) and money market rates in poorer economies than for advanced and emerging economies, both in the short and in the long run. We find a similar result for the link between money market rates and bank lending rates in the short term, and while differences in long-term effects are not as pronounced, they remain weaker in low-income countries. Most importantly,

changes in money-market rates explain a much smaller proportion of the variance in bank lending rates in low-income countries than in either advanced or emerging economies.

Michael Debabrata Patra and Amaresh Samantaraya discussed on Monetary Policy Committee: What Works and Where (2007)

For working like an independent central bank, needs to restrict the all activities or affiliations by external members outside the central bank operations, these restrictions can be to the financial institution, political influence and government policies. While in other case, it is seen in some countries, restricts or prevents the activities of those financial institutions which is come as financial difficulties to the Central bank, that's why central banks need to restricts the activities of member to be not engaged in other financial institutional outside the central bank.

There is gradualist change can be seen in India in context of the monetary policy framework , RBI constitutes the TAC in Monetary Policies Committees which was set up not for the taking response to shocks or loss of credibility but it is set up for something more evolutionary, it is open interactive approach to the monetary policy and launched in the late 1990s and intensified from mid-2003, after that , many reforms has been taken place and all decisions taken with centralized system in accordance with RBI Governor.

Thórarinn G. Pétursson has studied the transmission of monetary policy through the financial system (2001)

The first stage of the mechanism is that the economic system channel. There, monetary policy actions are primarily manifested by changes briefly and long-term interest rates, quality costs, liquidity and also the rate of exchange of domestic currency. An amendment within the financial organization policy rate has an instantaneous impact within the securities industry (the marketplace for securities with maturity from one day to at least one year). A rise within the policy rate usually results in an on the spot rise in interbank and T-bill rates, though not essentially by an equivalent amount; this relies among different things on the securities' maturity compared thereupon of the instrument priced by the policy rate, and the way actively the instrument in question is listed. Interest rates on commercial banks' short-run instruments ought to rise comparatively quickly, since they're commonly supported to a large extent within the money markets. Interest rates on short term variable-rate loans rise before long after. Rates on short-term fixed-rate instruments also rise, but in general after some lag. Monetary policy usually doesn't have a lot of impact on the unfold between disposition and borrowing rates, therefore deposit rates ought to additionally rise fairly before long once an increase within the policy rate.

NEED OF THE STUDY

By reviewing different literature, it is found there are several studies has been done on the transmission channels of monetary policy, Interest rates influences the aggregate demand, output and price and these all macro variables collectively formed

transmission mechanism of monetary policy and Some studies focused on the monetary policy transmission and its framework, monetary policies rules. But there are no studies which are done in context of Monetary Policy Composition & Elements: A Comparative study between Developing and Developed countries so the researcher wants to study about it.

OBJECTIVE OF THE STUDY

To study and find out the comparison of Monetary Policies Composition in selected developed and developing countries.

DATA COLLECTION- Data is secondary, which have collected through various websites, Monetary policy Reports, published by selected countries have also taken in Research.

SAMPLE SIZE & TECHNIQUES

Convenient sampling has been used, for comparing the Monetary Composition and elements SAARC group is selected for developing Countries and Developed countries selected on the basis of world bank list 2018. Exploratory approach has followed, comparative analysis done on the basis of composition, elements and events taken between Developed and Developing countries.

DATA ANALYSIS & INTERPRETATION

It is observed that composition of MPC is complex and convenient for decision making which includes short term and medium-term forecasts regulated under the central bank. MPC composition is sometimes short and members can be excluded and included according to situation, in Large composition of MPC receives advice by Non-Voting members and central bank staff for decision making (Table 1).

MPC – Administrative Structure in Different Countries

Table 1

Source Central Bank websites

Country Name	Name of the Body/	Separate Entity	Decision making /Advisory	Reports to government legislature	Legal Mandate
Australia ¥ €	Reserve Bank Board	No	D	Yes	Yes
Brazil	MPC (known as COPOM)	No	D	Yes	Yes
China ¥ €	MPC	Yes	A	Yes	Yes
Columbia ¥ €	Board of Directors	Yes	D	Yes	Yes

Country Name	Name of the Body/	Separate Entity	Decision making /Advisory	Reports to government legislature	Legal Mandate
Japan	Policy Board	No	D	Yes	Yes
Korea	MPC	Yes	D	Yes	Yes
Mexico	Board of Governors	No	D	Yes	Yes
Norway €	Executive Board	Yes	D	Yes	Yes
Sweden	Executive Board	No	D	Yes	Yes
Canada €	Governing Council	No	D	Yes	Yes
India	Technical Advisory Committee	Yes	A	No	No
UK £ €	MPC	Yes	D	Yes	Yes

¥: Government participation as a voting member.

£: Government membership in non-voting capacity.

€: Government override capacity on MPC decisions.

D: Decision making. A: Advisory.

Structure of the MPC is different according wise to country's Economies, MPC'S structured and its working method is dynamically changing according to the situation. MPC body name in different countries with different name working for the same objective mostly to maintain price stability. In committee's formulation internal and external experts are selected through Experts Review panel by Government. Voting rights are given for taking particular decision then majority of votes favoring one decision should be taken. The MPC have separate legal entity which works according to the Central bank but in some countries Government interference influence the separate entity. In Australia (Reserve Bank Board) And China Government is the member in MPC decisions or can override the MPC decisions. But in case of China MPC is less influence because it acts as Separate legal Entity. Autonomous decision-making method is taken by committee's members not by taking consent of non – voting members Japan have policy board, basic name given to the MPC as it works for policy making, the board have to take decisions under the Government. All countries have legal Mandate for the MPC excluding India in which TAC doesn't have legal mandate nor it report to government Legislature. In Norway (Executive Board) and Korea MPC's work like separate entity and Decision report send to Government legislature, Decision taken self by the MPC. While in Sweden same As Executive Board in Norway but it takes decisions by government, same implies to Canada but there is Government Override capacity on MPC decisions.

Source:-SBP (State Bank of Pakistan Monetary Report)

Appointment of the Governor and Tenure in SAARC group			
	Appointing Authority	Tenure in Years	Renewability
Afghanistan	On the basis of the parliament and recommendations of President	5	Two times
Bangladesh	By Prime Minister, list of nominees selected by Ministry of Finance	4	Unlimited, till age of 65 years
Bhutan	By majesty King, with Recommendations of the Prime Minister	5	One Terms
India	Central Government	5	Unlimited terms
Maldives	By the Parliament, recommendations of the President	7	Two Terms with consent of President and the Parliament
Nepal	Central Government	5	One time
Pakistan	President	3	Two times till age of 65 years
Sri lanka	recommendations of the President by Ministry of Finance	6	Unlimited terms

The Governor, Deputy Governors and other Directors are appointed by Government of Nepal, Council of Ministers for term of five years. reappoint the retiring Governor for another one term and the retiring other Directors for any term, if it is deemed necessary The Board of Directors is a rulemaking authority consisting of seven people: a royally appointed Governor, as chair; two Deputy Governors, one of whom serves as Secretary; and four others appointed by the government including one member of the Ministry of Finance. The appointed members hold office for five years, may be reappointed once, and are forbidden to hold political affiliations or substantial interests – including any shares – in financial institutions. In Afghanistan Central bank Governor is chosen on the basis of parliament and with recommendation of Government who have the tenure of 5 years and selected twice. Maldives have the highest period of tenure for governor is 7 Years who is selected by both government and president Recommendation and selected Twice Sri Lanka and India have renewal period for Central Bank Governor unlimited times

CONCLUDING OBSERVATIONS

Apart from achieving better macroeconomic outcomes, it is sometimes argued that group decision making has another important advantage over individual decision

making: it is found in the MCPc's structure on different factors The Bank of England and the Bank of Japan are often held up as examples: Both became vastly more open when they adopted formal monetary policy committee structures. But the BoJ is still not a leader in terms of transparency, whereas «one-man shows» such as the Reserve Bank of New Zealand are. Similarly, the group decision making processes at the FOMC and the ECBs Governing Council are far from models of transparency.

Committee may not diversify the nation's monetary policy portfolio much more than a Single decision maker would. So, the very same lines of reasoning that favor committees over individuals appear to favor genuinely-collegial or individualistic committees over autocratically-collegial ones. At this point, you may be wondering: Didn't Alan Greenspan do a pretty superb job of leading the FOMC For India, at the current juncture, the choice is a separate TAC; advisory; collegial; large by international standards; more external members than internal; restrictions on public issuances by members around policy review announcements; quarterly meetings; voting without publication; continuity with change. I proceeded through the catalogue of reasons to prefer a monetary policy committee to a single individual, most of the reasons also pointed to an individualistic committee structure, rather than to a collegial one, Except for one, a Monetary policy committee that is too egalitarian runs the aforementioned danger of speaking with too many voices. If the result is a cacophony rather than clarity, that may confuse rather than enlighten the markets and the public thereby turning transparency into noise. And that, in turn, can hamper the operation of monetary policy.

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GLOBAL IMPERATIVES FORMATION OF TOURIST DESTINATION BRAND

The article discusses economic prerequisites for the formation of a brand of tourist direction, which depend on the socio-economic, cultural and political influence of the territory, investment attractiveness, foreign trade and development of export-oriented tourism model are presented. The authors elaborates on the core elements globalization, as a major trend in the process of transformation of social development, has led not only to a global mega environment, but also to high competition for profitable markets, resources, investors and skilled labor. The authors substantiate a scientific position on understanding the territory as a multi-purpose product that has many advantages for market agents. A formal perception of the usefulness of the territory for various agents is also presented. The article presents and analyzes the factors of the formation of a brand of a tourist destination.

Keywords: *brand, territory multiplicity, tourist destination, tourist attraction, global imperatives*

Бойко Маргарита, Босовська Мирослава, Ведмідь Надія. Глобальні імперативи формування бренду туристичної дестинації.

У статті розглядаються економічні передумови формування бренду туристичної дестинації, які залежать від соціально-економічного, культурного

та політичного розвитку території, інвестиційної привабливості, зовнішньої торгівлі та розвитку експортно-орієнтованої моделі туризму. Автори детально описують основні елементи глобалізації, як основну тенденцію трансформації соціального розвитку, що призвело не тільки до формування глобального мегасередовища, але і до високої конкуренції за вигідні ринки, ресурси, інвесторів та кваліфіковану робочу силу. Обґрунтовано наукову позицію щодо розуміння території (дестинації) як багатоцільового продукту, що має багато переваг для ринкових агентів (суб'єктів туристичного бізнесу). Також представлено формальне сприйняття корисності території для різних ринкових агентів. Представлені та проаналізовані фактори формування бренду туристичної дестинації.

Ключові слова: бренд, бренд території, бренд туристичної дестинації, туристична дестинація туристична атракція, глобальні імперативи

Formulation of the problem. The desire of the peoples to establish links among themselves marked the beginning of integration. Motives for integration have become people's desires, such as: the desire to expand their horizons, curiosity or the expansion of new lands and various resources. Globalization, which is mirrored by the escalating mobility of capital, people, ideas and information on a universal scale, has become a sweeping theme in the contemporary world (ZHAO Weibing, LI Xingqun, 2007). We share the scientific position of A. McGrew (1992), who argues that globalization is the multitude of relationships and interactions between countries and societies that make up the current global system. Tourism is a global system, accordingly, the analysis of global imperatives that affect the attractiveness of a territory is an actual research.

Over time, was appeared the world economy and various political, cultural, social ties between the peoples in all over the world. In the modern world, every day there are various business processes that characterize the work of the world market. These processes are affected by a number of factors that should be monitored and controlled by enterprise employees for the successful operation of the company on the market. Therefore, there is a position that, the most important phases of destination branding processes are based to define and communicate to the tourists the main brand value driver of place (M. Risitano, 2005).

Globalization is typified by the rapid movement of people, information and capital across national borders worldwide in ways that would have been difficult to envision not too many years ago.

The advances made in transportation that have enabled global mobility are particularly significant. Modern aircraft, cruise ships, trains, and other modes of transport allow people to move quickly and relatively cheaply. Fast trains, road systems, and even city bike rental programs enable people to move, tour, and explore the world. These changes have allowed more people to travel more often in less time.

Travel and Tourism has been outpacing the global economy for the past six years, which is reflected in the growth figures for individual countries as well. Several countries have shown especially dramatic growth in visitor exports over this time period. They have seen significantly increased inflow of tourism spending, thanks to prioritization of tourism, opening borders, infrastructure investment, and promotional efforts, among other factors (figure 1).

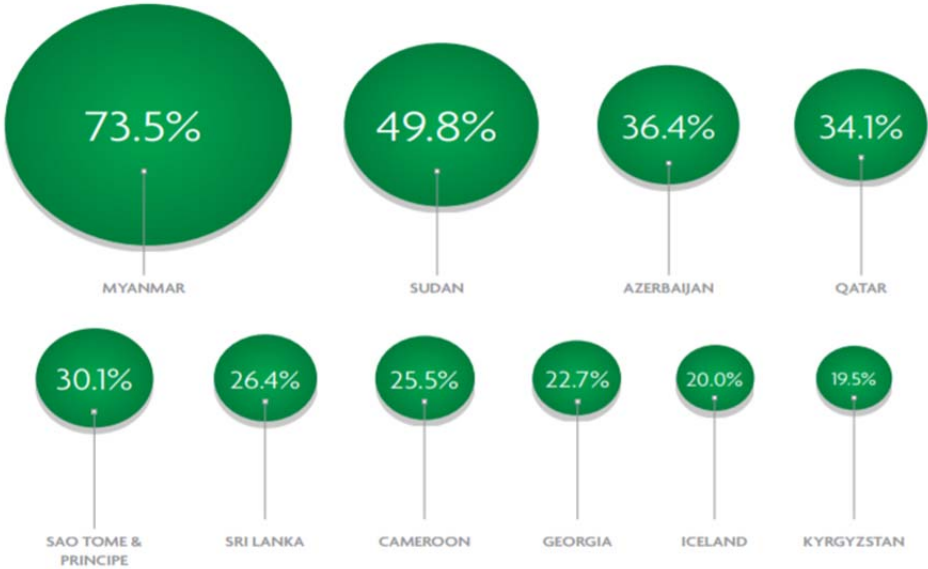


Figure 1. Visitor exports, (%) (World Travel and Tourism Council: Travel & Tourism Global Economic Impact & Issues 2018 – March 2018)

Source: World Travel and Tourism Council: Travel and Tourism Global Economic Impact and Issues 2018 – March 2018

Analysis of recent researches and publications. Globalization, as a major trend in the process of transformation of social development, has led not only to a global mega environment, but also to high competition for profitable markets, resources, investors and skilled labor.

W. Olins points out that there are three key paradigms of perception in consumption society: rational, emotional, symbolic, which the country cultivates as a key message to the outside world (W. Olins, 2012). According to sociologist J. Bodriard, symbolic exchange is becoming a fundamental universality (basic concept, attribute) of modern consumer society (M.Yu. Opyonkov, 2007). The above aspects are extremely important for the development of national tourism, since Ukraine as a territory has attractive tourist and recreational potential

A key factor for successful development and competitive advantage in a globalized world is a strong brand of territory. The formation of the brand of Ukraine as a tourist destination is a priority task of economic, social and cultural development of the territory, as it influences the attraction of foreign investments, strengthening of economic potential and integration ties.

In this regard, let us present the position of researcher (J. Kunde, 2012) according to which, in a globalized economy, much of the well-being of countries is determined by their ability to export branded goods and services. This is due to the fact that a large part of the producers' profit comes from the value added by the brand (I. Stavereen, 2001).

Responding to the challenges of globalization, the tourism brand, as a multi-level context of associative links with national tourism opportunities, interprets information in the direction of forming a set of emotional and rational ideas. They are the result of a comparison of country features (J. Kunde, 2012).

Nowadays the key factor of success and competitive advantage in the globalized world is becoming a national (regional) brand, as the most obvious and perceived characteristic on which the development of an export-oriented tourism model.

Review of previous studies and theoretical rationale. Studies of various aspects of territory branding have been reflected in publications and research. In particular, during the evolution of theory, three theoretical approaches (rational, emotional and social) were formed in the format of which the conceptual essence of the brand is evolving. Scientists such as Acker D. (1991, 1996, 2000),

Anholt, S. (2006), Barney, J. (1991), Kotler, P., Haider, D., & Rein, I. (1993), Blichfeldt, B.S. (2003), Hankinson, G. (2005), Morgan, N. J., Pritchard, A. and Piggott, R. (2003) have made a significant contribution to the study of brand formation.

Without reducing the importance of scientific developments in the process of branding at both macro and micro levels, it is important to emphasize that the urgent task is to create a brand of tourist destination aimed at promoting the process of promotion of national tourism products.

Presenting main material. The global imperative for the formation of a destination tourism brand is the need to successfully promote the national tourism product. Ukraine exports and imports tourism services, which creates a real precondition for forming a brand of territories in order to strengthen competitive positions in the growth of tourists, investments, strengthen integration ties and more. Therefore, it is important to create a brand of tourist destination, the concept of which is the dominant idea, built on the symbolization of values and resources of the territory. This approach is evidenced by the method of determining the most famous travel brands of countries by the international organization World Travel Market. The multifaceted focus on the brand of the tourist destination indicates that the basic foundations of its perception are laid at the macro level – equal strategic.

The scientific standpoint of understanding territory as a multi-purpose product that has many benefits for market agents is significant. In formalized perception, the usefulness of the territory for different agents (G. E. Kalinkina, 2012):

$$\sum_{i=1}^n P_i = \sum_{i=1}^n \sum_{j=1}^m A_{ij} Q_j + \sum_{i=1}^n U_i \quad (1)$$

Where P_i – a set of benefits for external market agents;

Q_j – a set of benefits for internal market agents;

A_{ij} – the utility ratio of internal and external agents;

U_i – is an element that takes into account the impact of an institutional factor;

n – is the number of external market agents;

m – is the number of internal market agents.

Considering the above aspects is extremely important for the development of national tourism, since Ukraine as a territory has significant tourism and recreational potential.

Research of the tourist attractiveness of the countries according to the World Economic Forum has made it possible to see that the rating of this macro index, which summarizes 79 indicators of different vectors of development of the tourism sector, is conditioned by the availability of tourist resources, which are the primary criteria for attractiveness of tourist regions. This means that favorable geographical location, attractive tourist resources, availability of attractions, developed tourist infrastructure and skilled labor resources do not guarantee the successful development of tourism. In fact, a paradoxical situation arises when countries with less attractive natural and cultural and historical conditions than in Ukraine have a much higher rating of tourist attraction. To increase the rating of the tourist attraction of the destination, it is necessary to use geodifferentiation and positioning levers of the tourist space, which will reflect the distinctive features of the offer of the national tourist product.

In this regard, the formation of a brand of tourism in the global environment should be based on the following positions:

- first, the essence of the national tourism brand as the core of the development, positioning, promotion and perception of national tourism products; a mechanism for the economic growth of tourism in the regions to respond to the effects of the financial crisis, which has led to increased costs for outbound tourism; a megaproject characterized by information freedom and focused on long-term work in order to meet heterogeneous consumer demand and achieve tangible results;

- second, the relevance of the formation of a national tourism brand, which is explained by the increased competition in the tourism market, which is accompanied by the transition from price competition to competition based on non-price competition. In such circumstances, a stronger position in a tourism enterprise that has a competitive brand (or brands) than one that has a strong position in the direction or market opportunities; the need for constant modification (differentiation) of tourism products; increasing the importance of networks of travel agents, which are well-known and popular brands among consumers.

Therefore, the global imperative for the brand of a tourist destination is the understanding that it: first, reflects the attractiveness of the tourist resources of the territories; second, has a strategic geo-economic orientation, as it focuses on the successful realization of national interests of tourism development. In this way, the brand of a tourist destination is an integrative and dynamic tool for reaping benefits and developing long-term relationships with target audiences based on emotional commitment and loyalty (A. Ben-Ner, L. Putterman, 2012).

- the rationale behind the global imperatives of brand a tourist destination allows us to conclude that the brand is a tool for protecting economic interests in tourism development. From these positions, we state the expediency of initiating the development of the National Tourism Development Program in order to:

- creation of export-oriented model of tourism development based on: identification of the most distinctive features for the formation of national tourism products (for example, on the basis of ethnic, religious, transit, ecological and other types of tourism), which reflect the world trends in perspective directions of the tourist offer;

- taking into account the regional specificity of tourism products, which will enable the specific region (territories) to specialize in the production and sale of tourist products due to the presence of distinctive consumer multiplicities of tourist resources of the territories, which are determined by the regional tourism specialization;

- development of measures to use the geopolitical position of Ukraine as a transit route for foreign tourists. It is recommended to step up the existing potential of interregional cooperation within the framework of organizational forms of managing cross-border cooperation (Euroregions, free economic zones, international transport corridors);

- reforming the information component of tourism services in order to raise awareness of foreign tourists about tourist potential, attract investors and potential foreign tourists;

- attraction of world-famous tourism brands to Ukraine to secure them in the tourist market, including on franchise terms;

- substantiation and formulation of national (regional) brand concepts for the development and promotion of national tourism products that determine the relevant effect of the brand (increase tourist flows, increase investment attractiveness and improve the social climate). The recommendation is to create a mechanism for integrating (information, financial, material) opportunities of all subjects of the tourist profile, especially in the regions for lobbying interests in tourism development;

- support for national heritage sites of socio-cultural, spiritual and historical value are of tourist interest and should form the basis of the distinctive features of a national tourism product. Recommendation is to create regional fundraising centers whose main function should be to search for financial, material and information

resources for the preservation of historical and cultural heritage, to guarantee environmental safety;

– brand monitoring of changes in the international perception of tourist attractiveness on the basis of constant information and resource exchange.

Conclusion. Justifying the systematic nature of the imperatives of world tourism brands, it should be noted that this process should be regulated by state institutions and public organizations, which have the functions of developing the state's tourism policy and developing mechanisms for its implementation. Therefore, it is equally important to scientifically elaborate on these issues and develop practical recommendations, which will contribute not only to the revitalization of tourist flows, but also to enhancing the investment attractiveness of the tourism sector. This position is due to the fact that the brand of the tourist destination influences certain target audiences, is formed over a period of time and, accordingly, is the quintessence of national tourism policy, the success of which will have a significant long-term influence on the development of export-oriented tourism model.

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KNOWLEDGE TRANSFER IN A BUSINESS ECOSYSTEM

The paper presents complex problems related to knowledge transfer for the purpose of the common use of knowledge resources by entities operating in a business ecosystem. A company's business ecosystem is understood as entities operating in its immediate environment, which share the same cooperation objectives and focus on delivering products, services or processes, for example innovative processes. The further part of the paper discusses the theoretical foundations of knowledge transfer in the context of knowledge transfer theories, as well as the characteristics and conditions of knowledge transfer in a business ecosystem, with consideration given to knowledge commercialization, knowledge transfer barriers, and selected knowledge transfer methods which can play a significant role in this process within the framework of a business ecosystem. The presented considerations lead to several practical conclusions for company executives and knowledge transfer experts.

Keywords: *knowledge management, knowledge transfer, business ecosystem, knowledge transfer methods.*

Мікула Богуш. Передача знань у бізнес-екосистемі.

У роботі представлено комплекс проблем, пов'язаних з передачею знань з метою загального використання ресурсу знань суб'єктами, що працюють в бізнес-екосистемі. Під бізнес-екосистемою компанії розуміють суб'єкти, що діють у її безпосередньому середовищі, які поділяють ті самі цілі співпраці та зосереджені на постачанні продуктів, послуг чи процесів, наприклад інноваційних процесів. У статті розглядаються теоретичні основи передачі знань у контексті теорій передачі знань, а також характеристики та умови передачі знань у бізнес-екосистемі з урахуванням комерціалізації знань, бар'єрів для передачі знань та обраних методів передачі, які можуть відігравати значну роль у цьому процесі в рамках бізнес-екосистеми. За результатами дослідження надано декілька практичних висновків для керівників компаній та експертів з передачі знань.

Ключові слова: *управління знаннями, передача знань, бізнес-екосистема методи передачі знань.*

Introduction

The knowledge economy offers unique opportunities for business activities, creating specific conditions and challenges for state institutions. Unfortunately, daily routine activities including customer acquisition efforts, counteracting unfair competition, raising funds for financing and developing economic activities etc. prevent managers from thinking about the future of their business operations. Executives should also focus on the context of economic activities, enabling them to make the right strategic decisions. The contemporary conditions created by the knowledge economy are rightly described by Z. Fan, B. Feng & Z. Yu (2007), recommending specific activities in response to the existing situation:

1. Global economic integration. The development of global economic integration leads to greater interdependence between enterprises, and their mutual competition is transformed into competition between value chains, groups of companies and ecosystems.

2. The rapid development of information systems. The rapid development of modern information technology networks enables companies to benefit from computer networks, facilitating the process of combining activities related to product design, engineering, production, procurement, marketing and sales, and thus creating a global network of knowledge. Network information technologies enable companies to transfer their valuable knowledge resources to easily accessible and controllable platforms, and relevant knowledge and information can be effectively acquired, processed, transferred and applied thanks to cooperation between companies.

3. Knowledge becomes to be a company's most valuable asset. In the era of the knowledge economy knowledge and information are the main sources of value added, and innovation is the core of corporate activities. In order to increase the pace and effectiveness of innovative processes, companies must strengthen knowledge exchange and mutual interactions through cooperation methods, and integrate knowledge through creating links between knowledge resources.

4. There are gaps in companies' knowledge. When businesses face rapid and large-scale innovative activities in complex networks, they often demonstrate gaps in their knowledge resources. In order to close knowledge gaps, it is necessary to choose dynamic alliances or establish virtual companies with a view to carrying out innovative activities based on knowledge. Knowledge-based cooperation can lead to fast knowledge transfers and the effective sharing of knowledge, and a company's knowledge resources can be enlarged as a result of knowledge absorption.

5. The market requires companies to be responsive. A dynamic and changing market environment requires businesses to be responsive, and this, in turn, necessitates the fast and coherent transfer of knowledge. Therefore, companies should accelerate knowledge transfers in the network of processes through a coordinated approach, and conduct fast and thorough assessments of market changes, as well as shorten product launching processes.

The development of cooperation aimed to share tangible and intangible assets is indispensable to innovation and corporate expansion. However, the Polish economy is lagging behind in this area. In the ranking of innovative systems in EU member states (*European Innovation Scoreboard 2018*) Poland takes 26th spot among 28 countries, representing 14th spot (among 17 countries) below EU average. Simultaneously, it is classified as a country characterised by a moderate level of innovativeness. EU innovation processes record a 5.8 percentage point increase in 2010–2017 – the results are better in 18 member states and deteriorate in 10 countries. The result in Poland increases by 3.2%, which is not satisfactory from the perspective of the innovativeness of the Polish economy and its efforts aimed to catch up with world trends and competitors. Ukraine's economy is not in good shape (Mazaraki & Melnik 2013) and requires changes.

One of the possible ways to change the situation is the transformation of attitudes to cooperation between companies and giving due attention to their functioning within business ecosystems. The spectacular benefit of this approach is the fact that business ecosystem participants establish relationships aimed to exchange and use knowledge made available by ecosystems (Tereszko & Pec 2018).

The objective of this work is to present a complex issue of knowledge transfer between business ecosystem entities. The achievement of this objective requires the explanation of the business ecosystem concept, an analysis of the theoretical foundations of knowledge transfer in the context of knowledge management theory, the identification of the characteristics and conditions of knowledge transfer in a business ecosystem in the context of knowledge commercialization and barriers to knowledge transfer, and the description of the knowledge transfer methods which are of key significance in implementing this process within the framework of a business ecosystem. The presented considerations lead to several practical conclusions for managerial staff and knowledge transfer specialists. The achievement of the above objectives is based on such research methods as literature review and deductive inference.

The concept of a business ecosystem

The term «business ecosystem» was used for the first time by J. F. Moore in 1993 (Abbate, Accordino, La Rocca & Rupo 2017). This concept allows for gaining a different perspective in a research process for analysing and assessing the development and conditions of companies' operations as compared with an approach to enterprises operating in a traditionally understood environment or as components of a sector regarded as a value chain.

J. F. Moore states that «a business ecosystem» and its plural form «business ecosystems» refer to an intentional society of economic actors whose individual business activities have a major impact on the life of the entire society. The manufacturers of accessories for an innovative product can be treated as members of the business society of this product, or, in other words, members of this product's

ecosystem. A business ecosystem can be also understood as a network of interdependent niches which are occupied by organizations. Such niches are, in varying degrees, open to alternative collaborators (Moore 2016). S. A. Zahra and S. Nambisan refer to a business ecosystem as a group of firms, and possibly other entities including natural persons, which cooperate within a system of interdependencies, manufacturing goods, technologies and offering services required by customers (Zahra & Nambisan 2012). A company's ecosystem is composed of entities operating in its immediate environment, directly linked by cooperation relations, focused on a product, service or process, for example an innovative one. Apart from having common objectives, they compete, on a limited scale, which results from their entrepreneurship (Mikuła 2018). An advantage of being part of a business ecosystem results, among others, from the fact that such a system creates value for its participants who do not have expertise to independently commercialise a product or a service (Niemczyk & Stańczyk-Hugiet 2014). Therefore, operating within a business ecosystem can be of special significance for startups.

The concept of a business ecosystem is an extension of the theory of value chain networks, which incorporates into value chains such organizations as universities, industry and stakeholder organizations along with their mutual interactions (Stańczyk-Hugiet 2015). Research studies of business ecosystems broaden the knowledge of complex interactions between such entities as pioneer entrepreneurs, formal and informal networks, infrastructure, venture capital, public aid for businesses based on various incentives, and research universities (Abbate, Accordino, La Rocca & Rupo 2017).

Knowledge transfer processes

The concept of knowledge management is diversified in terms of the ways of defining knowledge, types of knowledge, understanding of knowledge management, the typology of knowledge-related processes (operational processes), and the descriptions of the knowledge management system. F. Gao, M. Li, S. Clarke, in their analysis of the definitions of knowledge offered by management literatures, point out that the currently cited definitions refer to such ideas as data, information, intelligence, skills, experience, expertise, ideas, intuition or insights (Gao, Li & Clarke 2008). However, from the perspective of the idea of knowledge transfer it is crucial whether the concept adopted in practice is founded on the assumption that knowledge is an inherent element of human nature and mind and as such untransferable, or that knowledge is assumed to exist outside human mind and is subject to transfers. For example, the former assumption is the basis of the Japanese concept of knowledge management. The Japanese define knowledge as a proven conviction. It refers to beliefs and expectations. It is the function of a specific attitude, perspective or intentions, and it relates to actions. It is dependent on a context and is relative in character. On the other hand, information treated as flows of information is an instrument for discovering and building knowledge (Nonaka & Takeuchi 2000).

Information is transformed into knowledge when in the process of interpretation it provides a context and anchors in people's beliefs and commitments (Nonaka, Toyama, & Konno 2000). In this approach, then, knowledge transfer does not practically occur, but knowledge is transmitted through information flows. Information is a knowledge carrier, but it is assumed that people acquire knowledge and communicate it (make it available) to others.

The Japanese believe that knowledge is «tacit» (hidden) – personal, contextual and difficult to transfer to another person, not to mention communication by means of computers. On the other hand, the people of the West tend to see knowledge as «explicit» – formal, unbiased and not so difficult to be transferred by means of computers (Nonaka, Umemoto & Senoo 1996). The Western concept of knowledge management assumes that knowledge is built by means of data and information. If data and information are the components of knowledge, then their transfer can be treated as knowledge transfer.

These two approaches can be reconciled on the assumption that knowledge is «a flexible, dynamic and intangible «substance», the effect of the mental processing of sets of information possessed and acquired by humans» (Mikuła & Pietruszka 2001), and also that three forms of knowledge can be distinguished (Krakowiak-Bal, Łukasik, Mikuła, Pietruszka-Ortyl & Ziemiańczyk 2017): personalised knowledge, codified knowledge and well-grounded knowledge. Personalised knowledge belongs to humans. It can be divided into explicit and tacit knowledge. Explicit knowledge is non-contextual, and it can be codified by means of a formal and systemic language. It can be expressed by words (language) or mathematical formula, procedures and rules. Explicit knowledge can be easily communicated. Tacit knowledge, on the other hand, is personal, specific and dependent on a context. This type of knowledge is acquired through experience and practice. Therefore, it is difficult to formally describe, codify and communicate tacit knowledge (Sivakumar 2006). Codified knowledge indicates knowledge personalised in the process of codification. It is recorded on various types of carriers – it can be included in various types of documents (statutes, regulations, instructions, strategic plans, projects, publications, data bases, written agreements, special purpose letters etc.). Well-grounded knowledge results from the placement of personalised knowledge in the effects of human activity – products, services, systems, processes, technologies, brands, relationships or physical models (Krakowiak-Bal, Łukasik, Mikuła, Pietruszka-Ortyl & Ziemiańczyk 2017).

Personalised knowledge is transferred in information and communication processes between humans, but knowledge transfer can also take place between a human and a machine. Codified knowledge can be transferred physically (through the transfer of its carrier – a document or disc) or electronically (by means of computer networks or wireless devices – radio signals or mobile telephony). The transfer of well-grounded knowledge depends on the form of the object in which knowledge is

placed. If the object has a physical form (e.g. a product), transfer is effected through transport. If it has a different form (e.g. a technology, process, service or relationship), this type of knowledge can be transferred if it is transformed into a personalised or codified form, and then its original form is retrieved by the recipient.

Knowledge transfer is usually defined in terms of a process and treated as a process which comprises the knowledge which is a basis for organizational learning during which explicit or tacit knowledge is exchanged between at least two entities (Pietruszka-Ortyl 2018). M. Zięba describes knowledge transfer as a movement of knowledge from one place to another, from one person to another, from one organization to another, or from one organizational unit to another (Zięba 2018). Therefore, it can be assumed that knowledge transfer is a process during which personalised, codified or well-grounded knowledge is transferred (Krakowiak-Bal, Łukasik, Mikuła, Pietruszka-Ortyl & Ziemiańczyk 2017), or a process of the simultaneous transfer of various types of knowledge. This process can take the following forms:

1. Knowledge acquisition – a transfer of knowledge from an organization's environment to its internal structure, and also a process during which employees acquire knowledge from internal sources – their collaborators, documents, data bases and available books or journals. The acquisition of knowledge can also take the form of retrieving it from competitive products or benchmarking processes. Also, knowledge acquisition can be effected through trainings, conferences or symposia, or informally through interactions with other people. A significant source of knowledge is provided by the media, especially with regard to possible opportunities and threats.

2. Providing access to knowledge – this process is the opposite of knowledge acquisition – people communicate knowledge to their collaborators by means of conveying information, for example verbal instructions as to how to perform specific tasks, or an employee is granted access to data bases or documents. Providing access to knowledge is also a process of the flow of information from an organization to its environment. It can take the form of communicating advisors' messages to customers by phone, delivering products along with instruction manuals, sending technical documentation to service outlets, exchanging technical information with product suppliers and recipients, and selling licences. Also, an organization provides access to its knowledge by simply selling its products and services and implementing processes that can be analysed by the environment and its entities.

3. Knowledge dissemination – an extended form of providing access to knowledge, and the difference between the two lies in the range of flows. Namely, providing access to knowledge is a process which targets specific recipients, and knowledge can be protected so that it cannot be accessed by unauthorised persons (e.g. providing access to customer data bases to selected sales people). Knowledge dissemination, on the other hand, aims to provide universal access to a specific source

of knowledge. Knowledge can be disseminated through advertising, website pages with information on companies and their products, descriptions of cases and best practices in textbooks or conference proceedings.

4. Knowledge sharing – mutual exchange of knowledge in the process of communication and cooperation. The process consists in exchanging personalised, explicit and tacit knowledge by means of face-to-face contacts, conversations and the performance of tasks during which people gain common experience. During this process people can be supported by codified knowledge (e.g. information included in an organization's documentation) and well-grounded knowledge (e.g. an analysis of faulty products).

The specificity and conditions of knowledge transfer in a business ecosystem

Knowledge in organizations is not distributed in a uniform manner. If expertise is not available at a given place and time of operations, it must be delivered in due time. Unequal knowledge distribution in an organization necessitates organizing and improving knowledge transfer processes (Zięba 2018). The same is true of business ecosystems. However, there are considerable differences between knowledge transfer management processes in organizations and ecosystems. Organizations' activities aimed to plan, organize and control main knowledge transfer processes centralised in one unit of the structure (e.g. a knowledge broker) can greatly facilitate knowledge transfer. They contribute to the implementation of a given knowledge strategy supported by specific knowledge management strategies (aimed to develop a knowledge management system, close knowledge gaps and create the environment's knowledge resources), as well as relevant implementation methods. On the other hand, a business ecosystem's influencing mechanisms have a limited impact on its participants, being replaced by cooperation-rivalry mechanisms. In centralised networks transfers can be steered by a central entity, but effective knowledge transfers can be hindered by the following factors: different economic interests, the need for reaching a compromise by network participants, the necessity of choosing specific knowledge transfer methods in compliance with diversified strategic goals, knowledge strategies, knowledge management competences, knowledge management systems, the use of IT, and the changeable character of relations and impact factors. In decentralised networks, which do not have a central entity, or in which several entities seek to integrate and dominate the network, organizing a well thought-through knowledge transfer system can be hardly possible. Activities, in the natural order of things, are reduced to individual initiatives undertaken by particular pairs or small groups of business ecosystem participants.

It should be stressed that the empirical research confirms the correlation between an organization's absorptive capacity and its (central) position in the network, which has a major and positive impact on a company's innovativeness and performance (Lis 2018).

Knowledge transfer is a basis for knowledge commercialisation. Generally, knowledge commercialisation is a process of implementing discoveries or inventions. In this process, a discovery is reflected in its market or social application (Buchowski & Strycharz 2013).

It is assumed that approx. 95% of companies' new product launches are failures. Experts believe that this percentage could be much lower if organizations' research teams were supported by scientists (Makowiec 2017), hence the significant function performed by universities and research centres.

The basic university-related knowledge commercialization methods usually include the four following activities (Makowiec 2017):

1. Selling invention or technology licence rights to another entity (industry or capital investor).

2. Granting licences to an interested entity, granting user rights to an invention, technology or other forms of work.

3. A strategic alliance – a relationship between a firm and an institution (university) aimed to achieve a common objective.

4. Independent implementation through establishing a spin-off or spin-out activity which will act as an independent seller of products or services. In this case development and commercialization activities are undertaken by an interested party. Such businesses are frequently typical startups, which directly or indirectly cooperate with universities.

Knowledge transfer and commercialization between business ecosystem entities can be hindered, abandoned or limited by a number of factors. In Poland such factors include (Adamczyk 2018):

- lack of a long-term consistent strategy for cooperation among major actors: scientists, students, graduates, entrepreneurs, universities and business environment institutions. Activities undertaken by authorities at various state levels are fragmented, they lack cohesion and are not complementary in character, and they do not create a comprehensive support system;

- bureaucracy of universities which follow complex regulations hindering cooperation with enterprises;

- lack of qualifications of Polish scientists to cooperate with businesses;

- low efficiency of academic technology transfer centres;

- underdeveloped innovation market (a common problem in Europe), hindering the commercialization of scientific achievements through selling licences and patents (for which technology transfer centres are well prepared);

- work overload of research workers (teaching hours) and little time dedicated to cooperation with business.

Each of the above factors constitutes a problem in itself. For example, the main barriers to effective technology and knowledge transfers with the use of technology and knowledge centres or knowledge transfer centres are as follows (Bill 2018):

- 1) lengthy processes of managing intellectual property in research centres,
- 2) insufficient knowledge of research workers about the principles and benefits of technology transfer,
- 3) lack of permanent sources of financing for technology and knowledge centres,
- 4) lack of qualified staff to meet new challenges,
- 5) centres are not inclined to act as partners in cooperating with business and academia.

The last two factors relate to insufficient financing. For example, the Academic Entrepreneurship Incubators in Poland face the shortage of funds for training their staff. As a result, employees have a sense of treating their positions as temporary work. They work under constant stress resulting from the need to adapt to repeated changes in the functioning of the Academic Entrepreneurship Incubators (Siemieniuk, Gardocki & Siemieniuk 2019) resulting from frequent changes in legislation. Consequently, young, able and aspiring people find jobs in such organizations only to establish contacts and then look for lucrative positions in corporations or engage in startup activities.

In practice, a frequent barrier to knowledge transfers is the fear that innovations can be illegally transferred to other entities which will be the first to sell them on the market (Barańska-Fischer, Błażlak & Szymanski 2016). Other barriers to effective knowledge transfers include the following:

- hidden objectives of cooperation aimed to transfer knowledge by one of business partners with a view to financial gains from the sales of obsolete or ineffective solutions (e.g. technologies, designs, products), gaining access to protected knowledge, takeover of employees etc.,
- fear of illegal activities carried out by cooperating partners,
- - limited possibilities of the use of advanced information and communication technologies, especially in the case of small entities (including startups),
- lack of time and funds for building partner relationships between the future participants of knowledge transfers, i.e. lack of activities aimed to build trust and foster the attitude of commitment to performed tasks,
- the knowledge transfer process is not well prepared (lack of preliminary agreements and adoption of cooperation and knowledge transfer principles),
- conflicting elements of the organizational culture of ecobusiness cooperating partners,
- lack of knowledge about knowledge transfer methods.

The description of specific barriers to knowledge transfer is presented in Table 1.

Barriers to knowledge transfer by selected criteria

Human barriers	Organizational barriers	Technical barriers
<ul style="list-style-type: none"> •selective perception •erroneous interpretation of terms •lack of ability to listen •erroneous interpretation of ideas •erroneous interpretation of non-verbal messages •lack of/knowledge asymmetry •lack of understanding •emotions •lack of trust •conservative way of thinking •fear of the loss of position and influence •failure to understand benefits of knowledge sharing •fear of revealing weaknesses •resistance to the use of technological tools •lack of habitual participation in knowledge transfer •unreliability of sources of knowledge •lack of interpersonal communication skills •lack of skills of organizing virtual teams 	<ul style="list-style-type: none"> •motivating system is actually demotivating – e.g. lack of incentives to use software tools •piecework forms of compensation •segmentation-based organizational culture •inappropriate organizational atmosphere for knowledge sharing •organizational structure (when more complex, it leads to communication problems, reduces employee empowerment, results in strict division of labour and, possibly, structural gaps between knowledge transfer participants •ineffective organization of meetings •lack of solutions for gathering knowledge •lack of solutions for knowledge dissemination •lack of organizational ability to absorb knowledge •lack of trainings in new organizational and technical solutions •employee turnover •disregard for the context of transferred knowledge •complexity of communicating messages – distortion of information •inappropriate organization of work space resulting in ineffective knowledge sharing 	<ul style="list-style-type: none"> •information noise •unfriendly user interface •lack of compatibility of tools used by knowledge transfer participants •lack of IT knowledge transfer tools •lack of trainings in new technological solutions •lack of technical facilities for quick communication with knowledge transfer partners (e.g. lack of cell service, exceeded size limits), •e-mail limitations •limited internet speed •extranet is not available

Source: author's research based on (Prorok 2018).

Knowledge transfer support methods in a business ecosystem

Knowledge transfer support methods in a business ecosystem can be divided into methods which create proper transfer conditions and those directly related to knowledge transfer implementation. The first group comprises, for example, various types of strategic alliance (learning). The second type includes, for example, the debate method.

The efficiency of knowledge transfer in business ecosystems relies heavily on the adaptation of transfer methods to the existing needs, conditions and resources. The possible methods include the following:

- common trainings for business ecosystem staff – training participants acquire knowledge, but they also learn to provide access to and share knowledge. Common trainings for the staff of various parts of an ecosystem provide opportunities for establishing contacts, building trust and creating informal relationships which can contribute to direct knowledge sharing outside the training framework. Transfers mainly relate to explicit knowledge;

- mutual visits and meetings attended by the participants of business ecosystems – informal rather than formal contacts. They do not require preparations, facilitate personal interactions, stimulate knowledge identification and sharing;

- common problem solving teams – initiated by various ecosystem entities for the purpose of solving current cooperation problems and undertaking others. After solving problems teams resume their activities (initiated by one of ecosystem entities) within new frameworks to deal with new threats or rectify errors in cooperation and performed tasks;

- Communities of Practice – a very effective knowledge transfer method. They represent groups of people who share ideas and thoughts and help one another in solving problems and developing common practices. They are of key significance in organizations based on interdisciplinary teams. Communities of Practice can be set up by groups of specialists who, in an informal way, share knowledge in unstructured discussions in which participants ask their colleagues to express their opinions on various issues or consult specialists from different business entities. Communities are the natural effects of people's inclination to seek companionship and cooperation, but they can also be set up to serve specific purposes (McDermott 1999). Communities of Practice can contribute to the transfer of explicit and tacit knowledge;

- Communities of Creation – they are set up when firms create customer groups for sharing expertise and encourage interactions for the purpose of generating new knowledge. Such groups work together for longer periods of time, sharing similar interests and willingness to create and share knowledge. Unlike in the case of traditional practices, such groups act beyond the frameworks of their organizations, creating value for various business entities (Paquette 2006);

- customer (consumer) communities – they provide access to the valuable knowledge about products, services and related problems, behaviours in the context of business transactions in communities, and information on the ways of entering into interactions (Rowley 2002);

- virtual teams – multifunctional structural solutions. They contribute to developing organizational networks (internal and external), and allow for increasing the number of project-dedicated people without changes in structures or the

organization of work. Also, they facilitate a more effective use of employees (especially their knowledge), who can simultaneously engage in implementing several projects. Virtual teams can provide effective support for office-based teams and access to their knowledge, thereby supporting innovation processes. Finally, this form of work allows for engaging people who work from different geographic locations, which implies the use of the human capital that could not be benefited from using traditional employment solutions (Stefaniuk 2014). The key process that determines the work of a virtual team is knowledge transfer. It takes place inside the team, among its members, as well as between the team and its environment (Mikuła & Stefaniuk 2013). The use of appropriate information and communication technologies enables the team to efficiently transfer knowledge as well as to implement other knowledge-related processes including knowledge creation. The use of virtual teams can enlarge the existing business ecosystem by supplementing it with new entities or their representatives;

– Knowledge Agents – this method consists in appointing a person or setting up an organization which stores, acquires, provides access to or uses knowledge resources. Knowledge agents exchange knowledge in specialised knowledge networks and – in the context of the ubiquitous character of information, communication and media technologies – in relations between organizations (Loebbecke & Angehrn 2006). The tasks of knowledge agents can be performed, for example, by special entities appointed by local authorities for the purpose of supporting startups. Such entities transfer knowledge resources to economic entities with regard to such issues as the possible sources of financial support;

– Joint Intellectual Property – this formula enables firms to perform successfully over longer periods of time through educating customers, the common use of intellectual property and the continuous enlargement of knowledge. A firm and its partners jointly develop future business activities, analyse the scope of joint undertakings, initiate strategic projects and enlarge knowledge resources (Gibbert, Leibold & Probst 2002).

The development of information technologies, the pace of which is unprecedented in history, is the dominant trend in the technological advancement of the recent decades. This trend is observed in world leading economies, resulting in the creation of the innovative information segment. Information technologies are the drivers of change in economic structures, and they have the potential to introduce qualitative changes in production processes, their organization and engaged labour resources (Mazaraki & Duginets 2018). These factors cannot be disregarded in the analysis of knowledge transfer methods. A significant role in organizations is played by intranet in the field of sending data and information; equally significant tasks are performed by extranet in the network of enterprises and institutions in improving knowledge transfer processes. Extranet is a private network which can be accessed

only by authorised entities. Therefore, it provides an appropriate protection of transferred knowledge, allowing for the creation and use of common knowledge resources.

The development of the internet, social media, dispersed data bases and various mobile devices results in a considerable increase in the amount of data. A great proportion of diversified data, in structured or unstructured forms, has a valuable business value, which, if properly used, constitutes a significant strategic resource. Such data comprises information on customers, competitors, labour markets and development trends for industries, products and services, as well as public and political sentiments. However, a number of organizations make a limited use of valuable and available data due to the lack of appropriate tools, or simply because of the failure to understand its significance (Olszak, Goyal & Zurada 2019). In this context it is worthwhile to mention Business Intelligence – the software and set of tools enabling end users to screen and analyse data and business knowledge with the use of automatic analyses or human-computer interaction (Khan, Ganguly & Gupta 2006). Business Intelligence standard systems integrate data from an organization's internal information systems and data from a specific environment, e.g. statistics, financial and investment portals as well as various data bases. Such systems are designed to provide reliable information on different aspects of an organization's activities (Olszak & Ziemba 2007).

This brief review of knowledge transfer support methods in an ecosystem indicates that the implementation of any undertaking should be coupled with properly designed and frequent communication among knowledge transfer participants. Regular communication enables project workers to achieve high productivity levels. When regularly informed about project developments, they feel much more comfortable in performing their tasks. They must be provided with full information necessary to carry on with their work. Efficient and effective communication is a key success factor in any undertaking (Fragomeni & Rizzo 2017).

Conclusion. The review of the presented considerations on knowledge transfer in ecosystems leads to the following conclusions:

- presently, ecosystems are network participants which should be considered not only by startups but all economic entities. They provide new insights into economic conditions, especially in the context of new opportunities for the use of knowledge resources;
- participation in a business ecosystem provides opportunities for increased competitiveness, especially through a combined use of resources belonging to the participants of a given network system;
- the participants of a business ecosystem must consciously create mutual relations for the purpose of strengthening cooperation aimed to use common knowledge resources,

- the integration of an ecosystem’s knowledge resources increases its performance potential and its ability to compete with the participating entities, attracting new members and providers of funds;
- the effectiveness of the knowledge transfer system in a business ecosystem is dependent on people’s commitment, the conditions of implementation and the use of adopted methods including information technologies;
- it is necessary to support informal relationships among people working in a business ecosystem and the functioning of various communities engaged in achieving its objectives, as well as to seek openness in cooperating people’s communication processes;
- building extranet networks between business ecosystem entities can improve knowledge transfer processes and increase the competitiveness of business ecosystems in their relations with external entities and other ecosystems;
- effective communication among business ecosystem entities eliminates the sense of hidden objectives in cooperation projects.

The above conclusions can be used as guiding principles for knowledge transfer managers and experts.

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CHALLENGES FOR BUSINESS IN THE KNOWLEDGE ECONOMY

The article explores the challenges for business in today's knowledge economy. The challenges related to human-environment relations and sustainable economic development, problems of institutional constraints in the transition to the modern economy, behavioral aspects of the interaction between economic agents and the organization of economic relations in a new society are highlighted.

Keywords: *knowledge economy, Ecological economics, Institutionalism, Behavioral economics, Evolutionary economics.*

Лагутін Василь, Лебедева Лариса. Виклики для бізнесу в економіці знань.

У статті досліджені виклики для бізнесу в сучасній економіці знань. Висвітлено проблеми, пов'язані з середовищем існування людини та сталим економічним розвитком, проблеми інституційних обмежень при переході до сучасної економіки, поведінкові аспекти взаємодії економічних агентів та організації економічних відносин у новому суспільстві.

Ключові слова: *економіка знань, екологічна економіка, інституціоналізм, поведінкова економіка, еволюційна економіка*

Relevance of research topic. The knowledge economy of today is much different from the economy of the twentieth century. In the industrial era, the basis of development were material factors of production, such as land, capital, labor. Today, in the information and digital age, intangible factors and human knowledge and skills,

that is, human capital, as a source of growth, are already playing a decisive role in business development. That is why the study of changes in the knowledge economy of the XXI century is relevant, as they are the environment for business development.

Formulation of the problem. At the present stage of economic development, business faces many problems. These problems are related to the organization of relations of post-industrial society, to the interaction between a man and nature and the impact of these processes on economic activity, to the institutional constraints of economic activity that arise in the process of transition to the knowledge economy, etc. These problems all need to be researched and covered. Therefore, this article will analyze the challenges for business entities related to the development of the 21st century knowledge economy.

Analysis of recent researches and publications. The research of the problems of the new knowledge economy, post-industrial society and the changes that it brings was made by: V. Heyets, A. Hrytsenko and others [8,9]. The problems and challenges of the present stage of economic development are considered in the works of: M. Common, R. Ayres, T. Jackson, A. Fanning, M. Malmaeus, I. Cosme, M. Weiss, T. Foxon and others [1–5, 10, 11, 13]. However, many issues remain unsolved, and further research is needed especially in the field of new organization of post-industrial society's economic relations and the challenges it poses to the business environment.

Presenting main material. To date, there are following economic approaches that reveal the problems of development of knowledge economy:

First, research of an impact of environmental issues on economic development, disposal of hazardous wastes, a problem of economic development and human well-being (inequality in income distribution, poverty), an issue of sustainable development, problems of economic growth, state environmental policy, and others are covered by Ecological economics. Researchers dealing with these problems argue for the need to include the Ecological economics in the dominant economic paradigm [2]. For example, although the dominant theory of economic growth suggests that output growth depends on an increase in the number of workers and their productivity, capital and knowledge, modern researchers [1] argue that economic growth is better explained by so-called «useful work» as a factor of production. In today's economies, useful work depends largely on the availability of relatively cheap and high-quality energy. In addition, ecological analysis shows that the transition to a sustainable low carbon economy will demand the replacement of the goal of increasing economic growth as a key public policy objective to ensure environmental equilibrium and sustainable economic development [10]. Economists go even further in this matter and propose to shift to a modern state policy of low or zero growth [11, 3] and negative growth [13, 11] justifying their position by the notion that economic growth cannot be maintained indefinitely on a planet with a scarce resources.

Second, Behavioral economics studies have shown in detail the limited rationality of people in making economic decisions and the dependence on other people's prejudices and behavior. For example, it is far more important for people to avoid losses at present than to get the potential benefits or minimize significant costs in the future. This type of behavior is not considered in the rational economic man model as either the prediction or at least the rational expectations that underlie most macroeconomic models.

Third, institutionalists emphasize on the crucial role played by institutions, including legal constraints and social norms in modern economies [12]. It is well known that lending to the US borrowers in purchase of housing that they were unable to continue to repay was one of the causes of the financial crisis of 2008–09, as securitization of these loans spread risks around the world. The fact that the role of banks and financial regulation is largely ignored in the macroeconomic models of the central bank may help to explain why these institutions are not sufficiently taken into account in economic policy-making.

Fourth, Evolutionary economists argue that technological and institutional changes in economic systems should be regarded as dynamic evolutionary processes. Thus, researchers should not try to explain these changes in terms of overall equilibrium [6]. This means that changes in the economy can be very situational, and require optimal public policy decisions, such as supporting innovation in the early stages of development.

The modern knowledge economy differs from the subject of economics no less than the economy of primitive or traditional society, because the results of production in it are exchanged neither by the law of marginal utility, nor by the law of value. Products of intellectual activity, including software products, are distributed today for one part at no cost and for another at differentiated prices, that depend on the seller's perception of the value of a product and social status of a buyer. On the one hand, there is a growing share of public goods distributed free of charge, and on the other hand, there are products of fashion brands that are sold at an exorbitant price that does not match the price of analogues or even better quality products. Products and services are becoming so diverse that it is simply not possible for a person to rationally compare them based on his objective needs and income.

The modern knowledge economy is a complex, adaptive, ever-changing system that differs significantly from the model analyzed within the neoclassical paradigm. In addition, changes in the economy related to the leading role of innovation and knowledge have a significant impact on the business environment and include the following:

- the modern knowledge economy is an open dynamic system, an unbalanced system. Modern economy as a living system evolving into a more complex system with various types of production and consumption that can rarely reach equilibrium.

Moreover, in the process of evolution, it is increasingly moving away from this state, because its development is nonlinear, characterized by high turbulence. Therefore, since economics is a living system, the subject of economic science should be the study of the laws of its development and, accordingly, the mechanisms of its complexity and sustainability in the process of increasing the diversity of economic activity and its results;

- the modern knowledge economy is composed of heterogeneous economic entities that do not make optimal decisions but are able to learn and adapt over time;
- economic entities interact through different networks;
- macro models arise from the interaction of economic entities of the micro level, which in turn influence the construction of the macro models;
- information and knowledge change the production process, becoming one of its main factors.

Thus, the knowledge economy of today is an open dynamic system built on the network connections between economic entities that act in an adaptive way, combining limited economic resources.

Conclusion. The challenges for the business of today that relate to the formation and development of the modern economy include the following: challenges in human-environment relationships, sustainable economic development; problems of institutional constraints in the transition to the economy of today; behavioral aspects of the interaction between economic agents and the organization of economic relations in a new society.

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UKRAINE AS A PARTY TO WTO TRADE DISPUTES

The significance of the WTO dispute settlement mechanism in preventing the escalation of interstate trade conflicts is substantiated. In order to formalize the results of the accession of countries to the system of global trade law, the coefficients of the effectiveness of the country's participation in WTO trade disputes in general and WTO consultations in particular are proposed. Based on the systematization of the experience of Ukraine's participation in WTO trade disputes, low values of the proposed coefficients have been shown, indicating ineffective using of possibilities of the WTO dispute settlement mechanism.

Keywords: trade dispute, effectiveness ratio, WTO consultations, trade conflict.

Калюжна Наталія. Україна як сторона торговельних суперечок СОТ.

У статті обґрунтовано значущість механізму врегулювання торговельних суперечок СОТ у попередженні ескалації міждержавних торговельних конфліктів. З метою оцінювання дієвості долучення держав до системи глобального торговельного права запропоновано коефіцієнти результативності участі держави у торговельних суперечках в цілому та використання механізму консультацій СОТ зокрема. На основі систематизації досвіду участі України у торговельних суперечках підтверджено незадовільні значення обох коефіцієнтів, що свідчить про неефективне використання державою можливостей механізму вирішення торговельних суперечок СОТ.

Ключові слова: торговельна суперечка, коефіцієнт результативності, консультації СОТ, торговельний конфлікт.

Relevance of research topic. The WTO directs its activities to minimize the likelihood of the trade conflicts transformation into more rigid forms of confrontation between countries that is achieved through the application of a dispute settlement mechanism. The WTO dispute settlement mechanism is a central element that ensures the security and predictability of the international trading system and enables WTO member countries to resolve trade conflicts within the framework of international public law without resorting to the deployment of trade wars.

Formulation of the problem. Since Ukraine's accession to the WTO, the country is actively involved in international cooperation within the framework of this organization, and participates in trade disputes in order to uphold national economic interests. Therefore, it becomes relevant to develop an approach to assess the effectiveness of state participation in WTO trade disputes.

Analysis of recent researches and publications. Such domestic scientists carried out the study of the theoretical aspects of the WTO dispute settlement as T. Hordeieva [1], L. Tykhonchuk [2], K. Flissak [3] and other. The researchers undoubtedly highlight the positive role of the WTO in establishing trade and economic relations between the countries as a whole and the importance of application by Ukraine instruments of global trade in particular. However, attempts to quantify and formalize the results of the accession states to the global trade law system are currently absent. For Ukraine the development of such approaches is in due time, since the results of the state's participation in WTO trade disputes are not in its favor in recent years.

Presenting main material. In our opinion, the obvious evidence for the high effectiveness of state participation in trade disputes is the number of such disputes regulated by the WTO in its favor or withdrawn by mutually agreed solution:

$$K_{TD}^{ST} = \frac{n}{n_{total}} \times 100\% \rightarrow \max, \quad (1)$$

where K_{TD}^{ST} is the effectiveness ratio of the country's participation in WTO trade disputes; n is a number of trade disputes involving a country that was regulated in its favor or withdrawn by mutually agreed solution; n_{total} is a total number of trade disputes involving the country, regulated by the WTO.

The proposed ratio can take values ranging from 100% (the best case, resolving all trade disputes involving the country in its favor or by mutually agreed solution) to 0% (worst case, no precedents for resolving trade disputes involving the country in its favor or by mutually agreed solution).

If the country and its trading partners properly use the benefits of open and transparent consultations that precede the creation of an expert panel, they have the opportunity to resolve the dispute until it becomes a tough trade conflict. Involvement of any third parties (states, international organizations, profile specialists, etc.) at the consultations stage due to the transparency and openness of the dispute settlement mechanism increases the chances of their rapid settlement and reaching a compromise. However, if a trade dispute at the consultation stage is not resolved in favor of the state, this will only indicate the effectiveness of the dispute settlement mechanism as a whole, that is, the possibility of rapid decision-making in the WTO trade law system. Therefore, as an additional evidence of the effectiveness of state participation in trade disputes, in our opinion, it is advisable to consider the number of trade disputes completed in its favor or withdrawn by mutually agreed solution at the consultation stage:

$$K_{CONS}^{ST} = \frac{n_{cons}}{n_{total}} \times 100\% \rightarrow \max, \quad (2)$$

where K_{CONS}^{ST} is the effectiveness ratio of the country's participation in WTO consultations; n_{cons} is a number of trade disputes involving a country that was settled / withdrawn at the consultation stage in its favor or by mutually agreed solution; n_{total} is a total number of trade disputes involving the country, regulated by the WTO.

The proposed ratio can take values ranging from 100% (the best case, resolving all trade disputes involving the country at the consultation stage in its favor) to 0% (worst case, no precedents for resolving trade disputes involving the country at the consultation stage in its favor or by mutually agreed solution).

Despite the fact that Ukraine has relatively recently become a WTO member, the country has some experience in participating in the WTO dispute settlement system both as a complainant (dispute-initiating party) and as a defendant (the country against which the dispute is initiated). Practical experience of Ukraine's participation in WTO trade disputes as both complainant and defendant is considered for example in [4].

We will assess the effectiveness of Ukraine's participation in WTO trade disputes, guided by data on the number and status of the trade disputes settlement initiated by Ukraine against other countries and other countries against Ukraine (table 1). As can be seen from table 1, since the moment of accession to WTO, Ukraine has initiated nine trade disputes against other countries. Of these, one dispute was actually settled at the consultation stage (dispute over Armenia regarding measures affecting the importation and internal sale of cigarettes and alcoholic beverages DS411, commenced on 20/07/2010). Ukraine withdrawn the request for the establishment of a dispute panel on 08/09/2010.

The dispute with Moldova numbered as DS421, regarding environmental charge (started on 17/02/2011), was settled on 17/06/2011 after the Dispute Settlement Body (DSB) established a dispute panel. Dispute DS434 with Australia regarding measures concerning tobacco plain packaging (started on 13/03/2012) was settled when Ukraine requested the dispute panel to suspend its proceedings in a view to finding a mutually agreed solution.

Following the initiated by Ukraine on 21/10/2015 a trade dispute with the Russian Federation concerning restrictive measures affecting the importation of railway equipment (DS499), a dispute panel released report in July 2018, which showed that the resolution of the dispute was not in the interests of Ukraine. In this case WTO confirmed the validity of the Russian Federation to certify Ukrainian rail products in view of the danger of visiting Russian specialists to Ukrainian enterprises [6]. Despite the fact that in August of the same year Ukraine appealed to the Appellate Body (AB), such a decision of the WTO dispute panel created the grounds for Ukraine's loss in the next transit dispute.

Table 1

Ukraine as a party to WTO trade disputes (composed by the author based on [5])

Complainant	Respondent	Title	Request for consultation	Request for establishment	Dispute Panel established	Dispute Panel composed	Dispute Panel report circulated	Dispute Panel / AB report adopted	Current status
Ukraine	Armenia	DS411 : Measures Affecting the Importation and Internal Sale of Cigarettes and Alcoholic Beverages	20.07.10	08.09.10					Mutually agreed solution
Ukraine	Moldova	DS421 : Measures Affecting the Importation and Internal Sale of Goods (Environmental Charge)	17.02.11	12.05.11	17.06.11				
Moldova	Ukraine	DS423 : Taxes on Distilled Spirits	02.03.11	01.06.11	20.07.11				Withdrawn in complainant's interests
Ukraine	Australia	DS434 : Tobacco Plain Packaging	13.03.12	14.08.12	28.09.12	05.05.14	28.06.18		Mutually agreed solution
Japan	Ukraine	DS468 : Passenger Cars	30.10.13	13.02.14	26.03.14	20.06.14	26.06.15	20.07.15	Resolved in complainant's interests
Russia	Ukraine	DS493 : Ammonium Nitrate	07.05.15	29.02.16	22.04.16	02.02.17	20.07.18		
Ukraine	Russia	DS499 : Measures Affecting the Importation of Railway Equipment and Parts Thereof	21.10.15	10.11.16	16.12.17	2.03.17	30.07.18	27.08.18	Resolved not in Ukraine's favor
Ukraine	Russia	DS512 : Traffic in Transit	14.09.16	09.02.17	21.03.17	07.06.17	05.04.19	26.04.19	In consultation
Russia	Ukraine	DS525 : Measures Relating to Trade in Goods and Services	19.05.17						
Ukraine	Kazakhstan	DS530 : Anti-Dumping Measures on Steel Pipes	19.09.17						
Ukraine	Russia	DS532 : Measures concerning the Importation and Transit of Certain Ukrainian Products	16.10.17						
Ukraine	Kyrgyz Republic	DS569 : Anti-Dumping Measures on Steel Pipes	17.10.18						
Ukraine	Armenia	DS570 : Anti-Dumping Measures on Steel Pipes	17.10.18						

Another trade dispute with Russia regarding measures for restricting traffic in transit (DS512, started on 14/09/2016) the WTO dispute panel settled not to the benefit of Ukraine too. Such unsatisfactory result has as an important geopolitical significance, since, according to experts [6], it is a key trade dispute between countries during Ukraine's membership in the WTO. In addition, Ukraine's submission of a complaint about the lawfulness of the application of Art. XXI GATT created a precedent in world trade law. There was no experience of settling transit disputes by the WTO until this case, whereas their number would increase sharply in view of the escalating interstate trade conflicts and the implementation of new foreign trade restrictions.

In this trade dispute, Ukraine was trying to stand up the right to transport goods to the Central Asian post-Soviet republics and Mongolia. The formal reason for initiating this case by Ukraine was the violation by the Russian Federation the GATT regulations regarding to the prohibition of discrimination of goods transit by the WTO member states (Art. V). In turn, the Russian Federation motivated its actions by another norm (GATT: Art. XXI), which allows the implementation of protective measures in the event of a threat to national security. Acceptance Ukraine's complaint of for the first time has certified the legality of addressing the issues of national security threats in the area of global trade law. Nevertheless, the dispute panel made a decision in favor of Russia. The WTO experts did not recognize transit restriction as a violation because of imagined threats to the national security of the Russian Federation due to the political situation in Ukraine in 2014–2015. The breakdown of the shortest path of Ukrainian goods to Asian markets has led to a reduction of domestic exports to Central Asia from \$ 3.1 billion in 2013 to \$ 0.8 billion in 2018. The trade balance with Asian countries actually fell to zero compared with the surplus of \$ 2.22 billion in 2013.

The decision of WTO experts in the dispute DS512 weakens Ukraine's position in the context of another trade dispute with the Russian Federation concerning the importation and transit of certain Ukrainian products (DS532, started on 16/10/2017). For almost two years, Ukraine has not asked for the creation of a dispute panel, which means a refusal to consider dispute without its withdrawing.

Finally, there are three disputes between Ukraine and the CIS countries (Kazakhstan, Kyrgyzstan and Armenia) in consultations, regarding anti-dumping measures on steel pipes (respectively, DS530 dated 19/09/17, DS569 dated 17/10/18, and DS570 dated 17/10/18). For these disputes, no dispute panel established and no withdrawal or mutually agreed solution notified.

Thus, out of nine trade disputes initiated by Ukraine in WTO, in favor of the state one dispute was settled by mutually agreed solution at the consultation stage (DS411), two at the stage of dispute panel establishment (DS421, DS434). The dispute panel decisions on trade disputes DS499 and DS512 were not made in the interests of Ukraine. Four disputes are at the consultation stage, but the expiration of the 12-month

period for two of them (DS530 and DS532) suggests that Ukraine has refused claims to defendants.

As to disputes initiated by other countries against Ukraine, the dispute with Moldova regarding the taxes on distilled spirits (DS423, started on 02/03/2011) was dealt with in fact during the consultation stage, since the request for the creation an expert panel was withdrawn after Ukraine ceased to apply a reduced rate of excise tax. The dispute with Japan on special measures for passenger cars (DS468, started on 30/10/2013) has been resolved at the stage of expert panel report. In a dispute initiated by Russia (anti-dumping measures on ammonium nitrate, DS493, started on 7/05/2015), WTO experts satisfy the complaint regarding the introduction of protective duties on Russian ammonium nitrate by Ukraine. Another dispute with Russia regarding trade in goods and services (DS525, started on 19/05/2017) is at the consultation stage. The complaint of the Russian Federation in this case concerns the appeal of Ukrainian sanctions, in defense of which Kyiv will refer to the already mentioned GATT: Art. XXI. The symmetry of these disputes creates grounds for Ukraine's optimistic expectations regarding the results of the work of WTO experts.

Thus, out of the four trade disputes initiated against Ukraine, one is in the process of consultations, while expert panel regulates the other three not in favor of Ukraine. According to formulas (1) and (2), we can determine the ratios proposed for evaluating the effectiveness of the state's participation in trade disputes:

$$\left\{ \begin{array}{l} K_{TD}^{ST} = \frac{n}{n_{total}} \times 100\% = \left(\frac{3+0}{9+4} \right) \times 100\% = 23\% \\ K_{CONS}^{ST} = \frac{n_{cons}}{n_{total}} \times 100\% = \left(\frac{1+0}{9+4} \right) \times 100\% = 7,7\% \end{array} \right.$$

Conclusion. The value of the two proposed ratios is low, which indirectly indicates the unsatisfactory results of Ukraine's participation in WTO trade disputes. In the interests of Ukraine (more precisely, by mutual agreed solution of the parties), three disputes of thirteen were settled, but only one of them – at the consultation stage. This fact caused the value of the effectiveness ratios at the level of 23% and 7.7% respectively, at their potentially achievable value of 100%. Because of the aggravation of political relations, Ukraine has the largest number of trade disputes with Russia, and the decisions of WTO experts on these disputes are consistently taken not in favor of our state. In addition, for the effective application of the WTO dispute settlement tool, the proactive engagement of interested business and government stakeholders should be provided. Therefore, there is a need for the development of public-private partnership for optimal and effective use of adequate WTO mechanisms to protect Ukraine's national interests.

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SMART BUSINESS DEVELOPMENT IN UKRAINE (VIA THE EXAMPLE OF CHERKASY REGION)

SMART business development is studied through indicators of geopolitical and geoeconomical changes via the example of Cherkasy oblast (the central region of Ukraine) in order to determine the strategy of regional business improvement using global political and economic priorities. Cherkasy oblast was selected for the study because it is one of the pilot regions for implementation of the SMART business strategies.

The following methods were used in the course of the study: the system-structure analysis, spatial-comparative method, interpolation, correlation as well as description-statistical method.

The proposed results of the study may be used in Ukraine as well as in the countries of the Eastern Partnership for development of effective strategy for SMART business improvement. The results of the study are intended for national and regional SMART business policy, optimisation of SMART specialisation for representatives of medium and small business, researchers dealing with regional development problems etc.

Keywords. *SMART business, Cherkasy region, regional development, geopolitical and geoeconomical changes, regional business improvement.*

Ткаченко Тетяна, Гладкий Олександр, Романченко Тетяна. Розвиток SMART-бізнесу в Україні (на прикладі Черкаської області).

Розвиток SMART-бізнесу в даному дослідженні визначається за допомогою показників геополітичних та гео економічних змін на прикладі Черкаської області (центральний регіон України) з метою оптимізації стратегії вдосконалення регіонального бізнесу з використанням глобальних політичних та

економічних пріоритетів. Черкаська область була обрана для дослідження тому, що вона є однією з пілотних областей саме для реалізації SMART бізнес-стратегій в Україні.

У процесі дослідження були використані такі методи: системно-структурний аналіз, просторово-порівняльний метод, інтерполяція, кореляція, а також описово-статистичний метод.

Запропоновані результати дослідження можуть бути використані в нашій державі та в країнах Східного партнерства для розробки ефективної стратегії вдосконалення SMART-бізнесу. Результати дослідження призначені для забезпечення формування національної та регіональної політики в галузі SMART-бізнесу, для оптимізації SMART спеціалізації представників середнього та малого бізнесу, дослідників, що займаються проблемами регіонального розвитку тощо.

Ключові слова: SMART бізнес, Черкаська область, регіональний розвиток, геополітичні та гео економічні зміни, покращення регіонального бізнесу.

Relevance of research topic. Current trends of business innovation development are characterized by huge development of SMART business that means overcoming regional disparities caused by environmental damage and deep crises due to poverty and gender inequality, unemployment, etc., as well as preserving the environmental, economic, social and socio-cultural benefits for the future generations. SMART business development can become a key element for achieving the sustainable development goals of the territory. To this end, in our opinion, it is necessary to study the potential of sustainable regional development in order to identify the territorial disparities and thereby to determine areas for implementation of the SMART business strategy in each separate district of the region, depending on the specificity of the identified territorial problems.

Formulation of the problem. The aim is to study the regional aspects of building the sustainable development potential of the region as a prerequisite for developing SMART business regional strategies on the example of Cherkassy oblast. This publication reviews the internal territorial problems of the region and indicators of ecological, economic, social and socio-cultural development of the Cherkassy region. Implementation of the SMART business strategies is one of the effective methods for improving the acute socio-ecological and economic problems in the region.

Analysis of recent researches and publications. One of the approaches to develop successful strategy of regional improvement on different territories is based on SMART business. It is very important for the balanced sustainable development of the country. This was confirmed by the research in 19 districts of Latvia. The research findings reveal SMART-specific activities, which allow implementing the sustainable development concept in rural areas, taking into account socio-economic development and territorial differences in the regions (Šipilova, 2017, pp. 82–105).

Natural resources, human resources, goods and technology are unconditional factors of economic growth. However, innovation is yet another evident factor of economic growth providing opportunities. This should be taken into account in the regions trying to overcome the crisis (Kreslins, 2016).

SMART business is an approach of the European Union to achieve sustainable regional development. It involves close cooperation and dialogue between government, business, science and community, as well as a shared vision of the region's economic, innovative and scientific potential (Brzóska, 2012). The issues of SMART business are not the focus of only EU officials. This concept is presented in the works of Ya. Bzhuska, I Pick, P. David, D. Frey, B. Hol, M. Cardas, and G. Tobor including attempts to use it.

The SMART business strategy is the subject of discussion of the innovation policy and regional innovation systems. It is also an instrument of innovation policy for the growth of competitiveness and economic development in the region (Asheim, 2019, pp. 8–25).

The research discovered that creation of food industry centres based on the SMART business can be beneficial for the regional economic development in Australia (Esposto, 2019). Approaches to the SMART business strategy are used in the cohesion policy of the European Union for the period of 2014-2020. This experience is a unique example for industrial policy in modernization of the industrial sectors (Foray, 2018, pp. 1505–1520).

The study is aimed at identifying factors that best explain the effectiveness of regional innovation. Linear regressions as statistical methods are used for developing methodology. As a result, regions are divided into innovative, strong, medium and weak. Activities for improving innovation interventions in these regions are proposed (Farinha, 2018, pp. 2114–2124).

SMART business is very difficult to categorize because of its multidimensional nature. However, Poland has identified regional SMART business within the internal potentials of the regions. In total, 81 SMART businesses were identified. The SMART business study is based on the endogenous potential of the regions (Banski, 2018, p. 5–30).

SMART business makes it possible to overcome structural deficiencies in the European social market economy. This is stated in the Europe 2020 Strategy agenda. Also, this agenda specifies the importance of determining the key areas of the resource regions and their readiness for SMART business.

Universities and research institutions are drivers of innovation development in the regions. However, they do not pay enough attention to SMART business strategies (Vallance, 2018, pp. 219-238). Using the potential of universities can successfully affect the economy of the remote regions. The role of universities in the regional development is increasing with the actualization of SMART business in the EU (Kempton, 2015, pp. 489–496).

The SMART business strategy involves identifying links between technological areas in the region. This is necessary to identify the related industries in the region and

to form regional ties with other regions (Iacobucci, 2016, pp. 5-28). For several years, key issues in the implementation of SMART business in the European Union focused on supporting entrepreneurship (Mäenpää, 2018, p. 20).

Business development is needed to maintain the balance of regional systems. It provides people with jobs and maintains optimal living standard in the region. However, there are a number of barriers for initiating businesses based on high technology of the fourth industrial revolution. Ineffective state support is the main barrier to the development of innovation business. Recommendations were developed for improving the condition of small and medium enterprises in Ukraine.

Presenting main material. Objective assessment of the SMART business development of the region included two main stages: selection of statistical information and rating assessment of the potential components of the SMART business regional development (Pokliatskyi, 2016).

Statistical information was selected and systematized from the data of the Main Department of Statistics in Cherkasy oblast for 2017-2018. The relevant statistical information was organized according to the following subsystems: economic, social, ecological, socio-cultural and demographic potential.

The economic subsystem included 8 indices characterizing production potential, small business, export-import potential, investment attractiveness and incomes of the population. The social sphere of the districts of the Cherkasy oblast was evaluated by 9 indices, characterizing such areas as consumption of goods and services, provision of housing to population, housing improvement and public utility services, education infrastructure, situation in the labour market and public health status. The ecological situation was assessed by four indices characterizing the level of air pollution, the waste management situation and a contamination level of water bodies.

Socio-cultural component included six main indices characterizing the state of infrastructure and tourism, criminal level and family well-being. Demographic potential was assessed by five indices characterizing population density, natural and migratory population movement, gender-age harmony, economic activity and working capacity of the population.

These indices were used to rate components of the sustainable development potential. As there are many indices pertaining to the components of the sustainable development potential and they have different dimensionalities the first step of the methodology is to perform their preliminary rationing (bringing into similar form). As a result of sequence scaling the districts receive weighting factors from 0 to 1 with dimensionality 0.05 and are sequenced from 1 to 20 for indicators-incentives and in a reverse order for indicators-disincentives.

Each group of indices was divided into five subgroups with high, upper middle, middle, lower middle and low indicators. Reducing these indicators into indices allowed estimating situation of the districts in comparison to each other in the oblast region.

The results of calculations of these indices demonstrate that by quantitative parameters all the districts of the Cherkasy oblast are located in each of these

subsystems in the order of favourable level increase (decrease). The integral indices of SMART business development reflect the objective assessment of the business development, according to official statistics.

Economic component of the SMART business development is revealed through indices reflecting the economic conditions of the population, development of the social sphere and the capacity to meet the needs of the population (Pokliatskyi, 2016). In order to display the SMART businesseconomic component, the following indices were selected:

1. index of production potential calculated by the sales volumes (goods and services) in 2018 (millions UAH), the number of legal persons and economic entities in 2018;
2. small business index (the number of small businesses in 2018);
3. export-import potential index (export and import of goods and services (millions USD));
4. investment attractiveness index (investment in fixed assets, thou UAH);
5. population income index (average monthly nominal wage of full-time staff, UAH)

The highest values of the index of SMART businesseconomic component are observed in Cherkassy, Zolotonosky, Smiliansky, Kanivsky, Korsun-Shevchenkivsky, Zhashkivsky and Umansky districts of the region. Three leading districts are Cherkasky, Smelyansky and Zolotonosky.

At the same time the localization index of sales volumes of industrial products has inverse values: districts with low values of previous index of sales volume of services to population have high values of this index.

Human capital is a major factor in regional innovations. Innovations are not only technologies, but also a change in the people's lifestyle (Koprivsek, 2017, pp. 117–135).

The integral index of SMART business social factors development was calculated on the basis of the following indices:

1. index of consumption of goods and services (in market prices, UAH);
2. index of housing provision (calculated by average values of the total housing area per person in m^2 , in 2017);
3. index of amenities and public utilities condition. It is calculated by indicators of the dilapidated housing stock (m^2 of the total area), emergency housing (m^2 of total area), equipment of the housing with water supply (cold and hot), heating as of January 1, 2017 (share of the equipped total area);
4. index of education infrastructure. It is calculated by coverage of children with pre-school educational institutions (as a percentage to the number of children of the corresponding age); the number of students of general educational institutions per 10 thousand population; the number of students in higher educational institutions of I–IV accreditation levels in 2017;
5. the public health index. It is calculated by the mortality rate of children under the age of 1 year by cities and districts in 2018;

6. index of the labour market situation. It is calculated by the indices of the registered unemployment rate (the number of citizens with the status of the unemployed during the reporting period, (persons in 2017) and occupational injuries (per 1000 employees).

According to the index of favourable social situation for SMART business development, the following districts with a favourable (Zolotonoshsky, Zvenigorodsky, Shpolyansky and Smilyansky) and unfavourable (Drabivsky, Chornobayevsky, Kamensky, Korsun-Shevchenkivsky and Mankovsky districts) social component were identified.

Ecological factor plays a very important role in shaping the potential of SMART business development. The highest indices of ecological favourability are in Drabivsky, Smiliansky, Lisyansky and Talnivsky districts. The most vulnerable ecological situation is in Kaniv, Zolotonoshsky, Cherkassy and Chigirinsky districts associated with indices of industrial development.

It is worse to note, that the northern areas of Cherkasy region demonstrate the highest indices of social well-being, which can be associated with bordering on the capital region. At the same time, the central and southern areas of the oblast have low social well-being indices which can be attributed to the remoteness from the capital region and proximity to the depressed and poor Kirovograd oblast. This situation plays a very important role for SMART business development in the region.

Conclusion. The following steps for encouraging changes in Cherkasy region are determined in the SMART business strategies:

- 1 – state support centred on innovations and development based on knowledge, problems and needs
- 2 – instruments are provided for attracting private investments to R&D area;
- 3 – regional and state authorities accept innovation approaches to development (Brzóška, 2012).

Study of the internal differentiation of sustainable development potential in the Cherkasy oblast has revealed the ‘foci’ of social, economic and environmental advantages or disadvantages among districts of the oblast region.

This stands for the need to consider this territorial inequality in developing SMART business strategy. Grouping of the districts of Cherkasy oblast allowed us to identify groups of districts according to the indices of the economic, social and ecological subsystems, each requiring recommendations for implementation of the SMART business strategy.

Material, social and intellectual assets concentrated in the industrial and educational institutions of strong regions are the foundation for SMART business. The Zolotonosky, Cherkasky, Smiliansky and Umansky districts belong to this category due to their high indices of the economic component. Active investment in innovations is proposed in these districts for private sector.

Typically, regional policy should strengthen the competitive industries. However, SMART business strategies are often aimed at supporting underdeveloped regions. These are Drabivsky, Gorodyshchensky, Lisyansky and Khrystynivsky

districts because of their low indices of the economic subsystem. It is recommended to provide training for representatives of the local government to identify the potential of SMART business in the districts.

Kanivsky, Zlotonoshsky, Cherkasky and Chigirinsky districts demonstrate low indices of the ecological subsystem. These districts have high economic development indices. Consequently, economic development in these districts is achieved at the cost of environmental losses. Recommendations on implementing SMART business strategy in these districts include the use of environmental innovative technologies able to reorient industry for not only to increasing capital but also for preserving natural resource potential of region.

Human capital is a major factor in SMART business development. High indices of the social subsystem are observed in Chornobayevsky, Korsun-Shevchenkivsky, Kamensky and Mankivsky districts. For these districts it is recommended to develop the potential of national and cultural crafts in combination with innovations strengthening specifics of the national identity. Kanivsky, Zolotonoshsky, Cherkasky and Chigirinsky districts have low indices of human capital. These are the districts developed economically but weak in the social component. For these districts it is recommended to implement social programs for adapting the population to rapidly changing economic conditions. In particular, programs are proposed for adaptation of boarding school graduates, assistance to families in difficult living conditions, programs of providing housing for young families, programs for reducing unemployment.

Cherkasy oblast has two regional nuclei with high indices of economic development. These are Cherkasy and Uman. At the same time, these regional centres have weak internal territorial ties. An important way of overcoming the territorial disparities in the development of Cherkasy oblast with their acute socio-economic consequences is to form, implement and continuously improve the mechanism of stimulating business development in the context of SMART specialisation, which should be based on fostering the development of innovative green technologies, nature conservation levers and overcoming social and economic disparities at the basic territorial level.

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7D-MODEL OF BUSINESS DEVELOPMENT IN THE CONDITIONS OF GEOECONOMIC SCENARIOS FOR UKRAINE

The paper considers a new model of business development on the basis of multidimensional parameterization of modern enterprise management tasks in the context of forecast geoeconomic scenarios for Ukraine. The 7D model of business management is proposed within the framework of the country's national course and 'Ukraine-2030' Balanced Development Doctrine, which combines 4D, 5D, 6D and 7D formats in its structure. The first 4D format of the proposed model contains a virtual business management model with a financial plan and a system for the organization of actuarial accounting in 3D and control in the selected time line (t_i). The next 5D block creates the ability to interpret accounting information from an actuarial accounting system into a 5D actuarial financial statement, which is complemented by an efficient system of controlling financial resources expenditures for the investment attraction phase. The 6D unit ensures adherence to the principles of sustainable development throughout the operational and financial cycles, due to an effective system for evaluating business value in terms of wealth multiplication (value added) over the long term. 7D-format provides modeling of business development management in the complex: 6D + Investment + Actuaries + Facility Management (FM), which is based on the alteration of business from crisis to a stable financial state during the appropriate period of time by attracting the necessary volume of investments with the subsequent effective management of the facility management (FM). The presented model of business development is relevant for domestic economic

entities in the context of implementation of the relevant scenario of geoeconomic shifts for Ukraine. The calculated results of the 7D business development model have made it possible to interpret it in the form of hexeract and can be used to ensure the proper level of economic growth of Ukraine in accordance with the goals of balanced development within the Doctrine's framework 'Ukraine 2030'.

Key words: *development, business, geoeconomics, actuary, accounting.*

Маначинська Юлія, Євдощак Володимир. 7D-модель розвитку бізнесу в умовах геоекономічних сценаріїв для України.

У роботі розглянуто нову модель розвитку бізнесу на основі багатовимірної параметризації завдань управління сучасним підприємством в контексті прогнозних геоекономічних сценаріїв для України. Пропонується 7D-модель управління бізнесом в рамках державного курсу країни та Доктрини її збалансованого розвитку «Україна-2030», що поєднує у своїй структурі 4D, 5D, 6D та 7D-формати. Перший 4D-формат, запропонованої моделі, містить віртуальну модель управління бізнесом із фінансовим планом діяльності і системою організації актуарного бухгалтерського обліку в 3D та контролю в обраному часовому ланзі. Наступний 5D-блок створює можливість інтерпретації облікової інформації із системи актуарного обліку в 5D-актуарну фінансову звітність, що доповнюється ефективною системою контролю витрат фінансових ресурсів для етапу залучення інвестицій. 6D-блок забезпечує дотримання принципів сталого розвитку в ході операційного та фінансових циклів, завдяки ефективній системі оцінки вартості бізнесу з точки зору примноження багатства (збільшення доданої вартості) у перспективному періоді. 7D-формат – передбачає моделювання управління розвитком бізнесу в комплексі: 6D+Investment+Actuaries+Facility Management (FM), що полягає у виведенні бізнесу з кризового до стійкого фінансового стану протягом відповідного періоду часу шляхом залучення необхідного обсягу інвестицій з подальшим ефективним управлінням інфраструктурою підприємства (FM). Представлена модель розвитку бізнесу є актуальною для вітчизняних суб'єктів господарювання у контексті реалізації відповідного сценарію геоекономічних зрушень для України. Розраховані результати 7D-моделі розвитку бізнесу дали змогу її наочно інтерпретувати у формі гексеракту (hexeract) та можуть бути використані для забезпечення належного рівня економічного зростання України відповідно до цілей збалансованого розвитку в рамках Доктрини «Україна 2030».

Ключові слова: *розвиток, бізнес, геоекономіка, актуарій, облік.*

Relevance of research topic. In the 21st century, the seventh technological framework is formed, which is based on the development of network economy, nanotechnology and multidimensional parameterization of socio-economic phenomena and processes on a global scale. That is why, countries that do not join these processes

are at high risk of losing their niche in the geo-economic space. On the other hand, such an accession may lead to losses from globalization and global financial crises for developed countries (Kibalnik, 2015).

Ukraine can succeed in the global economic arena by virtue of its relatively good economic location, human capital and natural resources, developing first and foremost such sectors of the national economy as: agrarian; military-industrial and information-communication technologies. These sectors are capable of delivering a 43% overall national economic growth by 2020, and by 2030 about 53%. In comparison, the aggregate contribution to the growth of low-tech and raw materials industries is estimated by experts to be within 35% by the end of 2020, whereas it is projected to decrease to 5% by 2030 (Zhilovska, 2017). In this context, in order to realize the mechanisms of potential growth of the domestic economy within the framework of Balanced Development Doctrine 'Ukraine 2030', particular attention should be paid to the three sectors of the economy listed above. However, a detailed and comprehensive evaluation of traditional business management models indicates that they require a dramatic change in the application algorithms due to the multidimensional parameterization of the vast majority of socio-economic phenomena and processes in space and time (t). That is why, from traditional scenarios, it is necessary to select an innovative 7D-model of balanced business development, which should become an important tool for overcoming the financial situation crisis of domestic enterprises and help to attract the necessary volume of financial investments in order to realize the «optimistic» geoeconomic scenario for Ukraine.

Formulation of the problem. According to experts, in order to overcome the financial crisis, Ukraine must achieve an annual economic growth rate of more than 10%. Only in such tendencies our country will be able to enter the TOP-30 of competitive countries, although forecasts for such tendencies are characterized by a rather low probability of occurrence at the level of 3% (Zhilovska, 2017). That is why, the domestic economy and business require dramatically new models and scenarios. In particular, an algorithm for modeling and positive stabilization of business processes requires an improvement. Similarly, a modern business management system requires, in addition to financial justification, virtual modeling of business processes of the proper level of management and control in 4D–7D formats.

Moreover, the increasing interdependence of the economies of different countries, the integrity of the world economy and the deepening of the international division of labor determine the scope of globalization. The processes of globalization are quite lively at the regional level, which is conditioned by the constant active cooperation of the border areas (Grushchynska, 2015). International cooperation and deepening of cross-border cooperation is one of the important priority ways of entering the international financial markets for Ukraine in order to attract the necessary volume of capital investments in the development of domestic business. However, the accounting and information content of the traditional national model of

business process management is not able to ensure the proper level of investment attractiveness of domestic enterprises and needs urgent improvement. Due to such circumstances, it is necessary to improve the national model of business process management in the context of optimistic geoeconomic scenario for Ukraine on the basis of innovative 7D-model of business development.

Analysis of recent researches and publications. Regarding the direct substantiation of both positive and negative geoeconomic scenarios for Ukraine, they are described in detail and comprehensively in the works of such national scientists as N. Grushchynska, O. Zhilovska, L. Kibalnik, B Markov, O. Melnychuk, O. Pelekh, O. Pyroh, V. Sidenko and others. In particular, O. Pelekh examines the structural changes in the economy of Ukraine over the last 17 years. He proves that Ukraine will gradually transform from a producer country into a consumption country and has every chance of becoming an average agricultural country in the perspective period. That is why, according to the scientist, in order to have positive structural changes in the national economy, a radical change in the directions of development in line with world tendencies is needed (Pelekh, 2018). In V. Sidenko's works special attention is paid to global structural transformations and trends of the Ukrainian economy. Thus, the scientist notes that Ukraine enters the processes of international production on the basis of a rather «asymmetric» model, which is characterized by a significant dependence on foreign markets for semi-finished products without inclusion in the international production networks on the line of imports, which is a negative trend for the future (Sidenko's, 2018). On the other hand, O. Zhilovska & O. Melnychuk are first who propose specific timelines for launching and implementing mechanisms for balanced development of Ukraine's fundamentally new trajectory of economic growth until 2030. In particular, scientists highlight the following geoeconomic scenarios for Ukraine: 'optimistic' (15%) – characterized by balanced development; 'Canning the crisis' (30%), which by 2020-2030 will grow into a 'foreign entity'; Sovereign default (30%) and collapse (5%). According to experts, the probability of realization of fundamentally opposite scenarios is about 97% (Zhilovska, 2017). However, the development of a multidimensional 7D model of business development in the context of the implementation of an 'optimistic' geoeconomic scenario for Ukraine was not considered by scientists at all, which made it necessary to carry out research in the framework of the identified problems.

Presenting main material. Ukraine's economy is quite open, and its high sensitivity to external factors becomes a dangerous attribute from the point of view of independence. Ukrainian manufacturers are losing ground, both domestically and internationally, due to the rapid increase in demand for foreign-made goods. Wholesale and retail trades are of primary importance in the structure of the economy (Markov, 2017). Fig. 1 presents the dynamics of the geographical structure of foreign trade in domestic production over the last 22 years.

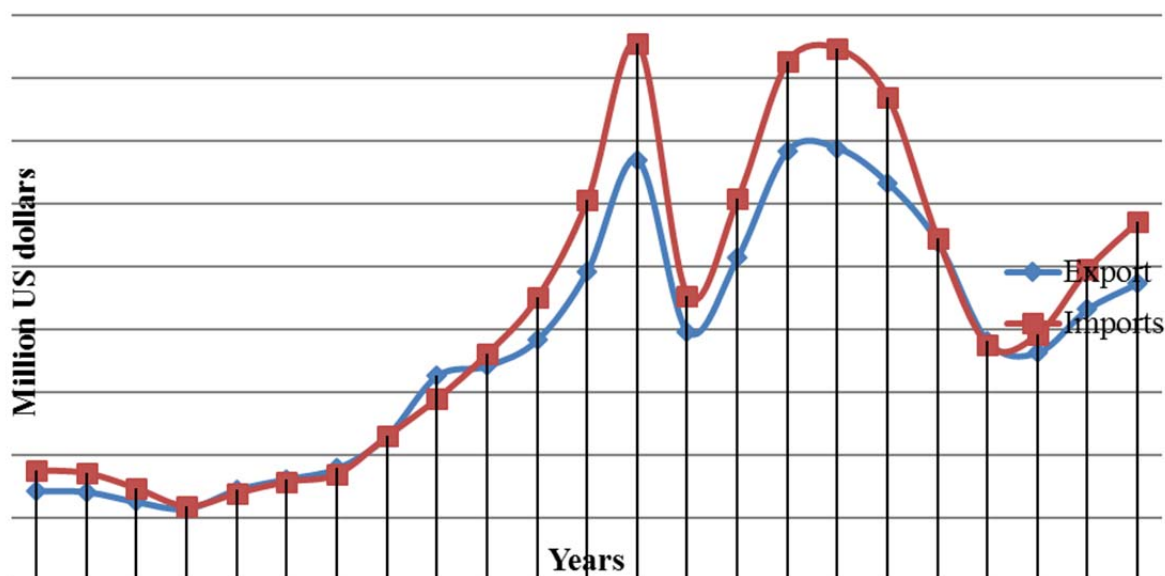


Figure 1. Dynamics of geographical activity expanding the trade goods of Ukraine for 1996–2018 (State Statistics Service of Ukraine, 2019)

It can be seen from Fig. 1 that during the studied period (1996–2018) several rather significant, both positive and negative tendencies were characterized for the foreign economic activity of Ukraine. Between 1996 and 1999, a downward trend was observed in the volume of export-import operations, but since 1999 there has been a significant increase. The peak period is 2008 – when exports reach 47335.0 million dollars. In such a case 4070.3 million dollars exceeded the 2007 figure by an absolute amount of 9.4%. However, the year 2009 was characterized by a rather significant decline in export-import activity in Ukraine, when the level of exports and imports actually decreased by 2 times compared to the level of 2008. From 2009 to 2012, there was a significant revival of foreign economic activity, in particular the export level exceeded the level of 2008 and amounted to 68830.4 million dollars in 2012, the import level by 817.7 million dollars failed to reach the 2008 level and was fixed at 84717.6 million dollars. For 2012–2015, there is a significant tendency to decrease the level of export-import operations, almost to the level of 2009.

Examining structural changes in the economic development of the national economy of Ukraine, O. Pyroh emphasizes that this period (2012–2015) was characterized by a decline of the real economy at 1.3 times (Pyroh, 2017). According to the scientist, the experience of recent years shows that the main problem of the Ukrainian economy is the lack of innovative development strategy for enterprises.

The level of imports increased annually in 2015–2018, reaching the level of 2758.9 million dollars in the reporting year 2018, which exceeded the level of 2014 and amounted to 57187,6 million dollars. Moreover, exports decreased by 1,765.4 million dollars in 2016 compared to 2015, and from 2017 to 2018. This was also

characterized by a growing trend. Furthermore, its absolute amount was 47335.0 million dollars in the reporting year 2018.

Researching the development of economy in 2000–2017, O. Pelekh notes that the structural changes in the country during the mentioned period do not contribute to strengthening stability and sustainable growth. According to the scientist, in order to ensure the necessary level of development and the required level of growth, the Association Agreement with the EU should become a strategic benchmark for structural reforms in the country (Pelekh, 2018). We agree with the scientist's opinion to some extent, but the European integration course, in our opinion, should be supported by radically different, innovative approaches to the business development management system.

There are several stages in the history of business process modeling and development. The first (1920–80's) – covered the analysis of ways of performance of works; rationalization of staff functions; paper models; it was characterized by a rather low level of automation. The second one (1990s) was based on manual reengineering while creating the model; this stage was characterized by CIS (computer information systems) automation with workflow support (WfMS, ERP). The third (from 2000 to the present) – is characterized by business process management (BMR); continuity of change; flexibility; adaptability; interactive improvement (Development of business, 2017).

Multidimensional modeling technology (in 3D, 4D... 9D formats) is used in almost all spheres of public life. It is most actively implemented in Building Modeling (BIM) (Trach, 2017), but this approach is not used at all to build an effective business development management model for any sector of Ukraine, so we propose a 7D business management model in within the framework of the country's national course and the Balanced Development Doctrine 'Ukraine-2030', which combines 4D, 5D, 6D and 7D formats in its structure. The proposed 7D model has the form of hexeract, which is a prototype of the cube in 6D format. In our opinion, its practical implementation will ensure the implementation of an 'optimistic scenario' for Ukraine, the probability of which is 15%, and will help to provide 'balanced development' of business in our country, which experts estimate at 3%, Fig. 2.

The first component of the proposed 7D model of business development management under the conditions of geo-economic scenarios for Ukraine is the 4D block. It includes a virtual business development model for an individual enterprise, which includes: a financial plan of activity; the system of the organization of actuarial accounting in 3D and control in the selected time t.

Actuarial accounting derives its name from the term «actuary» (from Latin. Actuaries – accountant; cursive).

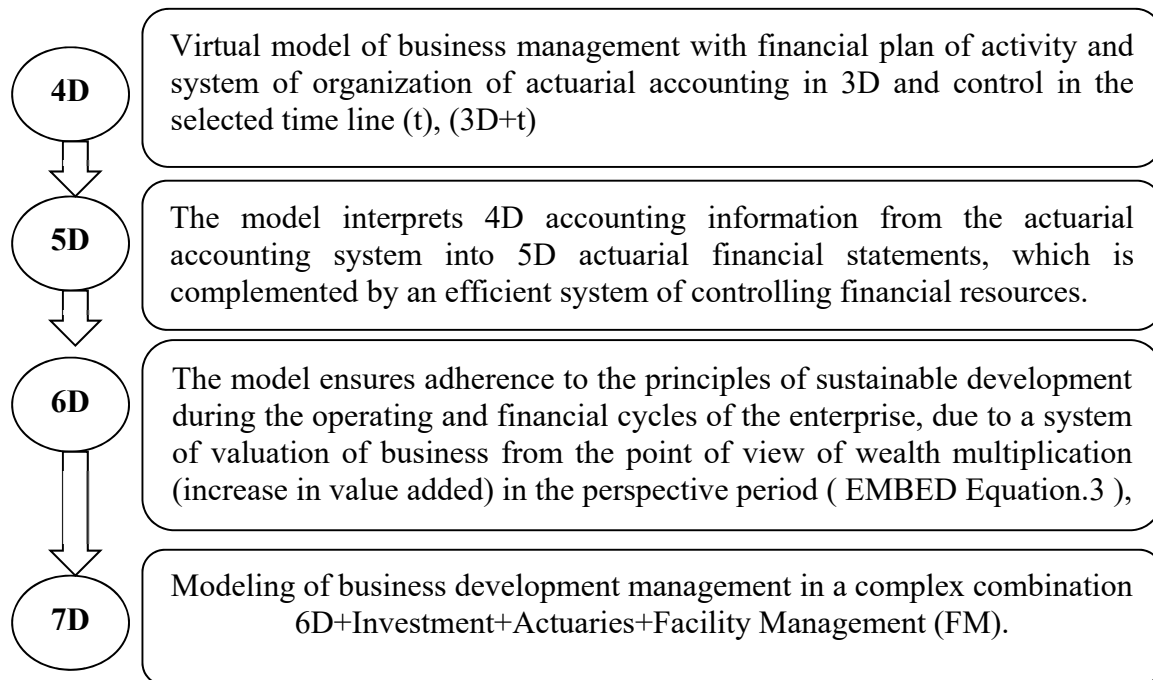
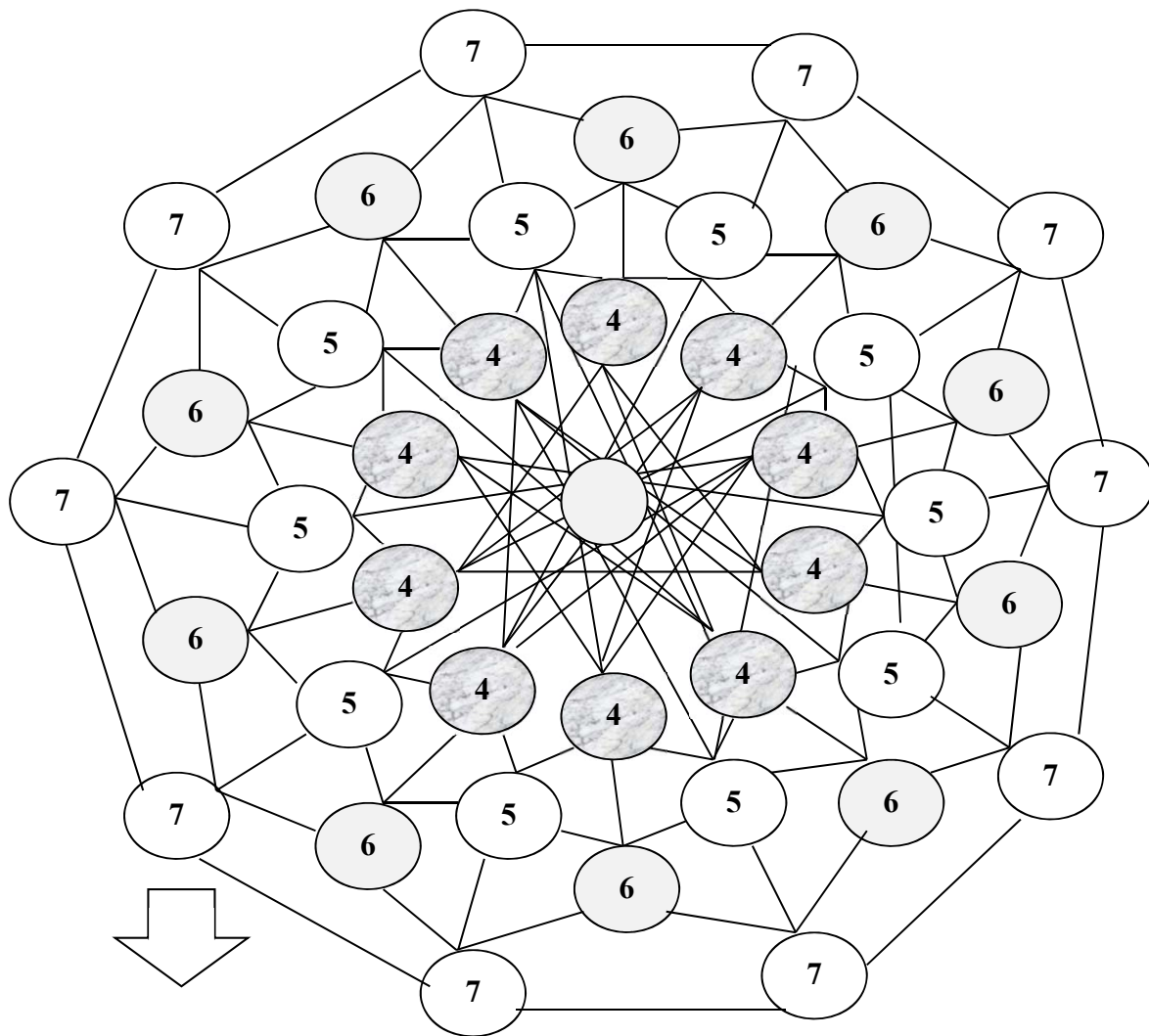


Figure 2.7D model (Hexeract) of business development in Ukraine

[author's own method]

In the 21st century, the actuary is a certified specialist in financial risk assessment and a specialist in the practical application of actuarial mathematics.

The next 5D unit transforms 4D actuarial accounting information into 5D actuarial financial statements, enabling real and potential investors to have the necessary business investments for the future prospects.

In the 6D block, the 5D format described above is complemented by an effective business value measurement system based on 5D actuarial reporting data, the algorithm of which is substantially optimized through the prism of actuarial accounting.

7D format – provides modeling of business development management in a complex combination of 6D + Investment + Actuaries + Facility Management (FM), which is based on the alteration of business from crisis to a stable financial state during the appropriate period of time by attracting the necessary volume of investments with the subsequent effective management of the infrastructure of the enterprise facility management (FM) and with the involvement of certified actuarial staff. Infrastructure Management (FM) – involves the integration of the individual processes of an enterprise that services and develops an individual service, contributing comprehensively to improving the ultimate level of efficiency of an entity remotely.

According to official data of the site monetary-flow ('Custom Business Plan') created by the company «Intellect-Nova», among the TOP-22 promising ideas for business in 2019, the 20th position has a remote control of employees – as a promising business of the future (Polenchuk, 2019). That is why facility management (FM), as an important component of the proposed 7D business development management model, should justify the expectations of the rational use of the financial investments involved.

Expert estimates indicate that the most important factors in Ukraine's current investment attractiveness include: low levels of corruption (79.8%); transparent and clearly defined legislative and regulatory framework (70.2%); political stability (69.2%). Among the three main conditions that influence the company's decision to increase the volume of investments in Ukraine are: favorable business environment (62.8%); macroeconomic stability (60.6%); political risks (50.0%). The five most important conditions to be implemented to improve the overall business and investment climate in Ukraine are: reduction of corruption and bureaucracy (93.6%); establishing the rule of law by implementing judicial reform and amending procedural law (70.2%); guarantee of security of property rights (58.5%); ensuring proper law and order (55.3%); repatriation of unlimited dividends by foreign investors (42.6%) (Ukrainian economy review, 2018).

Conclusion. The proposed 7D business development model is relevant for domestic entities in the context of implementing the relevant geoeconomic shift

scenario for Ukraine within the Doctrine 'Ukraine 2030'. The calculated results of the 7D business development model made it possible to interpret it in the form of hexeract and can be used to ensure the proper level of economic growth of Ukraine in accordance with the goals of balanced development within the implementation of the 'optimistic' geoeconomic scenario. The 7D model of business development meets the basic principles for building information models of business entities management, which are distinguished by R. Trach, namely: 1) is an agreed database of graphical and descriptive actuarial accounting information, a database of promising data on changes in the economic value of business ; information from the 7D model can be obtained as needed; 2) is based on a single information model of business development according to the chosen strategy of production management and process of sale of products (goods); 3) support is provided for distributed groups: staff, investors, owners, shareholders, methods and tasks can effectively use this actuarial accounting information, which eliminates errors in their transfer and conversion; 4) universalisation of data exchange formats between software complexes for various purposes (Trach, 2017). Practical implementation of the 7D model at domestic enterprises, regardless of the economic sector, will help to increase the level of investment attractiveness of business. The country's investment attractiveness includes: the size of the market and its attractiveness; education and human capital; research and innovation; infrastructure; the administrative and regulatory environment; financial sphere; taxes and expenses; quality of life; focus on the 'green future' (Zhilovska, 2017). The proposed 7D-model is an innovative approach to the system of modeling business development in spatial dimension, and its active practical implementation by domestic enterprises will enable the implementation of positive scenarios of balanced development of Ukraine until 2030, which serves as a prospect for further exploration within the outlined issues.

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CURRENT TRENDS FOR INTERNATIONAL LABOR MIGRATION

The article deals with the issues of international labor migration as a phenomenon of the globalization world. A number of trends of modern international labor migration are analyzed. The positive and negative effects of labor migration on the demographic situation, employment and income levels, investment climate in the recipient and labor donor countries are examined. Some recommendations for improvement of the Ukrainian state policy in the sphere of migration labor regulation are offered.

Keywords: globalization, international migration, labor migration, employment, unemployment.

Лучик Світлана, Лучик Маргарита. Сучасні тенденції міжнародної трудової міграції.

Стаття присвячена питанням міжнародної трудової міграції як феномену глобалізаційного світу. Проаналізовано ряд тенденцій сучасної міжнародної трудової міграції. Досліджено позитивний і негативний впливи трудової міграції на демографічну ситуацію, рівень зайнятості і доходів населення, інвестиційний клімат в країнах-реципієнтах та країнах-донорах робочої сили. Запропоновано окремі рекомендації щодо удосконалення української державної політики у сфері міграційного трудового регулювання.

Ключові слова: глобалізація, міжнародна міграція, трудова міграція, зайнятість, безробіття.

Relevance of research topic. In recent decades, society has been deeply affected by global geopolitical, geo-economic and environmental changes. The globalization of the world economy is expressed in the process of transformation of the world space into a single zone, which is open for permanent movement of goods, services, information, and capital. Globalization processes are not only limited to the sphere of economy, but also to a large extent affect all key spheres of society – ideology, culture, politics. Most economists are convinced that globalization is an objectively right direction of development, and governments in many developed countries share this belief because, in their view, it enhances social productivity and thus contributes to the well-being of the masses (Pichurin, 2017). Globalization is eroding borders and activating flows of capital, goods and labor.

However, globalization is also an irreversible process that causes economically less developed countries to face the same problems. Among these problems are the slowdown in economic growth and the sharp widening of the gap between developed and developing countries that threatens the sustainable development of the economy as global capital plays an increasing role in economic processes. According to the economist O. Krasulina (Krasulina, 2016), the model of the global world order, which was formed at the present stage, does not contribute to solving the problem of economic inequality between states, but, on the contrary, exacerbates it and leads to widening the gap in the level of economic well-being between different world regions.

Globalization processes, combined with rapid changes in global political and economic systems, have also contributed to the sharp intensification of global migration flows, which has led to the formation of a fundamentally new migration situation in the world.

Formulation of the problem. International migration, in particular labor, is becoming an important form of international economic relations, determining the development of national labor markets, high technology, capital, social sphere and so on. Demographic aging of the population in developed countries, formation of stable demand for migrant labor, significant financial flows in the form of remittances of migrants – all this leads to an increase in international migration of the population, expansion of its geography and influence on political, economic, social, cultural and ethnic processes in the world.

Analysis of recent researches and publications. I. Kurylo, E. Libanova, O. Malynovska, M. Semykina, O. Pozdniak, L. Chervinska paid attention to the problem of international labor migration. Their scientific works reveal the main causes, tendencies and consequences of migration processes, allow us to explore the migration policies of states. However, this problem needs further investigation in the light of current trends.

Presenting main material. According to many domestic and foreign economists, migration is an objective and necessary attribute of the modern world.

International labor migration is the displacement of able-bodied people from one country to another in search of work and better living conditions. Today, virtually every country is either a labor donor, or used for transit of human flows, or is a recipient country. Moreover, countries that participate in international migration inevitably find themselves influenced by its effects, both positive and negative.

Migration has the most significant impact on the demographic situation in developed countries, which is characterized by declining birth rates and increasing life expectancy. The aging of the population has led to an increase in health care costs and pensions, while the number of employees has been steadily declining. In order to maintain a stable population, the birth rate should be kept at 2.2 children per woman. However, in many countries, the figure has fallen below 2, leading to the risk of becoming a demographic time bomb as is stated by the Science Alert writes (Noryna, 2018).

The most difficult demographic situation is in Europe. In a number of European countries, including Bulgaria, Bosnia and Herzegovina, Hungary, Latvia, Lithuania, Republic of Moldova, Serbia, Ukraine, Croatia and Japan, the population will decrease by more than 15% by 2050 (Unites Nations, 2018).

As for the average life expectancy at birth, the UN estimates that this figure will increase from 72.6 years in 2019 to 77.1 in 2050. Currently there is a significant gap in the life expectancy in different countries. In 2019, life expectancy at birth in the least developed countries of Africa was 7.4 years below the world average, caused by high rates of infant and maternal mortality, as well as high levels of violence, conflict situations and the ongoing HIV epidemic in these countries (Unites Nations, 2018).

Overall, the United Nations projected that the world's population will increase to 8.5 billion by 2030, 9.7 billion by 2050 and 11.2 billion by 2100.

Concerning the problem of population decline in most European and other developed countries, it should be noted that this leads to a significant labor shortage. As the mechanism of international migration is a redistribution of labor resources, without which neither the recipient countries nor the donor countries can do without, so all these countries find themselves in a relationship of interdependence, which pushes them to find partnerships and strengthen integration. In the last decade, most of Europe, North America and Oceania have been the main recipients of international migrants. Between 2010 and 2015, the average annual net inflow of migrants to Europe, North America and Oceania was 2.8 million. In the period 2010–2020, more than one million migrants per year will be located in 14 countries and regions. At the same time, migrants will be exiting in 10 countries (Unites Nations, 2018). Of the 258 million international migrants in 2017, 106 million were born in Asia; 61 million in Europe; 38 million – in Latin America and the Caribbean; 36 million in Africa; 4 million in North America; 2 million – in Oceania (Mirkina O.N., 2018). According to the Ministry of Social Policy of Ukraine, in 2018, 7–9 million citizens worked

outside Ukraine. The number of Ukrainians abroad is estimated at more than 3 million people. The main recipient countries of the Ukrainian workforce are Poland (38.9%), the Russian Federation (26.3%), Italy (11.3%), and the Czech Republic (9.4%). Other countries where significant migration flows from Ukraine are directed are the United States of America (1.8%), Belarus (1.7%), Portugal (1.6%), Hungary (1.3%), Israel (1.1%), Finland (1.0%) and Germany (0.8%). Women are more likely to work in Poland (42.6% vs 37.3%) and Italy (27.0 vs 4.7%), while men work in Russia (31.0% vs 15.1%). In general, the migration activity of men is higher than that of women (7.0% vs 2.7% between the ages of 20-64) (Ptoukha Institute for Demography and Social Studies of the National Academy of Sciences of Ukraine. 2018)

Labor migrants are characterized by employment in the household, business and entrepreneurship, construction. Preferably, it is unskilled or low-skilled labor, the mass use of which has been made possible by the weakening of the visa regime. However, the demand for highly qualified staff is increasing. The weakening of qualification requirements for foreign personnel in a number of countries (Germany, Israel, Czech Republic and others) enabled migrants to find employment in high technology, medicine, education and transfer their professional experience, knowledge and skills. At the same time, foreign employers offer relatively high salaries to our compatriots with the provision of a social package and assistance with the new location. For many Ukrainian highly qualified specialists and scholars, moving to the EU is a great opportunity for self-realization. Some are moving with their families, some are starting a family abroad.

It is worth noting that in recent years in Poland, Germany, the Czech Republic, Austria, the USA, Canada, Italy, Spain, Slovakia, jobs are being filled by qualified staff at the expense of foreign students who have studied and received education in one of these countries. Six to nine thousand Ukrainian students go to Poland every year. According to the latest data from Selectivv, 55% of foreign students in Poland are Ukrainian. Today, over 35,000 Ukrainians study there (TSN.UA, 2019). Students who want to get a quality natural or technical education mostly choose Germany. These are more than 10 thousand young Ukrainians. In Slovakia, Ukrainian students make up almost a third of foreigners studying in Vichy. The vast majority of them study for the state budget, but pay for accommodation. As for Russia, the teaching of Ukrainian students is a political rather than an economic issue. According to the latest data, more than 11,000 Ukrainian students study in Russia (Matsko O., 2019).

Thus, on the one hand, Ukrainian and other foreign students support the economy of the country by paying for tuition and accommodation, and on the other – compensate for the outflow from higher education of domestic students, who increasingly choose institutions of study in other EU countries.

Thus, the contribution of international migrants to the economy of recipient countries in terms of remittances, innovations, investments, as well as the transfer of

technology, professional experience and knowledge, is becoming increasingly tangible. For Ukraine, the income from labor migrants in 2018 amounted to \$ 11 billion, which is several times higher than the investment in our country. While migrants' cash flows totaled \$ 7.5 billion in 2016, \$ 9.3 billion in 2017. It is estimated by the National Bank that it is 8% of GDP. According to an estimate by the International Organization for Migration (IOM), the amount of «labor» transfers to Ukraine in 2017 exceeded \$ 12 billion, which is up to 11% of our GDP (UNIAN. 2019). These funds help to keep the country's balance of payments afloat, saving the hryvnia.

However, international migration cannot be considered as a positive phenomenon only. In the recipient countries, the increase in the number of migrant workers causes: the spread of illegal employment, unemployment among the local population, increased costs of social assistance to unemployed migrants, increased government spending on migration policy, capital losses associated with remittance and wage law criminalization of certain sectors of the labor market.

It is very difficult to determine the real scale of illegal employment of migrants in any country. Most often, the illegal work of migrants is used in small businesses to reduce the cost of workers' salaries and training. This brings far greater benefits to employers than legal employment. However, workers themselves may find themselves in harmful working conditions with the need to carry out work that is hazardous to life and health, with a lack of safety. In addition, the illegal employment of migrants is characterized by long hours working day, week, and, as a rule, a late and incomplete payment of wages.

Contemporary refugees, regardless of the reasons and motives for their migration, are increasingly augmenting much of the illegal migrants. First, they are staying in countries with high social standards. Over the first 4 months of 2019, over 206,000 people first applied for asylum in the EU. Most of the applications came from residents of Syria, Venezuela and Afghanistan. Most often, refugees choose countries closest to the African continent – Spain (38911 people in 2018), Greece (22348 people) and Italy (20692 people) (TSN.UA, 2019).

Some European countries (the Czech Republic, Hungary, Poland, Slovakia) refuse to accept refugees from Africa and the Middle East, as such illegal migration leads to a host of negative socio-economic and political problems. For example, the Czech Republic refused to accept refugees because more than 70,000 Ukrainians were already living in the country. The situation is similar in Poland, where in 2018 there were more than 1 million Ukrainians. The use of Ukrainians is not only economically beneficial for these countries, but they are also closer in value to the local population in terms of cultural and spiritual values. The European Union is trying to solve the problem of refugees by dramatically changing the patterns of immigration regulation in the vast majority of major migrant reception countries. Moreover, it is not only Europe and the Anglo-Saxon countries, but also the Persian Gulf, East and Southeast

Asia. Increasing funding for troubled countries is underway as well as the construction of special centers for migrants in North Africa.

The main negative consequences of international labor migration for labor donor countries are the reduction of demographic, labor potential, the decline in the quality of human resources in the industries of the national economies, the loss of GDP due to the costs of training skilled and highly qualified personnel, who then migrated abroad.

According to the Institute of Demography and Social Research of the National Academy of Sciences of Ukraine, the population of Ukraine including Donbass, but excluding Crimea, will decrease from the current 42.2 million people to 39.5 million by the beginning of 2031. Working population (by European standards aged from 20 to 64 years) will decrease from current figures of 26.9 million to 24 million people due to the outflow of labor abroad. For comparison: according to the data of the last All-Ukrainian census of 2001 the population of Ukraine accounted for 48 million 415 thousand people) (Ptoukha Institute for Demography and Social Studies of the National Academy of Sciences of Ukraine, 2019).

According to the State Statistics Service of Ukraine, in 2018 the economically active population was only 42.6%, or 17.9 million. The share of pensioners in the country is almost 27.8% (11.7 million people) and the economically inactive population – 25.4% (10.7 million people) (State Statistics Service of Ukraine, 2019). In keeping with these trends, Ukraine is very quickly experiencing a shortage of labor resources in the labor market. Already, more than a third of Ukrainian enterprises have a shortage of staff caused by demographics and labor migration. According to the forecasts of the International Monetary Fund, Ukraine will lose about 15% of its labor force by 2030, and in 2050 it will fall by 30%. Among all Central and Eastern European countries, the worst situation is only in Latvia and Bulgaria (TSN.UA, 2019).

Because of labor migration, the state loses not only labor but also intellectual resources. The emigration of scientists and highly qualified specialists, the so-called «brain drain» is a serious threat to the country's intellectual security, which is determined by the level of development of scientific potential and intellectual resources, that is, the state of training of able-bodied carriers of scientific intelligence, the number of specialists and scientists, people with higher education (Marutyanyan R., 2017).

Conclusion. Thus, nowadays, international migration is becoming more widespread, and it facilitates the exchange of knowledge and capital, and enables every person the freedom to move. However, migration, particularly labor, is complex and ambiguous. The entry of migrant workers into countries, on the one hand, contributes to the mitigation of demographic situations and employment problems on the other hand, and causes unemployment among the local population and may create

some social tension. For the donor countries, massive migration flows of the working population are extremely dangerous as they deepen demographic problems, lead to labor shortages, loss of intellectual capacity, and decrease in budget revenues due to the reduction in the number of potential taxpayers and so on.

For Ukraine, these problems are very topical and pose a threat to economic and even national security. Considerable investments and a long period are needed to change the situation and return Ukrainians to their homeland. First, the national economy needs technological and innovative development to be more competitive. Business conditions in the country need to be improved in order to expand and create decent-paying jobs. There is also a need to significantly improve funding for science and education in order to maintain the existing and further development of scientific, technical and human resources.

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ACCOUNTING COMPONENT IN IMPROVEMENT OF ENTERPRISE COMPETITIVENESS

The article examines internal and external factors that directly influence the formation and increase of business value and competitiveness in the context of European integration. The essence of the accounting component of competitiveness enhancement and its structure is determined. The direct influence of accounting policies on increasing the competitiveness of the enterprise has been proved.

Keywords: *enterprise competitiveness, business value, accounting policy, accounting.*

Фоміна Олена, Августова Олена, Ромашко Ольга. Облікова складова підвищення конкурентоспроможності підприємства.

У статті розглянуто внутрішні та зовнішні фактори, що безпосередньо впливають на формування та підвищення вартості бізнесу та конкурентоспроможності в умовах євроінтеграції. Визначено сутність облікової складової

підвищення конкурентоспроможності та її структуру. Доведено безпосередній вплив облікової політики на підвищення конкурентоспроможності підприємства.

Ключові слова: конкурентоспроможність підприємства, вартість бізнесу, облікова політика, бухгалтерський облік.

Relevance of research topic. As Ukraine is constantly moving towards integration into the global economic space, domestic businesses are being challenged daily to increase their business value and competitiveness.

Formulation of the problem. The urgent and pressing issue is the search for new methods, factors of influence and management of the competitiveness of enterprises in the conditions of European integration, aimed at the formation, development, and realization of competitive advantages and ensuring the viability of the enterprise as a subject of economic competition. The formation of the accounting component as a factor of increasing the competitiveness of enterprises is one of them.

Analysis of recent researches and publications. Many scientists have researched the question of factors of influence and main components of the increase of competitiveness of the enterprises, in particular: A. Smith, D. Ricardo, J.S. Mill, K. Marx, J. Keynes, E.B. Basiluk, V.D. Basilevich, V.S. White Hats, ZS Varnalia, O.I. Dragan, G.V. Zagoriy, Yu.M. Ivanova, I.S. Ladunka, A.O. Klimchuk, O.V. Seleznev, M. Porter.

The impact of accounting policy on the competitiveness of enterprises considered in their work by scientists such as: L.V. Ivanchenko, G.O. Tkachuk, L.B. Glazier, O. N. Potekhina, L. Klovienea, E. Gimzauskieneb, O. V. Mikhaylenko

Presenting main material. In the modern economic literature, there are many definitions of the concept of «enterprise competitiveness». In our view, the most successful is «the competitiveness of an enterprise is a comparative characteristic of an enterprise, which determines its position among many similar businesses and can use different types of resources more effectively than competitors» (Kuznietsova K.O., 2013).

To systematically study competitiveness, it is necessary to analyze the external and internal environment, the factors of influence (Fig. 1). It needs to be mentioned that the internal environment (factors of influence) of the enterprise can be considered as a set of entities that provide competitive advantages and their relationships among themselves, as a subsystem of competitiveness management, that is, the real and potential capabilities of enterprises in their existing conditions to design, produce and sell products that are more attractive to the consumer in terms of price and non-price characteristics than their competitors' products [Chumak L.F., 2013, p. 85]. External factors mean the totality of economic entities, economic, social and natural conditions, national and interstate institutional structures, and other external conditions and factors that operate in a global environment that influence or may affect the functioning of the enterprise (Ivanchenkova L.V., Tkachuk H.O., Skliar L.B., 2018).

Since the purpose of our study is to consider the accounting component as a factor influencing the competitiveness of the company, it is advisable to consider what this component includes. Accordingly, the accounting component is the methods, principles of conducting and organization of accounting at the enterprise, that is, its accounting policy.

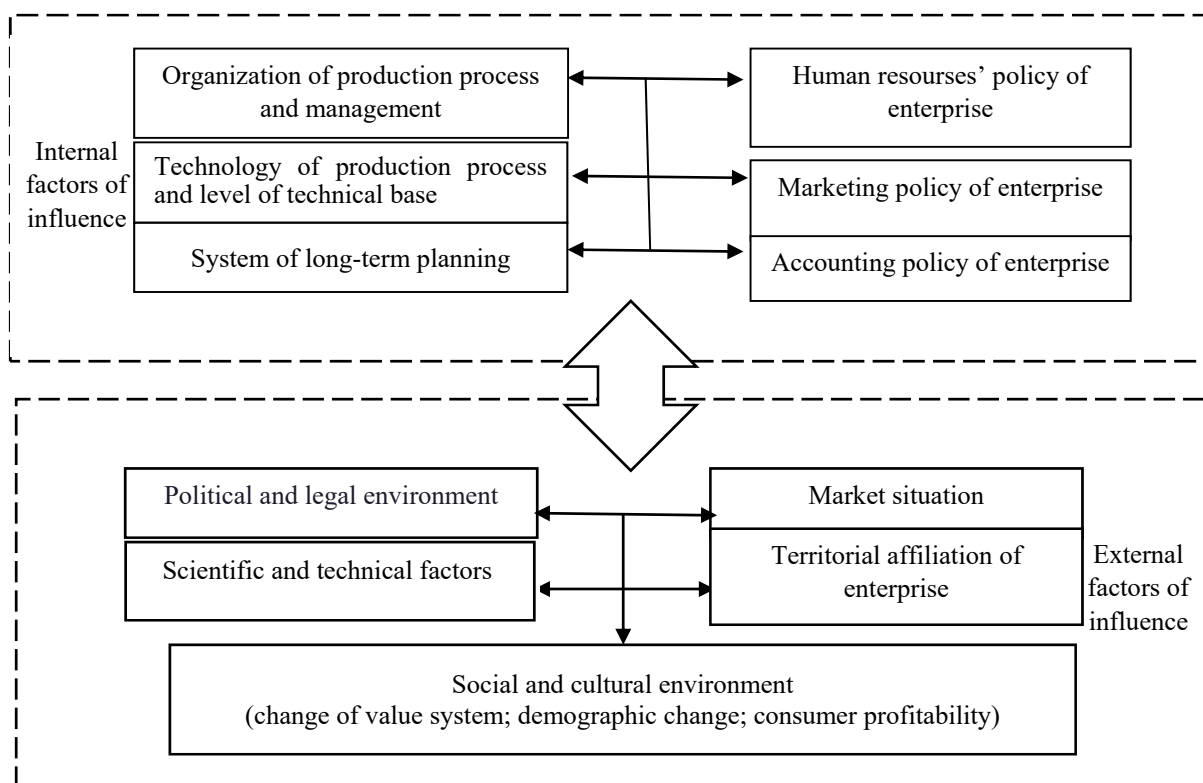


Fig. 1. Factors of influence on the increase of competitiveness of the enterprise

*Source: Developed by the authors based on [Ivanchenkova L.V., Tkachuk H.O., Skliar L.B., 2018, *Metodychni rekomendatsii shchodo oblikovoi polityky pidpryiemstva*, 2013].*

The essence of accounting policy is disclosed in the Law of Ukraine «Pro bukhhalterskyi oblik ta finansovu zvitnist v Ukraini» (1999) and the National Regulation (Standard) of Accounting 1 «General Requirements for Financial Reporting» (2013), which states that it is «... a set of principles, methods, and procedures used. an enterprise for preparation and submission of financial statements». A somewhat different interpretation of accounting policies is provided by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (2005). Thus, under the fifth paragraph of this standard, accounting policy is defined as the specific principles, principles, arrangements, rules, and practices that an entity applies in the preparation and presentation of financial statements (Metodychni rekomendatsii shchodo oblikovoi polityky pidpryiemstva, 2013).

Fig. 2 shows the main components of accounting policy of the enterprise, as affecting improving the competitiveness of the enterprise.

Formation of accounting policy allows enterprises in modern business conditions to maneuver in the system of recognized methods, methods and procedures. The components of accounting policies are determined by relevant accounting entities for which there are alternative options and industry-specific features. For example, a sound approach to assessing balance sheet items enables an entity to:

- provide a single methodology for measuring assets, capital, liabilities and financial results over a long period;

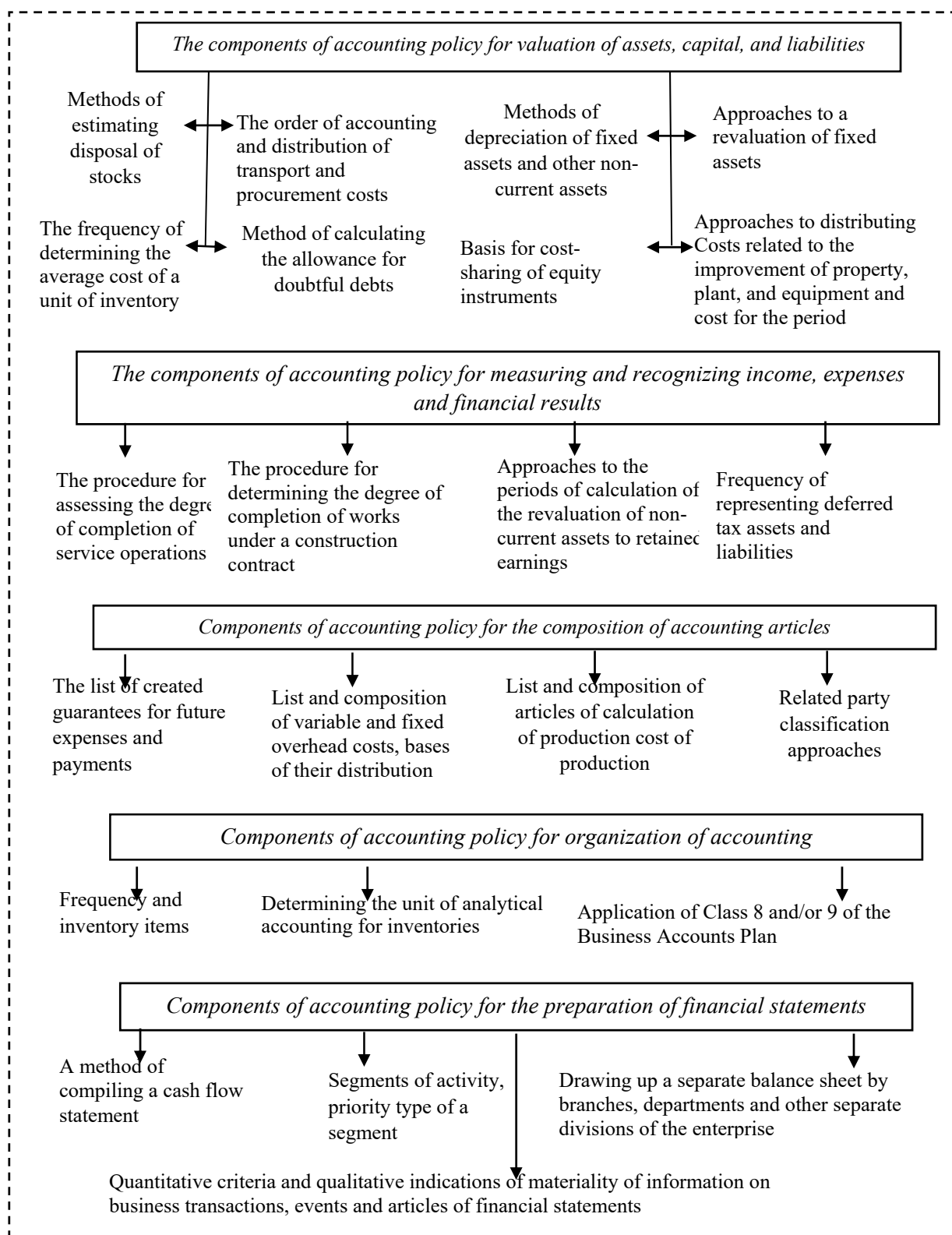


Fig. 2. The main components of accounting policies

Source: Developed by the authors based on [Ivanchenkova L.V., Tkachuk H.O., Skliar L.B., 2018, *Metodychni rekomendatsii shchodo oblikovoi polityky pidprijemstva*, 2013].

– make the financial statement information understandable and transparent to users, incl. investors;

- reduce the likelihood of misrepresentation of financial information regarding the value of assets, the reliability of the level of costs and financial results;
- ensure sufficient detail of the actual consequences of business transactions;
- provide the internal control system with reliable accounting information;
- provide the needs for the implementation of the corporate policy of the enterprise (Natsionalne polozhennia (standart) bukhhalterskoho obliku 1 «Zahalni vymohy do finansovoi zvitnosti», 2013).

The question of choosing a particular accounting policy option is particularly important because, in the same enterprise, under the same conditions, depending on the chosen method of accounting, for example, the cost accounting method, the product can be both more profitable or less profitable and even unprofitable.

Conclusion. The enterprise becomes competitive as a result of a set of actions aimed at creating and maintaining competitive advantages. The sound choice of specific components of the accounting policy of the enterprise will allow increasing qualitatively competitiveness of domestic enterprises.

The validity and detail of these accounting policies determine the prospects for further research.

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GLOBAL IMPERATIVES OF SERVICE ENTERPRISES' LOCATION

The essence of service enterprises' location is explored. The significance of its investigation on local and global level is substantiated. The main regulations and imperatives of service enterprises' location are defined. The regulations of service enterprises' territorial organization are proposed. There are: regularity of territorial proportions optimization or balanced service enterprises' location together with dynamically proportional to human needs, regularity of rational service enterprises' location and territorial accessibility of service facilities for the population, regularity of harmonious-complex service enterprises' location or complex formation of different types of services in one centre for customers' needs, the regulation of concentration and dispersion combination, regularity of hierarchy in service enterprises' location as well as regularity of service enterprises' system formation.

Keywords: *Service enterprises' location, regularities, imperatives, territorial proportions optimization, concentration and dispersion, harmonious-complex formations.*

Шпарага Тетяна. Глобальні імперативи розміщення підприємств сфери послуг.

Досліджено сутність розміщення підприємств сфери послуг. Обґрунтовано важливість його дослідження на місцевому та глобальному рівнях. Визначено основні правила та імперативи розміщення підприємств сфери послуг. Запропоновано наступні закономірності територіальної організації підприємств сфери послуг: закономірність оптимізації територіальних пропорцій або динамічно пропорційного відносно населення і збалансованого з його потребами розміщення сфери послуг, закономірність раціонального розміщення сфери послуг та економії суспільних затрат або територіальної доступності об'єктів обслуговування для населення, закономірність гармонійно-комплексного розміщення сфери послуг або комплексоутворення різних видів обслуговування в одному центрі для задоволення потреб споживачів, закономірність поєднання концентрації і дисперсії в розміщенні великих і дрібних підприємств та установ сфери послуг, закономірність ієрархічності об'єктів, центрів і систем обслуговування населення та закономірність системоутворення в розміщенні підприємств сфери послуг.

Ключові слова: *розміщення підприємств сфери послуг, закономірності, імперативи, оптимізація територіальних пропорцій, концентрація та дисперсія, гармонійно-комплексне розміщення.*

Relevance of research topic. The effective functioning of businesses and institutions as well as service enterprises depends largely on the choice of their location. Objectively, there are global imperatives to this process, called the regularities of location. Their investigations are one of the important areas of scientific research.

Formulation of the problem. The aim is to study the main regularities of service enterprises' location on local and global level as well as to define global imperatives of their location. This publication reviews the internal and global territorial problems of the region and service enterprises' located there. Implementation of service enterprises' location regularities is one of the effective methods for improving the acute socio-ecological and economic problems in the region.

Analysis of recent researches and publications. The service enterprises' location as well as general regulations or imperatives of this process were investigated in scientific works of Pistun M. D., Clark G. L., Feldman M. P., Gertler M. S., M. Fujita, J.-F. Thisse, A. Lösch, Krugman P. R., Venables A.J. But global imperatives of service enterprises' location discussed never before.

Presenting main material. The social services are conglomerate of different types of service activities that have their own regularities of location and development. However, this does not exclude the existence of general social services' location regularities. Regularities of location are the most common objective casual-effect relationships between the territory and society, which determine the development of society in the territorial aspect. According to M. Pistun, regularities reflect the most general, essential and necessary internal spatial relations and processes between material and physical components of society (Pistun M. D., 1996).

The laws of social development are the basis of regulations. Therefore, one or another regulation may reflect the requirements of several laws. The regulations of location are the spatial-temporal modifications of the system of economic laws of society. The establishment of regulations of social services' territorial organization follows from the economic laws of society and the laws of its territorial organization.

Central to them is the regularity of territorial proportions optimization or balanced service enterprises' location together with dynamically proportional to human needs. Its action is based on objective economic laws, which are based on the expanded reproduction of social services. Regularity reflects the qualitative and quantitative relationships between the quantity and structural characteristics of the population, between the peculiarities of its settlement and the species composition of service activities on certain territory. The regulations given below are logically followed from this one (Lösch A., 1954).

The next one is regularity of rational service enterprises' location and territorial accessibility of service facilities for the population. Its essence consists in objective service enterprises' location in accordance with the frequency and urgency of consumer demand (Fujita M, Krugman P., 2004).

The next one is regularity of harmonious-complex service enterprises' location or complex formation of different types of services in one centre for customers' needs. The peculiarity of complex formation processes in the service activity is that they are performed not by one line of communication between enterprises and organizations

but by the nature of human needs. Considering that these needs form a complex, they must be met by the appropriate complex of social services objects (Clark GL, Feldman MP, Gertler MS, Wójcik D, 2018).

The general regularity of location is concentration and dispersion combination (Fujita M., Thisse J.-F., 2004). It acts on social services as a regularity of optimal combination of large and small enterprises and institutions on the territory. Excessive concentration of facilities leads to the separation of service networks from population settlement systems. Thus, the location of small business services in the settlements with small population is not always economically rational, but socially justified. Consequently, there should be small enterprises as close to the consumer as possible, along with large enterprises with high economic efficiency of production.

The main peculiarity of general regularity of hierarchy in service enterprises' location consists in the existence of a territorial hierarchy of objects, centres as well as of public service systems. The hierarchy of social service structures is subordinated with the hierarchy of settlement and production systems. The following regularity is closely related to this one (Fujita, M., P. Krugman, A. J. Venables, 1999).

The regularity of service enterprises' system formation synthesizes the action of all the above (Pistun M.D., 1996). Its essence consists in the objective formation of territorial systems of social service, designed to provide the necessary conditions and standards of human life in certain settlement system.

Conclusion. Thus, the regularities of service enterprises' location are its global imperatives as well as objective spatial laws, according to which the process of territorial differentiation of social service activities is carried out.

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PUBLIC GOVERNANCE OF NATIONAL TOURISM SYSTEM

The article is devoted to the research of public management of the national tourism system (NTS), which is a component of the national economy. It has been found that, as a complex, multi-structural and determining entity for the national economy, NTS requires modern and balanced approaches to governance that are based on the values of civil society, democracy, partnership between the state, private and public bodies. There have been identified main areas of NTS management and proposed to consider them as a synergistic concept of effective regulatory influence on the functioning of the tourism system.

Keywords: *tourism, national tourism system, public governance, regulation.*

Охріменко Алла, Бабушко Світлана, Опанасюк Наталія. Публічне управління національною туристичною системою.

Стаття присвячена дослідженню публічного управління національною туристичною системою (НТС), що є складовою національної економіки. З'ясовано, що як складне, поліструктурне та визначальне для національної економіки утворення – НТС потребує сучасних і збалансованих підходів до управління, які базуються на цінностях громадянського суспільства, демократії, партнерства між державою, приватними та громадськими структурами. Визначено основні сфери управління НТС та запропоновано розглядати їх як синергетичний

концепт ефективного регламентуючого впливу на функціонування туристичної системи.

Ключові слова: туризм, національна туристична система, управління, публічне управління, публічно-приватне партнерство, регулювання.

Relevance of research topic. Modern political, legal, socio-economic processes and global challenges lead to significant changes in society, economy and lawmaking. As a result, they actualize the problems of effective development of public governance mechanisms in all spheres of human life, including tourism. Therefore, an important scientific task is to research the effectiveness of public management of the national tourism system, as well as the implementation of modern principles of public governance in the sphere of its functioning.

Formulation of the problem. The modern realities of post-industrial digital society require a rethinking of the place and role of tourism, not only as a catalyst for positive economic change, but also as a powerful communicator of international relations, an effective means of humanitarian policy and sustainable development. In this context, it is fully justified to consider tourism as a multi-structural complex – the national tourism system (NTS), a component of the national economy as «the national tourism system reflects the complex and dynamic socio-ecological and economic nature of tourism and is a subsystem of the national economy and the global tourism system» (Mazaraki, Boiko, Bosovska, Vedmid & Okhrimenko, 2018, p. 73). As a complex, multi-structural and determining entity for national economy, the NTS requires modern and balanced approaches to its governance. Therefore, taking into account its relevance, problematic character and to some extent innovativeness, the implementation of ideas and principles of public management in the sphere of functioning of the national tourism system is theoretically and practically significant.

Analysis of recent researches and publications. The evolution of public management was characterized by different determinants, stages, processes. The fundamental scientific basis of public administration is the concept of administrative management, which originated in the 1930s. Under the influence of humanitarian scientific trends, the theory of human resource management, the theory of organizational development, there has been formed one of the earliest areas of public management – traditional public governance.

At the present stage, public administration has not lost its relevance, but rather has become a systemic scientific concept and practical activity. In the publications of world and mostly European scholars, Klijn&Koppenjan (2000), Hall (2011), Ostrom (2009), Koopmans, Rogge, Mettepenningen, Knickel & Sumane (2017) there is substantiated the need to introduce new macroeconomic governance models capable of enhancing the effectiveness of state-society cooperation and, consequently, able to create a more open democratic society and improve the well-being of citizens.

The results of the researches by scientists, analysts and politicians are introduced in the democratic management model – Good Governance, which embodies new public administration, new regionalism. Moreover, «good public governance identified as the consolidation of interests and regulation of relations between different people, organizations and other stakeholders in a society is becoming increasingly important» (Katsamunska, 2016, p. 139).

In the scientific works by Western scientists Sorensen & Torfing (2005), Torfing & Triantafyllou(2013), Osborne (2006), Bryson, Crosby & Bloomberg (2014) a somewhat similar, but more refined idea is the formation of New Public Governance principles, which are directed to creating an effective public administration systems, introduction of innovative models, technologies, widespread use of benchmarking, involvement of business and civic environment in public administration through partnership mechanisms and collaboration.

In the Ukrainian scientific space in relation to the impact on the tourism industry in the context of its support and establishment, application and enforcement of regulations, the concept of state regulation is usually used. However, in the light of current world realities, particularly in legal doctrine and legal science, the separation of the right to public and private (*jus publicum* and *jus privatum*) is crucial. For the first time, the importance of this division was realized in ancient Rome. The Roman jurist Ulpianus (Domitius Ulpianus, 170–228) differentiated this concept in the following way: public law refers to the position of the Roman state, private to the benefit of individuals. Hence, private law is the sphere of freedom and decentralization, public law is the sphere of necessity and centralism.

In private law there are expressed the private interests of individuals and their associations, non-governmental entities. Decentralized regulation of social relations takes place on the basis of coordination. It means on the principles of legal equality, autonomy of such entities, and the presumption that «All that is not forbidden is allowed». Oppositely, in public law the legal priority belongs to the interests of the state, there is a centralized regulation of public relations by the state government, and the presumption is «All that is not allowed by law is directly prohibited». By applying the logic of these provisions to regulating the relations in the national tourism system, there can be distinguished the public regulatory influence on the social relations that arise in it.

The evolutionary development of NTS public governance is characterized by ambivalent processes, different approaches to its semantics and problem solving, models, principles and mechanisms of functioning and development. Therefore, under the influence of post-industrial changes the dynamic development of the society requires constant improvement of the quality of governance. In view of this, there is a need to implement modern principles of public governance in the functioning of the national tourism system.

Presenting main material. The essence of public governance involves the formation of the organizing and regulating influence of the state on the social life of

people with the purpose of ordering, preserving or transforming it. And «the overarching concept in governance in public policy terms is the relationship between state intervention/public authority and societal autonomy or self-regulation» (Hall, 2011, p. 450).

New Public Governance is based on communication and mutually beneficial cooperation between participants (actors) in the public, private, community sectors, broad stakeholder involvement in decision-making, clear accountability, and reduced regulatory functions. And the very concept of new public governance implies not only changes in public administration, but generally in the functioning of the state: the growth of public activity, the interaction of many interconnected entities (public, private, community) in the formulation of public policy, the involvement of private resources for deciding public issues.

Considering the global trends, in particular the experience of the European community and leading world scientists, it is necessary to take into account the ideas and tools of these concepts of public governance in the process of managing the tourism system.

In the context of the above-said, the spheres of NTS management are considered as: 1) regulation of entrepreneurship, which includes the formation of a regulatory and legal framework for the functioning and development of NTS, a competitive environment for the creation of tourism and tourism-related products and services; 2) management of subjects of NTS of state and communal ownership, first of all, hotels, sanatoriums and other means of temporary settlement (accommodation), as well as establishments in the field of education, science, communal services, construction, trade, etc.; it concerns the establishment of the production of publicly useful goods and services by the state on the basis of the use of state property and under the direct control of public authorities – budget financing, public procurement of services, etc.; 3) it is necessary to single out an additional sphere – the regulation of public-private partnership, as a separate component, the functioning of which leads to a stimulating effect on the development of entrepreneurship, the synergistic effect of the interaction between the public and private sectors; it includes the following forms of cooperation: government contracts, leases, concessions, joint ventures) (Fig. 1).

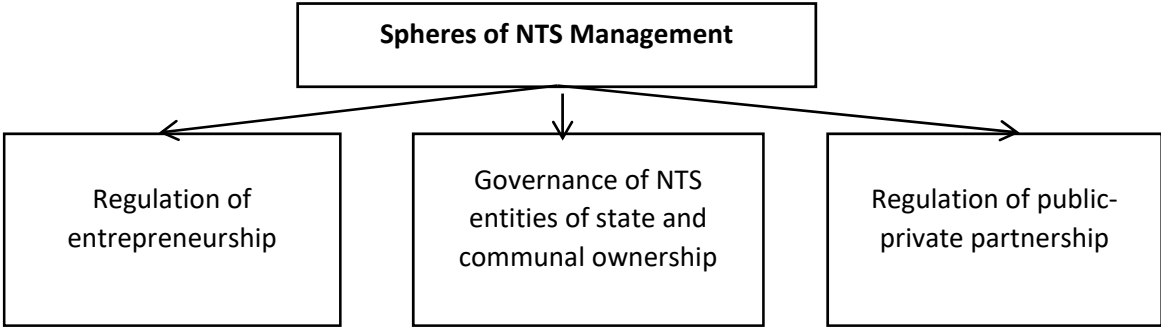


Fig. 1. Generalization of spheres of NTS management

Source: designed by authors.

The regulatory function of the state is reflected in the development and adoption of legislation in the field of tourism, the establishment of conditions for tourism activity (licensing, certification and standardization in tourism activities, the permit system for the right to carry out tourist conduct, restrictions on the activities of foreign entities, etc.), in providing favorable conditions for tourism development through simplification and harmonization of tax, currency, customs, border and other types of regulation, and in creating a special legal mechanism that provides state control over tourism activities.

In addition, it is necessary to distinguish the following functions of the state, without implementing of which it is impossible to effectively develop the NTS: 1) executive function, aimed at ensuring the application of the established norms in the relations between the subjects of tourism activity, and that is based on the authority and includes measures of prohibition, permit and coercion; 2) controlling function, which is carried out by authorized state bodies and subjects of tourism activity in order to protect the rights and interests of their participants.

The main special means of regulatory influence of the state on the activity of subjects of tourism entrepreneurship in accordance with Art. 12 of the Commercial Code of Ukraine are: licensing; certification and standardization in the field of tourism; definition of qualification requirements for the posts of tourist support employees, issuing permits for the right to carry out tourist conduct; restrictions on the implementation of tour operator and travel agent activities; granting tax benefits and more.

The legal forms of state regulation of tourism activity, as a special type of management, include: normative and legal regulation of the activities of the tourism business subjects; maintenance of the license register of the tour operator activity subjects; issuance of a passport of a tourist object; keeping registers of certificates for the establishment of categories for hotels and other objects intended for providing temporary settlement (accommodation) services; control over keeping to the License conditions of carrying out tour operator activity; the use of measures of influence by authorized state bodies, etc.

A public-private partnership is essential for the effective development of the NTS, which is the focus of the World Tourism Organization (2017), since such cooperation, if properly organized, can be mutually beneficial. The public sector ensures the holistic development of the NTS and its long-term strategy. The private sector implements tactical decisions flexibly and effectively.

Conclusion. Summarizing the above, it is worth noting that the evolutionary management of the NTS was formed under the influence of socio-historical processes. Different concepts and approaches had a significant impact on its development and formation. The focus of in this research is put on the vision of NTS in the context of public governance, which should be based on the values of civil society, democracy, partnership between the state, private and public entities. After all, the process of becoming and building a sovereign democratic socio-legal statehood is accompanied by the approval of new principles of the economic system based on market relations and the development of entrepreneurship, the formation of civil society and the establishment of qualitatively new democratic institutions of public authority.

The main spheres of NTS governance are identified and it is proposed to consider them as a synergistic concept of effective regulatory influence on the tourism system functioning: regulation of entrepreneurship, formation of a competitive environment for the creation of tourism and tourism-related products and services; management of NTS entities of state and communal ownership; ensuring the effective functioning of public-private partnerships.

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AUDIT IN THE CONDITIONS OF GEO-ECONOMIC CHANGES: STATUS AND IMPERATIVES OF DEVELOPMENT

The article is devoted to the research of the current state and imperatives of audit development in Ukraine in the conditions of geo-economic changes. It is determined that the main imperatives of the audit development are ensuring that it meets the quality criteria and raising the level of social responsibility of the audit. The tendencies of changes in the main parameters of the audit market development are investigated: number of subjects and volume of services from audit activity. A list of business entities that are of public interest, are subject to statutory audit and require increased control by the public regulator. The vectors of audit development in Ukraine are proposed.

Keywords: *audit, imperatives of development, subjects of public interest.*

Назарова Каріна, Копотієнко Тетяна, Нежива Марія. Аудит в умовах геоекономічних зрушень: стан та імперативи розвитку.

Стаття присвячена дослідженню сучасного стану та імперативів розвитку аудиту в Україні в умовах геоекономічних зрушень. Визначено, що

основними імперативами розвитку аудиту є забезпечення його відповідності критеріям якості та підвищення рівня соціальної відповідальності аудиту. Досліджено тенденції зміни основних параметрів розвитку ринку аудиту: кількості суб'єктів та обсягу послуг від здійснення аудиторської діяльності. Представлено перелік суб'єктів господарювання, які становлять суспільний інтерес, підлягають обов'язковому аудиту та потребують посиленого контролю з боку суспільного регулятора. Запропоновано вектори розвитку аудиту в Україні.

***Ключові слова:** аудит, імперативи розвитку, суб'єкти суспільного інтересу.*

Relevance of research topic. Globalization and intensification of economic processes, a significant deepening of European integration, determined the importance of developing and implementing its results – effective instruments for regulating corporate governance, accounting and auditing to form an efficient open-access economy. On September 1, 2017, the Association Agreement between Ukraine and the European Union entered into force in full [7], according to which Ukraine is obliged to gradually bring legislation to regulate the strategic spheres of the state in accordance with European norms. The said agreement identified issues of regulatory and legal regulation of enterprises, corporate governance, accounting and auditing. This resulted in qualitatively new requirements for audit activity in Ukraine and outlined the strategic guidelines for its development.

Formulation of the problem. The gradual introduction of the requirements for the reform of the audit activities declared in the Association Agreement between Ukraine and the European Union was commenced with the adoption of the Law of Ukraine «On Audit of Financial Statements and Audit Activities» [8]. At the same time, it is important to take into account the fact that many audit imperatives are not currently implemented. In particular, this concerns the legal regulation of audit, the implementation of international quality control standards, audit, review, other assurance and related services [5], their implementation in international practice of domestic auditors, improvement of the work of the public regulator of audit in Ukraine and others mandatory aspects of the implementation of international audit in national practice. A separate principle, conceptual issue is to improve the audit in the direction of developing its social responsibility and ensure compliance with two-level quality criteria (both at the national level and on the internal affiliate).

Analysis of recent researches and publications. Theoretical, methodological and practical principles of the development of independent professional audit are the subject of scientific interest of leading scientists, such as V.P. Bondar [1], G.M. Davydov, O.A. Petrik [2], V.S. Rudnitsky, O.M. Sarakhman [6] and others. In particular, V.P. Bondar [1] investigated the applied aspects of the use of working documentation in the framework of the audit of financial statements. Scientific achievements

G.M. Davydov and O.A. Petrik [2] reveals the main trends in the regulation of audit activity in the European Union. The scientists systematized the basic norms of European legislation in the sphere of regulation of audit activity, studied the practice of organizing national audit systems in the states of the European Economic Area, and based on this experience, proposals were made for the organization of the national audit system in Ukraine. Such scholars as V.S. Rudnitsky and O.M. Sarakhman [6] examined the current problems, perspectives and peculiarities of carrying out the audit of payment card transactions. Recognizing the importance of the scientific work of scientists should be noted the relevance of continuing research on this topic.

The purpose of the article is to highlight the current state, conceptual issues of the development of audit and the imperatives of implementing international experience in the national practice of auditing in the conditions of geo-economic developments.

Presenting main material. Audit as a kind of professional activity is marked by a rather high degree of publicity of its results. The implications of providing audit services relate to a wide range of interested users of information and are not limited only to the effect on management of a particular specific entity. This leads to increased requirements for its quality and social responsibility, which is more clearly seen now on the example of the leading, economically developed (according to the World Bank rating) countries of the world. The main factor in ensuring compliance with the necessary criteria for the quality of the audit is, on the one hand, their consolidation at the legislative level, on the one hand, and their clear procedural provision.

It should be noted separately that in Ukraine, for a long time, there is a certain conflict between the number of unprofitable enterprises in the state and the audited conclusions. Thus, according to the State Statistics Service of Ukraine [3], the share of unprofitable enterprises is increasing every year: in 2017, the share of unprofitable enterprises amounted to 30.3%, which is 3.3% more than in 2016 (27.0%), and by 3.6% more than in 2015 (26.7%). This, in turn, increases the role of auditing (both external, so-called independent, and internal), since owners and senior management of enterprises are growing the need to own an efficient and reliable information source for making managerial decisions aimed at improving the efficiency of management. The main objective of the audit of financial statements is to express an independent opinion of the auditor on its compliance in all material respects with the requirements of national accounting standards (standards), international financial reporting standards or other requirements [8]. However, there is not enough confidence that the audit results fully reflect the real financial and economic state of the enterprises and the level of objectivity and independence of the auditors during the inspections. Thus, in 2017, according to the official regulator, the Audit Chamber of Ukraine [9], 127 negative audit opinions and 51 waivers were expressed (1,55% and 0,62% of the total number of audit findings respectively) According to the State Statistics Service of Ukraine, in 2017 the number of operating entities amounted to 1,805,144 units, which is, in comparison with 2016, lower by 60,487 units (in 2016 – 1,865,631 units) and by 108 808 units less than in 2015 (in 2015 – 1,974,439 units). The given statistics testify

that the results of the audit were insufficiently reliable as the principle of continuity of activity was not observed when giving an auditor's report. The results of the audit should be accessible and understandable to both professional and nonprofessional users of information, which at the current stage of development of audit in Ukraine is also a problem.

After the entry into force of the Association Agreement with the European Union in full, in particular in the economic part, significant transformations have significantly increased; one of the conceptual issues is the mission, meaningful content and social responsibility of the audit.

The quality of the audit requires more scrutiny, so in Ukraine it is necessary to increase the control over the subjects of audit activity and the enterprises, institutions and organizations whose reporting is subject to the mandatory annual audit, namely, to increase the attention to the observance of their current Ukrainian and international activities legislation. The Law of Ukraine «On Audit of Financial Statements and Audit Activities» [8] introduces fundamental innovations in carrying out statutory audits on enterprises of public interest, limited liability companies and other medium-sized enterprises (Figure 1).

An audit, having moved to a new stage in its development, socially-oriented, should ensure the interests of society and guarantee its confidence in the audit results and the quality of information it provides to users. If the enterprise belongs to at least one of the groups listed in the figure, then it is an enterprise of public interest and, in accordance with the requirements of the current legislation of Ukraine, undertakes to undergo an annual mandatory audit.

The development of audit, in the context of European integration, has shown that the key point in the work of audit firms and auditors is the quality control of the audit services they provide.

The International Quality Control Standard 1 «Quality Control for firms that carry out audits and reviews of financial statements, as well as other assurance and related services» [5] states, that the objectives of the firm are to establish and maintain such a quality control system, which would give it enough assurance that: the firm itself and its personnel act in accordance with professional standards, legislative and regulatory requirements; and the reports provided by the firm or the task partners are in line with the circumstances.

The quality control by an audit firm guarantees users of financial statements audited by audit firms that have passed quality control, confidence and trust in the reliability of financial reporting data. As a consequence of this, there is an increase in trust in the audited company and in the auditing firm itself that carried out the verification.

The adoption of the Law of Ukraine «On Audit of Financial Statements and Audit Activities» and, accordingly, introduction of more stringent requirements for the certification of auditors and audit quality criteria, showed inconsistency with the established requirements of a significant proportion of active actors in audit activity.

This led to a decrease in the number of audit engagement auditors and auditors in Ukraine in 2013–2017 (Figure 1).

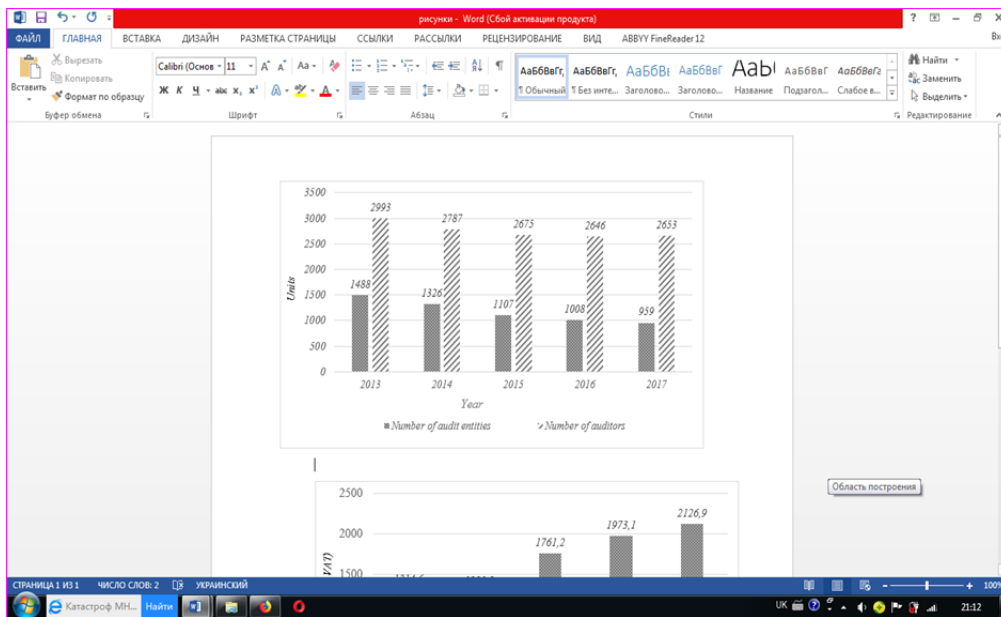


Fig. 1. Dynamics of the number of audit entities and auditors in 2013–2017

Source: author's development on the basis of [9].

Information shown in Fig. 1, indicates a tendency to decrease the number of auditors – by 189 persons (12.7%) for 2013–2017, and the number of subjects of audit activity (by 340 firms, or 11.6%). At the same time, the volume of services provided by the subjects of audit activity in Ukraine in 2013–2017, on the contrary, increases during the analyzed period (Fig. 2).

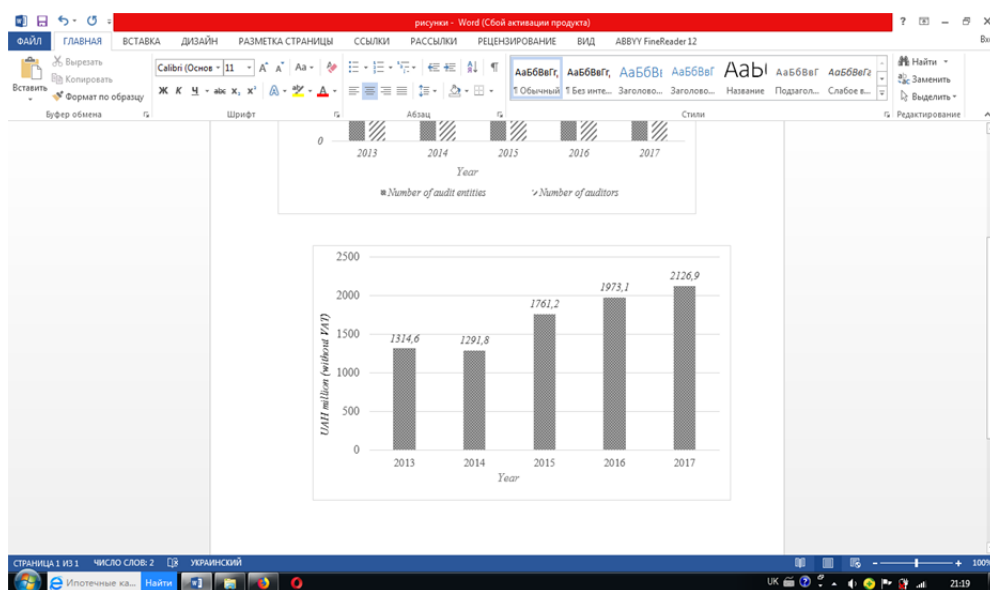


Fig. 2. Volume of services provided by the subjects of audit activity in 2013–2017

Source: author's development on the basis of [9].

The volume of services provided by the subjects of audit activity in 2013–2017 increased by 812272.2 thousand UAH, or 61.79%. As a result, the volume of services rendered by one subject of audit activity is increasing, which confirms the positive tendency of audit development.

In Ukraine, the imperatives of conducting a qualitative audit are regulated by the Law of Ukraine «On Audit of Financial Statements and Audit Activities» [8]. According to the Audit Chamber of Ukraine [9], as of January 30, 2018 the audit of the quality control system of audit services was carried out by 951 auditing firms (56,68%), of which 439 (46.16%) were successfully tested, not passed – 100 (10.52%), did not pass at all – 412 (43.32 %). Consequently, most Ukrainian audit firms have not passed the test of the quality of the services they provide. Such results imply that in Ukraine the quality control system of audit firms is rather low, and audit firms, in turn, do not comply with the requirements of the current legislation on the conduct of their activities. As a result, the effectiveness of audit and user confidence in audit findings decreases, which is the main problem of our reality.

The European integration process of Ukraine in the area of audit led to significant significant economic transformations. Regarding the transformations in the field of audit, it should be noted that, when they are developed and implemented in order to achieve the high quality of the audit, it is necessary to take into account the requirements of Part 12 of Directive 2014/56/EU [4]: «Important to ensure the high quality of statutory audit within the Union. Therefore, all mandatory audit tasks should be performed on the basis of international auditing standards adopted by the commission. As the international standards for quality control, audit, inspection, other assurance and related services are designed to be acceptable for the audit of business entities of different sizes, types in all jurisdictions, the competent authorities of the member states should take into account the scale and complexity of the business of small businesses when assessing the scope of the application of international auditing standards. Any conditions or measures adopted by Member States in relation to this should not lead to the perceived auditor and audit firm being unable to perform a statutory audit in accordance with the requirements of international auditing standards. At the same time, member states will have the right to introduce additional national audit procedures or requirements only in cases where they derive from specific national legal requirements regarding the scope of statutory audit of annual or consolidated financial statements if these requirements are not covered by internationally accepted auditing standards, or if they enhance the quality and confidence of the annual financial statements and consolidated financial statements». Consequently, when transforming national legislation into international requirements, it is necessary to take into account the specifics of doing business with Ukrainian enterprises and the criteria and requirements of international standards of audit, as well as to strengthen control over compliance with these requirements by Ukrainian audit firms and auditors.

The compliance of auditing firms and auditors with the requirements of the current legislation is mandatory. Their violation leads to the fact that the subject of audit activity may not pass the quality control and, as a consequence, be deprived of the right to provide audit services in general. It depends on this on the quality of the audit and the correctness of the conclusion reached regarding the reliability of the financial reporting data that users of the financial statements are targeting.

Conclusion. Despite the implementation of a number of significant measures to improve the audit activity in Ukraine, many issues regarding the quality assurance of the audit are currently unresolved. Multicomponent cooperation with the European Union on corporate governance, accounting and auditing will allow the use of leading foreign experience and adapt the norms of national legislation in the field of regulation of audit activity to European ones. This will ensure that the norms of regulation of activities of public interest entities in Ukraine meet the requirements of international standards. This will promote more effective protection of the rights of shareholders and creditors, minimizing the risks of company raider attacks, and, consequently, increasing the trust of foreign investors and improving the investment climate in the state. The identified audit engagements can increase the quality of the audit and, as a consequence, the trust of users of information.

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THE IMPACT OF US ECONOMIC SANCTIONS ON RUSSIA'S SOCIAL-ECONOMIC DEVELOPMENT

The article covers the main theoretical and historical aspects of economic sanctions. There are given the classification of economic sanctions and examples of their application in modern international relationships. The reasons, essence and results of the application of US sanctions to the Russian Federation are considered.

Keywords: *sanctions, widespread poverty, devaluation of ruble, capital flight.*

Шнирков Олександр. Вплив економічних санкцій США на розвиток економіки Росії.

У статті висвітлюються основні теоретичні та історичні аспекти економічних санкцій. Наведена класифікація економічних санкцій та приклади їх застосування у сучасних міжнародних відносинах. Розглянуто причини, сутність та результати застосування санкцій Сполучених Штатів Америки щодо Російської Федерації.

Relevance of research topic. Economic sanctions are the one of the mechanism of economically developed countries to make influence on the behavior of other states, to show their leadership, and to seek to induce on the social and political change in that country.

The US sanctions on Russia economy aims to change the Russian government's policy towards Ukrainian issue by putting pressure on the Russian economy. Targeted sanctions on individuals, organizations, and sectors have been aimed at increasing Russia's political isolation and increasing Russia's economic losses, especially in areas of strategic importance to the Russian economy.

Formulation of the problem. United States sanctions, imposed on Russia since 2014 in response to Moscow's role in the conflict in south-east Ukraine, have now entered their fifth year. They appear to have been effective on several fronts, despite the ongoing nature of the crisis.

Based on the above, we can formulate the following goals of this research:

- 1) mechanics and legal underpinnings;
- 2) effectiveness and impact;
- 3) economic costs to the Russian economy at the national, sectoral, state and firm levels.

Analysis of recent researches and publications. A number of scientific works has been devoted to the problems of US sanctions against Russia. Thus, R. Nelson (2017) describes the impact of US economic sanctions on Russia’s finance sector. Erica Moret, Francesco Giumelli, Dawid Jarosz indicates increasing poverty in Russia due to the economic sanctions.

The existing scientific findings have not fully reflected the problem of the US economic sanctions against Russia. This is what made the research relevant.

Presenting main material. Economic sanctions are the means of economically developed countries to influence the behavior of other states, to show leadership, and to seek to induce on the social or political change in that country [1].

The application of US sanctions on Russia aims to change the Russian government’s policy on the Ukrainian issue by putting pressure on the Russian economy. Targeted sanctions on individuals, organizations, and sectors have been aimed at increasing Russia’s political isolation and increasing Russia’s economic losses, especially in areas of strategic importance to the Russian economy.

In particular, Russia grappled with:

- I. **economic contraction**, with growth slowing to 0.7% in 2014, before contracting sharply by 3.7% in 2015;
- II. **capital flight**, with net private capital outflows from Russia totaling \$152 billion in 2014, compared to \$61 billion in 2013;
- III. **rapid depreciation of the ruble**, more than 50% against the dollar over the course of 2015;
- IV. **a higher rate of inflation**, from 6.8% in 2013 to 15.5% in 2015;
- V. **budgetary pressures**, with the budget deficit widening to 3.2% in 2015, up from 0.9% in 2013;
- VI. **tapping international reserve holdings** to offset fiscal challenges, including exclusion from international capital markets, as reserves fell from almost \$500 billion at the start of 2014 to \$368 billion at the end of 2015; and
- VII. **more widespread poverty**, which increased by 3.1 million to 19.2 million in 2015 (13.4% of the population). [2]

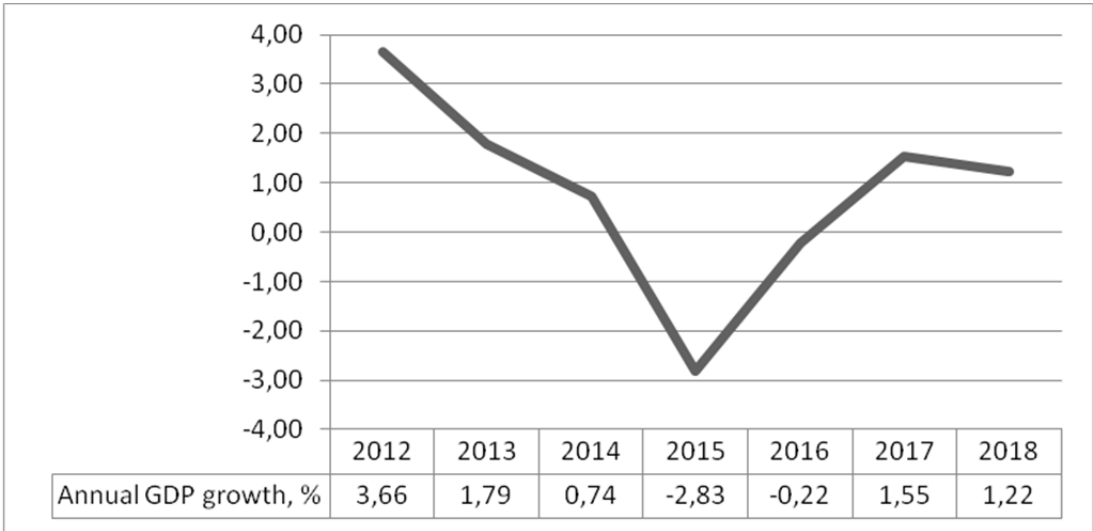


Fig. 1. Russia’s GDP annual growth 2012–2018 [3]

During 2016, Russia’s economy largely stabilized, even as the sanctions remained in place. Russia’s economy contracted at a slower rate (0.8%); net private sector capital outflows slowed, from over \$150 billion in 2014 to \$15 billion in 2016; inflation fell by more than half, to 7.2%; the value of the ruble stabilized; and the government successfully sold new bonds in international capital markets in May 2016 for the first time since the sanctions were imposed.

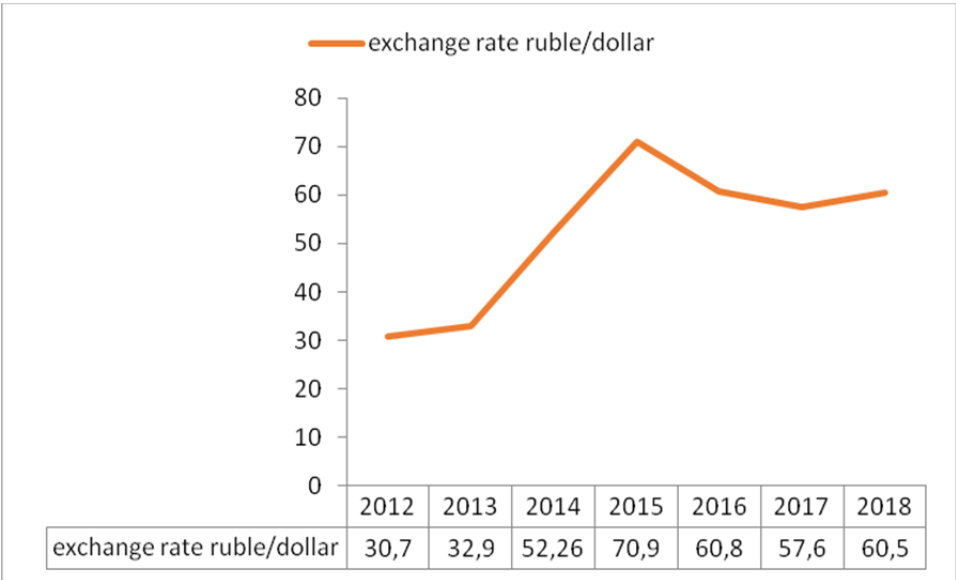


Fig. 2. The rapid devaluation of the ruble [3]

Russia’s economy faced a number of challenges in 2014 and 2015, including capital flight, depreciation of the ruble, rising inflation, weaker growth prospects, and budgetary pressures. Many experts believe that sanctions are contributing to Russia’s economic challenges. However, it is difficult to assess the impact of sanctions separate from other domestic and international factors, particularly low oil prices.

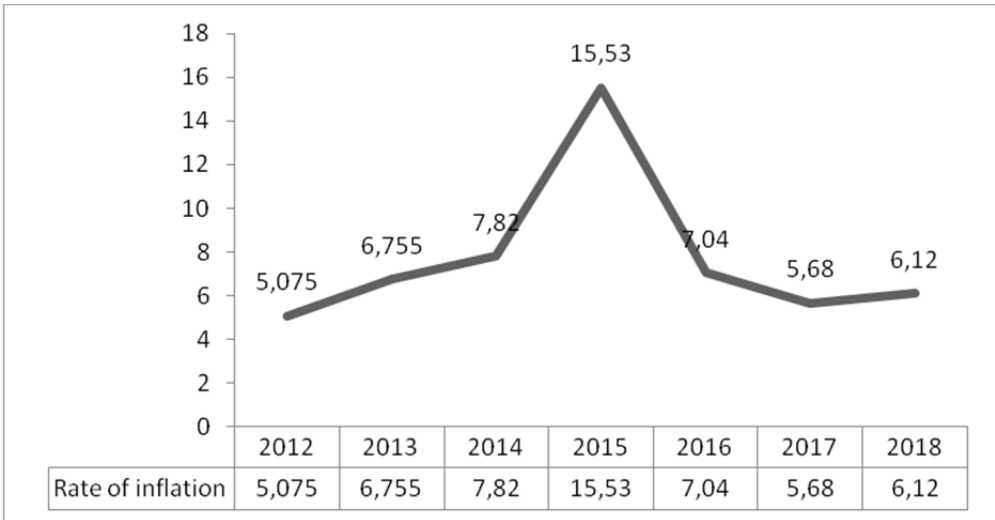


Fig. 3. The great level of inflation. [3]

Since 2016, the economic situation in Russia has largely stabilized, despite the fact that sanctions are still in place. This was mainly due to the rise of world oil and natural gas prices.

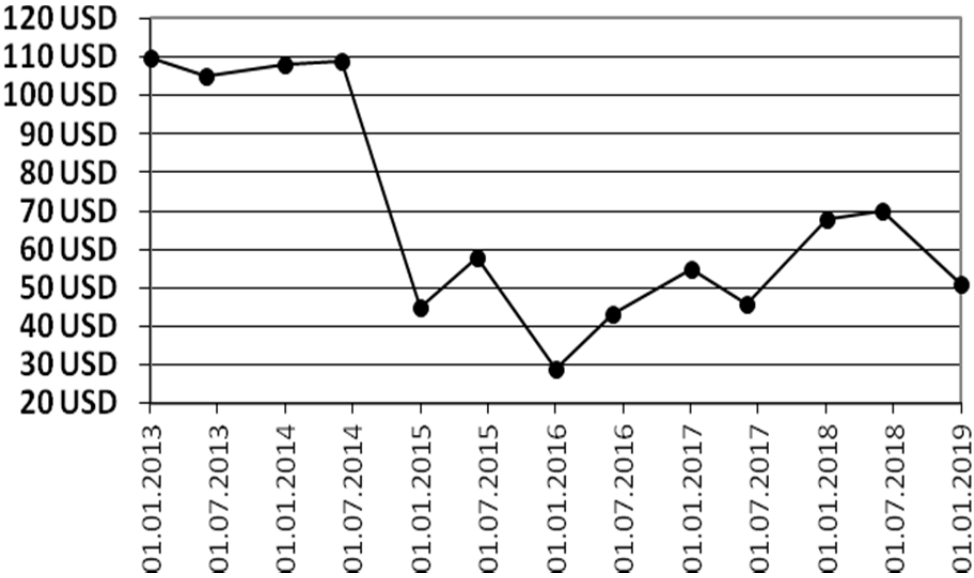


Figure 4. Changes in the price of BRENT oil 2014–2018, USD. [3]

The oil and gas sector is an important focus of Russia’s economy, as exports of these goods account for more than half of total exports and account for over 30% of the country’s gross domestic product.

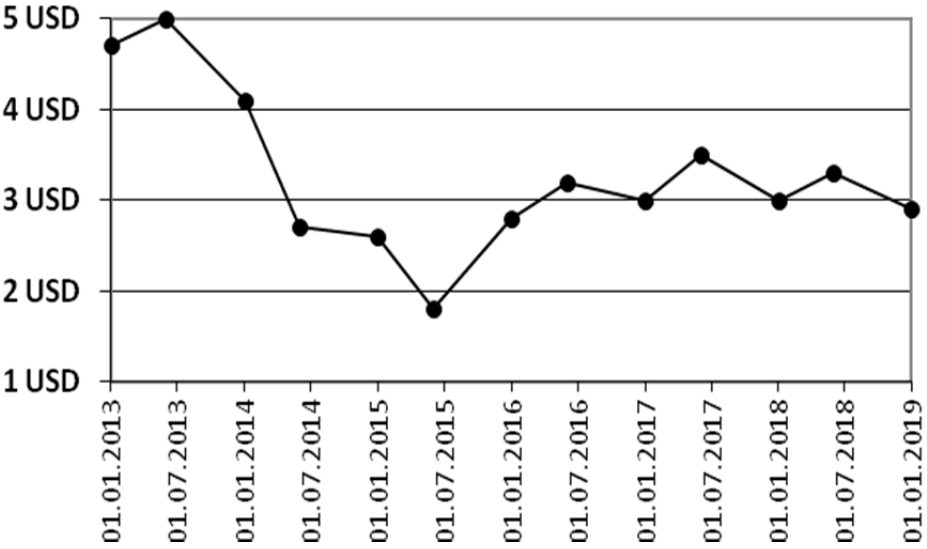


Figure 5. Changes in the price of natural gas 2014–2018, USD. mmbtu. [3]

Conclusion. The United States, in coordination with the EU, implemented targeted sanctions on key Russian individuals, entities, and sectors in response to Russia’s actions in Ukraine. U.S. sanctions include, for example, targeting officials in

Putin's inner circle and placing restrictions on new debt to specific financial institutions.

The effectiveness of the sanctions in inducing a change in the behavior of the Russian government remains to be seen. Although the Russian government continues to face a number of economic challenges, many of which are unrelated to sanctions, economic forecasts suggest that the Russian economy is stabilizing and there is some evidence that investor sentiment toward Russia may be improving.

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ANTI-CORRUPTION STATE POLICY: PROBLEMS AND PROSPECTS OF DEVELOPMENT

The article analyzes the current state of the state anti-corruption policy in the sphere of combating corruption and peculiarities of its implementation. The set of general directions of anti-corruption policy is highlighted. The state of formation and implementation of anti-corruption policy in Ukraine, its directions and ways of implementation are investigated. Topical issues of further implementation of anti-corruption measures and development of legislation are considered, ways of their solution are suggested.

Keywords: *corruption, anti-corruption, anti-corruption policy, anti-corruption reform, realization of state anti-corruption policy.*

Петренко Наталія. *Антикорупційна державна політика: проблеми та перспективи розвитку. У статті проаналізовано сучасний стан державної антикорупційної політики у сфері протидії корупції та особливості її реалізації. Виділено сукупність загальних напрямів антикорупційної політики. Досліджено стан формування та реалізації антикорупційної політики в Україні, її напрями та шляхи здійснення. Розглянуто актуальні питання подальшої реалізації антикорупційних заходів та розвитку законодавства, запропоновано шляхи їх вирішення.*

Ключові слова: *корупція, протидія корупції, антикорупційна політика, антикорупційна реформа, реалізація державної антикорупційної політики*

Relevance of research topic. The strategic goal of anti-corruption policy is to counter corruption at the national level, at the same time, there is no consensus on the creation of effective mechanisms for combating corruption. Corruption, according to well-known European researcher Leslie Holmesit is one of the most global problems, above the extreme of poverty, unemployment, rising food costs, energy, threatening climate change and terrorism. Its value in today's world cannot be underestimated, because it is one of the leading causes of poverty worldwide (Holmes L., 2015, p. 4).

Formulation of the problem. One of the most urgent issues of modern development of Ukraine is the need to intensifying the fight against corruption and its attribution to the integral component of the general and overarching domestic policy of the state. At the same time, the primary task is to develop and substantiate mechanisms for combating corruption to apply positive practices in this field to Ukrainian realities, improvement of the state anti-corruption policy. Formation of an effective mechanism for combating corruption is conditioned by objective and subjective factors of the country's social development. It should be noted that during the independence of our country failed to form an effective system for combating corruption. Non-systematic law enforcement reorganizations did not produce the desired result. That is why today, as never before, the question of creating improvements in the mechanisms of anti-corruption policy and really proper anti-corruption institutions has been raised.

Analysis of recent researches and publications. Problems of preventing and overcoming corruption study by scientists, the public, international organizations, at the same time, there is no consensus on creating an effective mechanism for combating corruption. There are several approaches to examining anti-corruption policies as a subject of study: essence, content, concepts were studied by V. Bakumenko, V. Bashtannik, V. Solovyov. Political and administrative aspects of anti-corruption policy formulation – I. Gritsyak, A. Savkov, O. Sushinsky. In terms of the international legal approach, anti-corruption policy was investigated by M. Lakhizh, L. Prokopenko, O. Rudenko, and V. Solovykh. The economic and legal approach was used by M. Latinin, I. Rasputenko, the functional approach was N. Lipovskaya, S. Seryogin, the institutional approach was K. Vashchenko, N. Hrytsyak, V. Troshchinsky.

All these approaches are relevant, however, in our opinion, the most effective measure is the functioning of the Institute of Anti-Corruption Bodies, which systematically and gradually forms and implements anti-corruption policies, adjusts the main methods and mechanisms for preventing and combating corruption.

In this connection, the problem of systematic analysis of the functioning and development of newly created anti-corruption bodies of Ukraine is urgent. In addition, insufficiently studied cooperation and development of newly created anti-corruption bodies, in fact, it is the anti-corruption bodies that influence the emergence of civil society and the implementation of major reforms in the country.

Presenting main material. Anti-corruption policy is shaped and implemented in specific circumstances in a specific institutional environment. Becoming an integral part of economic and social institutions, it influences the existing institutions and the possible directions and speed of change. The importance of institutions is manifested primarily in the demand for rights that allow a group of individuals to receive redistributive benefits, and offers of such rights. Institutional characteristics determine, on the one hand, the magnitude of corruption payments, because they shape the

demand for rights and the level of competition among the possible owners of those rights, and on the other, the ability of an official to coordinate a corruption transaction

An important preventive factor in the fight against corruption is the improvement of anti-corruption bodies. More attention should be paid to timely response to reports from citizens, the media, the results of sociological research on corruption and other illegal actions of officials, the prevalence of corruption in individual agencies (Olentsevych N. et al., 2018, p. 28–33).

In 2015, the formation and development of the National Anti-Corruption Bureau of Ukraine begins. In addition, a Specialized Anti-Corruption Prosecutor’s Office was formed within the structure of the Prosecutor General’s Office of Ukraine. In accordance with the Law of Ukraine «On Prevention of Corruption», one of the key anti-corruption bodies – the National Agency for the Prevention of Corruption – started operating in 2016. So, during 2015-2016, major anti-corruption institutions were created.

At the same time, it should be noted that in Ukraine though anti-corruption bodies have been created, their activities are ineffective due to the lack of coordination mechanism, inefficient use of available resources, insufficient involvement of civil society to combat corruption.

In our opinion, the coordination of anti-corruption bodies can be summarized as follows (Figure 1).

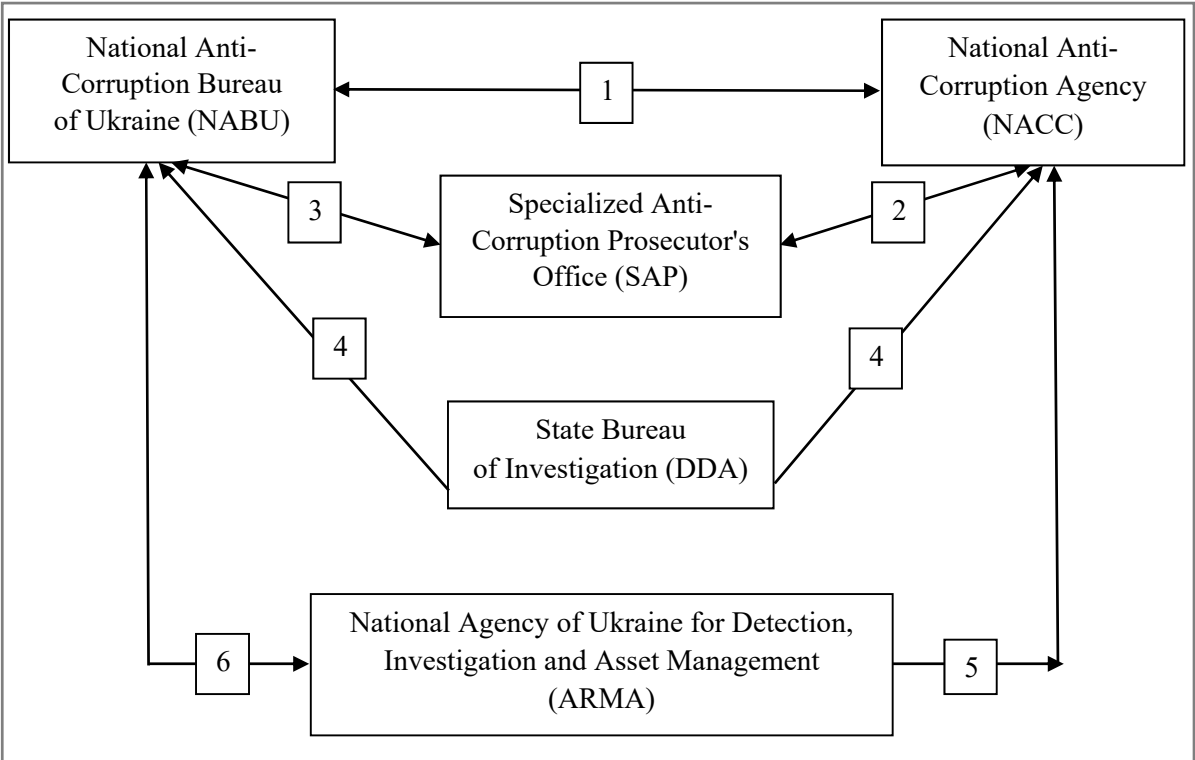


Figure 1. Mechanism of coordination of activities of anti-corruption bodies
 Compiled by the author in (4, 9–15)

1. NACC checks the declarations of civil servants, NABU directs requests for verification of declarations individuals and the investigation begins after full verification of the NACC declaration

2. The SAP is focusing its efforts on prevention and counteracting corruption and redress the losses it caused; development, coordination and implementation of joint NACC activities; preparation of proposals for improvement of anti-corruption legislation.

3. coordination of SAP and NABU actions for attraction accountability, further trial and punishment for corruption.

4. DDA conducts corruption crimes committed by NABU officials, SAP.

5. ARMA provides the formation and implementation public policy on detection and the search for assets that can be seized.

6. NABU is searching and seizing assets, who may be arrested; NAIA manages assets that have been seized or confiscated.

Table 1

Factors influencing the effectiveness of anti-corruption bodies

No	Factor	Feature
1	Absence of specially trained specialists who will implement anti-corruption policy and knowledgeable in preventing and combating corruption and having the appropriate qualifications and experience	When selecting candidates for anti-corruption positions, preference should be given to candidates with a law or economic background and previous work experience most closely related to the prevention of corruption
2	Lack of experience of activity and institutional capacity of these bodies, as these are newly created bodies that shape their activities based on the experience of European and world practices, which does not always work in our country	In Ukraine, the nature of corruption differs from corruption in other countries, so the mental features of corruption are to be taken into account
3	Anti-corruption bodies have slowly started their activity as their staff has been forming for a very long time	The NACC has not been fully staffed for over a year, and the staff of the ARMA received from corruption and other crimes, as well as the BDA, has not been fully staffed to date
4	There is no interaction of the mentioned anti-corruption bodies, which should be regulated in the current regulatory documents, while anti-corruption institutions duplicate each other's activities	This includes drafting administrative records, overseeing compliance with declarations, and conflicts of interest

By the author

In order to form unified anti-corruption bases, it is necessary to exchange information bases within the competence of the NABU, NACC, and ARMA bodies. In addition, cooperation between the Specialized Anti-Corruption Prosecutor's Office and other anti-corruption bodies should be strengthened in order to establish databases of persons who have committed corruption or corruption-related offenses. Therefore,

we conclude that the established anti-corruption organizations do not fulfill their tasks of preventing and combating corruption, therefore their activity is criticized by foreign experts and the public. As a result, it is urgent to systematize the role of these institutions, formulate priorities for the development of state anti-corruption policy, adopt systemic legislation on the implementation of anti-corruption policy, indicating the role of each anti-corruption body, criteria for its effectiveness and effectiveness of indicators of implementation of anti-corruption measures. Formation of joint and united activity of anti-corruption bodies is the basis of qualitative fight against corruption, minimization of its manifestations. These anti-corruption bodies should be in constant cooperation.

In addition, improving the existing anti-corruption measures is to eliminate the shortcomings of anti-corruption legislation that create the conditions for corrupt public relations.

As already mentioned, the fight against corruption today is one of the strategic foundations of Ukraine's state policy. Along with combating the negative impact of corruption on economic security, there is a need to put in place effective mechanisms for the return of corruption capital. This will have a positive impact on increasing the national economic potential, will contribute to the growth of the national economy and strengthen the economic security of Ukraine.

The fight against corruption, as with other institutional strains, must be complex. To counteract corruption, the executive branch, the parliament, business and the public should unite. The main anti-corruption factor should be the formation and implementation of «rules of the game» and conditions of equal competition. The state and the authorities should be the first to demonstrate the principle of the rule of law, which will greatly enhance the economic security of Ukraine.

The fight against corruption is a task not only for public authorities and local authorities, but also for civil society institutions. There is a need for a radical change in public consciousness, which will prove to be a climate of brutal rejection of corruption in the population, since the significant growth of corruption and its scale is the most acute problem of our state and society today. Corruption has become one of the main sources of destructive influence on the processes of social, economic and political development of Ukraine and threatens the stability of economic and financial institutions.

It should be said that in recent years there has been a change in priorities in the use of corruption by their corrupt officials. Previously, the goal was achieved mainly through bribery of government officials. Today, personal presence in the authorities or lobbying of their interests through the presence of their representatives is a priority.

What is important is that by analyzing the number of those responsible for corruption, we can conclude that, as a rule, corrupt officials with minor violations appear before the law, and elite groups endowed with power are inviolable.

Thus, we conclude on the politicization of corruption, that is, the awareness of corrupt officials of their own political interests, which is different from the interests of other social strata. A corrupt person pursues not only an economic goal (gaining excess profits, control over certain sectors of the economy, regions, individual enterprises, etc.), but also political – gaining power to lobby for their interests, political support for corruption. Lobbying is one of the indicators of politicization of corruption and is implemented both with the help of corrupt officials holding public office and through bribery of other employees.

Corruption activity allows to acquire legal social status, as well as to legalize the proceeds of crime. It is a means of criminalizing power and politicizing corruption. Corrupt individuals are interested in creating appropriate positions in government structures to ensure favorable conditions for their unlawful activities and avoid legal liability, and to use financial, organizational and other opportunities in their unlawful activities. Increasing the number of corruption manifestations leads to an increase in the nature of their corruption, and their penetration into power contributes to its corruption.

The main purpose of corruption is to make a profit. Therefore, a corrupt person seeks to break into economic relations through the use of corruption mechanisms.

S. Rose-Ackerman as follows characterizes the mechanism of occurrence of corruption agreements in cases where the government acts as a buyer or contractor: the interested company may give a bribe to be included in the list of participants of the future tender and limit the number of its participants; it may pay for providing the insider with information; with the help of a bribe it is possible to define such conditions of the tender that the briber company is the only candidate that fully meets all the requirements; the company can buy a winning bid; by winning the contract, the company can bribe to change it in its favor [11].

Based on the study of political, economic, organizational, managerial, legal, ideological, moral-psychological and other factors of corruption, it is possible to reflect fundamental anti-corruption activities and related provisions that: - corruption is the product of not one or more, but a whole system of different in character, force of determinative influence and areas of manifestation of social preconditions, causes and conditions; - counteraction to corruption cannot be reduced to direct law enforcement activity, but represents a complex and continuous implementation of the state's anti-corruption activity function; - counteraction to corruption will be effective if priority is given to the stage of prevention of corruption.

Recognizing the level (spread) of corruption as an indicator of institutional inefficiency as a negative factor in socio-economic development creates objective prerequisites for anti-corruption policies. It is defined as a set of sequential actions (actions) of the subjects of this policy (state bodies, non-profit organizations, economic entities, citizens) to existing and potential counterparties of corruption transactions, with the aim of reducing the level of corruption by reducing its

comparative advantages. Therefore, effective anti-corruption policy involves the design and implementation of institutional changes.

Generalizing the international experience of anti-corruption policy is one of the tasks for many international and domestic organizations. Consistent with the position of domestic scientists, taking into account the approaches of V. Bashtannik, N. Lipovskaya, S. Seryogin, the following approaches should be followed in the process of forming anti-corruption policy (Table 2).

Table 2

Basic approaches to anti-corruption policy

Approach	Content
System	Revealing the impact of corruption on society, research disorganization and reorganization effects of corruption
Institutional	Defining the system of anti-corruption organizations, the purpose activities which are the prevention, counteraction and elimination of the negative the consequences of corruption.
Morphological	Description of forms and manifestations of corruption in the authorities
Phenomenological	For the study of subjective perception corruption, its socio-cultural, mental, social, psychological backgrounds.
Comparative	Implementation of foreign experience of anti-corruption policy, implementation of standards of international organizations in the field of combating corruption.
Empirical	Observations, modeling, surveys, expert assessments, statistics.

Compiled by [Ser'ohin S. et al., 2012], own research

The generalization of the results of the application of anti-corruption programs is shown in Table 3.

Table 3

Global experience in the effectiveness of anti-corruption programs

№	Anti-corruption measures	Generalized empirical effects data
1	Creation of anti-corruption institution	Anti-corruption institutions have been successful in Chile, Hong Kong, Australia and Singapore. However, officials developing countries with high levels of corruption do not see the potential benefits of this tool
2	Opinion polls	Opinion polls serve as a tool more accurate wording of the public interest. International surveys highlight countries with «chronic» corruption
3	Increasing the level of remuneration in the public sector	Since corruption incomes are often revealed the dominant, short-term effect of this no event was detected. Holding a Corrupt Position associated with its «purchase», and increase remuneration leads to an increase The «prices» of the position being purchased

№	Anti-corruption measures	Generalized empirical effects data
4	State property reduction	State Property Reduction in as a result, corruption is often reduced, however, the privatization process itself can lead to increased corruption
5	Increase accountability for financial statements	Only a minor effect of reducing corruption was identified
6	Independent Media (Media)	Increasing media independence means reducing corruption
7	Independent judicial system	The independence of the judiciary clearly reduces corruption
8	Active civil society	Citizens' activity also contributes to reducing corruption
9	Decentralization of decision making	Decentralization also leads to a reduction in corruption
10	Standards of conduct of a public servant	Compliance with the standards of conduct of a civil servant leads to a reduction in the level of corruption

Compiled by [Huther J. et al, 2000]

Based on Table 3, you can conclude that organizational-anti-corruption measures (measures 1, 3, 5) if they have, then it is insignificant positive effect. However, the development of civil society institutions, their independence and independence can have a significant effect.

In the economy of transition is formed transitional rent. Income from participation in the restructuring of the economy, directly not associated with increased production efficiency. One of the most important tasks of the initial stage of reform is the organization of withdrawal of transitional rent for the benefit of the state, acting for the benefit of society. However, in the implementation phase of the transition privatization of transition rents may occur. The loss of resources does not only occur due to lack of economic coordination agents, but also in connection with the exchange of power for the property.

To prevent such institutional pitfalls, you need to plan from the beginning the gradual elimination of the institute, ineffective at the long run where the norms are, the injected should be temporary and predict your own automatic cancellation. corruption., which exist in all spheres

High latency and mimicry of corruption makes it inaccessible to control. At latent redistribution of public resources an illusory one is formed with the corruption component concept of economic stability. So a form of response to latent corruption must be contained in mandatory anti-crisis and anti-corruption economic programs. When forming such programs need to be considered economic, organizational, socio-psychological causes social relations and related to social that remain unresolved.

To overcome the institutional trap that has become institutional for our country corruption, necessary shock events that would violate persistent corruption relations.

For the effective functioning of anti-corruption policy institutional innovation is necessary. One is improvement anti-corruption organizations, in particular, the creation of special ones anti-corruption units aimed at countering elite corruption. It is

also necessary to organize anti-corruption monitoring for regular detection the level of development of corruption in different areas of life based on statistical data and opinion polls.

Preventive action is needed to counteract corruption activities that can be developed only through comprehensive analysis and monitoring of threats to economic security. These are essential elements of effective implementation anti-corruption policies, the essence of which is in the development and implementation of the complex legal, organizational, economic, technical and other surveillance measures on corruption in priority industries for the purpose of adoption management decisions regarding security their economic security. With due organization of monitoring corruption. Monitoring identifies threats economic security, measures are being developed for them neutralization, thereby providing favorable conditions for the development of entrepreneurship and investment activities.

A microeconomic approach involves a sociological survey public opinion, macroeconomic – statistical analysis data. According to a certain list of macroeconomic indicators can track changes in corruption in individual regions and industries.

In our opinion, the criterion of efficiency systems of state social, economic and political institutions can advocate the formation of the middle class characterized by: a high level of education, social and economic activity, availability of tangible assets that in the complex can promote development economic stability. In the period of modernization The middle class economy can also become a nucleus in the mechanism of development countries on purpose state support from representatives of this social group This factor is due to the fact that high standard of living, financial well-being promotes interest in social and the resulting political stability intensify the processes of democratic transformation in the country, and, as a consequence, reduce the level of corruption. The ability of the middle class to act as a carrier of the implementation of anti-corruption policy can be negative in this case splicing it with corruption. Thus in this way, the middle class is important role in stabilizing society, a can also become the main subject conducting anti-corruption reforms in the state.

Conclusion. Thus, the analysis was performed activities of anti-corruption organizations on prevention and anti-corruption permits summarize the most characteristic trends and mechanisms. The priorities here should be:

- anti-corruption education aimed at enhancement the level of civic consciousness and dissemination public perception of corruption as shameful phenomena through the introduction of anti-corruption education programs and projects;
- expanding the functions of civil society institutions, by providing them with monitoring functions and audit of anti-corruption policy;
- the advantage of preventive measures over repressive measures while improving performance employees of anti-corruption structures; ensuring non-avoidance punishment for all corrupt officials; legalization(following the US example) of the Lobby Institute both central and locally, which has to eliminate the corruption

component in the representative (elective) bodies as the state, yes (more critical) and on local because official lobbying will promote greater openness and transparency public administration. According to A. Mykytchuk, «Our country is one of the most corrupt countries in the world, and its «successes» in this matter are ahead of the national economy, and we are also in the top ten corrupt countries ... Almost everyone faces corruption citizens, but they are and accordingly only 47 individual facts are punished which ultimately undermines the principle the inevitability of punishment» [Chernyavs'kyi Set al, 2017].

– creation of anticorruption receptions and direct ones telephone lines, widespread attraction of Internet resources to inform about facts of corruption cases; strict and unavoidable responsibility for not taking measures against corruption cases by anti-corruption bodies, for example National Anti-Corruption Bureau. In modern times The civilized world of the media is well regarded the main activity control tool authorities, and the «watch dogs of democracy» [Yong-sung You, 2015].

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THE USE OF PERSONNEL CONTROLLING METHODOLOGICAL TOOLS AT THE ENTERPRISE

It is systematized in the article existing scientific approaches to the concept of «personnel controlling». It is emphasized the components that allow to determine the personnel controlling provision condition and monitoring an organizational effect assessment in the sphere of personnel management. It was formulated the matrix, which allows to determine the personnel controlling condition at the enterprise, taking into account the range from low to high level.

Keywords: *personnel controlling; methodology; research; personnel management; staff management; human resource management; technology; scientific approach.*

Білявська Юлія, Беляєва Наталія. *Застосування методичного інструментарію кадрового контролінгу на підприємстві.*

У статті систематизовано існуючі наукові підходи до поняття кадрового контролінгу. Наголошено на складових, що дозволяють визначити стан забезпечення кадрового контролінгу та моніторинг оцінки організаційного ефекту в сфері управління персоналом підприємства. Також сформовано матрицю, яка дозволяє визначити стан кадрового контролінгу на підприємстві враховуючи діапазон від низького до високого рівня.

Ключові слова: *кадровий контролінг; методика; дослідження; управління персоналом; управління людськими ресурсами; технологія; науковий підхід.*

Relevance of research topic. Under modern conditions of the enterprise functioning and development, an important role belongs to controlling as one of the management elements which is based on the implementation of specific functions of management tools.

The problem of the personnel formation and its rational use in any sphere of economic activity is always relevant. In particular, personnel are the main link in the enterprises production process, and controlling of their activity is one of the most important functions of its effective functioning. Experienced, highly qualified employees, who fully meet the necessary requirements, goals and objectives of the organization, are a significant competitive advantage among other enterprises and a key to successful, effective activity both in the work regime and in the event of various organizational changes. However, today there still exist some disadvantages in the implementation of clear procedures regarding the personnel controlling methodical tools at the enterprise, which determined the need in this research.

Formulation of the problem. Modern, extremely challenging and tense economic and political situation requires from enterprises, engaged in even more severe conditions of competition, more serious and responsible approach to the selection of personnel controlling methods with the optimal level of expenses for each individual enterprise. Personnel controlling is relatively new management technology, which is aimed at supporting, substantiating and enhancing efficiency of managerial decisions in the personnel management area, and ensuring the goals achievement, flexibility and adaptability of the personnel management system.

However, as practice shows, only a few tools of personnel controlling are used at enterprises, as it is absent the only one unique approach to organizing and implementation of personnel controlling, which is gain to provide the systematical and effective use of this concept in the practical activity.

The research objective. The purpose of this research is to study the existing methodical tools of personnel controlling at the enterprise. In order to achieve this goal, in the course of scientific research, the following tasks were carried out and solved: to consider the theoretical approaches to the concept «personnel controlling»; to formulate control sheets of the personnel controlling provision monitoring and an organizational effect assessment monitoring in the enterprise personnel management sphere; to develop the matrix of determining the personnel controlling condition at the enterprise.

Analysis of recent researches and publications. The research of the content, essence and features of personnel controlling, in particular of its methodological approaches, is presented in the works of European, mainly German, as well as domestic experts in the sphere of controlling, personnel management and strategic management: L. Balabanova, Yu. Veber, O. Gasylo, S. Yevseyeva, V. Yeronin, S. Kovalyov, R. Marra, A. Mykhailova, T. Nikonov, G. Panchenko, I. Petenko, A. Polozova, L. Sukhareva, I. Simenko, S. Falko, I. Filippova, D. Khan, J. Hoffman, P. Schlender.

Uninvestigated parts of general matters defining. In the existing researches considerable attention is paid to the study of the essence, consideration of basic functions and principles, goals and objectives, characterization of the strategic and

operational personnel controlling, to the problems of information and methodical provision of personnel controlling. Despite a significant number of works in the field of the personnel controlling study, the issue of the control methodical tools use in the personnel management system of the enterprise still remains largely uninvestigated.

Presenting main material. Personnel management system does not always facilitate the effective business activity of the enterprise. The reasons may lie in the following: there exist an inadequate level of trust between the employees and the top-management, the employees demonstrate no desire to take responsibility, to exercise initiative, adhering to a passive, expectant position.

However, personnel controlling can be an effective tool, which provides the personnel focusing on a high level of productivity and performance.

The theoretical aspects of personnel controlling are represented in the works of Mykhailova, A. (2006). In her opinion, this is a «system of informational-analytical and methodical support for the managerial decisions adoption in the personnel management system in order to enhance the organization effectiveness» [4, p. 29].

In their turn, Betanova, I. and Myshchenko, A. (2015) define personnel controlling as «the system of employees compliance to all the norms and rules of the company» [3, p. 4]. The personnel controlling broadly serves to determine the necessity of the cost on the employees in accordance with their activities' outturn.

The point of view of Panchenko, G. (2008) is also worth attention; he author understands the personnel controlling as «the formation and use of human resources oriented towards the achievement of the management subject objectives in the system of planning, coordination, analysis and information provision of formation and use of the human recourses» [5, p. 36].

It should also be noted that the majority of authors identify such notions as «personnel controlling», «staff controlling», «human recourse controlling», although the notions of «personnel», «staff» and «human recourse» are not identical.

Balabanova, L. and Stelmashenko, O. (2010) substantiated the necessity of improving the definition of such a category as «personnel», since they discovered that the majority of authors in their works emphasize the fact that the term «personnel» refers only to permanent employees of the enterprise who are included into the main staff and have a necessary level of qualification. Thus, in their opinion, the personnel should be defined as a whole complex of all the employees of the enterprise, which are engaged in performing certain duties [2, p. 13].

According to Yeronin, V. (2016), the main purpose of personnel controlling is a systematic orientation on the effective personnel management in market conditions [1, p. 20].

According to Panchenko, G. (2008), the main purpose of the personnel controlling system is a coordination of human resources management process at the enterprise and informational support of managerial decisions in the personnel management sphere to enhance their quality [5, p. 56].

The majority of the mentioned conceptions of controlling presuppose the presence of total control over the work of the operating departments and their personnel. Such researchers as Popchenko, O. and Yermakova, N. (2006) point out that the traditional model of control of the enterprise personnel, when managers and controllers «totally» controlled the work of the personnel, become obsolete. Therefore, from an economic point of view, for controlling activity such a rule is true: the external control over the controller's participation should be exercised if necessary, the personnel managers' self-control should be exercised wherever possible. The technologies of indirect influence on the employees' labor behavior of the organization lead to the fact that, as a result of the increasing labor productivity and personnel work satisfaction, the expenditure on human resources is reduced. That's what creates a social base of the business economic efficiency [6, p. 56].

Consequently, the main purpose of personnel controlling should be considered as informational and analytical support for the adoption of effective managerial decisions in the sphere of personnel management, aimed at optimal use and increase of available potential to ensure the achievement of the enterprise's objectives. So, the question arises of the necessity of methodical tools of personnel controlling at the enterprise. The analysis and staff management parameters evaluation should be done with the help of control sheets of monitoring of personnel controlling provision (Table 1) and the monitoring of the organizational effect assessment in the personnel management area of the enterprise (Table 2). For each of the proposed indicators, the graded evaluation is exercised, where «3» means that the work is conducted in a full volume and meets the documentation requirements; «2» means that the work is carried out not in a full extent, there are certain remarks (which are added in the control sheet); «1» means that the work is conducted in a minimal volume; and «0» means that the work is not conducted at all.

Table 1

Monitoring of the condition of personnel controlling provision

No	Indexes	Criteria of importance, P_j	Score, T_j , points*	Factor weight, λ_j
1	Completeness and quality implementation process state of personnel controlling information provision (Sip)	0,25		
2	Completeness and quality implementation process state of personnel controlling methodical provision (Smp)	0,20		
3	Completeness and quality implementation process state of personnel controlling resource provision (Srp)	0,15		

№	Indexes	Criteria of importance, P_j	Score, T_j , points*	Factorweight, λ_j
4	Completeness and quality implementation process state of personnel controlling technical support (Stp)	0,20		
5	Completeness, effectiveness and quality implementation process state of personnel controlling organizational provision (Sop)	0,20		
State of the personnel controlling provision				Σ

Source: developed by the authors

For the purpose of the information gathering and aggregation for the organizational effect evaluation, experts primarily choose dominant influence factors. Their influence investigation on personnel controlling gives an opportunity to make a conclusion about the feasibility of grouping them in order to receive a fuller identification of available reserves of economic growth. This grouping can be formalized as a single matrix.

Table 2

Monitoring of the organizational effect assessment in the sphere of personnel management of the enterprise

№	Indices	Criteria of importance, P_j	Score, T_j , points*	Factor weight, λ_j
1	Level of the personnel communicability (Lcom)	0,15		
2	Conflict level in the collective (Lconf)	0,20		
3	Level of safety discipline (Lsd)	0,25		
4	Level of labor discipline (Lld)	0,20		
5	Level of executive discipline (Led)	0,20		
Organizational effect in the personnel management sphere				Σ

Source: developed by the authors

As a result, we offer our own matrix of defining the personnel provision level at the enterprise. Similar to all other classic models of strategic planning, the matrix represents a two-dimensional table, where the X-axis shows the monitoring of the personnel controlling provision state (Sprov), and the Y-axis Y presents the monitoring of the organizational effect assessment in the personnel management

sphere (Lef). We propose to evaluate these criteria by means of calculation of $Sprov$. (1) and Lef. (2):

$$Sprov = 0,25 \cdot Sip + 0,20 \cdot Smp + 0,15 \cdot Srp + 0,20 \cdot Stp + 0,20 \cdot Sop, \quad (1)$$

where $Sprov$ – means the state of the personnelcontrolling provision;

Sip – means the completeness and quality implementation process state of personnel controlling information provision;

Smp – means the completeness and quality implementation process state of personnel controlling methodical provision;

Srp – means the completeness and quality implementation process state of personnel controllingresource provision;

Stp – means the completeness and quality implementation process state of personnel controlling technical support;

Sop – means the completeness, effectiveness and quality implementation process state of personnel controlling organizational provision.

0,25; 0,20; 0,15; 0,20; 0,20 –corresponding coefficients of indices importance.

$$Lef = 0,15 \cdot Lcom + 0,20 \cdot Lconf + 0,25 \cdot Lsaf + 0,20 \cdot Lld + 0,20 \cdot Led, \quad (2)$$

where Lef – means an organizational effect in the personnel management sphere;

$Lcom$ – level of the personnel communicability;

$Lconf$ – conflict level in the collective;

Lsd – level of safety discipline;

Lld – the level of labour discipline;

Led – human recourses management at the enterprise.

0,25; 0,20; 0,15; 0,20; 0,20 –corresponding coefficients of indices importance.

Therefore, personnel controlling should be considered as a management technology, which is aimed at supporting, substantiating and enhancing management decisions effectiveness in the personnel management sphere, and ensuring the achievement of the enterprise's targets, flexibility and adaptability of the personnel management system.

An active personnel controlling system will facilitate the improvement of planning, information and analytical support approaches, as well as the control over basic processes of personnel management.

To implement the probability estimate of the support and development of strong sides and liquidation of weak ones in the personnel management, it is reasonable to use the results of indicators calculations of the probability estimate of the support and development of strong sides and liquidation of weak ones (Fig. 1).

Criteria			
Monitoring of the organizational effect assessment in the sphere of personnel management of the enterprise	Monitoring of the state of personnel controlling provision		
	Absence (0-1,5 points)	Shortage (1,5-2,5 points)	Presence (2,53 points)
Absence (0-1,5 points)	Personnel controlling is absent, there are no attempts of its arranging		Personnel controlling is present, while the organizational effect of personnel management is absent
Shortage (1,5-2,5 points)	Low level of personnel controlling provision, sufficient possibilities of personnel management	Medium level of personnel controlling at the enterprise	
Presence (2,53 points)	High level of the personnel management system while the level of personnel staff controlling is low or practically absent	The level of personnel control is sufficient	The ideal state of personnel controlling

Figure 1. Matrix of defining the personnel controlling state at the enterprise

Source: developed by the authors

In modern functioning conditions, the majority of national enterprises face problems of ensuring the resources effective use, the main of which nowadays being their personnel. To ensure personnel management effectiveness and to facilitate the flexibility and adaptability of the personnel management system, personnel controlling is used, as it provides support, study and increase of managerial decisions effectiveness in the sphere of personnel management, achievement of enterprises' objectives, planning approaches improvement, information and analytical provision and control as to the personnel management main processes.

Conclusion. To sum up, we note that due to the use of personnel controlling tools, the indicators control takes place which characterize the effectiveness of the personnel management process, which, in its turn, determines the situation as to the personnel management, which is characteristic of the given enterprise. A more important task being solved in the control stage in the personnel controlling process, is the forecasting of the situation development and stating the need in making corrections in the goals or procedures regarding the personnel management, using the results of the assessment of the degree of the personnel management objectives achievement, the assessment of the personnel management effectiveness and determination of the deviations of the actual values of the indicators under control from the planned ones, as well as the factors which caused their occurrence.

The development of methodical tools of personnel controlling will allow identifying and using the reserves of upgrading the personnel management system; improving the personnel management process of the company, and also ensuring the balance of the enterprise personnel management system.

Thus, the practical use of the proposed methodical tools of personnel controlling at enterprises will provide the following: determination of the priority direction of the work in the field of personnel management; informational support and substantiation of managerial decisions in the sphere of personnel management; support of the planning processes, analysis, monitoring and control in the personnel management sphere; enhancement of the personnel management effectiveness on the basis of the use of its upgrading reserves.

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BUSINESS-AGREEMENTS AT THE CONCENTRATION OF PRODUCTION

Structural and logical algorithm for selecting prospective business agreements for concentration of production at enterprises proposed at the decision-making stage of a business combination, which includes such necessary steps as defining a business strategy; assessing the ability of target companies to create «rebound» synergistic benefits; setting criteria and determining the magnitude and maximum net synergy effect. The proposed structural-logical algorithm allows developing a scenario of expediency of concluding agreements taking into account various forms of manifestation of synergistic effect, which will help to increase the economic validity of expectations of concentration effects.

Keywords: *business agreement, synergy effect, the concentration of production, enterprise.*

Кравець Катерина. Бізнес-угоди при концентрації виробництва.

Запропонований структурно-логічний алгоритм вибору перспективних бізнес-угод для концентрації виробництва на підприємствах на етапі прийняття рішень бізнес-злиття, що включає такі необхідні кроки, як визначення ділової стратегії; оцінка здатності цільових компаній створювати «рикошетні» синергетичні переваги; встановлення критеріїв та визначення величини та максимального чистого ефекту синергії. Запропонований структурно-логічний алгоритм дозволяє розробити сценарій доцільності укладання угод з урахуванням різних форм прояву синергетичного ефекту, що допоможе підвищити економічну обґрунтованість очікувань ефектів концентрації.

Ключові слова: *ділова угода, синергетичний ефект, концентрація виробництва, підприємство.*

Relevance of research topic. The concentration of production does not always meet the expectations of enterprises. The analysis of the reasons for the unsuccessful concentration processes revealed that the main factors are: overestimation of market potential and synergistic effect [1]; lack of synergy assessment, lack of concentration

plan, underestimation of synergy from concentration processes [4]; incorrect financial calculations and market valuations or wrong strategic choice of a partner for merger or acquisition [3]; insufficient competence of specialists who organize and carry out the operation, including at the stage of integration of objects [6].

Formulation of the problem. Many questions remain debatable, especially regarding practical methodological approaches to assessing the effects of concentration of production, substantiation of the structural-logical algorithm for selecting promising agreements, and determining priority areas for the development of the concentration of production at enterprises.

Analysis of recent researches and publications. Problems of concentration of production, as well as the results and its consequences, have been studied at the micro, macro and international levels by many foreign scientists such as I. Burdet, J. Blair, Y. Brigham, R. Braille, T. Galpin, P. Gohan, T. Copeland, P. Krugman, F. Miller, R. Higgins, G. Hoyt, R. Burganov, A. Dolonts, N. Dyachkov, O. Kislova, N. Kutsevol, V. Lapo, I. Lukashov and others. In their studies, scientists focused on the features of production concentration, forms, and mechanisms of its implementation.

Issues of development of the concentration of production, in particular at the business agreement, are devoted to the work of domestic scientists such as S. Arzhevitin, A. Gerasimenko, I. Kopachinska, L. Kryuchkova, V. Marchenko, T. Melnyk, T. Mostenska, S. Nikitchenko, V. Osetsky, M. Sychevsky, N. Skopenko. They explain the motives, principles, and stages of the concentration of production at enterprises, theoretically substantiate methods of determining its level and results.

Presenting main material. Solving the problem of developing a comprehensive model for the estimation of the synergy effect and the method of selection based on potential target enterprises for concluding production concentration agreements is of great importance for the effective development of modern food industry enterprises.

As stated in the previous sections, the estimation of the expected effect and, accordingly, the magnitude of the risk at the concentration of production is an estimate of the magnitude of the expected synergy from the merger. In this regard, we propose an algorithm for selecting enterprises to concentrate production on the following elements:

1. Develop a set of qualitative criteria that the expected partner should meet.
2. Assessment of all potential candidates for pooling to meet the required criteria.
3. Estimation of the expected economic effect of the concentration with the candidates who have passed the preliminary selection stage.
4. Selection of the candidate for the criterion of the maximum expected economic effect [3].

In the first stage, the selection of potential partners based on the analysis of the following indicators: an indicator of quantitative compliance of enterprises; an indicator of quality compliance of enterprises.

The enterprise quantitative compliance indicator (P_{qn}) means the overall compliance of both enterprises in such parameters as equipment, technology, suppliers of raw materials, management system, accounting and financial control methods, methods and quality of personnel training, strategic management, market and sales networks, consumer segments, marketing channels, R&D, tax and debt load, market share, size of enterprise, organizational structure [5].

The qualitative compliance indicator (P_{ql}) takes into account such parameters as the comparability of corporate culture, management style, the microclimate of enterprises, regional peculiarities of doing business, value expectations of the staff [2].

It is advisable to calculate the indicators of quantitative and qualitative compliance of enterprises by the following formulas:

$$\Pi_{qn} = \sum_{j=1}^m W_j \sum_{i=1}^n W_{ij} K_{ij}; \quad (1)$$

$$\Pi_{ql} = \sum_{j=1}^m W_j \sum_{l=1}^p W_{lj} Q_{lj} \quad (2)$$

where K_{ij} – is the value of the expert evaluation of the i -th factor of quantitative correspondence by the j -th expert;

W_{ij} – the value of the weight of the i -th factor of quantitative conformity given to him by the j -th expert;

n – is the number of factors of quantitative conformity;

Q_{lj} – the value of the expert evaluation of the l -th factor of qualitative compliance by the j -th expert;

W_{lj} – the value of the weight of the l -th factor of qualitative conformity, given to him by the j -th expert;

l – number of factors of qualitative conformity;

W_j – weight of the j -th expert;

m – is the number of experts involved in assessing the degree of compliance of the merging companies.

A favourable decision to agree should be made provided that:

$$P_{qn} \geq A; \quad (3)$$

$$P_{ql} \geq B, \quad (4)$$

where A and B are, respectively, the minimum acceptable to the enterprise values of their quantitative and qualitative compliance.

According to these conditions it is possible to construct the function of expediency of concluding an agreement for enterprises – $\text{Conc}(P_{qn}, P_{ql})$:

$$\text{Conc}(P_{qn}, P_{ql}) = \text{Heav}(P_{qn} - A) \cdot \text{Heav}(P_{ql} - B), \quad (5)$$

where $\text{Heav}(x)$ is a single function of Heaviside:

$$\text{Heav}(x) = \begin{cases} 0, & x < 0; \\ 1, & x \geq 0. \end{cases} \quad (6)$$

The Conc (Pqn, Pql) function becomes 1 only when the above conditions meet. Otherwise, it becomes 0 and means that the concentration of production of the analyzed enterprises is impractical.

This function cannot serve as a tool for the final merger decision since it allows only the initial selection of the most promising candidates to agree. The final selection of the object for the merger is subject to the achievement of the expected synergistic effect by determining the integral index. Its value formed by increase in revenues due to the expansion of the range, distribution channels, obtaining a monopoly position and a corresponding increase in prices; cost reductions caused by reductions in duplicate functions and industries, the ability to purchase raw materials at lower prices; savings achieved through the improvement of technologies and processes through the use of advanced efficient technologies and business processes by one of the members of the merger; financial savings, which are to reduce capital expenditures due to the reduction of overall credit risks; revenue from the sale of units (which have become redundant as a result of business combinations or at the behest of antitrust authorities); the cost of conducting a merger agreement (share repurchase) (TV); payment for the services of consultants who provided management and information support in the implementation of the merger (TV1); costs of enterprise integration (integration of corporate cultures, reorganization and closure of units, payment of compensation to dismissed employees, etc.) (TV2); losses from reduced sales (due to the sale of part of the units at the disposal of the antitrust authorities); losses from adopting price regulation measures in relation to the merged entity (as its market share has become significant and therefore threatening to free competition and consumer interests).

It is necessary to conclude an agreement with the enterprise for which the effect obtained, taking into account the mentioned benefits and losses will maximize. To this end, it is necessary to select partners to agree about the concentration of production. We suggest the selection according to the following scheme:

- 1) drawing up a list of prospective candidate companies for the conclusion of the agreement;
- 2) determination of minimum values of quantitative and qualitative conformity, at which conclusion of the agreement is expedient;
- 3) calculation of quantitative and qualitative indicators for each candidate;
- 4) verification of all candidates utilizing the Conc function (Pqn, Pql);
- 5) calculation for the candidate companies of the value of the synergistic effect indicator;
- 6) agreeing with the candidate for whom the value of the synergistic effect indicator is maximum.

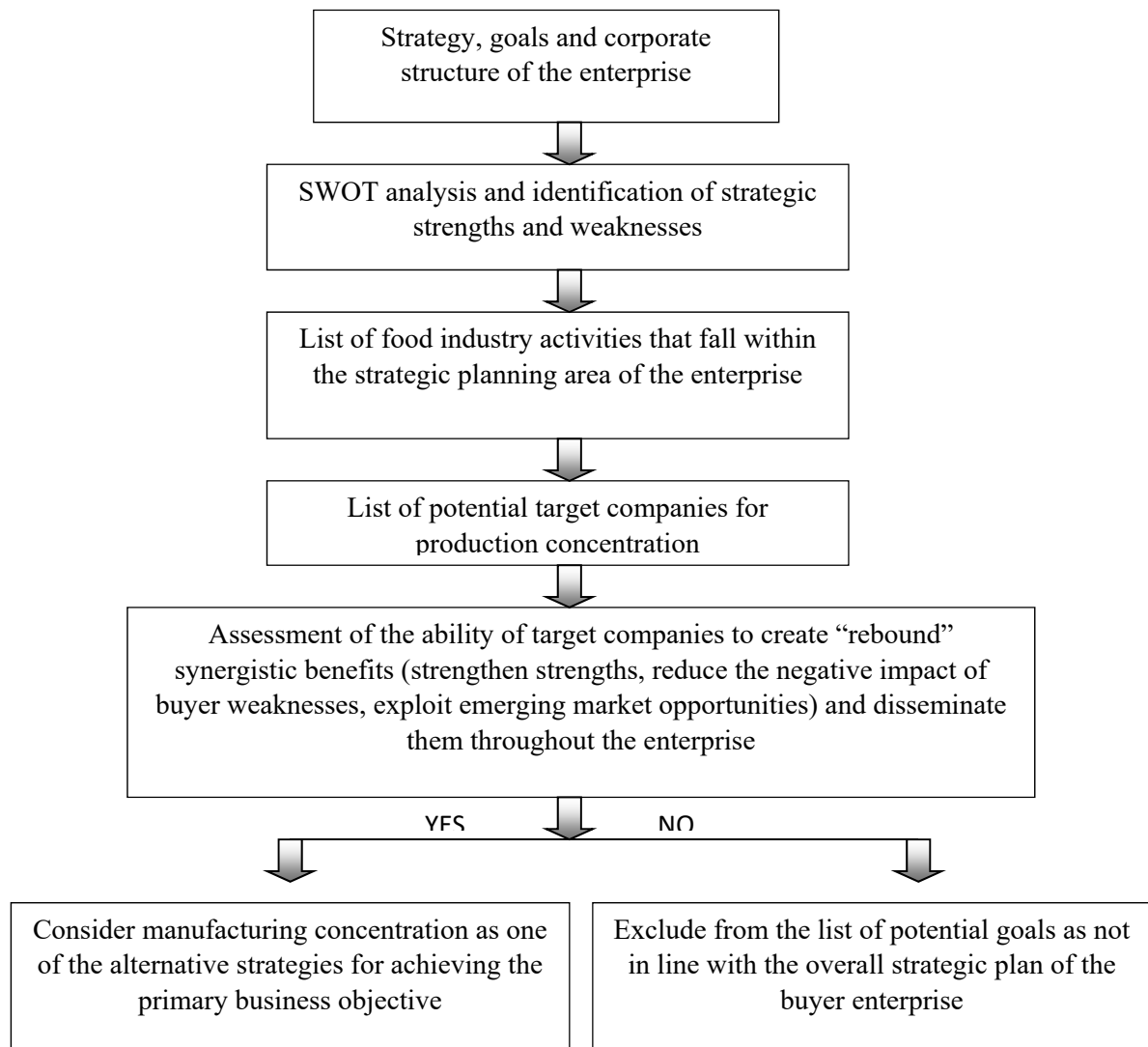


Figure 1. The scheme for determining the strategic direction of concentration of production and search for potential target companies

Source: Developed by the author.

The proposed algorithm allows to select the optimal object for production concentration under the conditions of the maximum expected synergistic effect, as well as to minimize the risks of non-achievement of this effect (and the cancellation of the agreement as such) by ensuring the maximum compliance of the production concentration predicted by the partners for each party.

Drawing up a list of prospective candidate companies for concentrating production on food processing enterprises involves, first, the definition of a strategic direction for integration and the search for potential target enterprises (Figure 2).

It should be noted that the competitive advantages and incremental value of the merged entity depend first and foremost on the quality of the agreement and the existence of a clear strategy for concentrating production – the rigid discipline in this process justified by reducing the time and expense of considering inappropriate goals [8].

In this regard, it becomes necessary to develop a mechanism for making management decisions on the selection of valid agreements for the concentration of

production based on the integral synergistic effect indicator as one of the criteria for evaluating the cost management of the economic system.

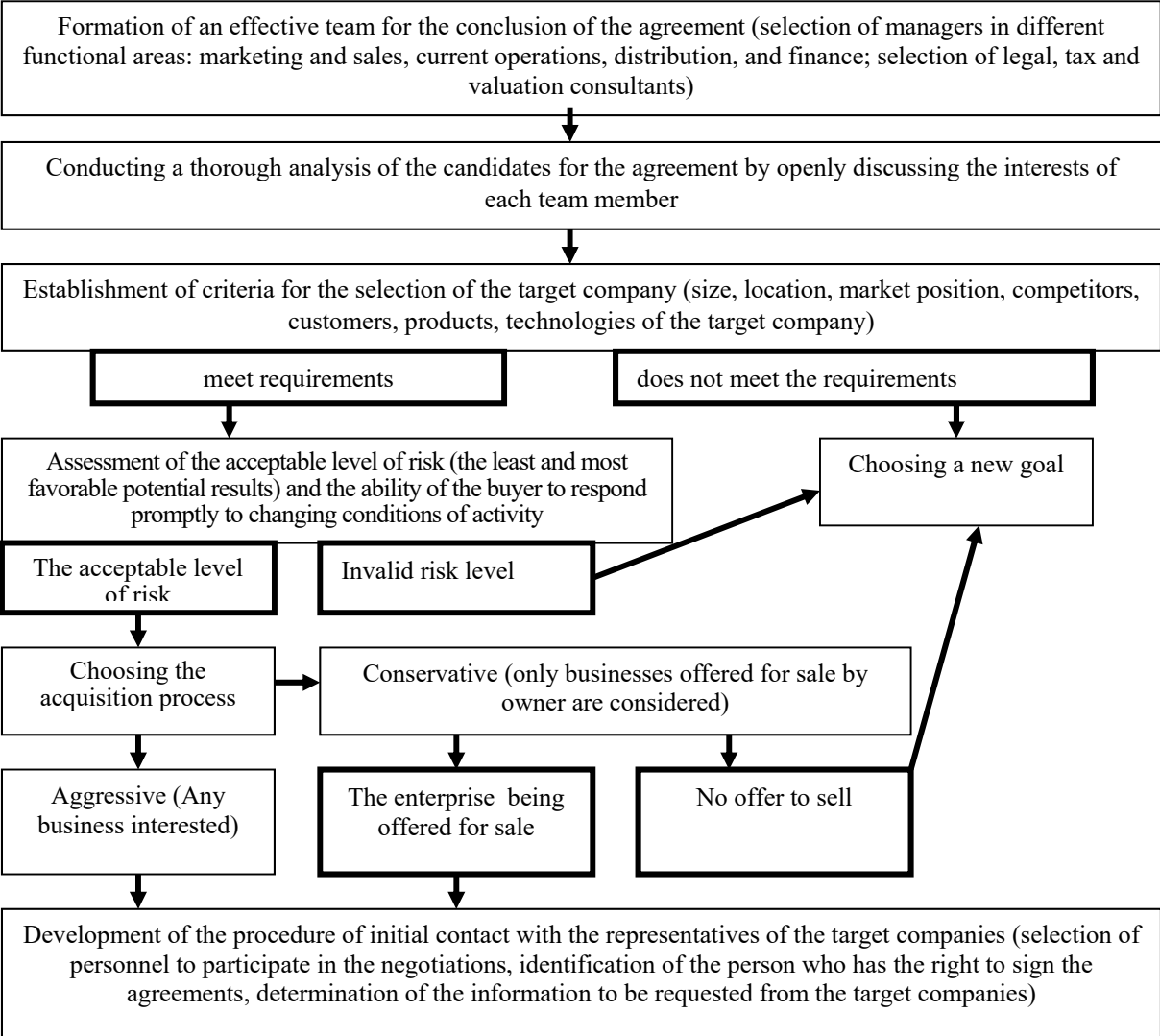


Figure 2. The scheme of the selection of candidate companies for the conclusion of the agreement at the concentration of production

Source: Developed by the author.

Each of the blocks in the mechanism of selection of effective transactions in the implementation of the concentration of production, as above, must be provided with an appropriate methodological basis.

Determining the strategic direction of integration and preliminary selection of options for integrated development (Fig. 2) is based on descriptive models and strategic analysis methods that provide the necessary information base – SWOT analysis, BCG matrix.

The management decision-making mechanism for the selection of efficient to concentrate production is based on the position that strategic enterprise management requires the presence of a synergistically connected business core (basic competence, deep understanding of the relevant type of food industry activity), the maintenance and growth of which becomes the main task of the corporate center.

The motives behind the concentration of production, and therefore the forms of manifestation of the synergistic effect of such agreements and its magnitude as a whole, are determined by the field of activity to which this or that enterprise belongs.

Target companies analysed based on a list of selection criteria that will limit the range of future candidates to concentrate production:

- the sphere of activity of the food industry (the question of which integration is vertical or horizontal appropriate) is solved;
- products and services (the desire to acquire a target company with a better brand, a more extensive range of products or services of higher value may be the motive for integration);
- compliance of the target company with the system of marketing, sales, and distribution of the buyer, as well as the analysis of sales volumes and profit of the target company;
- cost minimization (the possibility of reducing the target company costs, the potential for cost combination) is analyzed;
- weaknesses that can be improved; geographical area; management apparatus of the target company; competitors;
- specific skills or technologies are belonging to the target company. After limiting the range of potential objects for concluding a production concentration agreement, the selection of a specific target enterprise is made based on an assessment of the potential concentration efficiency, taking into account the various sources and forms of synergistic effect.

The synergistic effect calculated and based on the results obtained, a final decision made as to the feasibility of agreeing following the chosen strategic areas of concentration [2]. The magnitude of the synergistic effect to select enterprises for the concentration of production can be estimated based on an estimate of the incremental value of the combined enterprise and the costs incurred for the conclusion of the transaction (transaction costs and premium):

$$Ec = [B - (B_1 + B_2)] - P - TV, \quad (7)$$

where Es is the synergy effect;

B – the investment value of the combined enterprise, taking into account the expected synergistic effect;

B_1 – cost of the status-quo buyer (as an independent);

B_2 – the value of the enterprise-purpose «status quo» (as an independent);

P – the premium paid by the buyer company to the shareholders of the target company;

TV – transaction costs.

The premium paid upon entering into an agreement by the buyer company to the shareholders of the target company (P), the costs and losses of the buyer enterprise during the process of concentration of production (TV) are considered by us as a one-off cost that the buyer bears directly at the time of the conclusion of the agreement (Fig. 3).

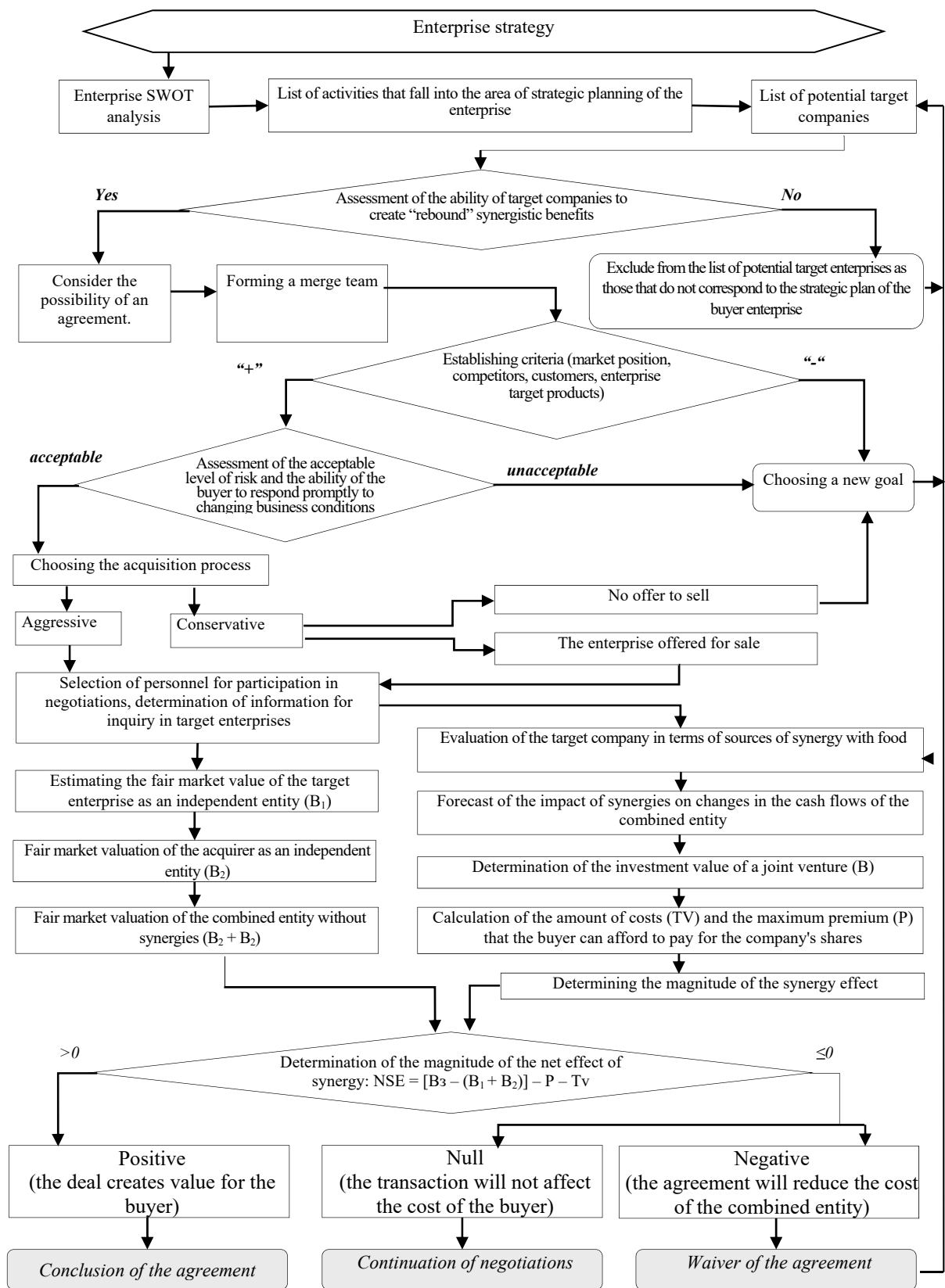


Figure 3. Structural-logical algorithm of selection of promising agreements for the concentration of production for food industry enterprises

Source: Developed by the author.

On the basis of the proposed methodology for evaluating the synergistic effect as one of the main criteria for the feasibility and effectiveness of concluding agreements for the concentration of production at enterprises and procedures for the search and selection of the target company, a structural-logical algorithm for the selection of prospective agreements for the implementation of concentration of production for food industry enterprises developed

Conclusion. The algorithm for selecting enterprises for concluding an agreement while executing a concentration of production involves: developing a set of qualitative (comparability of corporate culture, management style, microclimate of enterprises, regional peculiarities of conducting business, value expectations of personnel) and quantitative (general correspondence of two organizations in such parameters as equipment, Technology, Suppliers of Raw Materials, Management System, Strategic Management System, Market and Networks, Consumer Segments, Market channels etc.) criteria to be met by the expected partner; evaluation of all potential candidates for association for compliance with the established criteria; evaluation of candidates who have passed the preliminary selection stage, subject to the expected synergistic effect of combining with them; selection of the candidate with the maximum expected effect on concentration of production. The magnitude of the synergy effect for business selection purposes can determine by estimating the incremental cost of the combined entity and the costs incurred in entering into the transaction.

The algorithm will help to prevent the negative effects of transactions for the concentration of production at enterprises and will allow the buyer to participate only in prospective transactions.

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DAIRY BUSINESS IN CONDITIONS OF GEOPOLITICAL AND GEO-ECONOMIC CHANGES

The dairy business of Ukraine experiences the complex development stage associated with the changes of geopolitical and geo-economic conditions that influence both the foreign economic activities of the enterprises and the situation in the domestic market. The article researches the current state of the milk and dairy products market of Ukraine, analyzes the dynamics of the purchasing prices for milk and analyzes the changes in the Ukrainian dairy products export structure. It also emphasizes the branch problems and proposes the directions of their solving.

Keywords: *dairybusiness, milkquality, export, import, international competitiveness.*

Карпенко Марина. Молочний бізнес в умовах геополітичних та гео економічних змін

Молочний бізнес України проходить непросту стадію розвитку, пов'язану зі змінам и геополітичних та гео економічних умов, що впливають як на зовнішньоекономічну діяльність підприємств так і на ситуацію на внутрішньому ринку. У статті досліджено поточний стан ринку молока та молочної продукції України, проаналізовано динаміку закупівельних цін на молоко, проаналізовано зміни у структурі експорту молочної продукції України. Виділено проблемні питання галузі та запропоновано напрямки їх вирішення.

Ключові слова: *молочний бізнес, молочна якість, експорт, імпорт, міжнародна конкурентоспроможність.*

Relevance of research topic. The development of dairy branch should be one of the priorities to stabilize the Ukrainian agricultural economy. The increased competition in the dairy market in accordance with the Association Agreement signing between Ukraine and the European Union, the customers' requirements to the products quality along with the decrease of the purchasing power of the population contribute to the necessity of analysis and search for the branch problems solutions.

Formulation of the problem. Despite the large number of researches concerning the dairy industry, the problems of improving competitiveness of the Ukrainian dairy business both in domestic and external markets remain unsolved.

Analysis of recent researches and publications. The problems of the dairy market development and dairy products competitive growth are covered by the works by V.M. Bondarenko, T.L. Keranchuk, N.V. Ovsienko, M.I. Vasylychak, V.O. Rybintsev, S.O. Stepanchuk, T.M. Mostenska, V. Marchenko, V.V. Dzhedzhula., I. Yu. Yepifanova and others.

Presenting main material. About 260 plants, which possess the industrial capacities for raw milk processing and dairy products manufacturing, function in Ukraine. All the enterprises are private. There are the enterprises united in private dairy holdings, while the others are in the market independently.

The raw milk producers are represented in Ukraine by two categories of farming units:

1. agricultural enterprises – legal entities;
2. individual sector – physical persons (population).

These days the Ukrainian milk and dairy products manufacturers face the number of problems that obstruct their businesses development. The stock number of cows constantly declines in all categories of economic entities. Since the start of the year, the dairy herd decreased by 92 thousand cows and count 1.906 million cows. Including, the agricultural enterprises count 448.5 thousand cows, which is 5.4%, or 25.7 thousand less than last year. The individual sector keeps 1.458 million cows, which is 4.4%, or 66 thousand cows less than during the similar period last year.

For 8 months of 2019, the total volumes of the milk total output in Ukraine decreased by 3.5%, or 243 thousand tons as compared to the similar period last year to count 6.74 million tons. The milk production volumes decreased in all categories of farming units: in agricultural enterprises by 1.3% to count 1.88 million tons, in individual sector by 4.3% to count 4.861 million tons.

The market receives milk in less large volumes than due, which caused the price excitement in the raw products market and its strict monopolization.

Currently the price level runs to 9.5-10.86 UAH/kg, at the base values of fat – 3.4% and protein – 3.0%. By contrast, in August the milk average cost in the EU was 0.34 EUR per kg, that in terms of the base values established in Ukraine is 8.21 UAH/kg at the rate of 1 € = 27.86 UAH. For 28 members of the EU, three countries (Malta, Cyprus, and Italy) have the higher milk prices than those of the Ukrainian producers, in equal comparative conditions.

During last few years, several changes in the foreign economic activities of dairy business enterprises of Ukraine happened. Earlier the main buyer of dairy products was the Russian Federation, to where hard cheeses were exported. After the embargo of deliveries to the Russian Federation, the geography of export deliveries extended. The Figure 1 represents the main importers of the Ukrainian dairy products.

The assortment of the exported products also changed. The cheese export decreased significantly, instead of this the deliveries of the other dairy products

increased – drinking milk, whey, fermented milk products, powdered milk, and butter. The Figure 2 represents the dairy products assortment that is exported. As of today, 22 milk processing plants of Ukraine are inspected by the EU against the correspondence to the European requirements and are included to the official register of the EU exporters. They have the right to export the products to the EU countries-members.

The current price environment in the dairy raw products market emerged to be such that the milk processing plants are not ready to pay the price offered by the dairy raw products sellers.

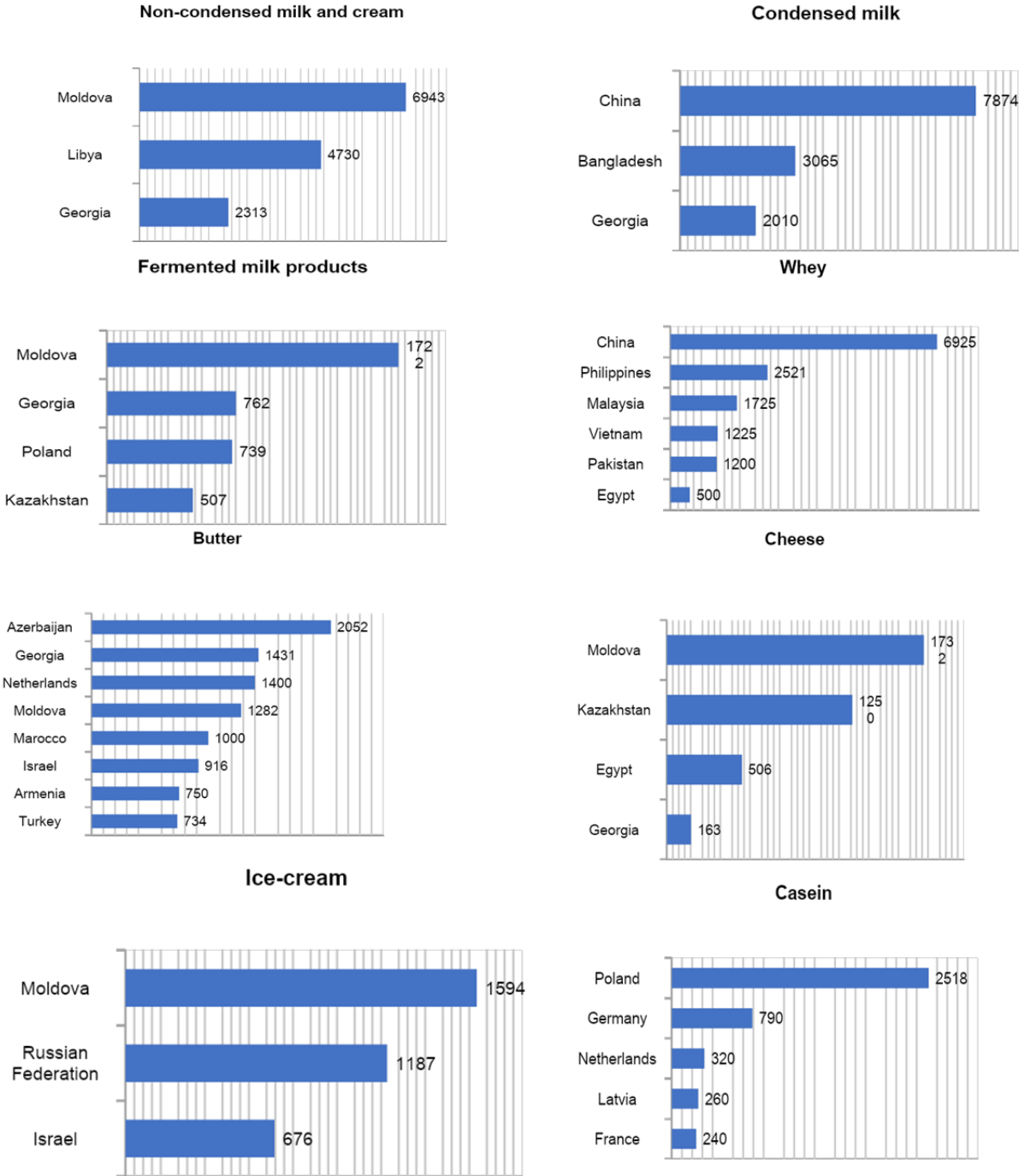


Figure 1. The main importers of Ukrainian dairy products, tons (customs statistics)

The sale of dairy products in the domestic market fell to the lowest level. The increasing prices for milk and the high tariffs for the electrical energy and combustible and lubrication materials as well as the other expenses form the high prime cost of the final dairy products. The purchasing capacity of the ordinary Ukrainians, like in previous years, remains low because of the low income of the citizens. The physiological consumption norm is 340 kg per person. The actual consumption is 197 kg/person, which is 41% less than the determined physiological norm for a person.

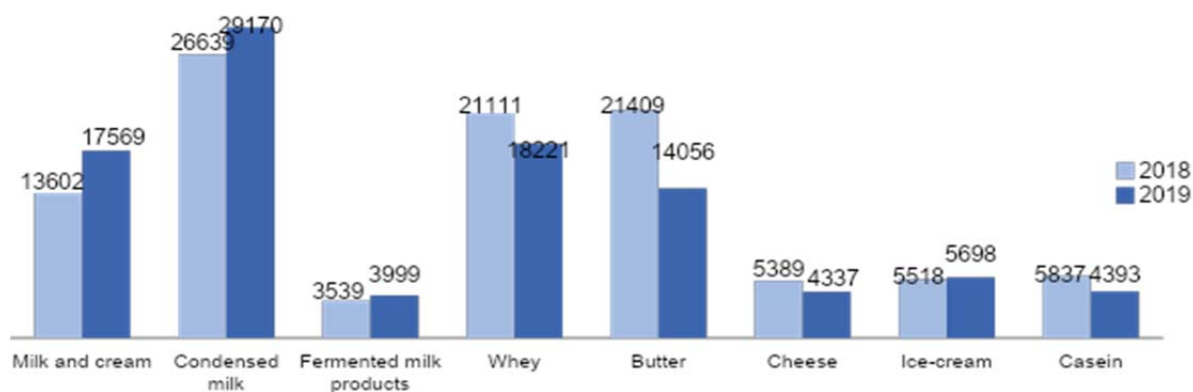


Figure 2. The Ukrainian dairy products export structure, tons (2018 – 8 months of 2019, customs statistics)

Owing to the determined factors the dairy products import from Poland, France, Italy and Baltic countries displaces the national products in our domestic market as far as they are cheaper than the national ones. The national producers gradually lose the Ukrainian customers. The Ukrainian dairy products are uncompetitive in the external market because of their high prime cost.

According to the Association Agreement signed between Ukraine and the European Union, the unilateral trade preferences were introduced for the transition period by way of determining the import duties rate and tariff quotas volumes.

Under the current prices for dairy products of Ukraine is incapable to take up even the determined import quotas of the EU. As of September, the quota for butter is used by half (48%), for the products of processed milk – by 33.3% (Table 1).

Table 1

The state of using the tariff quotas for Ukrainian dairy products export to the European Union in 2019 (as of September)

Product name	Determined, tons	Used, tons	Remaining part till the end of the year, tons
Butter	2500,00	1199,00	1301,00
Powdered milk	3600,00	500,00	3100,00
Other dairy products (milk, yoghurts, condensed products and others)	9200,00	1100,00	8100,00

In August this year as compared to August last year the export of the Ukrainian dairy products decreased by all the products positions. Instead of that, the import in cost equivalent increased by 64%. Particularly, the cheeses deliveries increased. Since the beginning of the year, Ukraine imported cheeses in natural weight by 3.2 times more than exported. In the near future, we do not expect any fundamental changes in external trade of both cheeses and cheese products. The cheeses import will continue to grow. The considerable competition in the external market, fall in the exchange rate resulted in the fact that the Ukrainian products export almost stopped.

The floating assets of the Ukrainian milk processing plants are limited, the enterprises are obliged to take on loans to purchase the raw products. The trade supermarkets continue to dictate their own conditions: the due period for the products is 60 days and more. The domestic market sank maximally, the consumption decreased by more than 30% as compared to the last year.

Conclusion. Taking into consideration the above, we may conclude that the dairy business enterprises of Ukraine are in bad streak. The urgent measures to improve their competitiveness both in external and domestic markets are needed. The taxpayer support to develop the farming units and build farms, to create the production cooperatives, family farms, to develop forage base, to acquire milking installations, heat exchangers is required. There exist the state programs of the livestock farming development and servicing cooperatives creation, but the funds are not sufficient. The measures to improve the milk raw products quality and to determine the competitive price for raw products are required. It is required to exclude from the total income of small farmers 100% of funds received from the sales of milk used for processing, in case of the subsidies provision for residential and utilities services organizations, as well as to give the possibility to take on preferential loans and/or partial compensation of the local waste treatment plants construction cost.

In order to improve the dairy products competitiveness in external markets it is important to bring the base norms of the fat and protein mass percentage in cow raw milk to the European norms.

In order to improve competitiveness in the domestic market it is required to optimize the logistic, marketing expenses while selling the products, to introduce the VAT privileged rate for the final dairy products sold in the domestic market. The measures to weaken the increasing expansion of imported dairy products to the domestic market are required as well.

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PECULIARITIES OF INVESTING INTO INNOVATION PROJECTS

The article presents the results of the evaluation of theoretical explanation and sources of investment into innovative projects in Ukraine. There is considered the essence of the concept «innovative project» and its definition. In the article it is also proposed the scheme which shows an investment support system for the innovative project, taking into account key factors of a business model. There are outlined the main problems in finding the sources of financing innovative projects.

Keywords: sources of financing, project financing, financing instruments, the innovative project, venture capital, peculiarities of project financing, the system of investment support of innovative projects, a business model, key factors.

Зубко Тетяна, Ковшова Ірина, Касьянова Анастасія. Особливості інвестування інноваційних проектів.

У статті представлено результати проведеної оцінки теоретичного обґрунтування та джерел інвестування інноваційних проектів в Україні. Розглянуто суть поняття «інноваційний проект» та удосконалено його визначення. Також у статті запропоновано схему системи інвестиційного забезпечення інноваційного проекту з урахуванням ключових факторів бізнес-моделі. Окреслено основні проблеми у визначенні джерел фінансування саме інноваційних проектів.

Ключові слова: джерела фінансування, проектне фінансування, інструменти фінансування, інноваційний проект, венчурний капітал, особливості проектного фінансування, система інвестиційного забезпечення інноваційних проектів, бізнес-модель, ключові фактори.

Introduction. The main factor in the development of the world community, the country and its economy, sectors of economy, activity of enterprises and the society on the whole is considered to be scientific, technological and innovative activity. The focus of business entities on constant introduction of innovations significantly helps them to create competitive advantages, promotes to economic progress. In their turn, there are the investments that ensure innovation. Any innovation is implemented through an investment and innovation project which combines all the necessary processes, their financial and resource support, and evaluates their efficiency. The theory and practice of economic feasibility of innovative projects is still being developed and needs further research.

Formulation of the problem. The purpose of the work is to study the issue of investment support of innovative projects.

Analysis of recent researches and publications. Various aspects of innovative activity are shown in the works of foreign and national scholars. Famous foreign researchers of this issue are: R. Acoff, P. Drucker, D. Clark, W. Larson, N. Augustine, etc. Efficiency of investment has been researched by such national scientists as: G. Alexander, I. Blank, T. Mayorova, N. Mashina, A. Peresada, V. Romanov, G. Chernova, etc. The issue of financial support of innovative projects has also been considered by the scientists (L. Antonyuk, G. Balayant, V. Geyets, V. Savchuk), but it was not enough. The uncertainty and risk of investing in innovative projects require further research and methodological developments in this field.

Presenting main material. According to the Law of Ukraine «About Innovative Activity» (Articles 1, 12) «An innovation project is a set of documents that reveals the procedure and sequence of all the necessary measures (including investment measures) for creation and implementation of an innovative product and (or) innovative products».

In our view, an innovative project is an event or a set of activities grouped into a program or a strategy, which involves the use of either new methodology of performance, or introducing a new organizational form, or producing new products or services.

Table 1

Interpretation of the notion «an innovation project»

Authors	Definitions
Krupka, M. (2014)	An event aimed at achieving certain results in the form of the expected effects
Saniv, B. (2014)	Complex programs created to introduce technical, technological or other innovations and implemented by scientific and designing institutions over some period of time

Authors	Definitions
Balayant, I. (2017)	The system of interrelated goals and programs for their achievement, which is a complex of research and development measures, developmental work, production, organizational, financial, commercial and other measures, which are appropriately organized, have the set of project documentation, give effective solution of a certain scientific and technical task which can be expressed quantitatively and result in innovations
Molodozhenya, M. (2016)	A sum-total of reasonable, interrelated, purposeful decisions and actions to attract and use the limited number of labor, material, information, intellectual and financial resources in the framework of innovation activity of an enterprise, which promote to the achievement of new goals for development aimed at qualitative changing an enterprise integrally, obtaining beneficial effect and ensuring competitiveness of an enterprise
Krasnevych, G. (2010)	A set of interrelated measures, which are implemented in the course of the innovation process and which must achieve the goal, which is to ensure the introduction of innovation, creation and sale of innovative products of an enterprise with the maximum useful synergistic effect for the specified time period under certain legal, institutional and resource limitations

** made by the authors according to [2, 3, 6, 9].*

The notion «an innovation project» is considered simultaneously in three approaches: as a form of targeted management of innovation activities (target approach), the process of innovation (process approach) and as a set of documents (regulatory approach). It is important to note that while using engineering of business processes it is important to develop complete and consistent documentation that accompanies that business process. Typically, this is process regulation which contains a detailed description of each business process (Salyha, K, 2010).

Implementation of an innovative project, like any other project, implies the use of a basic «outline» of a business model. It is feasible to determine here the following key factors: partners, a type of activity, resources, value, customer interaction, distribution channels and customer segments. The so called financial «shell» consists of two diversified financial flows – outflows and inflows.

The mechanism of investment support of innovative projects is quite similar to the scheme of strategy formation at an enterprise. In our opinion, the system of investment support for innovative projects is formed in accordance with the principles of strategic planning. In the figure 1 there is shown the developed system of investment support for an innovative project, taking into account the key factors of a business model.

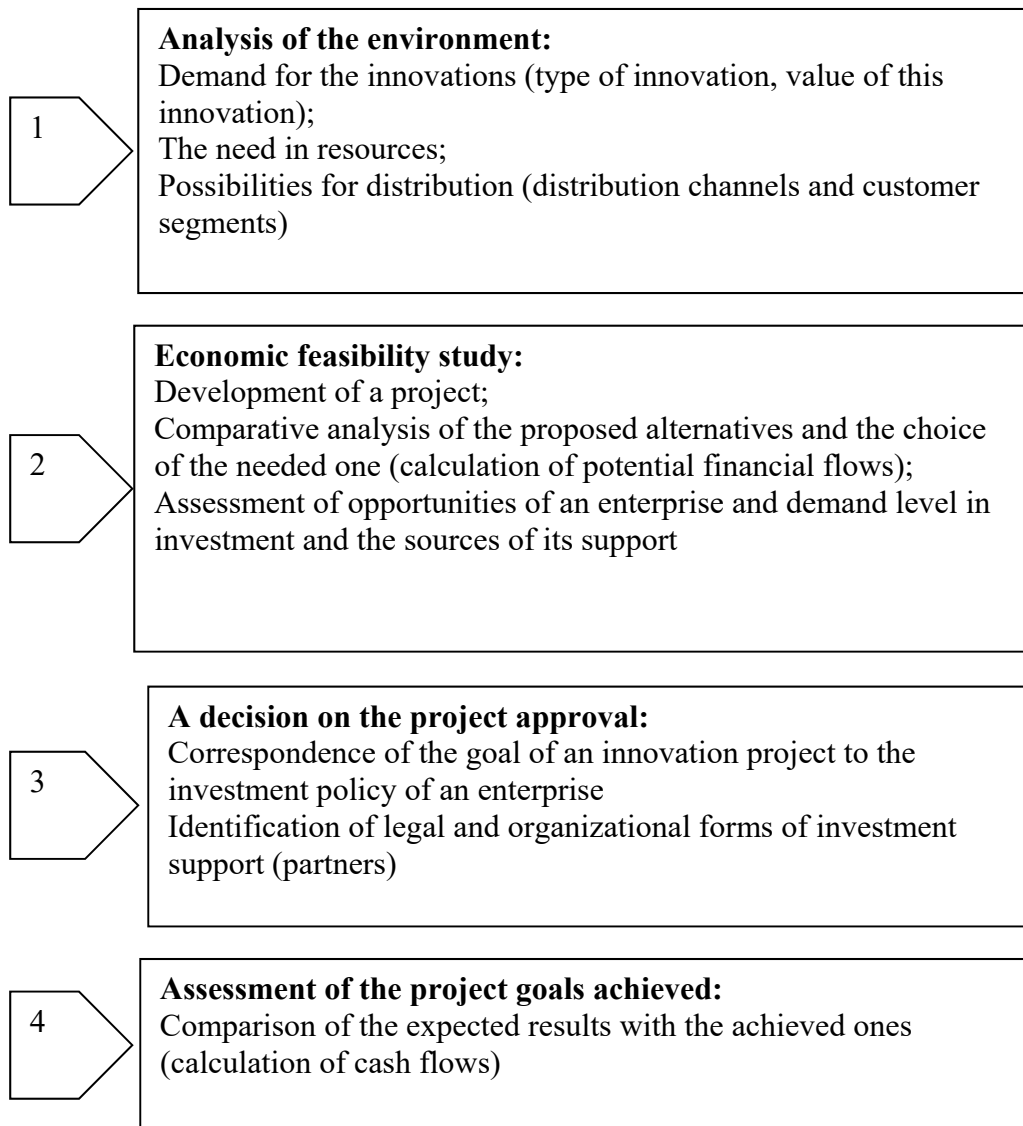


Fig. 1. A System of Investment Support of an Innovation Project

The main condition for investing into an innovative project is a properly formed strategy of an enterprise development and a business model which is based on it. It is the business model that will not only confirm the «viability» of an innovation project, but also motivate other participants (investors, suppliers, consumers) to implement the above project.

According to the elaborated business model, it is easy to apply a balanced scorecard. This system of indicators, in their turn, provides evaluation of enterprise activity in order not only to assess the achieved level of enterprise development, but also the possibilities of its improvement.

Implementation of innovative projects is highly dependent on the related research in the country. Information about the number of the employees engaged in R&D according to the staff category is given in the table 2.

Table 2

**The Number of the Employees Working on the Research and Developments,
According to the Staff Category**

Staff category	Staff				%			
	2015	2016	2017	2018	2015	2016	2017	2018
In total	122504	97912	94274	88128	100	100	100	100
researchers	90249	63694	59392	57630	73,67	65,05	63	65,39
technicians	11178	10000	9144	8553	9,125	10,21	9,699	9,705
Support personnel	21077	24218	25738	21945	17,21	24,73	27,3	24,9
Those who have scientific degree:								
Doctors of Science	17330	7091	6942	7043	14,15	7,242	7,364	7,992
PhD	22340	20208	19219	18806	18,24	20,64	20,39	21,34

** made by the authors according to [4, 7].*

Unfortunately, the number of employees in these categories is steadily declining.

In 2018, the share of research performers in the total employed population was 0.54%, including researchers – 0.35%. According to Eurostat, in 2016 this highest share was in Denmark (3.18% and 2.2%), Finland (3.04% and 2.26%), the United Kingdom (2.29% and 1.68%), and the Netherlands (2.28 % and 1.39%); the lowest – in Romania (0.54% and 0.34%), Cyprus (0.87% and 0.62%), Bulgaria (1.09% and 0.71%) and Poland (1.08% and 0,83%). [4, 5]

The considerable share of PhDs and PhDs (PhDs) among R&D performers was 29.3%, among researchers – 44.7%. More than half of the total number of PhDs and PhDs (PhDs) who have carried out research and developments, worked in public sector organizations, 35% in higher education, 5% in business sector [4, 7].

The dynamics of the volume of the completed scientific and technical works for the period 2014–2018 is shown in the table 3.

Table 3

**Domestic Expenses for the Implementation of Scientific Research
and Developments According to the Type of Work in 2014–2018 (UAH, millions)**

Staff category	2014	2015	2016	2017	2018
In total	9487,5	11003,6	11530,7	13379,3	16773,7
Fundamental scientific research	2452,0	2460,2	2225,7	2924,5	3756,5
Applied scientific research	1882,7	1960,6	2561,2	3163,2	3568,3

Staff category	2014	2015	2016	2017	2018
Scientific and technical developments	5152,8	6582,8	6743,8	7291,6	9448,9

* made by the authors according to [4].

Over the last five years there has been an increase in research spending. If we adjust these figures to reflect inflation rates, we get a slightly different picture of costs: a significant reduction in research costs in 2016, afterwards the cost curve went increasing.

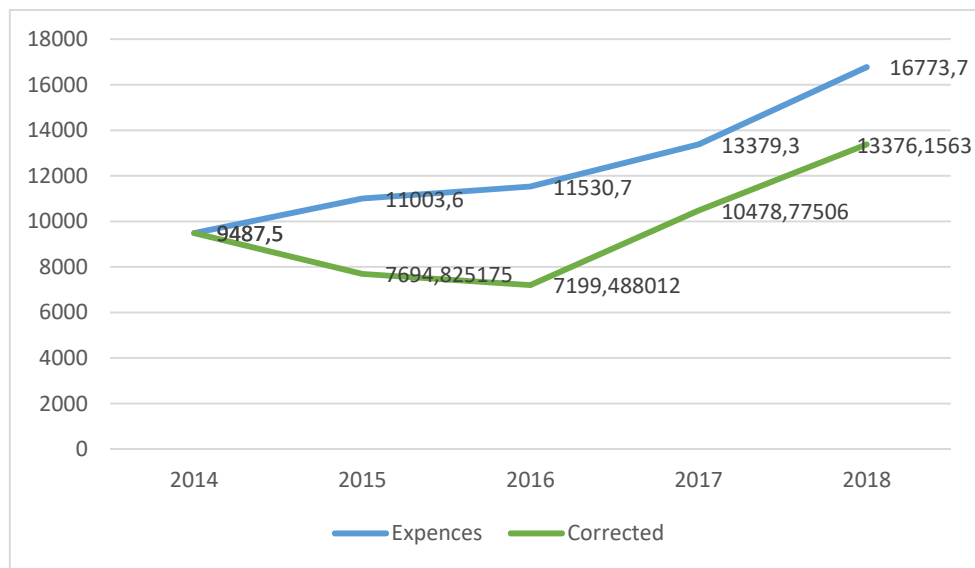


Fig. 2. Expenses for Scientific Research

As it is known, investment resources can be formed from two different sources: own ones (self-financing) and loan ones.

The net sales, depreciation, involved part of current assets are the part of current assets. At present, in the context of political, financial and economic crises, only large enterprises, with relatively steady profitability dynamics, resort to this source of financing.

In 2018, total expenditures for the implementation of R&D by the organizations' own resources amounted to UAH 16773.7 million, including labor costs – UAH 8553.0 million, other current expenses – UAH 7456.3 million, capital expenditures – UAH 764.4 million UAH, where the expenses for the purchase of equipment were 588,0 million [4, 7].

The dynamics of changes in the sources of financing domestic costs for the implementation of research and development is shown in the table 4.

Table 4

**Sources of Financing Domestic Expenses for Doing Scientific Research, UAH,
millions**

Sources	2015	2016	2017	2018
	In total	11003,6	11530,7	13379,3
Budgetary sources	3992,2	3910,8	4896,4	6223,1
Including: state budget	3915,4	3700,9	4740,1	5703,1
Own sources	2783,3	1146,0	1340,9	1610,3
Government sector sources	281,6	361,6	718,7	1140,6
Entrepreneurial sector sources	1713,4	3369,5	3007,8	3941,8
Higher education sector sources	3,7	7,4	8,9	16,8
Private not-for-profit organizations' sources	0,1	2,8	2,8	16,8
Foreign sources	2077,6	2550,3	3262,8	3639,9
Other sources	150,0	182,3	141,1	184,5

** made by the authors according to [4, 5]*

The largest share of research funding is budgeted, and the least is from higher education sector organizations and private nonprofit organizations.

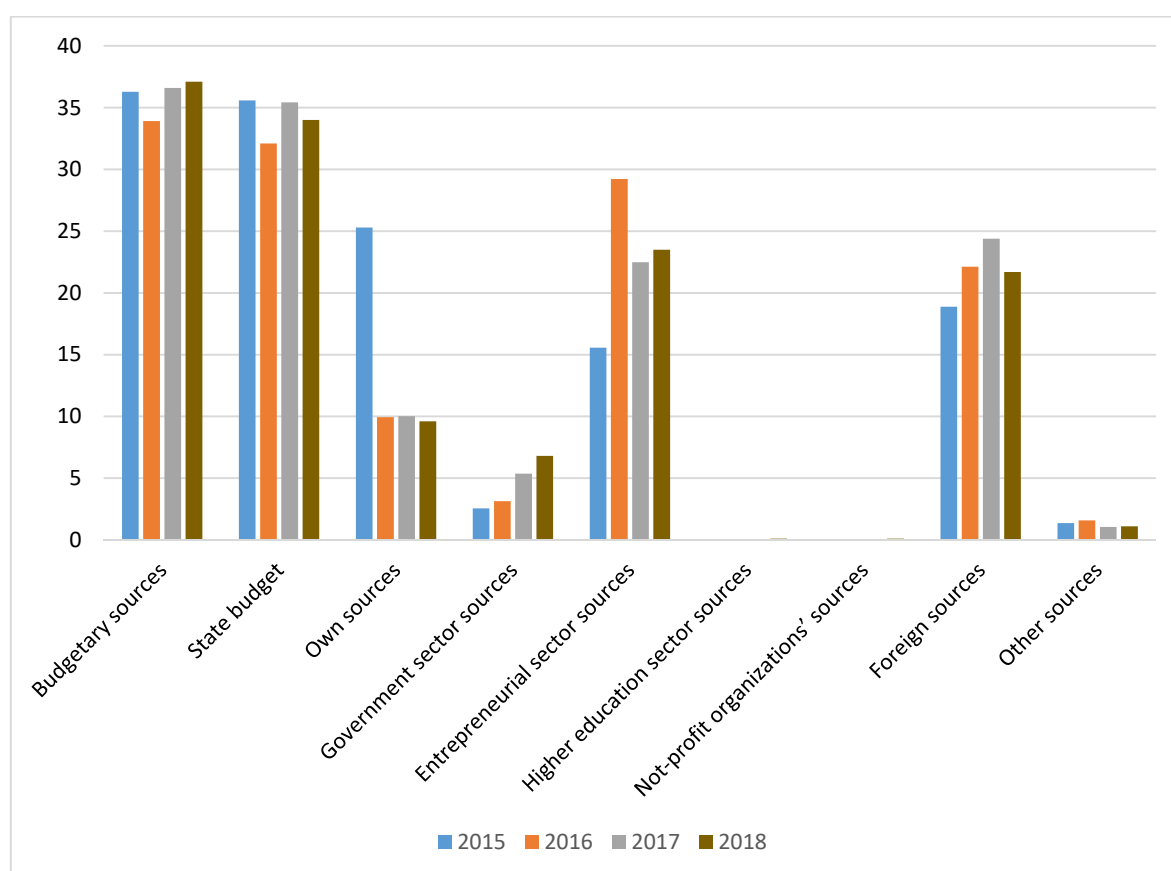


Fig. 3. Dynamics of Main Sources of Financing for 2015–2018

The borrowed and attracted sources of investing enterprises include:

- investment bank loans;
- targeted financing;
- target state credit;
- grants;
- credit lines of international financial institutions.

Investment resources on credit have a longer life cycle and a high degree of risk. At present, because of the crisis of the Ukrainian economy, banking institutions prefer to finance the current activity of an enterprise, rather than innovation and investment.

Public investment is very low because it comes at the expense of the State Budget, ministries and agencies in Ukraine and is hardly used because of the long-term crisis in financial and industrial spheres.

One form of investment is venture investing. There are over 650 venture capital funds, but their use is concentrated in construction and financial sectors. Venture funds are the most risky for investors compared to other co-investment institutes, but this is offset by broad investment opportunities, in particular by greater profits and benefits.

In 2018, in Ukraine the UVCA conducted venture and direct investment market research together with Deloitte, which made the analysis of the investments made by Ukrainian startups in 2017, and actively participated in the development of a survey for investors and funds. The results of the study indicate that 2017 was a record year in the history of the Ukrainian venture business – \$ 258.6 million was raised for startups, which is three times more than in 2016. This is confirmed by the fact that Ukrainian startups are creating highly competitive products that can meet the needs of consumers around the world [8]. The existing shortcomings in regulatory support for venture investment hinder its development.

Grants and international technical assistance as an investment tool are provided by international organizations. The largest partners in this field for Ukraine are the United States of America and the European Union. Canada, Sweden, Switzerland, Japan, Turkey, Denmark also provide significant assistance. International technical assistance is implemented through various forms: expert advice, scholarships, financing education and training, research grants, intellectual property rights and technology, and more.

The use of grants has its own peculiarities:

- grant funds are awarded on a competitive basis;
- these funds are classified as «targeted financing» in accounting and are provided irrevocably;
- the grantee is obliged to submit financial reports on the use of funds;
- the equipment purchased at the expense of the grant cannot be sold or leased until the end of the project.

Lately another form of investment financing has been developing rapidly, that is crowdfunding. Usually crowdfunding is applied to nonprofit organizations or social enterprises. In fact, crowdfunding is about attracting funds for the project from many individuals. One of the most famous crowdfunding platforms in the world is Kickstarter, which was founded in 2009 and is focused on the implementation of extremely innovative projects. This platform receives 5% of all funds raised. Ukraine is represented a little on this platform because the main obstacle is the problem of withdrawal of funds. The peculiar features of this platform are two requirements for its recipients: the availability of an account on Amazon Payments, the presence in the team of a representative of one of the countries where this platform is officially launched (Yeliseyeva, L., 2017, Okhrimenko, O, 2018).

In addition, there is an international crowdfunding platform Indiegogo, with which the Ukrainians work. The projects supported by this platform are focused on improving the standard of living and the environment. Lately several websites have appeared in Ukraine. The most famous are bigggiidea.com and «СПІЛЬНОКОШТ» (CommunityCost). Ukrainian Crown Funding has a predominantly socio-cultural focus.

Conclusion. Due to the procedure of investing into an innovative project to implement it, there are some peculiarities of this process. Investment support for innovative projects can take the form of: self-financing, lending, government and venture investment, grants, international technical aid. The study of this issue allows us to distinguish some organizational, legislative, and political obstacles.

There emerged the need to draw attention of state institutions, legislators and society to the need for simplification of procedures, guarantees of investment protection in innovative projects, since there are no other ways to improve production processes in Ukraine.

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INSTITUTIONAL PROVISION OF INTERNATIONAL BUSINESS DEVELOPMENT IN UKRAINE

The article analyzes the indicators of international business development in Ukraine, shows the most problematic factors for doing business according to indices of international rating organizations, identifies the problems of international business development in Ukraine at the macro and micro levels.

Keywords: *conditions of development, business sector, foreign trade, international business.*

Дьяченко Ольга, Гончаренко Олена. Інституціональне забезпечення розвитку міжнародного бізнесу в Україні.

У статті проаналізовано показники розвитку міжнародного бізнесу в Україні, наведено найбільш проблемні фактори ведення бізнесу за показниками міжнародних рейтингових організацій, визначено проблеми розвитку міжнародного бізнесу в Україні на макро- та мікрорівні.

Ключові слова: *умови розвитку, бізнес-сектор, зовнішня торгівля, міжнародний бізнес.*

Relevance of research topic. In the context of world economy globalization, instability of political and economic development of Ukraine, international entrepreneurial activity takes on a special role and becomes a promising mechanism for creating internal and external competitive environment. The problem of forming favorable conditions for the international enterprises operation has become urgent not only in our country but also in developed countries. International entrepreneurial activity solves a number of major economic and social problems – it develops the real sector of the economy, creates additional jobs, promotes competition and makes

budgets tax payments of all levels. International business is a key driver of economic growth. Trade liberalization opens up the economy to international competition and provides domestic producers with access to global markets. Therefore, the development of international business activity is an important task of the state. Comprehensive and systematic implementation of the study of the development of international business activity is especially relevant in the face of exacerbated economic and social problems.

Formulation of the problem. The process of institutional foundations improving of entrepreneurial activity is the stage of the national economic development strategy implementation. This process requires a clear, not abstract, identification of trends in the business sector and gaps in the institutional sphere.

Analysis of recent researches and publications. Domestic and foreign scientists pay a lot of attention to the problems of international business activity development, among them: M. Geyets, V. Goy, T. Smelyanska, M. Koshuba, M. Rudko, I. Radko, M. Marshalok, S. Nikitchenko, N. Krishtof, I. Matyushenko, V. Dmitriev, O. Zarenkova, A. Tolstova, N. Frolova and others.

Setting objectives. In the context of the most complete and most effective national interests realization, the problem of international business activity research is to carry out economic valuation of the results of its development, to identify endogenous and exogenous tendencies, to identify institutional obstacles to development in the process of interaction with foreign partners.

Presenting main material. In a market economy, international business activity is particular importance as a major factor of country's development. The welfare of citizens and state economic level depend on the level of international business significantly. Therefore, according to modern scientists, the entrepreneur is the main economic entity of the market.

Ukraine pursues an open foreign policy and strives for mutually beneficial cooperation with all partners. Therefore, the economic development imperative based on the use of international business activity is an adequate response to globalization challenges.

Trends in international business in Ukraine characterizing parameters listed in Table. 1.

Table 1

The evolution of the international business development in Ukraine 2015–2018 *

Indicator	2015	2016	2017	2018	Balance		
					2016	2017	2018
Number of economic entities, thousands of entities, of which entities have:	1974.32	1865.53	1805.06	1298.44	-108.79	-60.47	-506.62
- export of goods and services	19.69	21.32	22.48	–	1.63	1.16	–

Indicator	2015	2016	2017	2018	Balance		
					2016	2017	2018
- import of goods and services	32.31	47.76	103.33	–	15.45	55.57	–
Foreign trade turnover, billion USD USA, including volumes of:	98.08	98.47	116.38	129.44	0.39	17.91	13.06
- export of goods and services	47.86	46.01	53.87	59.12	-1.85	7.86	5.25
- imports of goods and services	50.22	52.46	62.51	70.32	2.24	10.05	7.81
Share of GDP, %:							
- export of goods and services	41.89	38.95	46.88	43.66	-2.94	7.93	-3.22
- import of goods and services	41.22	42.04	49.11	48.11	0.82	7.07	-1.00

** Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and a part of temporarily occupied territories in the Donetsk and Luhansk regions.*

Source: calculated by the authors at [4; 11].

According to the State Statistics Service, in 2015–2018 the number of economic entities in Ukraine decreased from 1.97 to 1.3 million units. However, the number of foreign economic operators increased. Thus, the number of exporting entities increased from 19.7 to 22.5 thousand units, and the number of importing entities increased from 32.3 to 103.3 thousand units.

In the study period Ukraine's foreign trade turnover increased from 98.1 to 129.44 million dollars US (31.96%), including exports of goods and services increased from 47.86 to 59.12 million dollars US (23.5%), imports – from 50.22 to 70.32 million dollars US (40.01%).

Another major indicator of international business development is the share of exports in GDP, which characterizes the economy openness. A considerable level of the economy openness has a number of advantages (efficient allocation and use of resources, increasing competitiveness of production, dissemination of world experience: technology transfer, skills, etc.). At the same time, macroeconomic volatility, which is often associated with the economy openness, depends on the competitiveness of goods and services of domestic production in both external and internal markets [1].

Despite the increase in the value of exports and imports, their ratio to GDP (traditional indicators of openness of the economy) has declined over the last three years. Thus, as of the end of 2018, the share of total exports in the GDP structure of Ukraine was 43.66%. At the same time, for example, more than 98% of German small and medium-sized enterprises export their products abroad [7].

The international business development depends on two basic conditions: the internal economic situation in the whole country and its regions and the ability of a particular business entity to exercise the rights to fulfill its business objectives. Thus, problems of development of international business activity can be divided into problems of macro and micro levels.

One of the key criteria for assessing international business is an indicator «Global Competitiveness Index», which characterizes the competitiveness of countries at different levels of economic development.

The most problematic factors for doing business in Ukraine for the Global Competitiveness Index presented in Table. 2.

Table 2

Most problematic factors for doing business in Ukraine by Global Competitiveness Index, 2014–2018

Factors	2014	2015	2016	2017	2018
Ukraine's ranking /number of countries	84 / 148	76 /144	79 / 140	89 /135	83 / 140
Inflation	3,7	8,0	11,5	11,9	16,3
Corruption	15,5	17,8	16,6	14,0	13,9
Policy instability	10,1	14,0	10,6	13,2	12,1
Tax rates	8,4	7,7	8,1	7,3	9,7
Tax regulations	11,0	4,3	7,9	6,8	9,4
Government instability/coups	3,5	10,5	6,4	8,2	8,9
Access to financing	16,7	13,9	12,2	11,2	7,0
Inefficient government bureaucracy	13,4	8,8	8,0	11,4	6,9
Foreign currency regulations	4,2	4,1	7,1	4,5	4,3
Inadequate supply of infrastructure	2,2	0,8	0,9	0,5	2,5
Insufficient capacity to innovate	4,1	1,8	2,3	1,6	1,8
Restrictive labor regulations	1,9	3,4	3,1	2,5	1,7
Inadequately educated workforce	0,8	1,7	1,8	2,7	1,4
Crime and theft	2,5	1,7	1,4	1,6	1,2

Source: compiled by [9]..

The results of the assessment of Ukraine in 2018 showed that the critical «failures» of Ukraine's competitiveness are «State and public institutions» (110th place), «Financial system» (117th place) and «Macroeconomic environment» (131st place). At the same time overall, Ukraine improved its position by 6 points and ranked 83 among 140 countries.

Problems of development of international business activity in Ukraine include [1; 5; 6; 7; 9; 10; 12]:

– prevalence of corruption. According to the Global Competitiveness Index, corruption is the biggest problem for business development in Ukraine after inflation.

The consequences of this problem are significant illegal businesses, the prevalence of illegal schemes and tools of influence, the disillusionment of a large part of entrepreneurs. All of the above threatens the destruction of the system of public power and the leveling of the domestic legal system functioning. In addition, there is a direct and indirect presence crime, criminal attacks, so-called «raiding» and discriminatory behavior (including forged documents);

- lack of an effective mechanism for business support, development and protection;

- limited and non-transparent access to public and communal resources (utilities).

There are no transparent and understandable mechanisms of economic entities access to state and communal resources (land, property, financing) in Ukraine. The manifestations of this problem are in particular excessive complexity, considerable length and cost of procedures for ownership or use (lease) state and municipal property, as well as state and communal property; legislative unsettled amount of related payments (costs of business entities); lack of development tools of public-private partnership, including in the form of concessions; opacity and injustice attached to engineering networks; lack of transparency mechanisms and criteria (reason) for providing state financial support etc.

- ineffective mechanisms for protecting the rights and legitimate interests of business entities. A significant obstacle to the development of international business is the lack of effective legal mechanisms to protect business entities. The consequences of this problem is a distorted application of the law by public authorities, large part of disbelief businesses in the ability of the state to protect their rights and interests in the order and manner prescribed by law, and the high prevalence of illegal customs and practices that do not comply with the legislation of Ukraine;

- excessive regulation of economic activity, namely: high costs of time to carry out official procedures for business starting; significant loss of entrepreneurs resources for property registration. The cost of administrative services during property registration also increased;

- low level of competition in domestic markets. Large concentrations of large enterprises are present in many areas of the national economy, and new business entry rates remain low. In such situation, it is rather difficult to strengthen position for new enterprises in the market of goods and services. The main problems of the competitive environment are that many sectors have a high concentration of firms and oligopoly structures that lead to inflated prices;

- imperfection of the tax system. Current tax system has created favorable conditions for the transition of enterprises to the illegal economy. Thus, due to high contributions to the payroll, a single social contribution, many small businesses maintain double-entry bookkeeping. Although the share of wages and salaries has dropped from 48% in 2010 to 39% in 2017, the share of taxes since 2010 has increased from 12% to 16% [12, p. 15];

– most enterprises in varying degrees hide their income to pay less tax. In 2018, the illegal economy was 30% of official GDP [8], that is, 4.6% of budget revenue was hidden. Although according to the method of «population expenditures – retail turnover» it amounted to 46% (7.36% of taxes not paid);

– inefficient taxation is a major obstacle to the development of the international business sector;

– undeveloped infrastructure for supporting and developing entrepreneurship. Despite the large number of infrastructure objects (business centers, business incubators, technology parks, information and advisory institutions, public associations of business entities), their role in the development of international business activity is still very small in Ukraine;

– low level of population solvency, which significantly reduces the capacity of the markets of most consumer goods and services, trade rather than production orientation of the business sector (in particular, in the export structure, the raw material economy occupies 57%. In 2018, raw materials exports only to the European Union amounted to 70%) [7];

– insufficient regional programs financing of entrepreneurship support and development, small business in particular (non-guaranteed, untimely and irregular);

– underdeveloped mechanisms of financial and credit support and risk insurance of small enterprises, lack of self-financing mechanisms;

– imperfect control over the use of funds allocated to enterprises, so that the resources spent on improper purpose;

– lack of a well-established system of effective interaction between large and small businesses at the local (regional) level;

– lack of corporate social responsibility.

Ukraine's low position in the Global Competitiveness Index indicates that institutional conditions for international business remain unfavorable, although there are tendencies to improve the situation.

An indication of the effectiveness of economic deregulation reforms is the improvement of Ukraine's position in the following rankings:

– «Doing Business 2019», in which compared to the result in 2016 – 12 positions rose to 71 places among 190 countries (Table 3).

Table 3

Ukraine's position in the ranking «Doing Business» in the category «Trading across borders», 2016–2019

Indicator	2016	2017	2018	2019
Ease of doing business rank / number of countries	83/189	80/190	76/190	71/190
Trading across borders (rank)	109	115	119	78
Score for trading across borders (0–100)	63,72	64,26	64,26	77,62

Indicator	2016	2017	2018	2019
<i>Time to export</i>				
Documentary compliance (hours)	96	96	96	66
Border compliance (hours)	26	26	26	6
<i>Cost to export</i>				
Documentary compliance (US\$)	292	292	292	192
Border compliance (US\$)	75	75	75	75
<i>Time to import</i>				
Documentary compliance (hours)	168	168	168	96
Border compliance (hours)	52	72	72	32
<i>Cost to import</i>				
Documentary compliance (US\$)	292	212	212	162
Border compliance (US\$)	100	100	100	100

Source: compiled by [3].

In particular, in the «Trading across borders» category, Ukraine ranked 78th, improving its position by 31st over the last four years. The time for border and customs control was reduced by 20 hours, for processing of documents for export – by 30 hours, for import – by 72 hours. The cost of export paperwork decreased by \$ 100 USA, for imports – \$ 130 USA.

– Corruption Perceptions Index 2018, which compared to the result in the previous period – 10 positions rose to 120 places among 180 countries (Table 4).

Table 4

Ukraine's position in the ranking «Corruption Perceptions Index», 2012–2018

Years	Score	Rank	Number of countries
2012	26	144	176
2013	25	144	177
2014	26	142	175
2015	27	130	168
2016	29	131	176
2017	30	130	180
2018	32	120	180

Source: compiled by authors [2].

The growth of Ukraine's indicators was due to the business situation assessment. The introduction of the automatic refund procedure of value added tax, expansion of the ProZorro work spheres and ProZorro systems, sales and activities of the Business Ombudsman Institute [2] had a positive impact.

Conclusion. It can be argued that today the main problem of international business activity development is in the sphere of public administration quality. The

illegal economy is the result of a corrupt government system. Problems of public administration are systemic corruption and, consequently, selective enforcement of legislation. In this situation, the rules of the legislation as such largely lose their meaning and there is no reason to hope for a better situation only through a change of legislation. Therefore, improvement of legislation as a tool to improve the business climate, perceived inefficient and not productive.

Nowadays, the Ukraine state policy on international business activity is basically «low-reactive», ie it is a reaction of public authorities either to external stimuli or to persistent business demands. This «reactivity» state policy defines low efficiency policies and low efficiency of state regulation. The lack of an effective public policy strategy leads to the stochastic emergence of new regulators and to the lack of progress in the real improvement of the business climate in Ukraine.

One of the few effective ways of improving the business climate in Ukraine today is deregulation, which should take the form of abolishing illegal regulations and quantifying the cost of existing regulations by OECD and EU methods (in particular, by the M-Test method). Regulatory impact analysis (first and foremost, a clear definition of a regulatory problem, setting quantitative indicators of regulatory performance based on a quantitative benefit-cost analysis) should precede the emergence of a regulatory project and not accompany it afterwards. All other entrepreneurship problems are derivative. Trying to solve derivative problems is inefficient and ineffective without addressing the root causes. However, the derivative problems identification as key ones is an example of «false goals» and imitation of development. It takes time and resources to solve these problems, but the situation does not change and even theoretically cannot be improved.

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DETERMINANTS AND PROSPECTS FOR THE DEVELOPMENT OF INTERNATIONAL CONTRACT RELATIONS IN UKRAINE

Determination that contractual relations in the format of international production and marketing cooperation should be considered as the component of combined model for national economic development, which is to combine both external and internal sources and reserves of expanded reproduction through the activization context of non-protectionist tendencies in the leading countries of the world and intensification of risks within national development. The sectoral specificity of contractual relations development in Ukraine has been analyzed, which testifies low diversification in the global tendencies and the priority of limited range of agreements, namely contract manufacturing. Determinants are found to impede the further development of contractual relationships such as weak institutional support, lack of legislative basis, and adequate logistical and organizational infrastructure. It is substantiated that serious complication in predicting the volume and structure of operations mediated by international contractual relations is the imperfection indicator of the national accounting system and the low motivation factor for business, integrated into international cooperative activities up to promulgation of operations under study. The perspective types of international contractual relations with the participation of domestic business as manufacturing as well as contract management, outsourcing and licensing have been defined during research.

Key words: *contract relations, international cooperation, contract production, licensing, franchising.*

Кудирко Людмила, Самсонова Лілія. Детермінанти та перспективи розвитку міжнародних контрактних відносин в Україні.

Визначено, що контрактні відносини в форматі міжнародної виробничої та збутової кооперації варто розглядати в якості складової комбінованої моделі

національного економічного розвитку, яка поєднуватиме як зовнішні, так і внутрішні джерела та ресурси розширеного відтворення в умовах активізації непротекціоністських тенденцій в провідних країнах світу та посилення ризиків внутрішньонаціонального розвитку. Проаналізовано секторальну специфіку розвитку контрактних відносин в Україні, що засвідчило їх слабку диверсифікованість щодо загальносвітових тенденцій та пріоритетність обмеженого кола угод, а саме виробництво за контрактом. Виявлено детермінанти, що стримують подальший розвиток контрактних відносин, а саме слабке інституційне забезпечення, брак законодавчої підтримки та належної матеріально-технічної та організаційної інфраструктури. Обґрунтовано, що серйозним ускладненням для прогнозування обсягів та структури операцій, що опосередковуються міжнародними контрактними відносинами, є недосконалість національної системи обліку та низька мотивація бізнесу, що інтегрований в міжнародну коопераційну діяльність, до оприлюднення окреслених операцій. Визначено перспективні види міжнародних контрактних відносин за участі вітчизняного бізнесу в якості виробництва та управління за контрактом, аутсорсингу, ліцензування.

Ключові слова: контрактні відносини, міжнародна кооперація, виробництво за контрактом, ліцензування, франчайзинг.

Relevance of the research topic. The geospatial transformation of Ukraine's external sector is taking place under conditions of serious internal and external challenges. In particular, it is the threat of further escalation of hostilities in the east of the country, maintaining high level of foreign trade openness and dependence on the global commodity markets, loss of human resources from the point of view of large-scale migration out from the country and inhibition of investment activity [6].

In addition, the existing high level of basic industries funds wearing-out makes it difficult to solve the issue of improving competitiveness of manufactured products. The decades-old formed structure of export-oriented production of low-tech products increases the risk for the national economy to remain for economically developed countries only an «ancillary» economy with high levels of labor and energy intensity, but at the same time with low labor efficiency, and an overwhelming share of intermediate consumption that has no external demand being entirely depended on price fluctuations on the world markets [5].

Taking into account the current status of national and world economies, Ukraine cannot rely on the priority of developing only export potential and the orientation of domestic production (mainly tolling raw materials and primary processing) onto the foreign market. After all, in the context of intensifying non-protectionist tendencies in the leading countries of the world and in order to achieve stable social and economic development of modern Ukraine, it is necessary to implement a combined model of economic growth, which is to combine both external

and internal sources and resources of expanded reproduction. In our opinion, one of the possible components within the outlined model could be the use of non-joint-stock forms of international production (contractual relations, hereinafter referred to as CR) with the participation of domestic enterprises [7].

Formulation of the problem. The scientific and practical problem of assessment for the prospects and effects of national enterprises participation in the system of international cooperative relations through the mechanism of non-investment contractual agreements is currently being updated. Such an understanding makes it possible to evaluate more critically the directions of adjusting the institutional impact on the localization of production processes and technological stages on the territory of definite countries.

Analysis of recent researches and publications. The generalized results of empirical studies dedicated to the assessment of the macroeconomic effects created by countries inclusion in the global value chains through contractual relation are presented in the works of S. Miroudot, R. Lanz and A. Ragoussis [4] Sectoral peculiarities of the international business development through modern contractual forms are disclosed in the works of Reznikova N. [8], Zvarych I. [16], Duhinets G. [1], Mazaraki A., Melnichenko S. [2], Melnyk T. & Kudyko L. [3], Rohach O. [9].

Setting objectives. The complications in determining the prospects for the development of international contractual relations with the participation of Ukrainian enterprises have led to the necessity of defining the directions for further integration of domestic business into the system of global production and marketing cooperation. This approach made it possible to identify projected volumes of export and import of transactions mediated by contractual relations and, on this basis, to determine the necessary conditions for their further development in Ukraine.

Presenting main material. For Ukraine the difficulty of contractual relations formation through means of international production or marketing cooperation is not only because they are relatively new phenomenon on the national territory. Obviously, Ukrainian companies have a weaker resource and organizational position as for non-resident companies.

Complications for the development of international cooperative relations are also exist due to the fact that Ukraine is being in lack of basic legal framework that could resolve all contentious and risky issues of contractual relations. Generally unstable political and economic situation in the country is also being added, which affects the efficiency of all business areas, not just activities resting on international contractual relations. In addition, there are objective obstacles to the implementation of CR, including: poorly developed logistics network and transport infrastructure; long and costly customs clearance procedure; the price for spare components (parts) in Ukraine, which is sometimes higher than in the country of origin; poor quality control of production; long-term and relatively expensive certification of products; comparatively small number of contractors who can provide «complete» services; high cost for services in the case of low-volume orders.

On the other hand, foreign customers of contract relations are attracted by Ukraine's undeniable advantages: first, the availability of free production facilities, the level of automation of which is much higher than the underdeveloped African and Asian countries; second, skilled workers supply; third, the low cost of quality labor in comparison with the cost of labor in the contracting countries; fourth, the geographical closeness to the CIS and European markets and the similarity of the consumption model [15].

The most widespread type of CR that has found application in building cooperative partnerships among Ukrainian enterprises is the contract manufacturing, namely, in the field of processing raw materials. Complication for assessments of the scale of cooperation between Ukrainian enterprises and foreign partners in the context of other types of contractual relations is that there is no currently reliable statistical information which would fully reflect their volumes. First, this is closely connected to the absence of clear legislative regulation in Ukraine of each type of CR, which complicates control over their implementations; Secondly, companies that cooperate with foreign customers in the CR format are not required to report to them and disclose full information about their counterparties, order volumes and sphere of its application and use. Also, in the face of fierce competition, businesses are reluctant to disclose information that may affect the success of their running, and lead to the loss of the client (customer or consumer).

According to our expert estimations as for the extent of contractual relations in Ukraine to which foreign element is involved, they should not be limited only by the volume of export/import of tolling raw materials, processing services or the cost of outsourcing contracts. It should also include the volumes of related service and related industries, the volume of processed licenses and sales derived from them, the natural and monetary volume of the agricultural and industrial sector production (if contract farming is taken into account), and, importantly, the number of job positions created during the implementation process of contractual relations between non-residents.

Measuring and recording of volumes of contractual relationships is an important step in understanding the scale and trends of further development of production and marketing, trade and investment. We share the multi-level approach of UNCTAD experts [14] for evaluation of the scope and volume of the global contracting phenomenon. This approach reflecting the complexity of CR's and their interconnection with other trading and investing transactions is as follows.

First, the prevalence of some types of CR's (by type of cooperation) should be differentiated between industries, i. e. the number of volumes of CR's used in a particular industry should be taken into account. For example, manufacturing contract is the most spread in the field of electronics, production of apparel and footwear, spare auto parts, and other industries. Most often, UNCTAD experts offer information on the industry-type combination in two ways:

– in case where it is possible according to industry analysis data, industry associations or advisory agencies. It is suggested to clarify the information obtained by analyzing the biggest members of each market and adjusting total sales of CR's (means,

the volume of products export generated by the contractual relations between residents of different countries) by an appropriate coefficient of internationalization to obtain a refined cross-border trade volume CR;

– in case where there is no information on CR volumes, it is proposed to assess cross-border CR trade by subtracting re-exports from world exports volumes of those goods that characterize trading of specific type of CR (e. g. clothing, shoes, toys traded by contract manufacturing). The number obtained should be multiplied by the percentage (calculated on the basis of industry reports and interviews) of the export of the CR type combination in order to obtain the result as close as possible to reality.

Second, in most cases, the value added attributable to cross-border sales of CR's is estimated by applying a value ratio (calculated as sums of income before tax, personnel and depreciation expenses) to export volumes of representative companies' sample in each industry. For franchising it is best to obtain statistical information from franchise organizations.

Third, it is proposed to measure «the number of job positions created» by type-industry combinations both overall and separate in developing countries and in transitional economies:

– in case of the combination type-industry, the market is highly concentrated (contract manufacturing in electronics, auto parts, and pharmaceuticals; contract management in the hotel sphere), so the assessment of cross-border employment is carried out as follows: total number of job positions created by companies in a certain industry taken, which is multiplied by their market share in the global CR market in their industry and by the percentage of internationalization. Assessment of employment rates in transitive and developing countries are based on the share of assets or employment of the largest companies in the total «number of job positions created»;

– in case where the concentration on the market is low (contract manufacturing in the light industry), the overall employment rate is estimated using the UNIDO industry index to determine the worldwide employment rate of in a particular field, to which a specific industry coefficient calculated as a proportion of manufacture applied export products, which is used to calculate the export share of given industry-type combination. The estimation of the employment rate in transitive economies and developing countries is done by subtracting the share of the total employment rate due to CR worldwide.

We propose to implement this methodology to assess the scales of contractual relations in Ukraine at the first level, i. e. to determine the volume of export/import of contractual relations. In Table 1 the estimated volumes of the dynamics of contractual relations by type in Ukraine are shown. The data in Table 1 is divided into two vectors: export is the volume of non-resident orders; import is those services provided by a foreign entity to Ukrainian counterpart.

In the whole, from the point of view of research correctness, it is really difficult to track the steady tendency in the development of contractual relations on the Ukrainian territory: from year to year, both inbound and outbound flows show quick

reduction, or tremendous increase. According to predictions of CR use in Ukraine is more challenging. Therefore, to forecast the prospects of Ukraine's participation in international contractual relations, we use the method of extrapolation of trends in CR by species based on previously obtained data for 2010-2016, although we admit the limitations of this approach. The use of the extrapolation method is justified by the lack of knowledge about the nature of the phenomenon being studied, or the lack of data needed to apply more advanced forecasting methods, and in the case of contractual relations in Ukraine it goes right about it. In accordance with the proposed approach, we projected exports and imports of contractual services in Ukraine for 2020, 2025 and 2030 (Table 1).

Table 1

Real and predictive indicators of the use of international contractual relations in Ukraine

Years	L	O	CM	CP	L	O	CM	CP
	<i>Export, US million dollars</i>				<i>Import, US million dollars</i>			
2010	132,00	404,00	530,00	1326,00	744,00	210,00	618,00	5,00
2011	107,00	658,00	642,00	1805,00	746,00	255,00	629,00	8,00
2012	124,00	937,00	753,00	2077,00	727,00	334,00	618,00	10,00
2013	167,00	1292,00	892,00	1951,00	1072,00	398,00	632,00	11,00
2014	118,00	1500,00	727,00	1278,00	552,00	337,00	453,00	29,00
2015	85,00	1668,00	508,00	1078,00	358,00	327,00	375,00	63,00
2016	73,00	1975,00	501,00	1118,00	358,00	323,00	400,00	5,00
<i>Predictive indications</i>								
2020	112,91	8010,93	917,12	1177,25	337,51	481,08	474,55	5,42
2025	194,77	46113,40	1952,80	1255,74	313,53	791,55	587,58	6,00
2030	335,96	265443,19	4158,07	1339,46	291,26	1302,38	727,53	6,64

Source: calculated by the authors on the basis of 10; 11; 12; 13.

Table symbols: L – licensing, O – outsourcing, CM – contract management, CP – contract production

The following perspective trends of CR development in Ukraine have been identified: outsourcing and contract management are experiencing significant growth in export positions, licensing grows at a moderate pace, for example, it is projected that in 2020 its volumes will reach the level of 2012, contract production is not to increase significantly and in 2030 it will reach the level of 1339.38 million US dollars, which is close to the value marked in 2010. Imports are predicting significant decline in licensing by 2030, while other types of CR show a slight increase over the period of 2020 to 2030.

Taking into account the fact that the types of CR are significantly different from each other in terms of their implementation, the effects they create, and by the consequences (both negative and positive) that they generate, it is advisable to

consider possible directions of their most effective application in Ukraine, based on the determinants for their location in combination with the necessary conditions for development of each type. To do this, we are encouraged to implement balanced policies in the following directions:

- optimization of the financial and economic vector: measures to alleviate the tax burden for enterprises in order to free up funds for expanding and updating the production base, innovative development, improving the quality of processes and products;

- ensuring the development of small and medium businesses, which is the basis for the development of the national economy being the most relevant (up to date) issue in the way of simplifying and cheapening access to financial resources;

- remediation and stimulation of technological and innovation clusters development in parallel with the investment attraction policy;

- creation of innovative infrastructure, cooperation of research scientific establishments with business and state, development of venture business, integration of enterprises into technological and innovative alliances to consolidate their resources;

- - creation of conditions for active absorption and development of knowledge, skills, abilities, technologies, standards, business models, etc., which is a component of cooperative relations;

- systematization of legislative and regulatory acts relating to both aspects of international cooperation and other contractual relations;

- adjusting the mastering of international cooperation and contractual relations in accordance with the priority directions of the country's development;

- development of such important elements for contractual relations of the organization of economic activity such as transport, warehousing and communication infrastructure, etc.

Conclusion. The analysis of the determinants and prospects of the development of international contract relations in Ukraine allows us to formulate certain conclusions and generalizations:

- contract relations in the format of international production and marketing cooperation should be considered as a component of combined model for national economic development, both external and internal sources and resources of extended reproduction in the context of intensifying of non-protectionist tendencies in the leading countries of the world and through intensifying national development risks;

- the analysis of the sectoral specifics of the development of contractual relations revealed their weak diversification in global trends and the priority of a limited circle of contracts, namely contract manufacturing in the sphere of raw materials processing;

- limitations for further development of contractual relations are caused by weak institutional support, in particular lack of legislative support, adequate logistical and organizational infrastructure;

- serious complication in predicting volumes and structure of operations mediated by international contractual relations is the imperfection of the national accounting system and poor motivation of the business, which is integrated into the international cooperative activity to promulgation of the operations outlined;
- contract management and manufacturing, outsourcing, licensing has been identified as promising sector and activity in the context of international contract relations with the participation of domestic business entities.

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REGULATORY FRAMEWORK FOR CREATION AND DEVELOPMENT OF CROWDFUNDING PLATFORMS

The article presents theoretical approaches to the definition of crowdfunding and describes its types. The practice of crowdfunding platforms in developed countries has been analyzed. Approaches to creation and regulation of work of crowdfunding platforms in Ukraine have been offered.

Keywords: *crowdfunding, financial innovations, crowdfunding platform, financial market.*

Колінець Леся, Братко Олександра, Бучинська Тетяна. Нормативно-правова база для створення та розвитку краудфандингових платформ.

У статті розкрито теоретичні підходи до визначення краудфандингу та охарактеризовано його види. Проаналізовано практику функціонування краудфандингових платформ в розвинених країнах світу. Запропоновано підходи до створення та врегулювання роботи краудфандингових платформ в Україні.

Ключові слова: *краудфандинг, фінансові інновації, краудфандингова платформа, фінансовий ринок.*

Relevance of research topic. Financial innovations play an important role in ensuring the sustainable development of the countries, integration entities and the

global economy in general. Although they were not originally intended to do so, well-chosen tools and regulatory frameworks allow them to be transformational changes in the global financial market. Thus, crowdfunding is one of the technological innovations in financial services in the world.

Crowdfunding platforms may perform functions similar to banking in the future, but there are theoretical reasons to believe that platform-based brokerage may be more stable than bank brokerage. The success of these platforms depends on their ability to address moral hazard issues and overcome significant entry barriers associated with economies of scale and the risks associated with over-reliance on the volume of funds involved.

Formulation of the problem. The formation of a regulatory basis that is able to determine the effective framework for the operation of crowdfunding platforms is important at this stage. This will strengthen their influence on the financial system of the countries and promote the development of small and medium-sized enterprises.

Based on the above, we can formulate the following goals of this research:

- 1) to reveal the theoretical foundations of crowdfunding;
- 2) to analyze the practice of operation of crowdfunding platforms abroad;
- 3) to offer the approaches to creation and regulation of work of crowdfunding platforms in Ukraine.

Analysis of recent researches and publications. A number of scientific works has been devoted to the problems of formation and development of crowdfunding in the world. Thus, N. Vulkan, T. Astebro (Vulkan et al, 2016) and D. Schweitzer, S. Johan and K. Günther (2017) describe the size of the crowdfunding market, its growth and geographical location. A. Agrawal, K. Catalini and others show in their research that syndicates help well-informed lead investors in equity crowdfunding extend their knowledge to a less well-informed crowd that is consequently willing to invest in a company (Agrawal et al, 2016).

The existing scientific findings have not fully reflected the regulatory framework for the use of financial innovation and, in particular, crowdfunding. This is what made the research relevant.

Presenting main material. The importance of innovation for financial and economic development is undeniable. According to the standard approach, innovation occurs when the new ideas, solutions and tools are introduced to change and improve the economic condition of the business entity.

Initially, the term «innovation» was used to refer to changes in technological solutions that resulted in new combinations of means of production, profitability was achieved that exceeded the level of average indicators, thus enhancing the dynamics of economic development as a whole.

One of the innovative financial instruments is crowdfunding. It is derived from the phenomenon of crowdsourcing. In turn, the term «crowdsourcing» consists of

«crowd» and «outsourcing», which indicates outsourcing of specific functions to a group of outsiders. The concept is based on the idea of «wisdom of the crowd».

Traditional project financing requires the involvement of a small number of investors who are willing to invest large sums of money. In turn, crowdfunding is a way to raise money for a project using the Internet by appealing to a large number of people to invest small sums of money.

There are different types of crowdfunding:

1. Real Estate Crowdfunding – individuals or institutional funders provide equity or subordinated debt financing for real estate.

2. Equity-based Crowdfunding – individuals or institutional funders purchase equity issued by a company.

3. Revenue Sharing/Profit Sharing Crowdfunding – individuals or institutions purchase securities from a company, such as shares or bonds, and share in the profits or royalties of the business.

4. Reward-based Crowdfunding – backers provide funding to individuals, projects or companies in exchange for non-monetary rewards or products.

5. Donation-based Crowdfunding – donors provide funding to individuals, projects or companies based on philanthropic or civic motivations with no expectation of monetary or material return (Ziegler, Johanson et al, 2019).

The market for alternative financial instruments, including crowdfunding, is developing at a rapid pace.

Thus, on the American continent Real Estate Crowdfunding increased by 128% to \$1.8 billion in 2017 from \$821 million in 2016. The model accounted for 4.2% of the total market in 2017 and grew by 128% annually.

Reward-based Crowdfunding declined 26% to \$440.4 million in 2017 from the \$596 million recorded in 2016. Overall, it accounted for 1.0% of the total volume in 2016.

This model saw a decrease of 13%, from \$339.2 million in 2016 to \$293.5 million in 2017. Donation-based Crowdfunding has seen an annual growth rate of 40% over the past three years. It represented 0.7% of the total market volume in 2017.

Equity-based Crowdfunding accounted for \$260.9 million in 2017, down 54% from \$569.5 million in 2016. It represented 0.6% of the entire Americas market.

Revenue-sharing/Profit-sharing Crowdfunding's volume in 2017 was \$32.9 million, a 16% increase from 2016's \$28.4 million. Overall, Revenue-sharing/Profit-sharing Crowdfunding had a 0.1% share of the total market volume (Ziegler, Johanson et al, 2019).

The total European online alternative finance market (including the UK) grew by 36% to reach €10,436m in 2017. The United Kingdom is still the largest individual alternative finance market, albeit with a declining market share from 73% in 2016 to 68% in 2017. Excluding the UK from overall volume, the European online alternative finance industry grew 63% from €2,063m to €3,369m in 2017. This growth is slower

than in previous years, as in 2016 the market grew 102%. Between 2013 and 2017, the average annual growth rate for Europe has been 80%.

In 2017, perceptions of risk were split amongst model types, with no one clear risk factor for all platforms. For P2P Consumer Lending and P2P Business Lending, ‘Collapse due to Malpractice’ was the highest risk – ranked between high and very high by 55% and 34% of model types, respectively. ‘Campaign Fraud’ was perceived to be the highest risk by Invoice Trading (73% high to very high risk), Debt-based Securities (29%), and Donation-based Crowdfunding (38%) platforms. The risk of a «Cyber-security Breach» was perceived as the highest risk for Equity-based Crowdfunding (40% high to very high risk), and Rewardbased Crowdfunding (44%). «Changes to Regulation» was seen by four model types as the second highest risk, particularly Equity-based Crowdfunding (37%), P2P Consumer Lending (30%), Donation-based Crowdfunding (30%) and Reward-based Crowdfunding (26%).

As regulatory regimes across Europe continue to develop, so to do the perceptions of platforms on the adequacy of these regulations. In general, while overall views are still divided, it appears that the level of approval has been increasing. A majority of platforms operating P2P Business Lending (71%), Debt-based Securities (67%), P2P Consumer Lending (63%), Real Estate Crowdfunding (56%) and P2P Property Lending (50%) viewed current regulations to be adequate and appropriate. In contrast, a large percentage of Equitybased Crowdfunding (53%), Rewardbased Crowdfunding (43%), and P2P Property Lending (42%) platforms viewed regulation to be excessive and too strict.

Real Estate Crowdfunding grew 136%, increasing from €109m in 2016 to €259m in 2017, generating the fourth largest volume in Europe. This model recorded thirty-nine entries from 35 distinct firms. Only three firms had operations in more than one country.

Despite the impressive growth reported for this model, volumes of Real Estate Crowdfunding may still be underestimated, as some Equity-based Crowdfunding platforms don’t distinguish between Real Estate Crowdfunding campaigns and Equitybased Crowd.

Equity-based Crowdfunding’s total volume decreased slightly, reducing its share of the market from 11% in 2016 to 6% in 2017.

An interesting development, countering trends in other models, was the significant decrease in Reward-based Crowdfunding. Total volumes fell 17% between 2016 and 2017 and moved it from being the fifth largest model in 2016, to the sixth in 2017 (Ziegler, Shneor et al, 2019).

Legislative regulation of the use of alternative financial instruments, including crowdfunding, is now an important priority for most states. Thus, national legislation on alternative financing is in place in EU countries, but there is no single European Directive to regulate this. The European Commission is taking steps to position Europe as a more attractive place to set up crowdfunding companies. The Commission

has proposed a draft regulation that will allow crowdfunding platforms to gain access to clients across the EU. The EU Executive Body has also developed an action plan aimed at the rapid development of the latest technologies. The current problem with cash payments in Europe is that there are no crowdfunding laws, which means that start-ups in this area start at national rules that often slow down their development. New EU rules will make markets safer and more accessible for new companies.

There is also a gap in Ukraine in the legislative framework for regulating the circulation of alternative financial instruments, in particular for crowdfunding and crowdfunding. This area is already regulated in most developed countries of the world, including the USA, France, Austria, Belgium and others. However, there is no legislation in Ukraine that protects the rights of investors of alternative financial instruments and regulates the issue amounts of such instruments, the maximum amount of purchase by an individual investor, etc.

These issues should be regulated in Ukraine as well, so that platforms can properly perform their social function, taking into account risks, consumer protection and ensuring the stability of the financial system. Alternative financial platforms may need special secondary rules that, depending on each country's legal system, will empower one or the other financial supervisory authorities (when there is no single supervision) (Kolinets, 2018).

Therefore, it is necessary to break down the following aspects in legislative and regulatory acts:

- To identify clearly supervisory and control entities: It is recommended to identify current and, if possible, future participants. This means defining concepts such as platform, investors and project owners. Defining activity as such should also mean changing the regulatory paradigm, but it is mandatory. In addition, identifying investors is important in terms of whether or not to choose the categories of accredited and non-accredited investors. The regulatory consequences of a regime will affect the type of investor protection that regulation should include.

- Authorization and Supervision Mode: clear principles for the process that empowers a government authority to an economic or financial authority. It is necessary to identify a single manager responsible for the activity. Specific and proportionate requirements and specific terms for registration and licensing must also be established. The platform must be operational or close to the operating system. An authorization procedure and a list of requirements should be developed.

- Minimum Capital Requirement: It is recommended that a financial supervisor be established to oversee the minimum capital requirements for platforms to support their operational activities. The ratio criterion must be determined by certain principles.

– Due Diligence: harmonious principles in accordance with international standards for combating money laundering and terrorist financing, including responsibility for platforms, investors and buyers.

– Business behavior: principles of processing and sending information to authorities, information required for financial users of the platform, information directed to investors about the risks of the platform, collection.

– Protection and independence of customer resources. The regulation should include principles for allocating resources from customers and platforms, and segregation mechanisms such as deposit accounts.

– Consumer Financial Protection: Principles of provisions that can be applied to protect investors and other financial consumers, depending on the segment. Clear definition of authority among consumer protection authorities.

– Supervision, monitoring and sanction regimes: principles for providing information to authorities, such as financial statements. Also, the principles of determining the powers of inspection, financial violations and modes of crime and sanctions (fines, other administrative procedures).

As it has been noted earlier, secondary regulation plays an important role in making recommendations based on these principles. As the development of financial technologies is so dynamic so adaptation to regulators and supervisors is a must. The rules must be adapted to the local ecosystem, but the possibility of regional convergence in regulation must also be considered.

Based on an analysis of EU law and the principles outlined above, we propose to limit the maximum amount without a prospectus for a crowdfunding equivalent to \$ 300,000. USA. Also limit the maximum amount of sales per investor to \$ 1,000. With an issue volume of \$ 100,000 to \$ 300,000. USA; however, remove any emission limit not exceeding \$ 100,000. USA. Crowd Investments should be conducted on an online platform: a website that conducts brokerage transactions between issuers and investors. The operator of the Internet platform may be a natural or legal person operating the Internet platform. He has the right to inform about alternative financial instruments between investors and issuers. Internet platform operators are required to publish their latest annual financial statements. Operators of the Internet platform are prohibited from acting as their own issuer on their Internet platform. Being an investor on your own online platform is only allowed if it is a small investment that is intended only to facilitate the flow of information between issuers and investors. In turn, issuers should be required to provide simplified documentation to investors, but not subject to approval by the securities regulator. This will strengthen Ukraine's position as a country conducive to investment and financial innovation.

Conclusion. The current financial system is characterized by high rates of innovation that can occur in any of its elements – markets, institutions, instruments and regulation. It can be expected that financial innovation will fundamentally change

the financial sector over time, questioning the role of banks as financial intermediaries. Many of the technological innovations in the financial sector (fintech innovation), such as crowdfunding, do not seem to have a direct impact on monetary policy. However, they can affect financial stability and therefore justify the need for meticulous monitoring, which can be an important and interesting subject for further research, both theoretical and empirical.

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TRANSFORMATION OF THE GOVERNMENTAL ROLE IN ECONOMY IN TERMS OF GLOBALIZATION

The theoretical and methodological principles of transformation of the role and place of the state in the regulation of economic processes are researched. The main directions of changing the economic role of the state in the conditions of globalization are revealed. The attention is focused on the need to find a balance between the possibilities of market self-regulation and the influence of the state on the course of economic processes.

Keywords: *state, regulation, market, globalization.*

Уманців Юрій, Ніколаєць Катерина. Трансформація ролі держави в економіці в умовах глобалізації.

Досліджено теоретико-методологічні засади трансформації ролі та місця держави у регулювання економічних процесів. Розкрито основні напрями зміни економічної ролі держави за умов глобалізації. Зосереджено увагу на необхідності пошуку балансу між можливостями ринкового саморегулювання та впливом держави на перебіг економічних процесів.

Ключові слова: *держави, регулювання, ринок, глобалізація.*

Relevance of research topic. *Deep social transformations in the late XX – early XXI century require a proper theoretical understanding of such processes. Approved representations do not give scientists the opportunity to make a proper scientific analysis of a complex of methodological problems, to evaluate the logic of deployment of new processes and to determine their inner essence. It is about the need for a*

critical rethinking of the prevailing theories and the formation of new conceptual and paradigmatic approaches to the study of transformational shifts. In this case, the methodological basis needs to be given special attention; it is capable of ensuring the disclosure of the essential prerequisites for the transformation of the relation between state influence on economic processes and market self-regulation [6, p. 7–8].

Formulation of the problem. Understanding the fundamentals of knowledge accumulation allows us to find out contradictions and to expand understanding of the complex process of crises occurrence in the methodology of individual trends, concepts and models. On the basis of contradictions elimination between the pace of changes in the content of economic processes and the transformation of theoretical justification, between the integrity of economic theory and its separate areas of research, there is a necessary basis for the emergence of such vectors of economic knowledge development because of systematization of accumulated theoretical achievements. Economic theory is now at the next stage of the accumulation of new ideas for the transition to the next stage of its development. Under such conditions of global transformation, a large number of contradictions of previous periods disappears, and at the same time many differences between different directions of world economic thought are eliminated. New directions, while keeping in touch with the ideas previously formulated, are largely aimed at synthesizing approaches within the main areas of economic science.

Analysis of recent research and publications. The analysis of a wide range of issues related to the disclosure of the content and directions of the state's economic policy is devoted to the work of such researchers as L. Correia, Y. Gorodnichenko, G. Roland, A. Grytsenko, O. Grytsenko, H. Faria, H. Montesinos-Yufa, V. Kozyuk, S. Korablin, P. Martins, D. Morales, C. Navarro, R. Reich, A. Sirko, T. Piketty, R. Sharma and many others. However, the problem of transforming the role of the state in the economy in a globalizing environment requires deep scientific research.

Presenting main material. Global development at the beginning of the XXI century was marked by the deployment of a new stage in the development of the state as a social institution, due to political transformation and economic adaptation to the newest conditions. In the context of globalization processes, traditional functions and the role of the state in the system of economic relations are transformed. It can be argued that the institutional balance is shifting from market-based self-regulators to the state institution, which plays a system-forming role in socio-economic development. At the heart of considering the advantages and disadvantages of state intervention in the economy is basically its opposition to the market. At the same time, the state and the market do not deny, but just complement each other. Taking into account the externalities of the market economy, it should be noted that the state and the market form a solid foundation for the functioning of the modern economy and society in general (Figure 1). A modern, efficient state is characterized primarily by the quality

and sustainability of institutions that provide effective market coordination with the least transaction costs. To a large extent, it is the excellence of the institutions that determines the social choice and direction of state regulation of the economy [6, p. 9].

Ensuring sustainable economic growth and achieving the goals of social development are in the plane of combination of levers of economic policy of the state and market self-regulation. For the scientific community, it's obvious that today the problem of the relationship between the state and the market should not be formulated in the context of the greater or lesser participation of the state in the economy. Under current conditions, the market and the state perform their inherent functions, mutually supplemented and balancing one another. On this basis, you can simultaneously increase the role of the state in the economy and develop market mechanisms. Therefore, instead of a liberal approach, in which less is the state in the economy, then better, and the principle of ungrounded growth of the role of the state, one should proceed to the approach, according to which there should be «more state and more market». Under these conditions, the market primarily implements private interests, and the state defends the aspirations of society as a whole. In this regard, for Ukraine, such a priority is the transformation of the economic system, which would simultaneously rely on the liberalization and deregulation of the economy, and used the potential of market mechanisms and the state's ability to eliminate structural deformations for the purpose of dynamic and balanced development [4, p. 20].

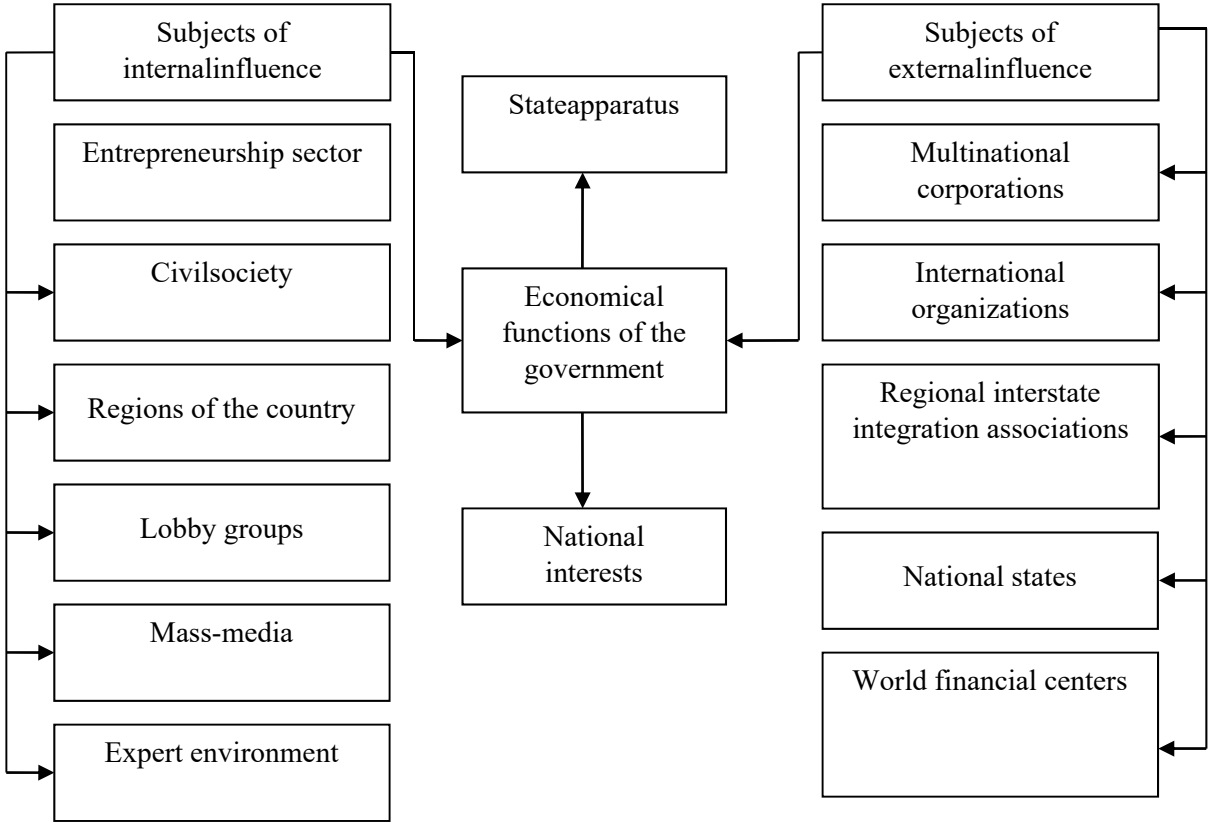


Figure 1. Subjects of influence on the economic functions of the state

On the basis of the institutional paradigm of the analysis of socio-economic development, one can conclude that one of the biggest problems of Ukraine is the destructiveness of market institutions and state regulation of the economy. These components themselves impede the implementation of deep and radical transformations, and therefore cause the accumulation of various imbalances and conservation of imperfect model of economic development [10, p. 17; 3, p. 404-408]. S. Korablin advocates a similar position, pointing out that the role of the state in the economy should be substantial. The most important issue at the same time is not related to the scale of the state, but with specific directions and methods of its impact on the course of economic processes. The scientist gives the experience of developed countries, in which the sphere of responsibility of the state is rather broad [5, p. 54].

Argues the idea that «both anti-market and anti-state approaches are partially correct», T. Picketti. The scholar convinces that new instruments of state interference in the economy are necessary [7, p. 480]. In this context, R. Reich argues that the existence of markets depends on the rules governing property relations, the level of market monopolization, contracts and bankruptcy rules. Obviously, such rules are not natural law, and for their functioning they must be approved by a certain institution. Over the past decades, these rules have undergone a change, as large corporations and richest individuals have a greater influence each time on those political institutions that are responsible for adopting such rules. The scientist notes that there is no «free market» without the government, because such a market does not exist outside the influence of civilization. It is a matter of the fact that civilization is determined by rules, and the markets themselves are created by such rules, which in turn are developed by governments [8, p. 22].

It is just a market that requires the government to introduce and adhere to clear rules, and therefore the government not only interferes with the free market but also creates it. Such market rules are not constant because societies at different times adopted their various variants, which to some extent reflect the evolution of the norms and values of society, but also demonstrate which institutions are able to establish rules. The rules for the functioning of the free market have a much greater impact on the economy and society, since it is impossible to have a market system without the rules and choices that are guaranteed by such rules [8, p. 22].

Consequently, precisely because of this, according to R. Reich, «free market» is a myth that hinders the study of changes in the rules of functioning of the economy. Subjects of unfair influence on market rules are the main beneficiaries of how these rules are developed and adapted to economic conditions. That is why these actors are the most active supporters of the «free market» and advocate an opinion on the relative superiority of the market over the government. Advocates of the «free market» demand not only to agree with them on the issue of its advantages, but also to recognize the need for a permanent discussion on this issue [8, p. 23]. The modern market should be regarded as a non-equilibrium dynamic system in which equilibrium

is, in most cases, an exception than the rule of its existence. At present, there is a deep systemic reconstruction of the most important functions of the state, which is associated with globalization processes and the development of the information society [1].

Under conditions of global competition, the economic functions of the state are substantially modified, which is expressed not only in the revision of the conceptual and methodological principles of state regulation theory, but also in the change of its directions, forms and methods. It is said that the intergovernmental system of regulation gives way to the conditions under which the borders and borders of the state overcome the global character of modern markets. Obviously, the role of the state is essentially changing under the influence of globalization, and the conclusion about reducing its regulatory role is not very justified. Taking into account the loss of state due to the globalization of some of its functions, attention should be paid to the gradual strengthening and modification of forms of state intervention in economic processes [9, p. 110–118].

In this regard, not only theory, but also practice shows a decrease in the effectiveness of the actual market mechanisms, which is confirmed by the course of the global financial and economic crisis of 2008–2009 and huge losses of the world economy. That is why the world economy is at the threshold of a significant strengthening of the role of the state. Under these conditions, the discourse of world development moves to the format «man – the state – a global society». To a number of traditional problems are added such pressing challenges as enormous volumes of migration, global economic problems, the growth of manifestations of terrorism. Changing its functions, the state remains the basic construction of a new global architectonics [2, p. 110–118]. Avoiding the systematic recovery of crisis phenomena will depend on the duration and depth of the risks of macroeconomic imbalances.

Conclusion. An important task in the theoretical and methodological aspect is the rethinking of the new challenges faced by the world economy. Discussions on the prospects of development should take place in the direction of theoretical substantiation of the formation of effective regulatory mechanisms, harmonization of which at all levels will ensure the prerequisites that will further minimize the risks of violations of the stability of the world economy. The role of the state in the conditions of modern transformations is conditioned primarily by the fact that the state is considered as an entity that ensures the reliable functioning of all elements of the socio-economic system. Speaking as a representative of society as a whole, the state establishes the rules for the functioning and interaction of economic entities within a certain order and monitors their compliance.

The basis for the implementation of the regulatory influence of the state should be the scientific identification of the strategic priorities of economic development and the definition of conceptual approaches and tools on this basis in order to harmonize the interests of society. The conducted research has revealed a number of factors that are often not taken into account in many areas of theoretical economic science, which

is a significant incentive for conducting scientific research in this direction. A promising vector for further research is the definition of the prospects for the synthesis of various theoretical approaches in order to reach the new trajectory of knowledge of socio-economic transformations.

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FINANCIAL SECURITY OF UKRAINE IN THE CONTEXT OF FORMING A NATIONAL BRAND OF A COMPETITIVE ECONOMY

Abstract. *Globalization, along with its positive impact, poses significant challenges to the economic security of a country that does not have a highly developed status, whose national brand is not identified as strong and competitive in the minds of stakeholders. The categories «economic security» and «financial security» evolve over time and are characterized by the complexity and breadth of relations that arise between economic actors. The risk and inconsistency of globalization lies in the fact that highly developed TNC-based countries are gaining significant benefits from the global economy, while host countries find themselves outsiders and vulnerable to crises. Under modern conditions, the influence of the globalized financial system on a separate state also goes to a qualitatively new level. Globalization creates conditions for the establishment of a special financial authority, which, with the possession of world money and the management of value, management of financial flows can affect both the entire world economic space, and on individual states. In this regard, the issue is considered of securing Ukraine's economic security, including financial security, is an urgent priority of the country's foreign and domestic strategy and policy to increase its competitiveness through the formation of a national brand.*

Keywords: *economic security, financial security, risk, globalization, competitiveness, national brand.*

Федулова Ірина, Галина Лановська, Багацька Катерина. Фінансова безпека України в контексті формування національного бренду конкурентоспроможної економіки.

Глобалізація, разом із її позитивним впливом, створює значні виклики економічній безпеці країни, яка не має статусу високорозвиненої, національний бренд якої не визначений як сильний та конкурентоспроможний у свідомості зацікавлених сторін. Категорії «економічна безпека» та «фінансова безпека» розвиваються з часом і характеризуються складністю та широтою відносин, що виникають між економічними суб'єктами. Ризик та неузгодженість глобалізації полягає в тому, що високорозвинені країни, що базуються на ТНК, отримують значні вигоди від світової економіки, а приймаючі країни відчують себе аутсайдерами та вразливими до криз. В сучасних умовах вплив глобалізованої фінансової системи на окрему державу також виходить на якісно новий рівень. Глобалізація створює умови для створення спеціального фінансового органу, який при володінні світовими грошима та управлінням вартістю, управлінням фінансовими потоками може впливати як на весь світовий економічний простір, так і на окремі держави. У зв'язку з цим питання забезпечення економічної безпеки України, включаючи фінансову безпеку, є актуальним пріоритетом зовнішньої та внутрішньої стратегії країни та політики підвищення її конкурентоспроможності через формування національного бренду.

***Ключові слова:** економічна безпека, фінансова безпека, ризик, глобалізація, конкурентоспроможність, національний бренд.*

Relevance of research topic. Formation of the national brand as the basis for the competitive development of Ukraine is determined by its disposition in the coordinates of the new international economic order through the implementation of the strategic tasks of achieving economic self-sufficiency, the inclusion of national economic agents in global cost chains, maximizing the use of the effects of integration into the European and North Atlantic structures in order to guarantee national economic security and political sovereignty.

However, the aspects of development the national brand in the context of investment and financial security remain insufficiently developed. This concerns, first of all, the study of paradigmatic principles for the formation of Ukraine's economic security, in particular investment and financial security in the face of globalization challenges and the desire to position the country as an investment attractive and financially stable.

Formulation of the problem. The task is set a comprehensive study of financial security in the context of the development of the Ukrainian national brand. The purpose of the study is to substantiate the need to ensure the country's financial security in the context of the formation of a new international order through the development of the national brand of Ukraine as an economically self-sufficient and

competitive partner. The research was based on the use of methods of analysis and synthesis in identifying and characterizing the innovation-technological resource to ensure a high competitive status of the state, specifying the main directions of ensuring the investment and financial security of Ukraine in the conditions of global instability in the context of forming a strong national brand.

Analysis of recent researches and publications. S. Lekar (2014) notes that in the conditions of globalization from the standpoint of standard theoretical and economic explanations one cannot find exhaustive answers to the questions: why in the country these are exactly, and not other balance of payments, exchange rate, crisis phenomena, state budget, state debt, discount rate, prices, income, etc. It is difficult to characterize the credit granted to the state, which may be partner or exploitative, objectively necessary or subjectively fictitious, voluntary or compulsory, productive or redistributive, etc.

S. Alhont (2007) defines the formation of the country's brand as a systematic process of harmonizing the actions, behaviour, investments, innovations and communications of the country in order to implement the national security strategy and competitive identity. O. Piankova (2014) emphasizes importance of the food and beverages brand positions in the country's brand formation.

We agree with the definition of the financial security of the state, which scientists O. Baranovsky (2004), O. Pidhovniy, O. Biletskaya, I. Shevtsova (2008), O. Ivashko (2015) define as the main criterion of its ability to carry out an independent financially-economic policy in accordance with their national interests. Y. Harazishvili, E. Drony (2014) define a state of budgetary, tax and monetary systems that guarantees the state's ability to form, store against depreciation and use financial resources to provide social and economic benefits technology development and servicing of financial obligations.

According to O. Pidhovniy, O. Biletska, Ya. Shevtsova (2008) this security is conditioned by the ability of state bodies to ensure the sustainability of the state's development against, such as: the impact of global financial crises; deliberate actions of participants in world financial and economic relations (states, transnational corporations, etc.); the influence of shadow (clan-corporate, mafia etc.) structures on the national economic and socio-political system, the spread of crimes and administrative offences in the financial sphere, in particular, legalization (laundering) of proceeds from crime; significant leakage of capital abroad; capital outflow from the real sector of the economy; conflicts between officials of different levels regarding the distribution and use of resources of the national budget system.

According to S. Lekar (2014) the financial security of the state depends on the favorable investment climate, that is, the totality of political, legal, economic and social conditions that ensure the investment activity of domestic and foreign investors.

Presenting main material. The results of the research allowed to substantiate a comprehensive description of the systemic problems of the national financial sector of

Ukraine. The main of them are: low level of capitalization of domestic financial institutions and staying in the structure of oligarchic financial and industrial groups, a significant proportion of problem assets in the balance sheets of banks and the unbalanced structure of their assets and liabilities, insufficient size of their own and regulatory capital of banking institutions, the steady reduction of the share of large European players in the financial sector in Ukrainian economics, a significant lack of initial public offerings of shares of Ukrainian companies on domestic and foreign exchanges etc.

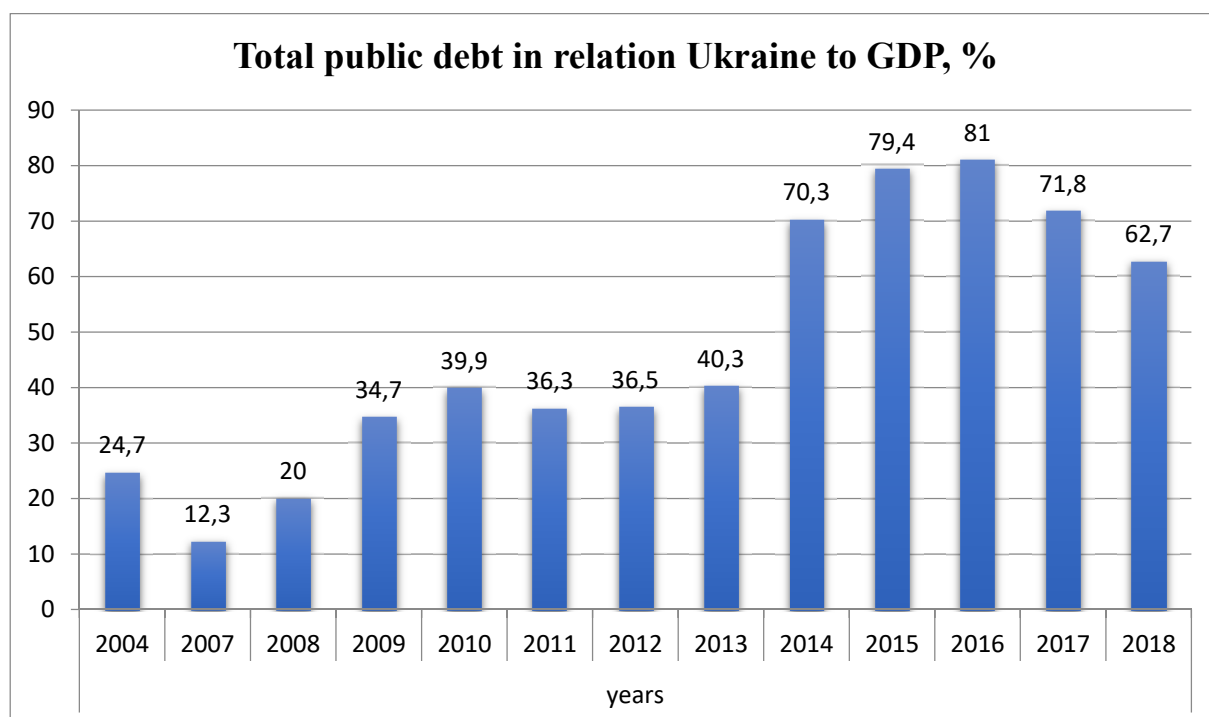
The authors identify the main directions of ensuring investment and financial security in the context of the development of national brand of Ukraine, namely: formation and positioning in the minds of stakeholders of Ukraine as a stable and reliable partner through raising the level of capitalization of the banking system at the expense of mergers and acquisitions of banks; activating monetary instruments of the NBU in the realization of the discount policy; development of an effective national depository clearing system; consolidation of domestic stock market institutions; formation of a single central depository of corporate securities; strengthening of information provision of foreign investors regarding the potential of the national stock market and the formation of its positive image; increasing the requirements for corporate governance, etc.

V. Mykhaylyuk (2014), A. Poruchnyk (2008) are represented external threats to the financial and investment security of the country, which are caused by the following factors:

- rapid processes of internationalization and globalization of the world economy;
- limited access to foreign financial markets;
- a variety of financial instruments and a high level of their dynamic;
- excessive dependence of national economies on international loans;
- increased competition between states, the use of strategies of «conquest» by powerful states in relation to less developed countries of the world;
- the emergence of threatening crisis trends in the world financial system, the inability of international financial institutions and supranational organizations to control and prevent them;
- high level of dollarization of the national economy;
- threat of excessive accumulation of foreign assets and liabilities of the country;
- increase in the scale of the shadow outflow of national capital abroad.

Studying the works of scientists has led to the conclusion that the most urgent component of both financial security in the current conditions of financial globalization is debt security; which directly affects the investment attractiveness of the recipient and the strength of the national brand.

According to Picture 1 starting from 2014, the level of debt security – the ratio of state and guaranteed public debt to GDP exceeded the 70% barrier and in subsequent years continued to grow gradually till 2016 year. Decreasing this ratio after 2016 indicates a gradual increase in state’s financial security.



Picture 1. Dynamics of Ukraine’s total public debt as a percentage of GDP

Source: Accounting Chamber, 2004-2018; Progress report and results of implementation of the program of activities of the Cabinet of Ministers of Ukraine, 2018, NRA «RURIC», 2015–2017; National Bank of Ukraine, 2004–2018); State Statistics Service of Ukraine, 2004–2018.

At the same time, the experts IMF Y. Subbotovich, O. Antropova (2013) of the grounded the threshold of external debt for low and middle income countries at the level of 49.7% of GDP. This situation has caused a significant drop in Ukraine’s credit rating and, consequently, a significant reduction in the inflow of foreign investment. A great challenge to the country’s debt security was the tendency to increase the share of debt denominated in foreign currency, which at the end of 2015 amounted to 41,6%. However, during the following years, the share of external debt in GDP began to gradually decline, indicating a slow increase in the level of debt security (Picture 2). In general, state and state-guaranteed debt of Ukraine in 2014-2018 exceeded the critical level (60%) of the relevant debt indicator set by the criteria of debt sustainability by the IMF methodology for developing countries, in particular for Ukraine.



Picture 2. Dynamics of Ukraine's state external debt in relation to GDP

Source: Accounting Chamber, 2004–2018; Progress report and results of implementation of the program of activities of the Cabinet of Ministers of Ukraine, 2018; National Bank of Ukraine, 2004–2018; State Statistics Service of Ukraine, 2004–2018.)

According to L. Londar (2016), because of this trend, the government's potential increase in debt servicing is taking place, that is, a significant increase in debt pressures on the budget, while for the Ukrainian financial markets; there is an increased risk of further curtailing the currency supply and further devaluation of the hryvnia.

Despite the restructuring of debt obligations, the country's debt security remains at an extremely low, critical level. In addition, we note that some provisions of the restructuring agreement are putting some pressure on the upward trends in the Ukrainian economy. Thus, the agreement provides for an increase in the interest rate on debt obligations (from 7.22% to 7.75%). In addition, if the growth rate of the economy exceeds 3% per year, lenders will receive 15% of the value of this percentage of GDP growth. If the economy grows more than 4% a year, lenders will receive 40% of the cost per percentage of such growth (NRA «RURIC», 2004-2017).

The above information allows us to formulate the conclusion that further growth of public debt can lead to the destruction of the state's economic independence. Excessive government debt and tight restructuring conditions exert a significant negative pressure on the financial security of the state, therefore we believe that further intensification of Ukraine's integration into the world economic and financial space should take place not through credit resources, but through investments into the country's economy with a strong national brand. An increase in the dynamics of capital inflows is a critical prerequisite for economic growth, but financial capital should enter the country mainly through direct foreign investment, and not through debt market instruments.

According to the Ukrainian Financial Times report, corruption in Ukraine is the most important factor in curbing GDP growth, reform, and intensification of investment inflows. At the same time, the importance of the corruption factor in Ukraine is significantly above the weight of corruption in similar countries (low middle income countries and countries of Eastern Europe). Moreover, according to panel data analysis from 1998 to 2015 in Ukraine, in contrast to the EU and Eastern European countries, there is no progress in the fight against corruption.

The IMF calculations numerically prove that a lower level of corruption can raise the level of real investment in the country. S. Volosovych, Y. Baraniuk (2018) note in particular, the growth of the ICRG index (index that is inversely proportional to the level of corruption) per unit can provide real investment growth of 4%. Specialists of the IMF emphasize that the weight of the factor of corruption in the dynamics of GDP and investment growth has increased significantly in recent years, compared with the 90's of the XX century.

Similar calculations conducted by Ukrainian scholars according to A. Poruchnik, M. Simonova (2015) also confirm the existence of a dependence between the influx of foreign direct investment and the index of curbing corruption, and it has been proved that even a slight positive change in this index can lead to a significant inflow of investments into Ukraine.

We agree with the opinion presented in the paper T. Zatonatskaya (2014) that the main threats to investment security can also be attributed to: insufficient use of opportunities for Ukrainian companies to enter international capital markets; a lack of a state investment strategy that results in a lack of a sound assessment of investment risks; incompatibility of the investment of the Ukrainian economy with the needs for structural adjustment; limited access to financial resources and the lack of effective mechanisms for transforming the savings of the population into investment; monopolization of foreign capital of strategic sectors of the economy of Ukraine through the privatization of strategic enterprises; regional and sectoral imbalances in investment income.

The development of a state investment policy, that should promote the development of a national brand of a competitive country, need to take into account current and long-term trends in the development of the economy. So, according to scientists Y. Harazishvili, E. Drony (2014), during the next decade, the focus will be on continuing to exhaust the competitive advantages of Ukraine in traditional export markets – cereals, metallurgy and chemical industry. This will require investment in upgrading the main technological processes of traditional industries. In general, the above-mentioned factors allow to predict the high dynamics of investment and the gradual increase of the share of accumulation of fixed capital in GDP of the country.

An equally important deterrent to Ukraine's investment and financial security is the state of the banking system, which is designed to provide economic development with financial resources. The priority of NBU activity should be a price stability, as a

key factor in increasing the investment and financial security of Ukraine. The proper development of the banking system, integrated into the global financial system, functionally and technologically adapted to its requirements, is a prerequisite for increasing the competitiveness and security of the domestic financial sector. If by 2013 the banking system was one of the most investment-attractive branches, where a significant number of M & A deals were concluded, including with the attraction of foreign capital, the last 5 years is experiencing a period of post-crisis change and recovery.

The banking sector reforms, which begun in 2014, have had a positive impact on the quality of assets and liabilities of banks (although by the end of 2017 the volume of negatively classified banking assets was still 46%), the quality of risk assessment, the quality and legitimacy of transactions. During 2014-2017, 88 banks were considered insolvent, which adversely affected the financial security of the country. Due to the large-scale optimization of the number of banks in 4 years, total assets and liabilities were reduced three times by an estimate in USD. The capital of the banking system declined almost twofold, private individuals account for more than 70%. Such a reduction in the resource base indicates a lack of credit potential to finance the real sector of the economy and the development of priority sectors with high added value, and the growth of competitive exports. The negative tendency for banks to meet the financial needs of business and the population is confirmed by the significant lag in the number of banking institutions (10 times) in Ukraine compared to the US and European countries, as well as the dynamics of resources of the banking system of Ukraine.

Extremely modest are the magnitude of the equity capital of Ukrainian banks – 137.9 billion UAH on 01.01. 2018 comparing with 161,1 billion UAH registered capital (Table 1). This undermines the effectiveness of the reform aimed at reducing the number of banking institutions, as in developed countries, the accession of insolvent banks to the ability to operate, while preserving the resource base, is encouraged. At the same time, it opens the prospect of implementing technological advancements and competitive leadership.

According to statistics, as of January 1, 2018, the share of banks with foreign capital in the banking system of Ukraine was 30,70% (Table 1).

Table 1

Foreign bank groups in Ukraine

Name of the bank	Country of origin	Capital investment	
		UAH million	share in the banking system of Ukraine, %
PJSC «Prominvestbank»	Russian Federation	40 615 448	8,199
PJSC «VTB BANK»	Russian Federation	34 215 784	6,907
PJSC «Ukrsotsbank»	Austria	16 673 140	3,366
PJSC «Sberbank»	Russian Federation	12 465 461	2,516

Name of the bank	Country of origin	Capital investment	
		UAH million	share in the banking system of Ukraine, %
PJSC «Alfa-Bank»	Luxembourg	7 515 616	1,517
JSC OTP Bank	Hungary	6 186 023	1,249
Raiffeisen Bank Aval	Austria	6 154 516	1,242
JSC «UkrSibbank»	France	5 069 262	1,023
JSC «BM Bank»	Russian Federation	3 281 397	0,662
PJSC «Universal Bank»	Greece	3 102 672	0,626
JSC Piraeus Bank ICB	Greece	2 531 347	0,511
PJSC Kredobank	Poland	2 248 969	0,454
PJSC « Bank Credit Dnipro»	Cyprus	1 521 000	0,307
PJSC « BTB Bank»	Kazakhstan	1 500 000	0,303
PJSC «Credit Agricole Bank»	France	1 222 929	0,247
PJSC CB «Pravex-Bank»	Italy	1 038 007	0,210
JSC «ProCredit Bank»	Germany	836 708	0,169
PJSC «ING Bank Ukraine»	Netherlands	731 298	0,148
JSCB «Industrialbank»	Israel	607 798	0,123
PJSC «Megabank»	Germany, United Kingdom, USA	620 000	0,125
PJSC «VES Bank»	Russian Federation	420 000	0,085
PJSC Marfin Bank	Cyprus	462 101	0,093
JSC «Taskombank»	Cyprus	308 000	0,062
PJSC «Idea Bank»	Poland	298 742	0,060
PJSC «Bank Forward»	Russian Federation	283 000	0,057
PJSC «Credit Europe Bank»	Turkey	252 500	0,051
PJSC SEB Corporate Bank	Sweden	250 000	0,050
JSCB «First Investment Bank»	Russian Federation	230 000	0,046
PJSC Deutsche Bank DBU	Germany	228 666	0,046
PJSC «Bank Avangard»	Cyprus	162 382	0,033
PJSC «AP Bank»	Cyprus	160 000	0,032
PJSC «Creditvest Bank»	Turkey	136 470	0,028
JSC «KIB»	United Kingdom	128 621	0,026
JSC «Altbank»	Belarus	126 116	0,025
PJSC «Citybank»	USA	120 000	0,024
PJSC KB «Center»	France	120 000	0,024
PJSC « Sky Bank»	Kazakhstan	120 100	0,024
PJSC « Family Bank»	British Virgin Islands	120 000	0,024
Together banks of foreign banking groups		152 064 073	30,70
Together in the banking system of Ukraine		495 377 000	100

Source: National Bank of Ukraine, 2018.

Among the large-scale and systemic problems of banks remaining in the market, it is also necessary to highlight the imbalance of the structure of assets and liabilities in terms of quality, currency, time series, and other significant closing of the activities of European financial groups in the Ukrainian financial market.

But the main problem of the banking system of Ukraine is the lack of capitalization, lack of own and regulatory capital due to changes in the norms of the NBU from 120 to 500 million UAH in 2018 and up to UAH 750 million in 2020.

There are some factors that compensate this, such as: gradual increase in the level of capitalization of the banking system through mergers and acquisitions of banks with the encouragement of foreign capital, the activation of the NBU monetary instruments within the framework of the fiscal and discount policies, the increase of the efficiency of the depository clearing system, the establishment of more stringent requirements for early withdrawal of deposits, reduction of loan and deposit rates, promotion of lending to small and medium-sized businesses, development of the special methods of financial monitoring of banks, the disclosure of information about owners, etc. This will increase the competitiveness of the Ukrainian banking system at national, regional and world level, as well as create equal conditions for lending and servicing domestic and foreign business.

As a result of reforms, the state of the banking system has become less critical as the state of the Ukrainian stock market, which should be a source of credit and entrepreneurial capital. Its volumes during 2014-2017 have fallen by 70%, and by 2018, the market situation can be characterized as a long recession. Almost no primary public issues of shares of companies on domestic and foreign exchanges, sales volumes grew only in 2017. This makes it impossible to manage financial and investment resources efficiently, based on national economic potential and resulting in dependence on foreign entities and the global stock market infrastructure.

The imperfect system of regulation of financial markets in general does not contribute to the improvement of financial security. Therefore, one of the possible steps is to develop the national brand of Ukraine as a reliable partner, an investment-attractive economy through the optimization of the institutional structure of state regulation of banking and non-bank financial institutions and markets. The result will be the consolidation of domestic stock market institutions, the formation of a single central securities depository, the strengthening of information provision of foreign investors regarding the possibilities of the national stock market and the formation of its positive image, increasing the requirements for corporate governance and adapting to the standards and principles of corporate governance of the EU.

Conclusion. The national brand of competitiveness in the global economy is closely linked to the financial security factors that affect the external and internal economic environment. The level of public debt was attributed to a key factor in financial security affecting the external economic environment. Exceeding the critical threshold of public debt relation to GDP impedes the development of the real economy and creates a negative investment climate for non-financial corporations.

GDP growth caused by the favorable situation in foreign commodity markets and the speculative profit of financial corporations will not contribute to the development of the country's competitiveness in the long perspective. The low level of the banking system capitalization together with the low level of lending to the real sector deprives the real sector of using credit instruments to accelerate growth. In addition, the slow decline in our country's high level of debt dependence also diverts

money from the real sector and, as a consequence, adversely affects the formation of a national competitive brand.

Therefore, we believe that incorporating the financial security factor into the formation of a national competitiveness brand should help to strike the right balance of economic development between the financial and real sectors.

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AN ADAPTIVE PERSPECTIVE TOWARD MULTINATIONAL COMPANY LEARNING ON FOREIGN MARKET. CONSEQUENCES FOR ORGANIZATIONAL ARCHITECTURE

Globalization processes can be regarded as one of the most significant trends that have shaped the contemporary social and economic reality. In spite of huge achievements, the discussion revolving around these broad changes may be basically reduced to two opposing approaches. The supporters of the first approach are convinced about the convergence of institutions and market practices under the influence of the actions of countries and companies from the largest, mature markets. Their adversaries point out at the significance of local conditionings and assume that the burden of adaptation lies with the organizations that enter the foreign market. The discourse did not lead to any consensus also in case of the issues related to the organization of MNC that create a particularly convenient ground for pondering these tensions although contemporary economic reality makes them definitely more universal. The above-mentioned issue constituted a direct inspiration to the author's own studies within the framework of which the following research question was posed: what is the relationship between exploration and exploitation learning and adaptation of the international company, and how can they be managed within the scope of organizational configuration? The paper addresses the research questions based on the following structure. First, the issue of adaptation based on single-loop learning (exploitation) and double-loop learning (exploration) were presented. Then the tensions between exploration and exploitation were referred to the issue of organizational configuration. The conclusions resulting from the discussion in both

fields made it possible to create a conceptual framework that arranges the issues related to the adaptation of MNCs in four domains. Finally, a conclusion is provided that highlights the theoretical and managerial implications of this research, its limitations as well as potential paths for further research.

Keywords MNC, Emerging Markets, Organizational Learning

Агнешка Дзюбінська, Марцін Команда. Перспектива адаптації мультинаціональної компанії шляхом вивчення іноземного ринку. Наслідки для організаційної архітектури.

Процеси глобалізації можна розглядати як одну з найбільш значущих тенденцій, що сформували сучасну соціальну та економічну реальність. Незважаючи на величезні досягнення, дискусія навколо цих широких змін, в основному може бути зведена до двох протилежних підходів. Прихильники першого підходу впевнені в конвергенції інститутів та ринкової практики під впливом дій країн і компаній з найбільших, зрілих ринків. Їх противники вказують на важливість врахування місцевих умов та припускають, що тягар адаптації лежить на організаціях, що виходять на зовнішній ринок. Дискурс не призвів до консенсусу також і у випадку питань, пов'язаних з організацією МНК, хоча сучасна економічна реальність робить їх безумовно більш універсальними. Вищезгадане питання стало поштовхом для власних досліджень автора, в рамках яких було поставлено наступне дослідницьке питання: який взаємозв'язок між дослідженням і прикладним навчанням та адаптацією міжнародної компанії та як ними можна керувати в межах сфери організаційної конфігурації. У статті розглядаються питання, виходячи з наступної структури. По-перше, було висвітлено питання адаптації, заснованої на одnobічному вивченні (прикладному) та двобічному вивченні (розвідці). Далі у статті відповідність між дослідженням (розвідкою) та прикладним вивченням було віднесено до організаційної конфігурації. Висновки, отримані в результаті обговорення в обох сферах, дали можливість створити концептуальну основу, яка б упорядковувала питання, пов'язані з адаптацією МНК у чотирьох областях. Надано висновок, який висвітлює теоретичні та управлінські наслідки цього дослідження, його обмеження, а також потенційні шляхи подальших досліджень.

Ключові слова: МНК, нові ринки, організаційне вивчення.

Relevance of research topic. Globalization processes can be regarded as one of the most significant trends that have shaped the contemporary social and economic reality (Giddens, 1999). Multinational companies (MNCs) which, acting on the wave of business activity integration contributed also to the changes in the conditioned local political, institutional, organizational and cultural systems, are considered to be the main agents in globalization processes (Kostava & Roth, 2002). In spite of huge

achievements, the discussion revolving around these broadly outlined changes may be basically reduced to two opposing approaches. The supporters of the first approach are convinced about the convergence of institutions and market practices under the influence of the actions of countries and companies from the largest, mature markets. Their adversaries point out at the significance of local conditionings and assume that the burden of adaptation lies with the organizations that enter the foreign market. The discourse did not lead to any consensus also in case of the issues related to the organization of MNCs. It is not a convenient situation for managers since, on the one hand, contemporary economic reality requires from an organization continuous innovation in the dynamic environment. On the other hand, for stable performance to be achieved enterprises need to maintain continuity and preserve their identity based on the replication of past experiences (Raisch, 2008). Specific conditionings of the activity conducted on the international scale create a particularly convenient ground for pondering these tensions although contemporary economic reality makes them definitely more universal.

Both innovation and flexibility as well as replication and optimization are related to the development of the organization, however, they follow a different logic. Therefore, in the process of adaptation organizations have to solve tensions resulting from equally important but antagonistic development models. Since the pioneering publication by March (1991), exploration and exploitation have been regarded as twin concepts within the scope of studies on the adaptation of the organization. Also, on the ground of International Business, strategic alignment models are built on the basis of opposing choices between global perspective and sensitivity to local conditions (Bartlett & Ghoshal, 1989, Forsgren, 2008).

In the sphere of theoretical models, it is assumed that for the purposes of maintaining short-term efficiency and long-term innovation it is necessary to have a balance within the scope of exploration and exploitation (March, 1991, Levinthal & March, 1993). Therefore, at the stage of decision-making processes it is necessary to determine an appropriate relationship between antagonistic models of learning. The difficulty within this scope results, among other things, from the fact that although in the literature the thesis on the relationship between exploration and exploitation with opposing learning models is not controversial, the very characteristics of this relationship is not as clear. As an example, Dougerthy (1996) described a company struggling with multidimensional tensions related to innovation, such as conflicts between the external and the internal, the deterministic and the emergent, freedom and subordination. Sheremata (2000) concentrated on the continuous battle between centripetal and centrifugal forces that drive discoveries thanks to synthesis. Taylor and Greve (2006) pointed out at the span and depth of knowledge as factors that condition product innovation. Greve (2007) studied exploration and exploitation in product innovation as a result of *problemist search* (identified with exploitation) and *slack search* (exploration). Anrdiopoulos and Lewis (2009), motivated by the willingness to

create a more general model, identified strategic paradoxes on three levels: strategic intention (profit-breakthrough), customer orientation (tight-loose), personal motivation (discipline-passion). The efforts within the scope of presenting more practical solutions to tensions between exploration and exploitation in the recent years have been conducted within the framework of organizational ambidexterity (Raisch & Birkinshaw, 2008, O'Reilly & Tushman, 2013). Within the conceptual framework the studies have been conducted on various levels of analysis, i.e. organizational (Lubatkin et al., 2006), business unit (Jansen et al., 2012), project (Turner et al., 2015) and individual (Mom et al., 2009). The contexts of various branches have also been taken into consideration (Junni et al., 2013).

The literature within the scope of ways of combining diverse domains of activity within the scope of exploration and exploitation may be divided into two distinct, yet complementary, trends (Raisch et al., 2018). The first trend concentrates on a paradoxical character of the relations between exploration and exploitation. The other one results from the process view of organizational tensions which arise in this way. The very combination of these trends creates a particularly interesting research perspective within the scope of the applied configuration of the organization in the process of adaptation to the changing environment. Specific conditionings of geographically scattered structure of MNCs – adaptive pressure coming from both external and internal environments – make the research problem more visible. The above-mentioned issue constituted a direct inspiration to the author's own studies within the framework of which the following research question was posed: what is the relationship between exploration and exploitation learning and adaptation of the international company, and how can they be managed within the scope of organizational configuration? This paper addresses the research questions based on the following structure. First, the issue of adaptation based on single-loop learning (exploitation) and double-loop learning (exploration) were presented. Then the tensions between exploration and exploitation were referred to the issue of organizational configuration. The conclusions resulting from the discussion in both fields made it possible to create a conceptual framework that arranges the issues related to the adaptation of MNCs in four domains. Finally, a conclusion is provided that highlights the theoretical and managerial implications of this research, its limitations as well as potential paths for further research.

Formulation of the problem. The necessity for continuous revival of the enterprise through simultaneous maintenance of the ability to explore and exploit enforces the verification of traditional strategic models. On the grounds of International Business literature, the concept requires development and identification of ways which would indicate the ways of achieving the assumptions of sustainable development between the competitive types of learning through investments on the foreign markets. One of the research paths within this scope is built on the assumption concerning the development of the organization on the basis of punctuated

equilibrium. It should be emphasized that it gained greater acceptance in descriptive studies than in prescriptive literature within the scope of strategy and organization. Limited rationality in achieving conflicted targets may serve as an explanation for the sequential allocation of attention in divergent purposes (Cyert & March, 1992). However, the very perception of the issue of exploration and exploitation development is already problematic.

Gupta et al. (2006) placed the definition issue among their 4 «central questions» related to exploration and exploitation as the research issue. They searched more thoroughly for the decision whether the difference lies in learning models or rather in presence or absence of learning. Some authors claim that exploration and exploitation signify learning and innovations, however, the organization can develop according to the same or new trajectory over time. Baum, Li, Usher (2000) suggest that «exploitation refers to learning gained through local search, experimental redefinition and selection and reuse of routines. Exploration refers to learning gained through the process of coherent differentiation, planned experiment and action» (p. 786, as cited in Gupta et al. 2006). Benner, Tushman (2002) assume that «exploitative innovations encompass the improvement of the existing components and are built on the existing technological trajectory, whereas explorative innovations signify turning to a different technological trajectory» (p. 676, as cited in Gupta et al. 2006). In a similar way He and Wong (2004) define exploitative innovations as «technologically innovative actions aimed at the improvement of the existing product and market domains» (p. 483). The punctuated equilibrium model is especially appropriate for the settings characterized by complexity such as these that paradoxical tensions create (Uotila, 2018).

According to another attitude, exploration stands for all the actions related to learning and innovation, whereas exploitation is reserved for actions based on the past knowledge with no motion on any learning trajectory. Such point of view was assumed, for example, by Rosenkopf and Nerkar while they were studying the influence of searching for local and non-local knowledge on the quality of patents. If the patents were based mainly on local knowledge «it is possible to assume that it is rather a form of exploitation than exploration» (Rosenkopf & Nerkar, 2001, p. 289). Due to the fact that the studies concerned only R&D processes and patent actions, the study made use of the term «the most local form of exploration» instead of «exploitation». In the international managerial literature movement, Vermeulen and Barkema identified the decisions about expansion with exploitation since they resulted in «the current use of the existing knowledge base by a company», whereas exploration was defined as «the search for new knowledge» (Vermeulen & Barkema, 2001, p. 459). In accordance with this assumption, they called all bottom-up investments exploitation, whereas acquisitions were referred to as knowledge exploration.

Adaptation of the organization considered from the social perspective is an intelligent answer of the actor to various threats and opportunities hidden in the environment. Therefore, it should be assumed that each activity is related to learning. Even if the organization makes an effort to maintain its status quo or grow only through replication, the experience is accumulated which moves the organization to another point on the learning path. As March himself said, «the essence of exploitation is to master and develop the existing competences, technologies and paradigms (...) the essence of exploration is to experiment with new alternatives» (March, 1991, p.85). Not only do these formulations refer to the growth of knowledge itself but they also direct the attention to the ways of change and, in this regard, learning within the framework of exploitation will be in its form closer to the incremental one. The distinction between exploration and exploitation should refer to the ways of learning and the amount of accumulated knowledge, especially if the analysis concerns social systems. In these systems the state of perfect replication is unattainable, the effect of learning will always exist even if it consists in the elimination of deviations against the established patterns on a historically established path (single-loop learning). In the development process, which is expected to bind the organization with the environment, the enterprise should have the skills of moving on the learning path, i.e. learning in new circumstances, learning on the basis of past experiences and, what is equally important, refraining from their extrapolation in the conditions which do not justify that.

Reflective change (on the basis of the learning organization theory) is based on the progressive cognition (understanding) of knowledge and relations between past actions, their efficiency as well as future actions (Huber, 1991). Such learning process is at the same time adaptive and «manipulative» in the way in which organizations defensively adapt to reality and offensively improve the alignment between the organization and environment (Hedberg, 1991). According to the terminology used by Argyris and Schön (1978), organizations have to undertake actions in the single and double loop of learning in order to ensure the continuity of actions, coherence and stability. The first one is of responsive and adaptive nature, it is coupled with the negative feedback with the changes in the environment, directed at the maintenance of the previous equilibrium. This type of learning consists, to a large extent, in the stimulant – response mechanism. The other type of learning corresponds to the characteristics of open systems which assumes reorganization and repositioning of the environment itself or change of the principles of action and system behavior. Argyris calls it a double-loop learning, Hedberg (1981) meta-learning, whereas Beteson (1972) deuter-learning. The core of learning is not to change the system behavior but to change the principles within the system behavior.

The organization uses local knowledge and search in order to develop and improve competences. Simultaneously, the organization has to remain open to

broadening and discovering new areas of search. Due to the organizational project, which is always to some extent imperfect and incomplete, continuous reflection and monitoring with regard to the changing external and internal environments, which is prone to inertia, is required. Equilibrating of single- and double-loop learning is a significant conclusion for the organizational configuration. Single-loop learning at unchanged values and norms leads to rigidity, continuous questioning of norms, on the other hand, leads to chaos (Weick, 1982). Raising the significance of this issue, Probst and Büchel (1997) distinguished a three-tier learning structure. Apart from adaptive and reconstructive learning as counterparts of single and double loops, they also took into consideration process learning. According to Batesson (1981) it encompasses all phenomena which appear together with the changes in the flow of action and gaining experiences. In other words, it is learning the understanding of adaptive and reconstructive learning. The main task is to improve the ability to learn (Rokita, 2005). Switching – leaping – between single- and double-loop learning is a mechanism which makes adaptation possible. In a long-term perspective it provides an image of sequential leaping between the stable punctuated equilibria.

Tensions between exploration and exploitation constitute a chance for performance improvement but they may also be the reason for organizational failures. At the bottom of them there are traps launched in the form of false circles that consist in the increasing concentration on one of the mechanisms. As it was noticed by March, «adaptive systems that engage in exploration to the exclusion of exploitation are likely to find that they suffer the costs of experimentation without gaining many of its benefits. They exhibit too many undeveloped new ideas and too little distinctive competence. Conversely, systems that engage in exploitation to the exclusion of exploration are likely to find themselves trapped in suboptimal stable equilibria» (March, 1991, p. 71).

Exploration displaces exploitation and vice versa (March, 1991, Tushman & O'Reilly, 1996). The companies inclined to homogeneity, while experiencing comfort in the course of development of mental models and routines that support one type of innovation, escalate their efforts in the sphere of preferred models while denying the remaining ones (Smith & Tushman, 2005). The results undermine the effects and they eventually lead to destruction. Leaning too much towards exploitation may lead to a competency trap (Gupta et al. 2006). Asymmetric attachment to exploitation along with the development (time progress) results in the rigidity of key competences, investments in highly-specialized resources, which, in turn, causes the increase in the parameters of short-term effects at the expense of flexibility reduction (Volberda & Lewin, 2003). Shortly speaking, the use of current competences makes immediate profits possible, but it favors stagnation which makes the company helpless in the face of market and technological changes (Atuahene-Gima, 2005).

Conversely, Gupta et al. (2006) identify the failure trap triggered by too large inclination for exploration and too superficial analysis of explorative actions. Such companies have a tendency to undertake greater and greater risk while denying previous innovation failures, which favors ignoring of the need for growth within the framework of key competences. Future opportunities are searched for at the expense of current projects (Gibson & Birkinshaw, 2004). Too high sensitivity to short-term changes, differentiation, local mistakes make the organization too reactive to temporary aberrations and trends and it signifies continuous manipulation in the procedures and routines. In this way the resources are wasted by copying the noise rooted in the environment (Volberda, 2003). «Chaotic organizations» are not able to maintain the significance of their identity and stability over time (Weick, 1979). The revival trap, as a result of chaotic and random exploration leads to conflicts concerning power and authority, unclear scopes of responsibility, inadequate manners of control and lack of clear direction of the shared vision.

Analysis of recent researches and publications. Single and double loop learning makes it possible to explain relatively well the long-term development of the organization. Such view of the issue leaves the decisions within the scope of operational organizational configuration outside the basic area of the analysis. The issue is, however, considered in the studies under the label of *ambidextrous organization* (AO), within the framework of which simultaneous balance is searched for among contradictory tendencies. The term was used for the first time by Duncan in 1976 in the theory of organization and it was later developed by March (1991). They assumed that management of contradictory tendencies contributes to the improvement of the results of the enterprise (Tushman & O'Reilly 1996). These suggestions were supposed to serve as an answer to the controversies in the literature concerning such pairs of terms as production efficiency and flexibility (Adler et al., 1999, Gibson & Birkinshaw, 2004), differentiation and low cost strategy (Porter 1980), and, finally, global integration and sensitivity to local factors (Bartlett & Ghoshal 1989). In the strategic dimension AOs reconcile strategic paradoxes which enables them to achieve an agreement regarding current operations (coherence of all activity patterns within the framework of the unit) and, at the same time, to effectively adapt to the changing environment (aptitude for quick reconfiguration of the activity) (Gibson & Birkinshaw, 2004). AO was defined as a form of an organization which includes incoherent internal architecture and culture which constitute a part of organizational units (Adler et al., 1999). The explicit and implicit concepts are derived from the issue of knowledge exploration and exploitation and although they have contradictory requirements within the scope of the organizational project and strategy, balancing actions related to them is the key to adaptation (O'Reilly & Tushman 2013). With equal dexterity, AOs are able to simultaneously conduct contradictory knowledge

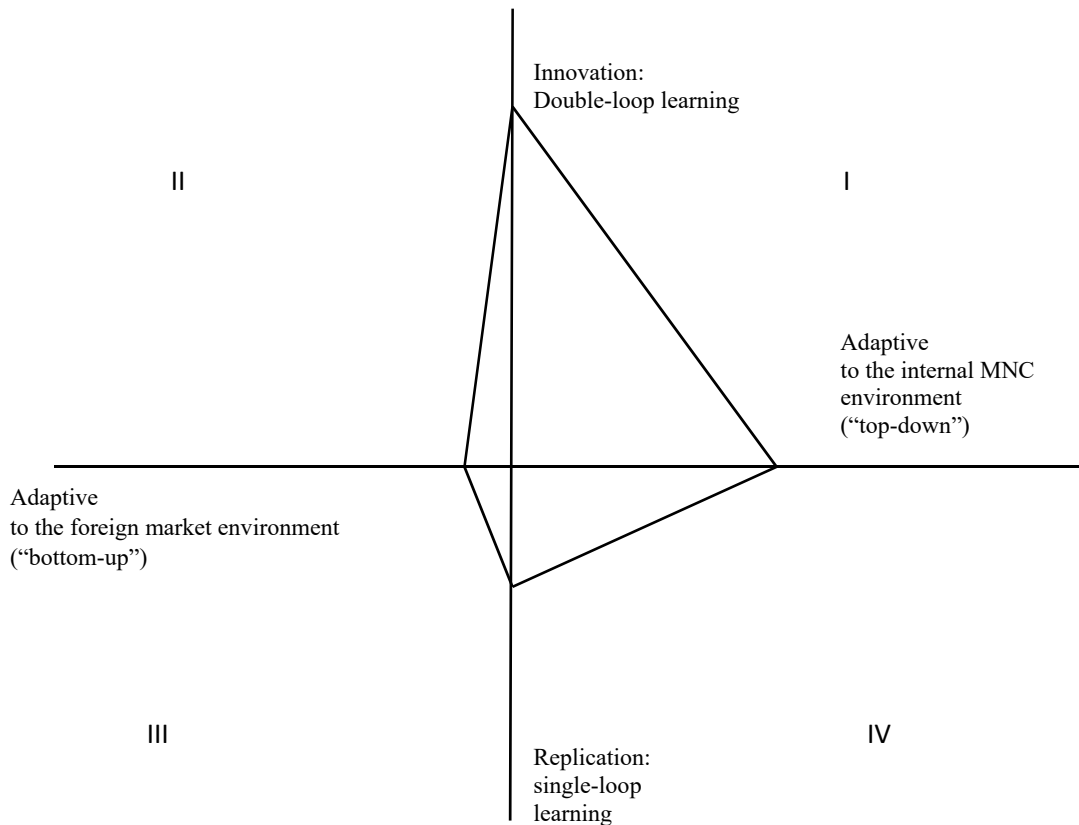
management processes while exploiting past competences and exploring new domains (Lubatkin et al., 2006).

The studies regarding strategic paradoxes have a relatively long tradition although they focused mainly on the structural organizational project (structural bilateralism) (Andriopoulos & Lewis, 2009). At that time, dual structures and strategies were recommended in which particular organizational units (or groups within the framework of the units) were responsible for different types of activities. In this way, for example, the units related to management were responsible for alignment, whereas R&D was responsible for adaptation of actions to the new markets, technologies and trends appearing in the branch (Duncan, 1976). The crowning argument that justified separation from the structure was the fact that each of the group of actions, mental models and routines mentioned are so different from one another that they cannot coexist (Gupta et al., 2006, p. 695). Similar justification was used in case of the suggestion for applying, by the same unit, mechanical structures for the purposes of exercising more routine and organic decisions for the undertaking of non-routine actions depending on the changes perceived in the environment (Burns & Stalker, 1961). Separation of activities, especially in the long-term perspective, however, caused burdensome consequences since isolation of the developed ideas and strategies during implementation resulted in the barriers of lack of communication and understanding. The barriers resulting from limited resources the organization can have at its disposal (Gupta et al., 2006) and difficulties in managing units of such differently oriented targets (Schreyögg & Sydow, 2010) were indicated as limitations to the achievement of ambidexterity on the basis of such organizational configuration.

The concept of «parallel structures» was established as an alternative to dual ones (McDonough & Leifer, 1983), in which exploitation and exploration were combined within the framework of organizational units, and even particular employees (Andriopoulos & Lewis, 2009). There were experiments undertaken which consisted in detaching employees from their current work, assigning temporarily tasks in inter-functional teams and creating subgroups within the framework of one organizational unit that were responsible for various functions (Birkinshaw & Gibson, 2004). The role of leadership was emphasized (Smith et al., 2016). Although, in such way the limitations of negative features of structural separation were to a certain extent neutralized, the structures still remained in the «top-bottom» orientation. The manager of the organizational unit determines the division of time and other resources between competitive actions (Raisch & Birkinshaw, 2008). Further interest of the researchers began to move from the structural aspect towards the so-called contextual factors, that is social and behavioral factors (Zimmermann et al., 2015). Processes and systems able to ensure reorientation in the way of balancing tensions between contradictory tendencies from trade-off to the acceptance of paradoxes are searched for. Birkinshaw and Gibson (2004) describe the contextual bilateralism as a higher-order approach in

which supporting social processes (e.g. socialization and cognition practices), culture and interpersonal relations help actors in the whole organization think and act bilaterally (Birkinshaw & Gibson, 2004). Criticism of the approach concentrated on behaviors (individual and group) concerned lack of organizational tools that would make the realization of the established unrealistic targets possible (Schreyögg & Sydow, 2010) and the fact that the concepts did not take into consideration a number of factors, e.g. social, institutional ones that shape the behavior of the units (Smith & Lewis, 2011). The ability to combine contradictory tendencies within the framework of the organization was also regarded as a source of surprising, from the point of view of traditional literature, successes of MNCs from the so-called emerging markets (Luo & Rui, 2009).

Presenting main material. The potential of exploitation of accumulated, established experiences on a larger, international scale is a classic motive of the internationalization of the enterprise. The analysis of adaptation of MNCs may therefore be conducted with regard to its key competences. The development based on the past experiences consists in the improvement of measurements within the framework of selected directions, known sets of norms and assumptions which guide the organization. The enterprise notices environmental challenges (opportunities, threats) but it does not question the norms and values with which the assessment of reality is conducted. Learning is therefore a process of assessment of efficiency of achieving targets by means of reacting to changes in the environment (Rokita, 2005). Another case is search for revival opportunities in the future. Then, the enterprise should be able to question the previous assumptions, i.e. double-loop learning. Learning on this level is a process that consists in questioning organizational norms and values and builds a new system of reality perception. Another distinguishing feature of MNC is geographically scattered structure of MNC which causes the organizational unit to feel a relatively strong adaptive pressure from the external environment (macro level) and internal environment (micro level) (Madhok & Liu, 2006). Dimensions of MNC adaptation from the perspective of the organizational unit located on the foreign market were presented in a graphic manner in fig. 1. The assumed perspective of the organizational unit (branch) is justified by the fact that through its agency MNC gains experience on the foreign markets. The shape of the figure in the coordinate system is indicated by the use of resources – knowledge (at a specific ratio) from internal (enterprise) environment or external environments (foreign market) – axis X and those that favor the improvement within the framework of current or new targets – axis Y, e.g. in undertaking strategic initiatives (projects). The area of the indicated figure results from limited resources that the enterprise has at its disposal, i.e. budget.



Picture 1. Elements of MNC adaptation – organizational unit level

The asymmetry of the figure made by the indicated level of used resources shows a potential domination of either exploration or exploitation and the level of intentional control

- quarter IV corresponds to traditional strategies envisioned for markets that are the source of cost advantages. Learning aims at the identification and neutralization of all the elements of the local environment which do not comply with the established business model. The example is the behavior of corporations that obtain raw materials in the so-called third-world countries.

- quarter III signifies replication-based learning, i.e. by means of the operational improvement within the framework of the past competences. The example is the behavior of western corporations on the large so-called emerging markets. These are cases of markets that are not regarded as the source of innovation in the field of key competences, but prospective benefits (e.g. market size) dispose to adaptation to the local context to a necessary extent.

- quarter II corresponds to strategic markets and gaining brand new knowledge for the organization in key areas of activity. The actions undertaken in this field will lead to the largest changes in the organization. Investments on the so-called leading markets, i.e. the area of the Silicon Valley for high-tech companies may serve as an example.

– quarter IV includes actions (projects) that will signify discontinuous change for the branch on the organizational unit level. «Leap to a higher peak» is an expression of the MNC advantage over local market competition (overcoming «liability of foreignness»). The introduction of the technological standard previously absent on a given market, developed on the basis of experience gained on other markets may serve as an example.

At this point it is worth highlighting that although the examples of geographically identified markets were used, it does not have to be a regular pattern. Emerging markets may constitute a source of strategic innovation, whereas mature markets may periodically assume the features of emerging markets. The presented elements of adaptation should therefore be given a dynamic interpretation.

The process view of adaptation, in case of MNCs, points out in a clear manner at the consequences of conducting the analysis at a particular level. The effect of learning (knowledge growth) may be limited at the level of a single element (e.g. single organizational unit), whereas, at the level of a group through the differentiation of contexts in which particular units and interactions between them are located, it will take place in a broader scope. The change at the organizational unit level may be interpreted as discontinuous, groundbreaking – explorative, whereas at the level of the entire organization it may result from exploitation-based incremental development. The concepts of both punctuated equilibrium and time oscillation between a longer period of exploitation interrupted by shorter periods of exploration gained in the literature, in the opinion of some authors, acceptance as coherent ones that correspond to practice. The results may be referred to the strategic MNC models in Bartlett's and Ghoshal's typology (Bartlett & Ghoshal, 1989), where the position of headquarters with regard to organizational units and strength of interactions between organizational units were taken into consideration.

According to Gupta et al. (2006), if exploration and exploitation are analyzed within the framework of a single domain (e.g. person or subsystem), they are conceptualized as two ends of the continuum, the subsystem behaves according to the punctuated equilibrium model. Applying the system language (Raisch et al., 2018), it is the case in which innovation occurs in architecture at the level of the entire system, and long-term adaptation of architecture at this level requires sequential switching between exploration and exploitation. The conditionings of global and transnational MNC model, which are characterized by a strong position of the headquarters against organizational units and strong interactions between them, correspond to this case. Adaptation gains another expression if the analysis concerns a group of loosely connected domains. Then, exploration and exploitation become an «orthogonal» problem (congruent with the logic of ambidexterity). Referring again to the language of designing systems, exploration may be realized in one system module, whereas exploitation in another one (Gupta et al., 2006). These conditionings correspond to the assumption of a multinational and international MNC model which are characterized

by a relatively strong position of organizational units and weak interactions. In a more general way, the summing up of the above-mentioned arguments with regard to the configuration of international enterprises may be conducted in the following way. When the analysis concerns a single domain, i.e. branch of the enterprise, the logic of punctuated equilibrium (exploration and exploitation as two ends of the continuum of possible solutions) is a more appropriate adaptation mechanism. The analysis conducted on the level of relatively loosely connected domains – at the level of the entire international enterprise – exploration and exploitation are in an orthogonal relationship and the logic of ambidexterity seems to be a mechanism that suits adaptation better.

Conclusion. Contemporary enterprises experience everlasting and continuously increasing tensions between targets that guarantee economically stable development and these ones which, being a condition for long-term survival, require strategic revival (technological, ecological and cultural). Additionally, MNCs, while crossing country borders, experience new challenges that result from the fact of joining the competition of enterprises coming from markets which until recently were regarded as periphery countries in the world economy, deprived of sources of strategic advantages. These are only examples of tendencies which the image of a complex environment that requires from the organization an equally complex response is composed of. In the light of it, the basic axis of the discourse mentioned in the introduction regarding a progressive development of activities on the global scale should not focus on who should adapt but rather on how adaptation should be conducted, since diversity is the only thing that may destroy diversity (Ashby, 1956). These conditionings cause, on the one hand, the need for review of the past theory. On the other hand, the ability to combine contradictions has never seemed to be so significant.

The conclusions that may be drawn on the basis of observation of the contemporary scene of competition of companies operating on the international scale find their reflection in the literature concerning organizational adaptation. In the process of avoiding threats and taking opportunities organizations learn by deriving from past experiences and gaining new ones. A rich theory corresponds to this fundamental problem in the management. Among the newest propositions there is a concept of oscillation between the states of exploitation and exploration (Thomas et al., 2005), which correspond to convergent and divergent strategic processes (Dooley & Van de Ven, 2017, Dziubińska, 2015). Convergence consists in the pursuit of dynamic equilibrium (Smith & Lewis, 2011) and synthesis. Divergence means movement outside the equilibrium, search for new paths of development for the organization. The development of this very attractive strategic perspective is not yet accompanied by a satisfactory increase in the studies within the scope of organizational configuration. The results of the studies of past literature within the scope adaptation and organization presented in this article constitute an attempt to sharpen the noticed research area. The formulated concept is a proposition for a

stepping stone between the past theoretical work and the new views that appear. In the coordinate system presented in fig. 1, the vertical dimension corresponds to the above-mentioned, on the one hand, convergent, classificatory tendencies, i.e. exploitation, and, on the other hand, divergent tendencies, questioning the past order, i.e. exploration. The MNC perspective makes another issue visible, i.e. the relationships between the remaining part of the organization and the significance of the differences in the contexts in which they are located (horizontal dimension). «Top-down» knowledge requires a specific level of generality which may gain (or not) a more polysemous significance in the unique context of the foreign market. Actors competing on the foreign markets make choices, judgements and manifest creativity. In this way they may initiate transformation of themselves as well as transformation of the system which they are a part of. Such transformation is closer to ontologically open and irreversible processes which take place in real historic time rather than to closed and deterministic transformation processes from one obtained state to another one.

The presented view of MNC adaptation reveals problems which were not considered synthetically so far with regard to the strategic types of MNC. Although thinking about international strategies in their contemporary shape has been since the beginning accompanied by the idea of exploitation of the accumulated previous experience, from the point of view of learning, basic differences within this scope should be noticed. Its directions and effects may be shaped by the intention to achieve as accurate replication as possible (quarter IV). Replication in which the past experiences are reinterpreted constitutes a qualitatively different situation (quarter III). It is assumed that the alignment of targets of the entire organization and unit is possible although it requires more time and is of more ambiguous nature. The application of the past solutions in a creative manner in the new conditions entails a potential for incremental improvement. The initiatives which correspond to the convergent processes of the strategy – lower part of the coordinate system in fig. 1 – are of a completely different nature. Even if the actions of the unit are limited by the targets formulated on the higher level of management (quarter I), it happens more gradually than in previous cases. These targets may be changed under the influence of actions undertaken on the foreign market. It is a situation in which incremental development may be interrupted by a discontinuous change. Change mechanisms rest in negative and positive feedbacks. Intentional use of their action boils down to the strengthening of positive results and dampening these actions which may cause negative results (Arthur, 2009). If the limitation by «top-down» targets does not occur, it is a situation in which there is the greatest innovation potential (quarter II). It is a situation in which completely new solutions for MNC can be expected, however, this approach also disposes (but does not pre-dispose) to discontinuous changes to the largest extent. The ex-ante estimation of the results of these changes is very difficult to make. Therefore, the same significance should be attached to both innovation and borders that result from the budget of available resources. Although in the situations

which correspond to convergent strategies and experience exploitation (quarters IV and III) the past theoretical suggestions for the solution within the scope of MNC configuration seem to offer sufficiently good recommendations, divergent conditionings of two remaining situations (quarters I and II) enforce the development of a new approach.

Summing up, the presented view of MNC adaptation to complex conditionings of the contemporary economic reality suggests the necessity to exploit the past knowledge and to explore within the scope of new research paths. Critical awareness of such need is the first step towards intentional management of relations between exploration- and exploitation-based learning and adaptation of MNC. Finally, it should be emphasized that limitations resulting from the abstractive nature of the presented considerations were dictated by the attempts to essentialize and understand the research problem in a holistic manner. The assumption of this perspective takes place at the expense of an in-depth micro understanding, from the perspective of which it is possible to notice other aspects of critical significance for the understanding of organizational paradoxes (Hargrave & Van de Ven, 2017). This is where suggestions for further empirical studies, with the use of methods that would make it possible to immerse in the rich context of particular cases of MNC, come from.

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INVESTMENTS IN THE HOTEL BUSINESS: RISKS AND PROSPECTS

The publication considers the current state of development of the hotel business and the process of investing in it. The main risks that may arise when investing in the hotel industry are examined. The main reasons for the unefficiency of investments in the hotel business on the modern stage of its development are formed. Recommendations have been developed to achieve the investment attractiveness of the hotel.

Keywords: investment, hotel business, investment risks, hotel real estate, key risk indicators.

Кривко Ганна. Інвестиції у готельний бізнес: ризики та перспективи

Розглянуто сучасний стан розвитку готельного бізнесу та процес його інвестування. Оцінено основні ризики, що можуть виникнути при інвестуванні у готельну індустрію. Сформовано основні причини неефективності інвестицій в готельний бізнес на сучасному етапі його розвитку. Розроблено рекомендації для досягнення готелем інвестиційної привабливості.

Ключові слова: інвестування, готельний бізнес, інвестиційні ризики, готельна нерухомість, ключові показники ризику

The relevance of the research topic. Hotel industry at the modern stage of development become more and more attractive for investment. Before investing in some business, investor must investigate its efficiency. Opening of the new hotel for the investor is firstly big possibilities. But such possibilities always cause different risks, that can be faced with at the every stage. That is why investor must be acquainted with the possible risks and with the process of its avoidance and resolution.

Formulation of the problem. Every investor is intended to invest in order to earn money. But even at the first step he/she can face with the losses. Investor must pay attention what is the main reason of the loss of invested funds and what risks the

investor faces investing costs to the hotel industry. Also investment is a very profitable that has also different prospects. Today hotels are opening with a very fast speed but not all of them can outburst competition. Investor even at the step of concept development make a decision. Not all of them are correct. There are many risky decisions that can lead to loss of funds or visa versa, they can lead to a high profit.

Analysis of recent researches and publications. The problem of investment policy is being investigated by such Ukrainian economists: I. Blank, V. Karsekin, A. Mazaraki, M. Chumachenko. Foreign economists also investigated it: J. Bailey, H. Beerman, W. Sharpe.

Hotel investments were explored by Elie Younes (a director with HVS International's London office), Russell Kett (Managing Director of the London office of HVS International), Stephen Blake Mariott (Master of Science at the University of Nevada), Dowell, B.T. (a senior Managing Consultant for Bernice T. Dowell Paradigm Tax Group in Washington, D.C., a former Senior Manager of KPMG and President of Cynsur, LLC), Jonathan Nehmer (Architecture, Project Management, and Design and Construction Consulting firm that specializes in the Hospitality Industry).

Setting objectives. The aim of this publication is to study investment risks and prospects in the hotel business, what are the main risks investing to the hotel industry and how to avoid them.

Presenting main material. Nowadays, hotel industry is one of the most perspective. Speaking about hotel as a form of economic activity it consists of hotel services and organization of payment for short-term accommodation.

Hotel service includes a whole range of services for tourists and is a key factor determining the prospects for tourism development. These services are built up on the principles of modern hospitality and quality service.

The hotel industry is profitable on all sides. The government of each country is interested in receiving incomes and other dividends from all citizens, entrepreneurs and businesses. So, it builds priorities in the sphere of regulation and coordination of hotel activities.

Hotel business accounts for 6% of the world's national product, 7% of global investment, and about 11% of global consumer spending. The World Tourism Organization estimates that by 2020 the number of trips will amount to 1560 million. The profitability of the hotel business will increase to 1.1 trillion dollars [6].

Of course, not every region of the world is already accessible for the mass tourism. The climate, political and economic factors, the stability in the region, the level of development of the hotel business industry play a significant role.

Hotel business is the main area of national economy in many countries of the world. For example, Spain covers the cost of buying electricity from the hotel business.

Hotel industry is a huge sector of economy that consists of many businesses, the functions of which are to meet the diverse demand for various types of recreation and entertainment.

The main trends of the growth of the hotel industry are:

1. increase the income of the population;
2. development of organizational tools and infrastructure;
3. promotion of the international hotel business due to its high efficiency in satisfaction of economic demand;
4. deterioration of the environmental situation determines the demand for recreation in an environmentally friendly environment.

Industrial character of the hotel business promotes the efficiency and development of the national economy because with the growth of its popularity the state budget is growing; the level of employment increases the living standards of the local population are increasing; it has a positive impact on the other industries related to the recreation of the hotel products, there is a development of social and industrial infrastructure.

Hotel business today is one of the best decision of investment. Great risk and great opportunity. This is the way how investors see the hotel business. Market of the hotel real estate is unsaturated. Speaking about reliability and liquidity the developing of the hotel is more difficult task to realize, but profit will be higher than the other one.

Owning a hotel is unlike owning other form of business. Having a hotel business, investor may face not only with the risks associated with commercial investments but also hotel-specific risks [4].

In modern hotel business people invest money with the main intention of making profit, but most of them often end up failing. Every investor must understand all the situations connected with the hotel business and make correct decisions. It will depend on his/her ability to not only understand the nature of the risk, but also to know how to minimize its effect.

According to Stephen Blake Marriott, successfully investing in a hotel asset is both an art and a science. It takes immense knowledge of the market(s), hotel operations, and in-depth financial concepts to make great returns [3].

It takes knowledge of the hotel industry, financial operations, hotel management modern economic conditions, the latest trends in the hotel business.

Stephen Rushmore of Hotel Valuation Services stated «Investing in hotels and motels is considered by many to be a high-risk use of time and capital» [2].

Investments of the enterprise are the investment capital in all forms in different object it economic activity for the purpose of making profit, also achievement the other economic effect, the implementation of which is based on a market principles and connected with time risk and liquidity [1].

Speaking about investment as the process is investing for risk-taking profit.

Elie Younes and Russell Kett of HVS mark out three main phases of hotel's lifecycle: development, operation and exit (figure 1).

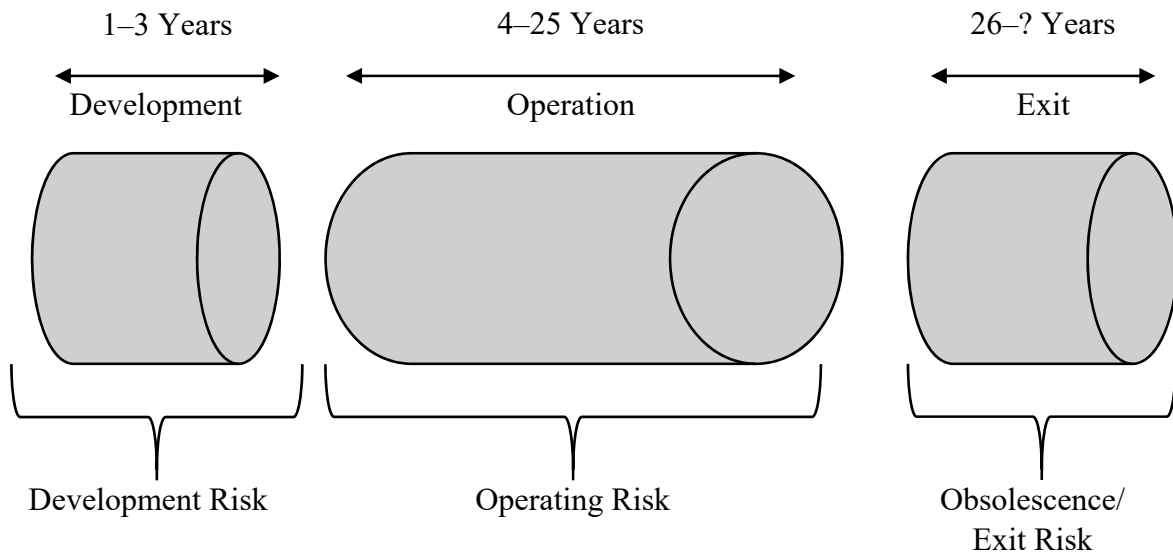


Figure 1. Hotel lifecycle and investment risk factors [5]

Development risk is the economic threat that an investor is exposed to upon converting a vacant piece of land or an existing building into a fully operational hotel asset. Obviously, the more complicated the type of asset is, the higher the development risk would be [5].

Operating risk is the ability of the asset (and its management) to generate sufficient levels of cash flow in order to produce a certain level of financial returns to justify the investment and catalyse an exit [5].

Obsolescence/exit risk impacts the ability of the owner of the hotel property to exit the investment or extend its economic life. This risk involves the potential decrease in a property's value as at the envisage exit period. It is the uncertainty of the future value of the hotel asset [5].

Various hotel investors have different risk profiles, investment appetite and stimulants as well as perception of time. Once these are better understood, the hotel asset classes and risk can be chosen [5].

After 30 years in the hotel industry and seeing success and failure the executive Management Team of Vesta Hospitality; Rick Tackach, President and CEO of Vesta Hospitality and Rob Gartner, Vice President of Business

Development compiled the Top 10 Reasons Hotel Investor Fail. Based on this reasons we designed the Rules to Avoid Hotel Investment Fail (figure 2).

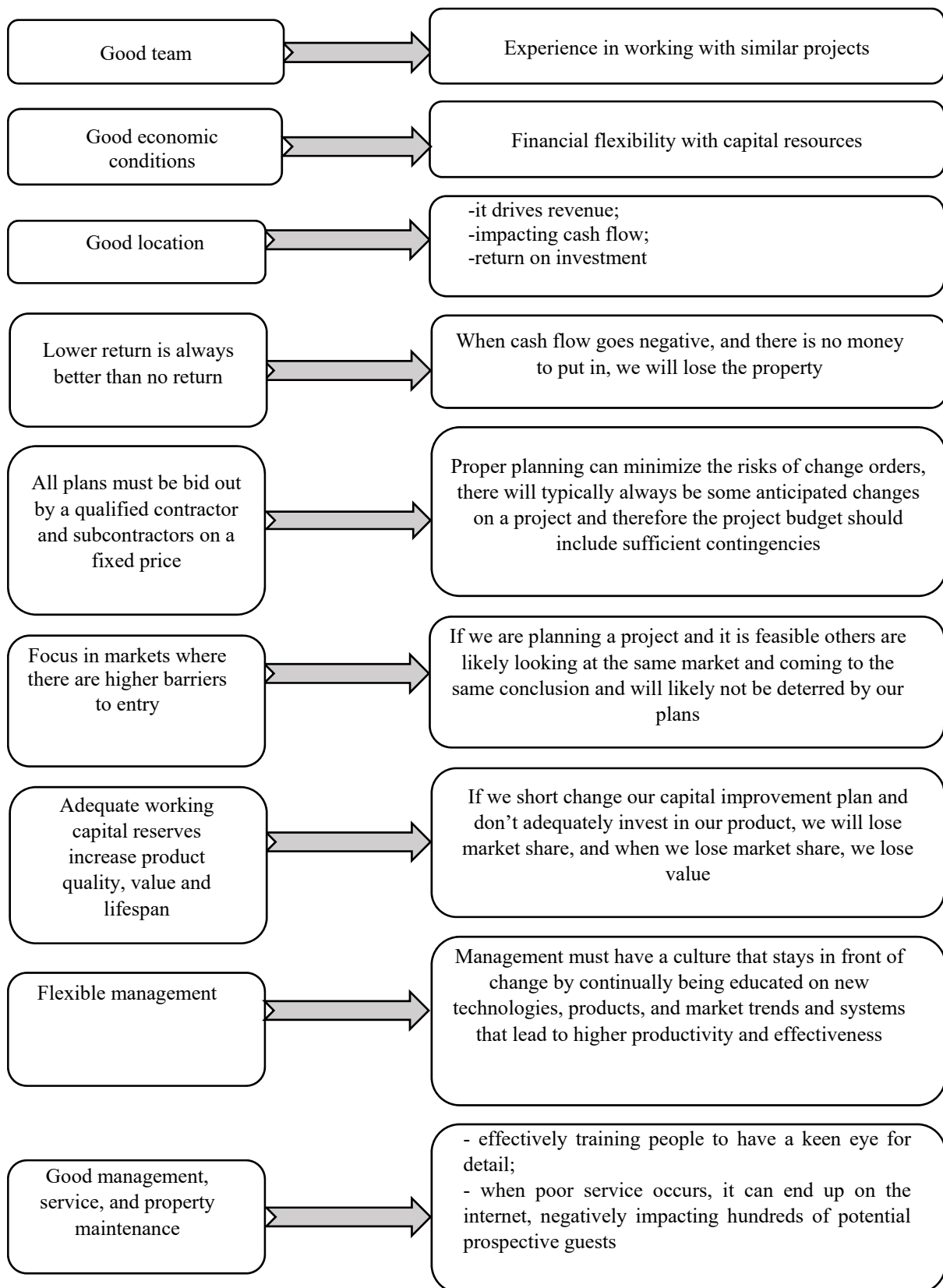


Figure 2. Main Rules to Avoid Hotel Investment Fail

Source: compiled by the author according to the Top 10 Reasons Hotel Investor Fail [7].

s Hotel business is developing at a rather rapid pace. Nowadays, it is one of the most attractive industry for investors. Every investor wants to make a profit. But it lead to different risks. Risky situations can lead to a loss of investment. Hotel lifecycle and investment risk factors, the main risks investing to the hotel industry are studied. A list of necessary actions to avoid investment fails is formed.

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STARTUP ECOSYSTEM: THE ESSENCE AND FEATURES OF DEVELOPMENT

The article analyzes the modern theoretical aspects of the startup ecosystem, which is formed at the local and global levels. The author's interpretation of the concept of «startupecosystem» is offered, the composition of the subjects of its life support and the basic elements are specified. On the basis of the latest international rankings the tendencies of development of the world startup ecosystem were investigated. The peculiarities of development of the startup environment in Ukraine were characterized.

Keywords: *startup, startup ecosystem, innovative ecosystem, ecosystem actors, development of startup ecosystem.*

Ганечко Ірина, Трубей Оксана, Паріمال Чандра Бісвас. Стартап-екосистема: сутність та особливості розвитку.

У статті аналізуються сучасні теоретичні аспекти стартап-екосистеми, яка формується на локальних та глобальному рівнях. Запропоновано авторське тлумачення поняття «стартап-екосистема», уточнено склад суб'єктів її життєзабезпечення та основні елементи. На основі даних останніх міжнародних рейтингів досліджено тенденцій розвитку світової стартап-

екосистеми та охарактеризовано особливості розбудови середовища стартапів в Україні.

***Ключові слова:** стартап, стартап-екосистема, інноваційна екосистема, суб'єкти екосистеми, розвиток стартап-екосистеми.*

Relevance of the research topic. The innovation potential of the state depends on many factors. In today's context, it is the public's inclination to innovate and technology; availability of a large number of enterprises specializing in the production of high-tech products; existence of appropriate educational institutions, research centers; high-level of innovative culture of the population and business communities; a wide network of institutional forms of interaction between participants of the innovation process. All this forms a unique ecosystem in which innovative ideas can be implemented in a short period of time and with a relatively small financial investment a startup ecosystem. Therefore, it is relevant to research the startup ecosystem, its essential elements, status, local and global development trends, and the experience of the best startup ecosystems.

Formulation of the problem. The above arguments sharpen scientific interest in the issues of building a startup ecosystem as a powerful factor in the economic development of any state. That is why it is necessary to analyze the existing approaches and clarify the scientific interpretation of the concept of startup ecosystem, its components and peculiarities of the development of economic environment of start-ups, both internationally and at the level of individual countries and cities.

Analysis of recent research and publications. In the scientific and economic literature, attention is mainly paid to the study of theoretical and practical bases of formation and development of innovative and entrepreneurial ecosystems. Many foreign and domestic scientists covered this topic in their works: Bramwell A., Brachik H., Wang P., Liederdorf L., Sable K., Smorodinskaya N., Varnaliy Z., Marchenko O., Fedulova L., and others. Research of start-ups as subjects of innovative activity, stages of their life cycle, factors of success, viable business models, sources of financing are devoted to work of foreign scientists, in particular Blanc S. [3], Damodaran A., Graham P., Ries E. [9], Thiel P. [13] and others. Conditions for forming an effective startup ecosystem in selected countries are reviewed in the works of Bahree M. [2], Deeb G. [4], Yin D. [14].

In Ukraine, the number of scientific papers devoted to the study of the content, structure, current state and directions of development of the startup ecosystem is quite limited, due to the short history of the startup movement and the lack of information base for research. The startup ecosystem as a subsystem of the innovative ecosystem, which is aimed at creating innovative products and services for startup companies, is devoted to the work of Sytnik N. [10]. Practical aspects of start-ups, ecosystems of their functioning and development in Ukraine are covered by domestic entrepreneurs-

innovators, business coaches: Babich M. [1], Dovgopoly D., Babiachok R., Peir I., Tigipko V.

Presenting main material. The use of the analogy method allows the use of common terminology in different sciences. This also applies to our term «ecosystem», one of the major categories of biology and ecology. This term was first proposed in 1935 by the English ecologist A. Tensley, who understood under the ecosystem the totality of living organisms and their habitat, forming a single whole with it. In 1989, the American scientists Frosch R. and Gallopoulos N. coined the term «industrial ecosystem» applying it to the economy. In the 1990s, Rothschild states that «a capitalist economy can best be comprehended as a living ...», and JF Moore introduced the term «entrepreneurial ecosystem» [8]. From the same time, the terms «innovative ecosystem» and startup ecosystem were firmly included in the business lexicon.

In recent years, the startup movement has been a factor in the economic growth of many countries in the world. In conditions of rapid development of technologies of innovation act as drivers of productivity, competitive advantages, growth of cost of business, economic and social growth of the countries.

Startups have the opportunity to create a fast and very profitable business that has a short life cycle. According to Steve Blank, a startup is looking for a profitable, resilient and scalable business model [3]. Given the specifics of the organization and timing of the startups, you can define a startup as a temporary structure with a short cycle of entry to the market, which is under development and is based on innovative ideas or technologies that have just emerged.

Understanding the particular role of startups, governments and municipal authorities are launching tax incentives for startup development; big business representatives provide financial and technical assistance to startups, search for young talents, form their motivation system, develop their own business accelerators and innovation centers; business incubators are created; international conferences and forums will be organized, the central theme of which is the field of technological entrepreneurship. In this way, ecosystems are emerging in different countries around the world, without which the process of developing startups is not possible.

Translating the concept of ecosystems from the natural sciences to the economy, we can consider the startup ecosystem as an open dynamic system, which consists of an interconnected set of entities, united by a broad network of internal and external links involved in the process of creating and developing business activities based on innovative ideas or new technologies to find a profitable business scalable model.

One can agree with Sytnik N., who views the startup ecosystem as a subsystem of the innovative ecosystem, aimed at creating innovative products and services for startup companies [10].

Elements of the startup ecosystem include a set of interconnected entrepreneurial actors, organizations (e.g. firms, venture capitalists, business angels

and funds), institutions (universities, public sector agencies and financial bodies), and processes (business birth rate, number of serial entrepreneurs, and levels of entrepreneurial ambition).

Key players in the startup ecosystem are:

- Entrepreneurs. Important experience of participants who have knowledge and skills in management, marketing, technology, finance.
- Business coaches. Experienced innovation leaders help you get through the startup all the steps and not repeat the mistakes of others.
- Business Incubators / Business Accelerators. Provide mentoring support, workplaces to implement ideas, assist with the search for investors.
- Investors. Business Angels, Venture Funds, Private Companies, Government or Minority Innovation Funds provide funding for startups at various stages and reduce the time to market.
- Universities / Research organizations. A large number of new business ideas were born as a result of research conducted at universities (academic entrepreneurship) or at research centers.
- Companies. Different companies can act as investors directly or through venture funds; are often potential leads of startups.
- Associations / Media. Many startup problems are solved through collaboration platforms that can be served by industry communities, professional associations, commodity exchanges, and more. Collaboration with such sites allows to advertise and find partners.
- State (municipal) organizations. Provision of tax incentives, financial support, licenses, protection of intellectual property rights, public events.
- Service providers. The development of startup ecosystems is accompanied by lawyers, bankers, accountants, various consultants, and their experience in working with startups improves the ecosystem itself.

All entities in a startup ecosystem are interconnected, perform different functions, or duplicate, but are aimed at solving specific problems of a startup.

The growth of communications in the startup ecosystem increases entrepreneurs' opportunities. The most important structural component of a startup ecosystem is people with their ideas, talents and entrepreneurial abilities. The startup ecosystem is formed under the influence of social, cultural (first of all, entrepreneurial culture), technological, political and other factors and exerts a negative influence on the environment.

Given the role of startups in the development of individual countries, different regions, cities, it is advisable to learn from the successful global experience of forming an ecosystem of startups in order to formulate a strategy and various forms of support for the startup movement.

The global development of the startup movement has intensified research into the state, dynamics and tendencies of the development of startup ecosystems by geographical feature. Since 2014 the Startup Blink Research Center analyzes and compares startup ecosystems in different countries and cities, by publishing a corresponding Global Startup Ecosystem Ranking. In 2019, this study covered more than 100 countries and 1,000 cities worldwide [1]. The main purpose of this ranking is to create and demonstrate a global map of the global startup ecosystem and its evaluation.

Undoubtedly, the rating data are of considerable interest, both for the governments of individual countries and city administrations, and for the startups themselves. The development of the startup environment that creates the preconditions for attracting and retaining talents, making better entrepreneurship ecosystem and economic growth of individual regions and cities. Business, in turn, becomes more aware of the possibilities of implementing business ideas, meeting their basic needs.

The top 10 countries and cities in the world according to Global Startup Ecosystem Ranking 2019 are presented in Table 1 [6].

As the table shows, they rank at the top of the US, UK and Canada startups. At the same time, according to the Doing Business 2019 rating [5], New Zealand ranks first in terms of ease of doing business, Singapore second, Denmark third. The US is eighth, and Britain is only 9th. It is obvious that there is a discrepancy between the countries' rankings in the two major ratings of business. It can be assumed that not every country or city can satisfy the most important requirements of the startup ecosystem, in particular the availability of special infrastructure (business incubators, accelerators, techno parks, venture capital, etc.) and preferential business startups.

Table 1

Top 10 countries and cities in the world for startup ecosystem development in 2019

Global rating	Country	Scores	City	Scores
1	United States	44.090	San Francisco Bay, United States	262.878
2	United Kingdom	16.719	New York, United States	55.938
3	Canada	15.867	London, United Kingdom	38.421
4	Israel	14.626	Los Angeles Area, United States	34.219
5	Australia	12.953	Boston Area, United States	33.946
6	Netherlands	12.907	Tel Aviv Area, Israel	23.942
7	Sweden	12.774	Berlin, Germany	22.322
8	Switzerland	12.527	Chicago, United States	18.412
9	Germany	12.461	Seattle, United States	18.107
10	Spain	12.396	Moscow, Russia	17.504

From this perspective, the experience of countries that are actively improving their startup ecosystems is interesting. This is particularly true of Israel and India, which have significantly improved their global ranking. Yes, Israel (4th place), despite the difficult geopolitical situation, was able to build a strong business ecosystem. The country with a population of 8.7 million has one startup for every 1,400 people. For comparison, in the UK, France and Germany – 0.21, 0.11 and 0.06 respectively. Over the last decade, the country has gained valuable experience selling its companies to foreign techno-giants. At the same time, many startups headquartered in Israel are turning into large, successful multinationals without leaving their homeland. Among them, in particular, Cybereason (\$100 million), Vayyar (\$45 million), Airobotics (\$32.5 million) [11].

India ranks 17th in the global rankings and is the fourth largest technology startup in the world. Experts estimate that their numbers can grow to 11500 by 2020. The capital of the Indian startup ecosystem is the city of Bangalore, often called the Indian Silicon Valley due to the high concentration of large IT companies. The city has about 4,000 active tech startups. The level of venture investments and the number of successful startups has been increasing lately. More recently, the Indian startup ecosystem has been a branch of startups in other countries, but today it has become an environment in which startups are supported and successfully developed [12].

Table 2

Cities of Ukraine in the Global Startup Ecosystem Ranking

Global rating		City	Number of Points, 2019
2019	2017		
34	63	Kiev	11.711
235	517	Odessa	6.185
299	273	Lviv	2.876
435	877	Kharkiv	2.644
561	1064	Dnepro	0.828
678	new	Ternopil	0.822
841	1118	Donetsk	0.815
871	new	Boryspil'	0.812

One of the breakthroughs in the rating can be considered the capital of Ukraine Kyiv, where there are currently 321 startups. In the previous rating, Kyiv was ranked 63rd and climbed 29 positions immediately ahead of such large ecosystems as Helsinki, Munich, Shenzhen and Dublin. Other cities in Ukraine have rather low rating positions, although the positive dynamics of change are obvious.

In general, the domestic startup ecosystem is in its infancy, and the environment for the development of technological projects is not actually formed. According to entrepreneur M. Babich, each group of participants in the startup industry is interested solely in their specific interests: entrepreneurs only master the first steps of building

startups, and investors are only able to finance the business in the later stages. According to the expert, Ukraine should build its own startup ecosystem with its integration into the global startup space. In particular, this involves establishing relations with foreign experts, investors, seeking opportunities to enter the US and European markets [1].

Despite the difficult economic and political situation, the startup ecosystem in Ukraine continues to emerge. The basis for its development may be the domestic IT industry, which is one of the three industries with the largest share in the gross domestic product of the country. Also, there is an active program of support for innovation and startups at universities in Ukraine. In particular: Sikorsky Challenge Business Incubator, established in 2014 at NTUU «KPI»; Tech StartUp School (1100 sq.m. of comfortable innovative environment for production and realization of creative ideas and successful startups) was created in 2017 at Lviv Polytechnic National University; the largest business incubator development project for Ukrainian educational institutions is the YEP Academic Business Incubator Network. In addition, there are incubators, startup school and accelerators created with the participation of private investors, foreign grant programs or organizations: UNIT Factory; GrowthUp Accelerator and Venture Fund; Startup Depot and Startup School University Edition; iHUB; Radar Tech; 1991 Open Data Incubator; Center for Entrepreneurship at UCU Lviv Business School; AgroHub and others [7].

Thus, one can clearly observe the main features of the startup ecosystem in Ukraine, its gradual formation and development. However, for its full functioning, many obstacles and difficulties have to be overcome. Their identification and analysis can be a promising avenue for further scientific research.

Conclusion. Summarizing the above, it can be argued that the startup ecosystem is an integral part of the business environment of any country. Its main purpose is to create the most favorable conditions for the rapid and efficient implementation of innovative and technological business projects. Special International Ranking statistics demonstrate the rapid global development of the startup ecosystem, which is reaching more and more countries and regions. Individual states and cities form their own approaches and tools in competing for talents and inventions in the world market. Ukraine may well become an active participant in the international startup community, subject to appropriate legal and financial support from the state and local governments. However, the most important solution remains the issue of political and economic stability in the country as key factors for increasing the investment attractiveness of domestic startup projects.

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ORGANIZATIONAL AND INFORMATIONAL MODEL OF ANALYSIS OF COMMERCIALIZATION OF INTELLECTUAL PROPERTY OBJECTS

The organizational and informational model of the analysis of commercialization of intellectual property objects was developed and proposed. The system of indicators of commercialization of intellectual property objects is defined. The stepwise sequence of the analysis of commercialization of intellectual property objects is presented.

Keywords: *intellectual property, innovation, commercialization of intellectual property objects, analysis of commercialization of intellectual property objects*

Уманців Галина, Мартинів Ірина. Організаційно-інформаційна модель аналізу комерціалізації об'єктів інтелектуальної власності

Розроблено та запропоновано організаційно-інформаційну модель аналізу комерціалізації об'єктів інтелектуальної власності. Визначено систему показників комерціалізації об'єктів інтелектуальної власності. Наведено поетапну послідовність проведення аналізу комерціалізації об'єктів інтелектуальної власності.

Ключові слова: *інтелектуальна власність, інноваційна діяльність, комерціалізація об'єктів інтелектуальної власності, аналіз комерціалізації об'єктів інтелектуальної власності*

Formulation of the problem. The rapid trends in the development of the world economy embody the Fourth Industrial Revolution («Industry 4.0»), whose task is to use information technology in production to preserve and enhance the country's competitive advantage [6]. The results of the introduction of Industry 4.0 through the combination of modern information and communication technologies with industrial

production are cyber-physical systems, big data, artificial intelligence and 3D-printing. The development, creation and implementation of such innovative product groups is due to an effectively established process of commercialization of intellectual property objects, which is an orderly sequence of interrelated actions and operations to create (develop), use and transfer property rights to intellectual property objects for the purpose of obtaining economic benefits and social impact formation.

The activation of the process of commercialization of intellectual property objects is gaining momentum in Ukraine. According to research by the IT Ukraine Association and the Office of Effective Regulation (BRDO), Ukraine's information technology sector is the second largest service export industry, accounting for 20% of total services exports [5].

Since the commercialization of intellectual property is an independent process, the list of objects of its analysis, and, consequently, the groups of absolute and relative indicators of their analysis, is greatly expanded. In contrast to the costs of creating objects in material form, the costs of the enterprise in the process of creating intellectual property objects are characterized by increased risk. It is these particular features of the intellectual property creation process that cause some difficulty in using the evaluation results (i.e., determining the effectiveness and efficiency of the process). Together with the intensification of the process of commercialization of intellectual property objects in Ukraine, domestic companies are faced with the question of developing organizational and information support for the analysis of the efficiency of implementation of the process of commercialization of intellectual property objects, which will allow:

- evaluate the enterprise's ability to commercialize intellectual property objects from all factors;
- choose a commercialization strategy that will maximize incomes and generate maximum profits;
- determine the composition and dynamics of costs that arise from the moment the idea is generated before its use;
- get maximum efficiency with minimal risks;
- to calculate the reliable amounts of profits that the enterprise receives in the process of commercialization of intellectual property objects.

Analysis of recent researches and publications. In the modern scientific literature, the most frequently investigated issues are the analysis of innovative activity of the enterprise (O. Babchynska [1], O. Cheresniuk [3]), features of the formation of indicators of one way or form of commercialization of intellectual property objects (O. Klipkova [7], Yu. Kovtunenکو [9], R. Kostsyk [8], D. Tymofieiev [11], S. Filyppova [4]). Given the significant contribution of scientists and taking into account current trends in the development of Industry 4.0, there is a need to develop organizational and information support for the analysis of commercialization of intellectual property as a holistic process.

Presenting main material. In the process of analyzing the commercialization of intellectual property objects, as well as any other type of activity of the enterprise, its information support becomes important. Getting timely, accurate, complete, and objective information from management is the key to making effective management decisions. That is why it is necessary to constantly transform economic information into analytical. According to G. Mitrofanov, organizational support for the analysis of the activity of the enterprise is based on the theoretical and methodological foundations of its conduct, which include the purpose, content, tasks, objects, subjects, system of economic indicators, methodical methods of processing of input information and generalization of the analysis results [10]. Clarification of theoretical and methodological aspects of the analysis of the process of commercialization of intellectual property objects has allowed to develop the organizational and informational model of the enterprise in the part of commercialization of intellectual property objects (table 1).

Table 1

Organizational and informational model of analysis of commercialization of intellectual property objects

1. The purpose, content and tasks of the analysis of commercialization of intellectual property		
<i>1.1. Purpose</i>	<i>1.2. Content</i>	<i>1.3. Tasks</i>
<p>✓ Formation of information support for effective management of the process of commercialization of intellectual property objects</p>	<p>✓ Comprehensive and systematic study of indicators of the process of commercialization of IPO, study and measurement of the influence of factors on the analyzed indicators, identification of unused internal reserves, evaluation of the enterprise as a whole and its individual structural elements in the process of commercialization of IPO, formulation of management decisions and their practical implementation</p>	<p>✓ Choice of strategy of commercialization of IPO, choice of form of commercialization of IPO, choice of method of commercialization of IPO, determination of technical and economic indicators of each IPO for potential commercialization and evaluation of cost and complexity the commercialization of IPO, the impact of use and implementation of innovations on the efficiency of the enterprise's production process, analysis of the structure, quality and other parameters of the innovative products produced, substantiation of the effectiveness of the marketing and marketing of innovative products, analysis of the results of creation, receipt and use of innovations (innovative products) on the efficiency of economic activity of the entity etc., calculating the effectiveness of innovative technology deployment</p>

2. The objects and subjects of commercialization of intellectual property objects	
<i>2.1. Objects</i>	<i>2.2. Subjects</i>
Licensing agreements, franchise agreements, franchises, royalties (in the form of income or expenses), factors affecting the choice of the IPO commercialization strategy, capital, current and future expenses, income and future periods, financial results, tax implications	Company management, financial and economic department, control and audit department, law department, department of innovative development, state, investors, creditors, civil society, competitors
3. The system of economic indicators of analysis of commercialization of IPO	
<i>3.1. Absolute cost metrics</i>	<i>3.2. Relative indicators obtained from analytical procedures with accounting data</i>
✓ The value of IPO in the composition of IA, the magnitude of obligations to use the rights to intellectual property objects granted to the enterprise, indicators of the dynamics of intellectual property objects in the composition of intangible assets, income and expenses / income associated with the process of intellectualization objects property	✓ Specific indicators of the structure of the IPO in the composition of IA, income and expenses associated with the process of commercialization of intellectual property, specific indicators of the dynamics of the IPO in the composition of IA, income and expenses associated with the process of commercialization of IPO, general and specific indicators of the effectiveness of the commercialization of IPO
4. The informational support of analysis of commercialization of IPO	
<i>4.1. External information</i>	<i>4.2. Internal information</i>
Regulatory and reference	Accounting, planned
5. Methods of processing primary (input) information	
<i>5.1. Economic and logical methods</i>	<i>5.2. Economic and mathematical methods</i>
6. Generalization and implementation of the results of the WIP commercialization analysis	
<i>6.1. Generalization of results</i>	<i>6.2. Implementation of results</i>

Source: developed by the authors

At each stage of the commercialization of intellectual property objects (initiation, acquisition (creation) of intellectual property objects, marketing of intellectual property objects, use of intellectual property objects) management has different information needs, including the definition of indicators for different objects of commercialization analysis. At the initiation stage, for example, the main object of analysis is the current costs of the enterprise for the investment project, the likely benefits, payback, profitability from it, as well as assessing the impact of factors on the choice of commercialization strategy. At the stage of acquisition (creation) of intellectual property objects, in addition to the expenses of the entrepreneur, which form the initial value of intangible assets, indicators of the structure and dynamics of intangible assets in the assets of the enterprise, indicators of the efficiency of their use, etc. At the stage of marketing of intellectual property objects, the object of analysis is also the costs, but related to the innovative products promotion. At the stage of the use of intellectual property objects, the composition of the objects of commercialization analysis is significantly expanding, in particular indicators of not only the expenses,

but also the profit received by the enterprise from commercialization, as well as its financial result. Given that the analysis of commercialization of intellectual property objects involves the calculation of a large number of indicators, it is proposed to organize them according to the stages of commercialization (table 2).

Table 2

**The system of indicators of analysis of commercialization
of intellectual property objects**

The stage of commercialization	The object of analysis	The absolute figure	The relative indicator
Initiation	current costs of the enterprise on the innovation-investment project, probable benefits, profitability, profitability, assessment of the influence of factors on the choice of commercialization strategy	R&D expenditures, net present value, reported costs, etc.	return on investment, payback period, production optimization indices, etc.
Acquisition (creation) of IPO	capital and recurrent costs associated with the acquisition (creation) of IPO as part of the intangible assets	the amount of capital and operating costs associated with the acquisition (creation) of IPO as a part of the IA, the indicators of IPO dynamics in the composition of intangible assets, income, and expenses / revenues related to the process of commercialization of intellectual property objects	specific indicators of the structure and dynamics of the IPO as part of the intangible assets
Marketing of IPO	costs of marketing IPO, including marketing costs	the amount of marketing and marketing costs	specific indicators of the structure and dynamics of marketing and marketing costs
Use of IPO	capital, recurrent and future expenses related to the commercialization of the IPO, income of the reporting and future periods and the financial result from the commercialization of the IPO, tax consequences; royalties (in the form of income or expenses) and the like	the amount of capital, current and future expenses, income of the reporting and future periods	specific indicators of the structure and dynamics of the income and expenses associated with the process of commercialization of the IPO, indicators of efficiency of use of the intangible assets, indicators of the efficiency of commercialization of the IPO

Source: developed by the authors.

The proposed indicators make it possible to analyze and evaluate the process of commercialization of intellectual property as an independent holistic process. Based on the principle of complexity of economic analysis, according to which a comprehensive study of causal interdependencies, a comprehensive assessment of the input parameters of the functional structure, their change and development at the object under study in space and time, quantitative and qualitative features and output (effective) parameters of this process [2], analysis of the commercialization of intellectual property objects should ensure that the financial condition of the firm corresponds to its targets for innovative development; assessing the capacity for innovative development [1]; choice of commercialization strategy; evaluation of intellectual property utilization indicators; assessment the impact of intellectual property transactions on the firm’s financial performance. That is why it is proposed to analyze the commercialization of intellectual property in such a sequence (figure 1).

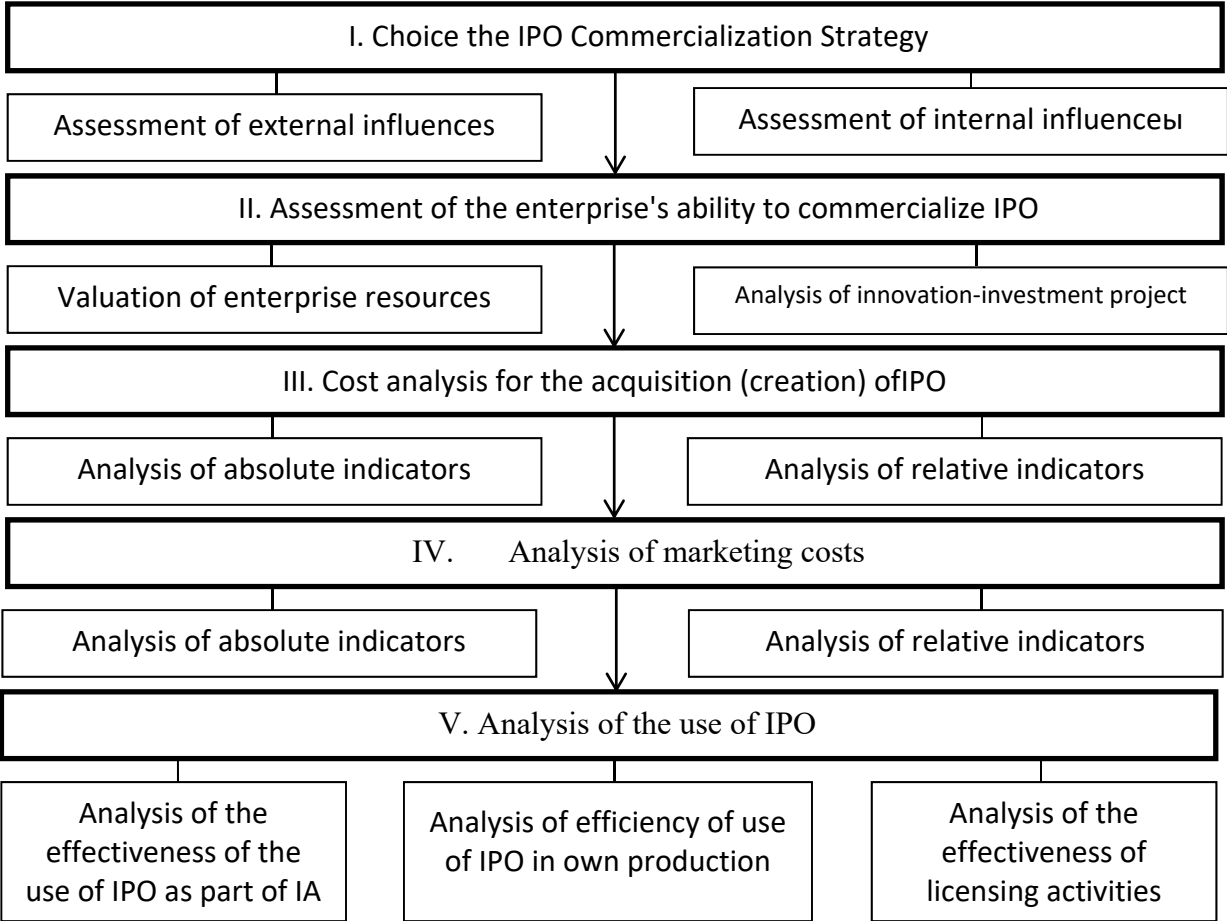


Figure 1. Stages of analysis of **commercialization of intellectual property objects**

Source: developed by the authors.

The proposed stages of the analysis of commercialization of intellectual property objects make it possible to analyze commercialization as a holistic process.

Conclusion. Organizational and informational support plays a key role in the analysis of the commercialization of intellectual property.. The need to develop organizational support for the process of commercialization of intellectual property objects in terms of identifying the purpose, content, tasks, objects, entities, system of economic indicators, which is presented in the form of organizational and informational model, as a component of improving the quality of the project management system. This made it possible to form an organizational and information model for the analysis of the commercialization of intellectual property objects, which is the basis for the development of a methodological toolkit for the analysis of indicators of risk diagnostics and assessment of factors influencing the effectiveness of commercialization of intellectual property objects. In order to meet the information needs of users regarding the commercialization of intellectual property, a system of indicators for the commercialization of intellectual property at each of its stages was developed. These proposals led to the development of stages of analysis of commercialization of intellectual property objects as a holistic process.

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**IMAGE ENVIRONMENTAL DIPLOMACY AND BUSINESS
IN THE PRESENTATION OF THE COUNTRY**

The article deals with topical issues of image environmental diplomacy and business in providing the country's presentation in the sphere of international economic relations are considered. Formation of a national brand, expansion of diplomatic functions is aimed at identifying the peculiarities of ecological and economic interests of other countries in the form of international dialogue, negotiations, cooperation and activation of business initiatives. The new approach to the understanding of diplomacy in greening aspects of competitive relations in conditions of internationalization and globalization of economic integration space.

Keywords: *environmental diplomacy, brand, sustainable development, international business.*

Бохан Аліна. Іміджева екологічна дипломатія і бізнес у презентації країни.

Розглянуто актуальні питання іміджевої екологічної дипломатії і бізнесу в забезпеченні презентації країни в сфері міжнародних економічних відносин. Формування національного бренду, розширення функцій дипломатії націлено на виявлення особливостей еколого-економічних інтересів інших країн у форматі міжнародного діалогу, переговорів і співробітництва та активізації бізнес-ініціатив. Розглянуто нові підходи до розуміння дипломатії в контексті потенціалу екологізації в умовах інтернаціоналізації глобалізації економічного простору взаємодій.

Ключові слова: *екологічна дипломатія, бренд, збалансований розвиток, міжнародний бізнес.*

Relevance of research topic. The modern space of international business is formed on the principles of the globalization system of human activity. This area of public communication is a certain phenomenon of progressive, risky and innovative nature of activity. The peculiarities of the implementation of projects in the field of

international business testify to the specific features inherent in it in comparison with other levels of its business (private, national, regional). But competition causes complication of business concepts and the use of new mechanisms for their implementation, the state's initiative in presenting national potential in the international arena. Such popularization of countries is characterized by a wide range: cultural, economic, technological, information, etc. The most important of these is environmental – the impetus to integrate all other areas of business. This strengthens the position of the countries in the world markets and unites them to solve the global problems of humanity. In the face of globalization challenges, most countries are aware that their business interests must be correlated with social and environmental responsibility, as this is the key to competitive advantage.

Formulation of the problem. A special feature of our topic is its interdisciplinary content, where different aspects of international positioning of countries are present. Formation of leadership of the countries takes place with the active participation of politicians, diplomats and businessmen. This, in turn, alters the country's branding construct by expanding its content, in which the ecological component is not yet sufficiently disclosed in the areas of external strategies, economic policy, and state-building of the consolidating model. International actors and countries should enlist the support of image-based environmental diplomacy (eco-diplomacy) and be able to integrate it into the business system.

Analysis of recent researches and publications. Issues in the study of image environmental diplomacy are developing. Some of its elements are stated in such a scientific and practical field as: the international image of the country, the image of companies, the national brand, the «green» brand. These topics are presented in a number of scientific works of researchers: domestic (D. Kislov, 2015 [7]; T. Tsygankova, T. Zavgorodnya, 2011 [13]; G. Polishko, 2015 [10] and foreign (D. Akker, 2011 [1]; S. Angolt, 2009 [2]; J. Fan, 2010 [5] and others. In particular, in their opinion, country branding is a complex process of reconciling market actions, political efforts, business strategies, attracting investments and innovations, establishing international communications in order to form an associative model of positive perception of the country. Common to «image» and «brand» is a focus on results that will deliver effects.

Presenting main material. The purpose of updating the characteristics of environmental quality of human life testifies to a change in the ways of its transformation and economic activity. Traditional approaches to the formation of social relations, which are usually considered rational, often acquire irrational characteristics. One of the reasons for the formation of new mechanisms of interaction between the countries is the change of priorities of the development of society both in material and cultural terms.

At the present stage, international competition and integration between states causes a change in their positioning in the world markets and the formation of leadership dominations through the renewal of national branding. One of the important

aspects in this field is the consideration of greening trends in international economic relations, which have the specific implementation. They adjust countries' positions in international rankings and change the performance of the global economy.

For example, foreign experts are paying attention to the issue of «global equality» in various formats of negotiations, international conferences and summits on environmental issues. Scientists have argued that global warming has caused carbon to accumulate in the atmosphere over the last two centuries. This means that industrialization countries have contributed more than others. However, it is precisely those countries that are least guilty of environmental pollution, which suffer the most from the effects of climate change. In order to be able to apply to countries (India, China) with a proposal to apply the principles of equality, North America and Europe have a great deal of responsibility for the environmental situation [8].

In the twenty-first century, there are obvious exacerbations to the emergence of unknown global environmental and social dangers that are initially veiled and then increase their momentum under «comfortable» conditions for them to manifest. In today's context, there is a certain perception of certain cells, territories, regions and countries of the world, where these threats can become widespread. They can spread to other parts of the globe, causing the need for greening business and international business.

In this case, the application by countries of the principle of «preventive» in international politics and business means a set of measures for the timely prevention of ecological hazards and conflicts, the promotion of economic modernization and balanced use of nature, the initiative to promote new eco-innovative development strategies, strengthen the social economy and strengthen the social credibility «green» international business, enhancement of ecological culture and acquisition of ecological image. Evidence of this is the theme of the World Economic Forum (Davos, 2019) on new forms of international interaction, policies for the development of new business models, technologies for innovation and the digital economy, manifestations of the climate crisis and environmental dominance [4].

But even in the face of such multilateral diplomacy, precedents of «environmental polyphony» arise when some politicians discuss ways to preserve the environment and others call for the development of international business in the Amazon rainforest. Such statements, which are deliberately resonant, provocative or unpromising, give rise to a certain environmental image of the country by its representatives. Maintaining a high level of international order in this aspect involves the use of the forces of environmental diplomacy as one of the progressive institutions. It includes an arsenal of tools to strengthen the country's authority / image in the world [3]. International cooperation and aims diplomatic assistance aimed at the development, progress and security, covering three main areas: politics, economics, ecology (figure).

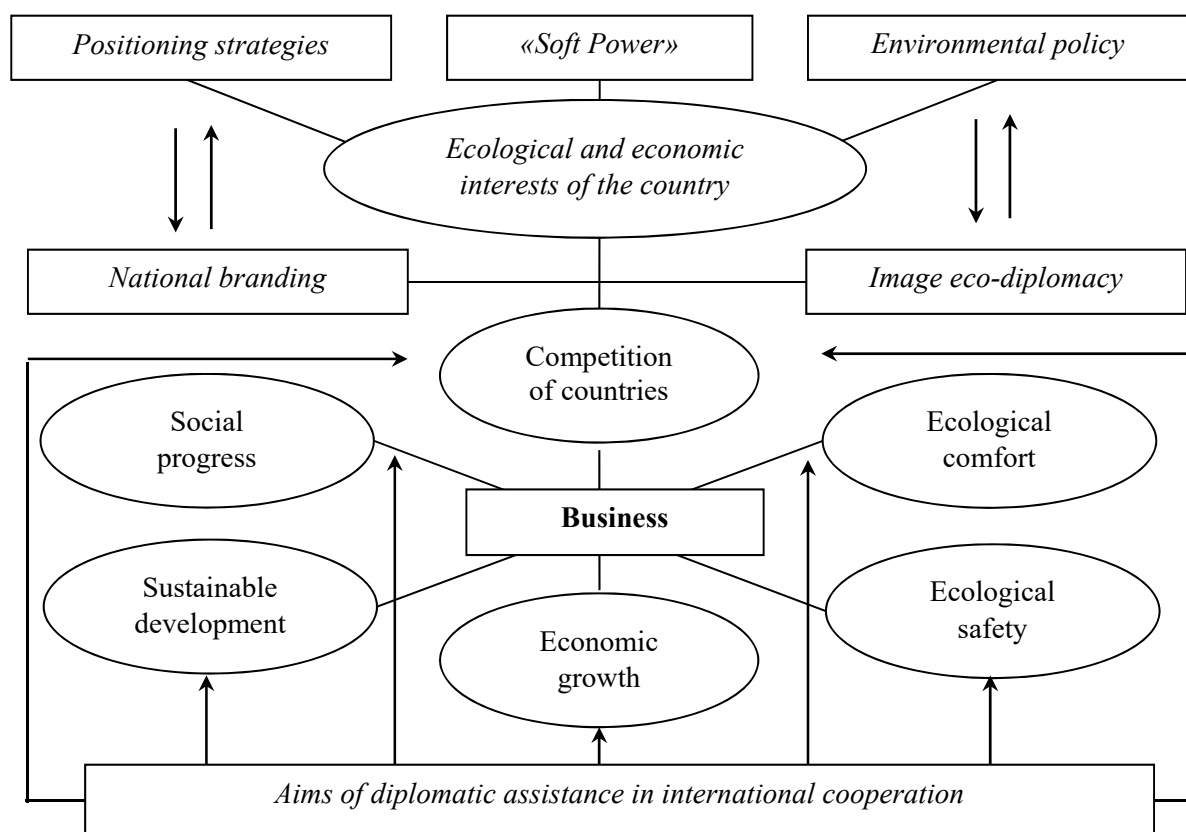


Figure. Systematic of image environmental diplomacy *

(Author's elaboration)

In the context of environmental issues and the formation of a positive image of the country, the term «diplomacy» can be defined as:

- a modern form of representation and protection of the interests of countries that declare to the international community their intentions, opportunities and degree of readiness for active actions with ecological and social effect;
- new models of interaction in various spheres of international relations to intensification of ecological and economic contacts and business;
- measures to respond promptly, tactically and appropriately to countries in the world that reflect positive / negative environmental processes;
- monitoring and analysis of the potential of updating the external image of the country through a new positioning force with a focus on environmental benefits;
- the use of information technology and ecological technologies in diplomacy to synchronize internal and external intentions in positioning the country;
- promotion of eco-principles in the fields of politics, state-building, economy, trade, culture as an important condition for civilized and peaceful relations between countries;
- identification of the country's resources for solving national and global environmental problems, etc.

Admittedly, image environmental diplomacy is an integral part of the national brand, extending the functionality of internal and external diplomacy, the use of

reinforcing elements in the presentation of the country (emotional, natural, original, cultural). The active development of this type of diplomacy should ensure the dynamics of business interactions. Diplomacy contributes to the management of international economic relations. On this scientific parallel, you can also develop the idea of diplomacy in the field of international marketing and world trade.

Image-based environmental diplomacy uses new marketing technologies: 1) determining the specific environmental and economic interests of other countries in the process of international dialogue, negotiations and cooperation; 2) expanding the network of environmental diplomacy to present a national brand in which environmental attributes should enhance its multifaceted dimension and perception using a position in various international ratings (for example, «Brand Finance Nation Brands», «Anholt-GfK National Brands Index», «Environmental Performance Index», «Global Ranking of Soft Power», etc. (table); 3) introduction of ecological knowledge, eco-concepts, eco-innovations, eco-investments and eco-technologies into the sphere of business for presentation or promotion at international exhibitions, forums, business negotiations, etc.; 4) formation of diplomatic efforts and motives for strategic partners to develop international ecological and economic cooperation; 5) participation of politicians, diplomats and businessmen in international environmental projects based on the use of Internet resources and social networks, digital-diplomacy, twitter-diplomacy.

Table

The leaders of national branding and environmental development 2018*

Brand Finance Nation Brands		Anholt-GfK National Brands Index		Environmental Performance Index		Global Ranking of Soft Power	
<i>Rank</i>	<i>Country</i>	<i>Rank</i>	<i>Country</i>	<i>Rank</i>	<i>Country</i>	<i>Rank</i>	<i>Country</i>
1	United States	1	Germany	1	Switzerland	1	United Kingdom
2	China	2	Japan	2	France	2	France
3	Germany	3	United Kingdom	3	Denmark	3	Germany
4	United Kingdom	4	France	4	Malta	4	United States
5	Japan	5	Canada	5	Sweden	5	Japan
6	France	6	Italy	6	United Kingdom	6	Canada
7	Canada	7	United States	7	Luxemburg	7	Switzerland
8	Italy	8	Switzerland	8	Austria	8	Sweden
9	India	9	Sweden	9	Ireland	9	Netherlands
10	South Korea	10	Australia	10	Finland	10	Australia

**Made by the author using [6, 9, 11, 12]*

Conclusion. Image-based environmental diplomacy is an urgency of international economic relations, which aims to unite the efforts of countries in their pursuit of progressive shifts. For Ukraine, it should be associated with new opportunities for its own presentation in the global economic space and improving the environmental level of competitiveness in the world. We are convinced that the unlocking of new levels of international business potential can also be realized through constructive decisions and practical actions by countries to show the world their own

heritage, achievements, successes and positive experiences in the field of protection of cultural and natural heritage, conservation of ecosystems and biodiversity, protection of ecological human rights and fulfillment of obligations to improve the level of ecological safety.

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CLASSIFICATION OF INTERMEDIARIES IN FOREIGN ECONOMIC ACTIVITIES

Based on a study of the theoretical aspects of the activities of intermediaries in the domestic and foreign markets, this article maximally covers and systematizes the criteria for their classification in the context of participation in foreign economic activity, including on the Internet. The proposed classification criteria are as follows: «by discrete types of core and auxiliary activities» of the enterprise in accordance with the value chain of M. Porter and «by foreign trade activity type».

Keywords: foreign trade, intermediaries, market agents, brokers, value chain.

Туніцька Юлія. Класифікація посередників у зовнішньоекономічній діяльності.

На основі дослідження теоретичних аспектів діяльності посередників на внутрішньому та зовнішніх ринках максимально охоплено та систематизовано критерії їх класифікації у контексті участі в зовнішньоекономічній діяльності, в тому числі в мережі Інтернет. Запропоновано критерії класифікації «за дискретними видами основної та допоміжної діяльності» підприємства відповідно до ланцюжка створення вартості М. Портера та «за видами зовнішньоекономічної діяльності».

Ключові слова: зовнішньоекономічна діяльність, посередники, агенти, брокери, ланцюжок створення цінності.

Relevance of research topic. In the context of globalization and internationalization of the world economy, foreign economic mediation is of particular interest, playing an extremely important role in ensuring the effective foreign economic activity of domestic enterprises, faced with problems of selling goods and services in foreign markets and the necessity to reduce costs. Using intermediaries saves resources, accelerate business transactions, including export and import, and facilitates product quality.

Formulation of the problem. Nowadays, mediation concerns all aspects of foreign economic activity. Moreover, under conditions of development of e-commerce

occurs a rapid internetization of this economic institute, which is a fact, requiring extensive research in this area. Therefore, a comprehensive approach to defining the criteria for the classification of intermediaries operating in the external economic field, understanding their functions and taking into account the current world development trends will increase the competitiveness of domestic enterprises in international markets.

Analysis of recent researches and publications. Studies of such domestic and foreign scientists are devoted to the study of problems of mediation in foreign economic activity: N.I. Duchynska [3], A.R. Dunska [4], O.O. Dyma [5–6], O.V. Dzyad [7], O.M. Kibik [13], T.S. Ruban [18–20], V.P. Samoylovska [21], V.A. Svichkar [24], K.Yu. Velychko [26] as well as works of the other scholars who analyzed the nature and types of mediation, economic consequences and conditions of their operation, as well as various aspects of such a complex market phenomena as intermediary in the field of foreign trade.

The article aims to develop an integrated system of classification criteria for intermediaries in foreign trade, which embraces existing approaches to the greatest extent possible and takes into account current trends of mediation internetization and its improvement by justifying new criteria.

Presenting main material. The International Chamber of Commerce (ICC) states in its Guidelines on the handling of agents, intermediaries and other third parties, that intermediaries are an effective tool for building, expanding and conducting international business. Even large companies in today's global world turn to third parties to cover all desired areas and market niches [9].

The analysis of scientific papers devoted to the study of mediators found out lots of approaches to their classification. In particular, the main classification features are the type of intermediary service, the sphere of activity [16, 20], type of indirect resources, [5], the nature of interaction with the principal [15], etc.

According to the Guidelines of the International Chamber of Commerce (ICC) on Agents, Intermediaries and Other Third Parties are allocated: legal and natural persons acting on behalf of the parent enterprise, (including agents, consultants, sales representatives, customs agents, subcontractors, franchisees, lawyers, accountants, other intermediaries); wholesale and retail merchants, carriers, internet service providers.

In accordance with the rules of the ICC intellectual property are allocated supply chain intermediaries, carriers, and online platforms [11].

According to the ICC Action Program for 2017–2018 are allocated: physical (suppliers of raw materials and accessories, carriers, proprietors who own premises, production facilities, and other fixed assets), online resellers (sites, platforms and portals) [12].

To combat counterfeiting ICC distinguishes companies that provide online infrastructure, search and payment services, ISPs, and online advertising agencies [10].

However, in the context of foreign economic activity in most of the works of domestic and foreign scientists limit the classification of intermediaries only by their

role in foreign trade operations, divided by place in the market, depending on the scope of authority, etc.

When substantiating the classification of intermediaries in foreign economic activity, in our opinion, it is necessary to take into account the principles of systematicity and complexity, as well as the current trend of Internet mediation. The main thesis is that all types of foreign economic activity of an enterprise may require the involvement of an intermediary; intermediaries serve the FEA (foreign economic activity) entity at all stages of the value chain, for the most part, being themselves the subjects of FEA.

Analysis of theoretical achievements in this area allows covering the classification criteria of intermediaries in foreign trade to the most extent. Based on a presence on the Internet it is suggested to allocate online intermediaries (operating only on the web – sites, platforms, and portals), mixed (usually have their pages on the network and implement some features), and physical intermediaries (operating offline). Online intermediaries are divided by size, level of government regulation, level of commercialization, degree of obligation, level of independence, industry affiliation, visibility of the result, by type and scope of services provided. Mixed and physical intermediaries are classified by the systematic character of collaboration, customer specificity, territoriality, type of impact on the goods, display of work, degree of influence on the product, exclusivity.

We offer the criterion of classification of intermediaries in foreign economic activity «by discrete types of the main and auxiliary activity of the enterprise» based on the theory of the value-chain formation of M. Porter (Figure 1).

The intermediaries by the main activities include the following:

- Intra-logistic intermediaries (purchase and storage of materials and resources required for the production of goods),
- Production intermediaries (warehousing, transportation, pre-packing, packaging),
- External logistic intermediaries (storage and promotion of finished products on the market by certain types of transport in certain regions),
- Intermediaries in marketing (marketing) and sales (foreign trade). Marketing intermediaries help to properly assess the needs of the market and properly allocate resources, focus them toward the most popular products, increase the intangible component of goods utility (research companies), consulting and creative agencies, design bureaus, branding agencies, media agencies, sales houses, content production studios (Universal, Disney, etc.), License branding agencies, BTL-agencies, digital agencies, merchandising agencies, etc.).

Foreign trade intermediaries: intermediary organizations and specialized intermediaries. Intermediary organizations include:

- *international general purpose type companies* that accumulate products of a large number of manufacturers in different industries and supply them to wholesale or retail businesses or end consumers;

– *specialized companies* are engaged in international trade and sell one certain type of products (eg food products) organizing its highly profitable sales and have a high level of competence and professionalism in the field of export-import of goods of the respective industries;

– *international trading companies – affiliates of manufacturers* are engaged in the sale of highly competitive high-tech goods (electrical engineering, communications, cars, etc.) and require direct contact with the consumer to organize after-sales service, create a prestigious brand image.

It is customary to classify specialized wholesale foreign trade intermediaries according to their place in the market, depending on the scope of authority.

– After-sales intermediaries (after-sales service). Intermediaries in the ancillary activities of the enterprise include:

– Intermediaries related to the creation and maintenance of the enterprise infrastructure (financial, information and legal). Financial intermediaries (banks, insurance companies, investment funds) provide financing for the enterprise (provide loans, leasing, etc.), insure risks, reduce accounts receivables (factoring, forfeiting), serve payments including international payments (collection, bills, etc.). Legal settlement mediators ensure consistency between business entities and the law of a certain country and assist in resolving disputes between business process participants (law firms and consultants, etc.). Information brokers include research companies and consultants, information offices, databases. At the same time, they may apply to other types of intermediaries, such as marketing, etc. Human resources management intermediaries (state and non-state employment agencies). An entity that provides employment mediation services is a registered as prescribed by law legal entity, conducting business activities, regardless type of ownership, activity or management, as well as an individual entrepreneur providing employment placement services in Ukraine and/or abroad [27]. Employment intermediaries perform the following functions: job search and employment assistance; selection of employees in accordance with the orders of employers (particularly, foreign) within the framework of contracts concluded with employers. Private employment agencies in Ukraine can cooperate with territorial executive bodies implementing state policies in the field of employment and labor migration. Employment services for migrant workers are mainly provided by private employment agencies, and, in the domestic market, the intermediary functions are performed by the State Employment Services of Ukraine [7].

– Logistics intermediaries (necessary materials, raw materials, and resources) are various business entities, depending on the specialization of the company using such services (e.g. engineering companies, IT companies, etc.).

– R&D, technology and engineering intermediaries are innovative intermediaries (they do not directly participate in the creation of innovations, but optimize the directions and volumes of financial, information, logistical and human resources to commercialize scientific and technological development and technology transfer). They serve as a liaison between all market participants, both from the

demand and supply side of innovative products market and facilitate their progress at all stages of the innovation lifecycle, contribute to reducing the risk of venture investments by targeting consumers and establishing information, financial, staffing and logistical flows. Innovative intermediaries perform all the functions of innovative management, which allows inventors to concentrate their efforts on scientific activities, delegating specialists the work on promoting their developments [1].

In the EU, the activities of higher education institutions (universities) and research institutes use the most effective forms of organizing innovative companies, such as spinout and spin-off companies [2].

The list of principal and related ancillary activities may be adjusted (reduced) according to the industry specificity of the entity. Besides, in our opinion, it is quite possible to fully transfer the functions concerning ancillary activities to intermediaries.

Intermediaries are not only able to complement the value creation process, but also to integrate the resources of network members, coordinate their efforts, resulting in additional value for products. In our opinion, intermediaries should also be classified according to the types of FEA specified in the Law of Ukraine «On Foreign Economic Activity» (See Table 1).

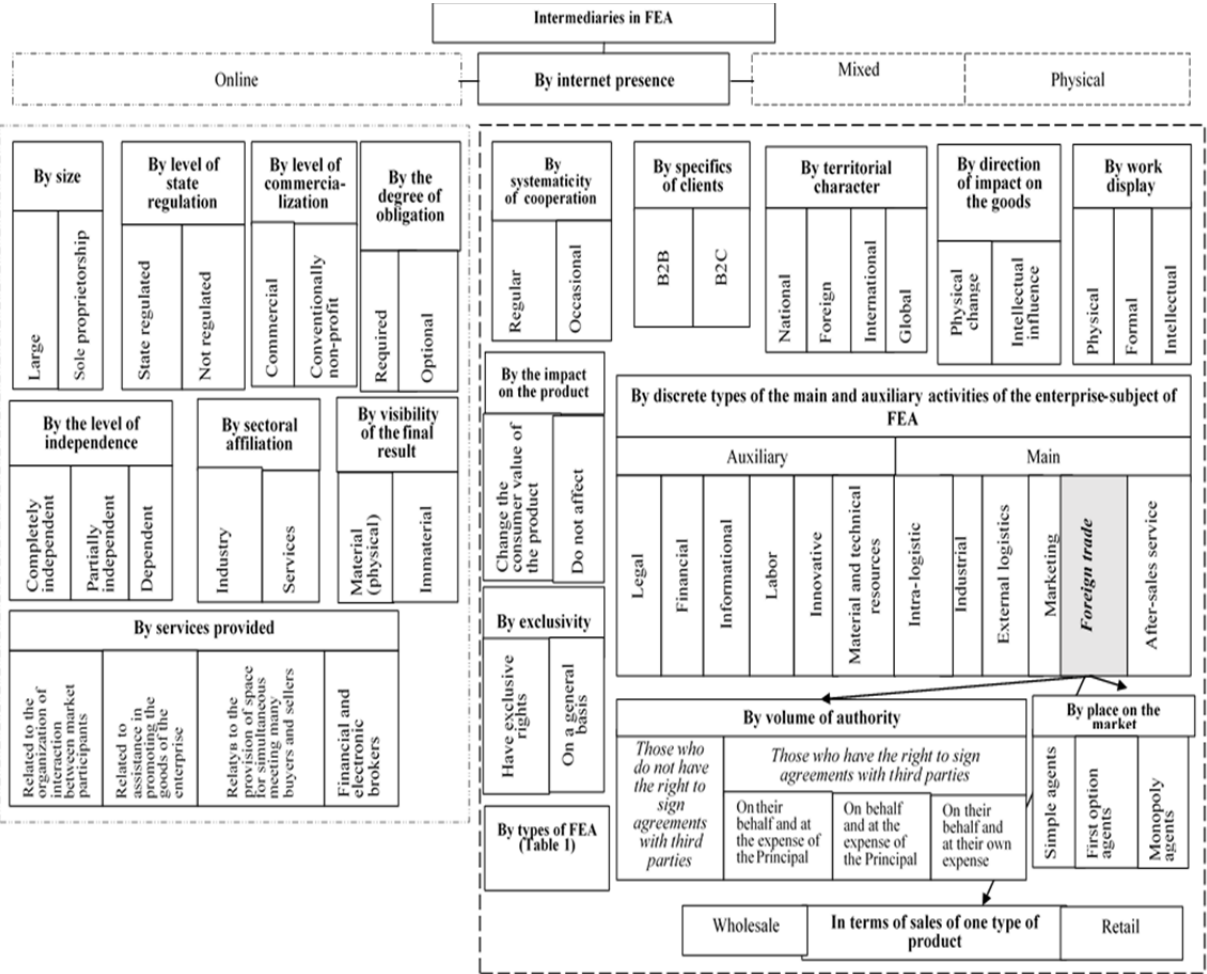


Figure 1. Classification of intermediaries in the field of foreign economic activity (FEA) of the enterprise

Source: [3–26].

Table 1

Intermediaries according to the types of FEA, conducted by an Enterprise

Types of FEA	Intermediaries
– Provision of services to foreign economic entities by importers/exporters of Ukraine, and provision of the above-mentioned services by foreign economic entities to importers/exporters (subjects of FEA) of Ukraine;	Production, freight forwarding, insurance, consulting, marketing, export, brokerage, agency, consignment, management, accounting, audit, legal, tourist and etc.
– Scientific, scientific-technical, scientific-production, industrial, educational and other cooperation with foreign subjects of economic activity; educational services and training of specialists on a commercial basis;	Domestic and foreign higher education institutions
– International financial transactions and securities transactions in cases stipulated by the laws of Ukraine;	Brokers, dealers, traders, clearing companies, banks, stock exchanges
– Credit and settlement transactions between domestic importers/exporters and foreign business entities; – Establishment of banking, credit and insurance institutions outside Ukraine by FEA entities (importers/exporters) / foundation by foreign entities of the abovementioned institutions in the territory of Ukraine in cases stipulated by the laws of Ukraine;	International commercial (universal and specialized) banks, interstate financial institutions. Public authorities
Joint business activities between the subjects of foreign economic activity in Ukraine (importers/exporters) and foreign business entities, including: - creation of joint ventures of different types and forms, - conducting joint business operations and - joint ownership of property both on the territory of Ukraine and abroad;	International tenders (open, closed), public authorities; intermediaries depending on the type of activity
– Entrepreneurial activity in the territory of Ukraine related to the granting of licenses, patents, know-how, trademarks and other intangible property by foreign business entities; the similar activity of the subjects of foreign economic activity outside Ukraine	In the field of technology transfer: specialized companies (innovative providers), spin-out and spin-off companies
– Organization and implementation of activities in the field of exhibitions, auctions, auctions, conferences, symposia, seminars, and other similar events carried out on a commercial basis, with the participation of subjects of Foreign Economic Activity;	Agents attracting participants to exhibitions and fairs

Types of FEA	Intermediaries
– Organization and implementation of wholesale, consignment and retail trade in the territory of Ukraine in foreign currency in cases stipulated by the laws of Ukraine;	
– Commodity exchange (barter) operations and other activity based on forms of counter-trade between the subjects of Foreign Economic Activity (domestic) and foreign business entities in foreign currency in cases stipulated by the laws of Ukraine;	Barter Exchanges (areas for an organized search for goods or services, for barter transactions)
– Rental transactions, including leasing between the subjects of Foreign Economic Activity (domestic) and foreign business entities;	<p>- <i>When leasing involving three parties:</i></p> <ul style="list-style-type: none"> ● Universal and specialized leasing companies; <p>- <i>When financial leasing:</i></p> <ul style="list-style-type: none"> ● investors (shareholders, shareholders); ● warehouse of a leasing company ● tenants looking for tenants; ● Insurance Company; ● bank; ● a firm that repairs and renovates the leased and returned facilities; ● Sale agent.
15. Operations on the purchase, sale, and exchange of currency on foreign exchange auctions, currency exchanges, and the interbank foreign exchange market;	Foreign exchange auctions, currency exchanges, banks
Works on the contractual basis of natural persons of Ukraine with foreign economic entities both within the territory of Ukraine and abroad; work of foreign individuals on a contractually paid basis with domestic FEA subjects both within the territory of Ukraine and abroad.	Government agencies and private employment

Source: [4–8, 13–15, 20–25, 28].

We agree with the point of view of T.S. Ruban, who divides resellers by volume of sales of one type of goods into wholesalers and retailers. Wholesale resellers are divided into: *organized market institutes* (exchanges, fairs, auctions, exhibitions, online platforms (e.g. alibaba.com), *tender platforms* (for example, prozorro.gov.ua); *intermediaries to conduct trading operations* (stock and commodity brokers; commercial consultants, experts, and analysts; agents; accidental intermediaries according to one of the typical ICC contracts)); and directly – *companies involved in commercial transactions* (can be of different types, corresponding to certain activity models) [20].

Conclusion. Analysis of theoretical achievements in the field of study allowed covering to the maximum possible extent the classification criteria of intermediaries participating in International Business (FEA). By the criteria of online presence, it is proposed to allocate online, mixed and private intermediaries.

Online intermediaries are divided by size, level of state regulation, level of commercialization, degree of obligation, level of independence, branch affiliation, result visibility, services provided.

Mixed and physical intermediaries are classified according to systematic cooperation, customer specificity, territoriality, the direction of impact on the product, display of work, impact on the product, exclusivity. At the same time, the study of existing approaches allowed us to distinguish the classification criterion «by discrete types of principal and auxiliary activities» according to the theory of value chain of M. Porter, according to which it is expedient to allocate intermediaries on the main (intra-logistical, industrial, external logistic, marketing, trade, after-sales service) and ancillary activities (financial, information, legal, innovation, labor management, material, and technical supply).

The use of advanced classification will allow a more grounded and comprehensive approach to assess the impact of the use of intermediary structures on the efficiency of foreign economic activity of an enterprise and determine its level of competitiveness in the international market.

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INTERNATIONAL TRADE DEVELOPMENT TRENDS

The main trends of development of international trade in services are considered in the article. It is determined that the development of international trade in services is a prerequisite for the development of the entire economy of any country in the world. A number of factors that have a decisive influence on the development of the international service sector are analyzed. Exports-imports of services in the world and Ukraine are projected.

Keywords: *international trade, world market, service market, export, import.*

Павлюк Тетяна. Міжнародні тенденції розвитку торгівлі.

У статті розглянуто основні тенденції розвитку міжнародної торгівлі послугами. Визначено, що розвиток міжнародної торгівлі послугами є необхідною умовою розвитку всієї економіки будь-якої країни світу. Проаналізовано низку факторів, що мають вирішальний вплив на розвиток сектора міжнародних послуг. Прогнозується експорт-імпорт послуг у світі та Україні.

Ключові слова: *міжнародна торгівля, світовий ринок, ринок послуг, експорт, імпорт.*

Relevance of the research topic. In the context of the globalization of the world economy, the level of socio-economic development of individual countries depends to a large extent on the foreign economic sector. International turnover of goods and services is increasing, the movement of capital and financial resources is accelerating. A characteristic feature of the current stage of development of the world market is the rapid growth of services trade, which is caused by rapid technological changes, intellectualization of labor, informatization of social and industrial relations. The directions of foreign trade flows and the type of structure of the services market are constantly changing. The volume of related services in the production and export

of many capital and high-tech goods (software, design, engineering, logistics, marketing services) is increasing; services, hotel, advertising, consulting, insurance, financial, agency, brokerage, law and leasing services, franchising, licenses and patents, know-how, and more are gaining in importance.

Formulation of the problem. The services market is becoming one of the most promising sectors of the world market. In the structure of the balance of payments of individual countries, the share of the services sector is about 20%, and it itself becomes the largest recipient of international investment. The functioning of the services market in each country has its own peculiarities, since its specialization in certain types of services depends on the level of economic development and the available competitive advantages. Exploring these features is important for developing strategies and programs for specific markets.

Analysis of recent research and publications. Problems of functioning of the Ukrainian market of services and evaluation of its effectiveness are devoted to the scientific works of I. Burakovsky, V. Zaitsev, I. Kalachova, M. Lesnikov, A. Mazaraki, Y. Melnyk, N. Meshko, V. Mikhailova, A. Olefir, V. Tipanova, T. Tsygankova, T. Sheremet and others. However, in their work, insufficient attention has been paid to the study of structural changes, general trends in the development of international trade in services, and Ukraine's participation in this process.

Presenting main material. The development of international trade in services is a prerequisite for the development of the entire economy of any country in the world. Under the influence of the processes of liberalization, integration and globalization in the modern world economy, there is an active development of the sphere of services in most countries of the world. Practice shows that it is one of the most important and growing components of the world economy. It can even be stated that the services market is to a large extent a dynamizer of world production, scientific and technological progress and the whole system of international economic relations. And the model of the world economy, which is formed under the influence of modern information-technological and globalization tendencies, is often called «service economy». Thus, in developed countries, the share of services in GDP exceeds 70%, accounting for about 65% of the working population of the planet (in the USA – up to 75%).

In today's market conditions, both for any country and for Ukraine, international economic activity, in particular trade in services, is of great importance. In the Ukrainian economy, as in the whole world, the role of the service sector is growing. The number of services, their variety and quality, the impact on people's lives is increasing, the number of commercial-intermediary structures is increasing, which provide multifaceted needs for production and non-production services.

Today, the international market for services, as a sectoral commodity market, is not yet an organic system; This is evidenced by processes and phenomena such as imbalances in long-term supply and demand in many industries, significant differences in

tariffs for the same types of services, the absence of a global system for regulating trade in services, and a unified classification of services as it exists in commodity trade.

By looking at the annual trade reports of the World Trade Organization, we can see a trend of steady increase in international trade flows over the last three decades. For example, according to WTO trade statistics from the most recent reports, the value of world exports of services has increased from \$ 367 billion in 2012 to 4.17 trillion dollars in 2017, or 8.2 percent a year. In physical terms, international trade has shown a more than fourfold increase from 2012 to the present. Services have become a major sector of economic activity and a source of employment in the global economy. Based on the research, prerequisites and patterns of development of the global services market, it is possible to identify a number of factors that have a decisive impact on the development of the international service sector (Table 1).

Table 1

Main factors for the development of the international services market [8]

The driving force behind international trade in services	The main factors driving the growth of the international services market	The service sector, whose development is facilitated by a factor
Availability of quality human capital	Increasing the role of knowledge and business skills as a source of profit	Business, management, professional and educational services
Investments in intangible assets	Privatization / deregulation / outsourcing	Financial, business services
Efficiency of internal regulation	Urban growth and urbanization	All types of services
The quality of the institutional environment	Application of innovations in the services sector, which has led to cheaper services due to economies of scale, better understanding of customer needs, application of research results, international service creation	Transport, business, telecommunication, tourist services
National policy on international trade in services	The share of multinational services is increasing	All types of services

Characteristic features of the current stage of development of the world economy are the tendencies of internationalization, transnationalization and globalization, which certainly influenced the development of international trade in services. For the sake of generating additional profits, gaining positive economies of scale, national companies in the developed and individual new industrial countries are expanding their operations, gradually moving beyond their national economies.

Thus, transnational corporations specializing in the production and sale of services, which either accompany commodity trade (tuning, maintenance of equipment, transportation, etc.) are formed, or exist separately, meeting the needs of both production and non-production. sectors (computer services, tourism, insurance, etc.). In addition, globalization, reflected primarily in the intensification of scientific and technological progress, is accelerating the international exchange of certain types of services, including financial services. All this directly affects the dynamics of the world economy.

Modern international trade in services is characterized by the following development trends:

- stable rates of economic development and growth;
- enhancing the role of international trade in services in the basis of development and formation of the world economy;
- the growing importance of the service sector for the world economy (the share of foreign trade in services is the most dynamic, since a significant number of services are market goods and are in high demand and are also recorded in the balance of payments operations of the country as a whole);
- development of integration processes at the regional level.

Current trends in international trade in services are driven by the dynamics of social division of labor and the increasing number of people employed in this field. At the present stage of international trade the following features of development are inherent:

- a significant expansion of the global exchange of services;
- there is a tendency of rising prices in the world market;
- increasing role of developed countries in international trade;
- deepening of non-equivalent exchange;
- increasing the share of services in world trade. The main trend in the development of the global services market in recent years has been the growing importance of developing countries in the production, export and import of services. In the last two decades, in some developing countries, the revenues generated by exports of services, the number of employees in the sector, and the foreign exchange earnings from services exports have increased significantly. Increasing the volume of trade in services allows to increase production capacity and develop trade and transport infrastructure. Low-cost and high-quality services have a positive effect on the economy as a whole.

In the context of the dynamic global competitive environment, the services sector becomes dynamic and becomes one of the influential factors on which the economic growth, increasing the country's competitiveness in world markets, and improving the well-being of the population depend.

According to the forecast, the volume of exports and imports of services in the world by 2025 will have a negative trend.

One can trace the overall downward trend in exports and imports of services in the global market due to certain sectors being hit by the global crisis. Therefore, the international market for services is now a complex multilevel system that continues to evolve in the face of economic globalization. A further perspective on the development of this market lies in the development of a system of foreign economic relations between large international associations and organizations. Integration processes in the world contribute to the creation of common mechanisms for regulating the market of services in the world, which leads to the intensification of foreign trade relations between countries, and further elimination of barriers to international trade.

The Ukrainian market for services is still underdeveloped, with a rather narrow range of sectors in which activity and development are observed. In the telecommunications and financial services sectors, capital availability is of great importance. In the financial services industry, a considerable number of relatively small banks operate. The weakness of financial intermediation institutions and infrastructure in the telecommunications sector creates impediments to economic growth and does not facilitate the rapid introduction of new technologies. Foreign investment in these sectors can bring more promising, cost-effective technologies. Due to technological capabilities and potential in aircraft and shipbuilding, Ukraine has good prospects for development.

Since Ukraine's membership in the World Trade Organization, many changes have occurred, namely in the development of its international trade in services. There has been an increase in labor productivity through trade liberalization, that is, an increase in the competitiveness of the national economy. These changes are long-lasting and have a major impact on the country's economy. We can also see improvements in Ukraine's performance in international trade in services (according to the index of countries' participation in international trade). If you look at the ranking of The Global Enabling Trade Index 2016, Ukraine ranks 95th out of 183. According to the experts of the World Economic Forum, Ukraine has improved the level of administrative management at the borders (was 116th place and 100th) and the level of development of transport and communication infrastructure. (from 64 to 61 places).

Priority directions of development of the international market of services of Ukraine are:

- attraction of foreign investments on the basis of creation of joint ventures, free economic zones, other forms of joint venture with foreign capital;
- formation of an extensive system of foreign economic management (banks, stock exchanges, consulting companies, audit, leasing);

- creation of flexible tax, price, deposit, credit, financial and monetary policies that stimulate diversification of export-import operations;
- creation of a strong export sector;
- gradual integration of the economy into European and world organizations;
- support of close cooperation with industrially developed ones states. [3]

In order to develop the service sector in Ukraine, it is necessary to involve as much foreign investment in this sphere as possible, which in turn will contribute not only to capital inflows, but also to new, technically efficient methods of service delivery, which will help to improve the quality of services and their accessibility. It is also important to increase the competitiveness of domestic services and strengthen Ukraine's position in the international market for services, which is possible, in particular, in the context of an improved service culture. Ukraine has great prospects in international trade in services, the priority of which should be the active development of exports and the improvement of international trade relations between countries. The fulfillment of the above tasks will give Ukraine a worthy place in the world market and ensure the implementation of the set integration intentions for the international economy.

A forecast was made for a drop in exports and imports of services to Ukraine by 2025. This forecast is caused by the difficult economic situation, political instability, inflationary processes and war in the East of the country.

The main obstacles to the expansion and diversification of Ukrainian export of services are the problems of internal nature: lack of adequate regulatory framework, effective taxation systems, favorable investment and innovation climate, insufficient development of small and medium-sized enterprises, etc.

In general, the Ukrainian service industry is characterized as being in the process of development. This state of affairs requires a balanced approach to the strategy of development, regulation and especially liberalization of the service sector, the proper consistency of this process. The stage, directly related to liberalization, should provide for the preliminary creation of a unified system of state regulation and the development of competition in the markets. The main objective of these measures should be to provide potential market participants with free access to the service markets and to exclude discrimination against foreign market participants in comparison with residents. At the same time, it is necessary to strengthen the domestic potential of the offer and increase its competitiveness.

The effective functioning of the Ukrainian service sector should also be directly linked to the development of a long-term public program for its continued sustainable development, identifying key and promising sectors that need immediate support. This is especially true of the technology sector. At present, the structure of Ukrainian exports is dominated by t services, which are relatively low-dynamic and are characterized by a decline in their own share in global sales (first of all, transport

services). At the same time, the increase in the export structure of the share of «other commercial services», which includes services that, by definition of the Organization for Economic Cooperation and Development, are considered high-tech, should become a priority task in forming a promising model of Ukraine's international specialization.

Dynamic development of the services market in Ukraine is possible only if an effective state policy is implemented and a carefully grounded export-import strategy is formed, which will help to increase the competitiveness of the industry in the global services market.

Conclusion. Thus, Ukraine needs to use the accumulated experience of leading market economies. It is this experience that can be used, adapted, adapted to the specific conditions and realities of Ukraine. After all, establishing economic cooperation with leading countries of the world brings domestic services to powerful, demanding and rigid modern markets, competition in which will force our entrepreneurs to seek a new level with cost, quality and marketing. Expanding and deepening contacts with industrialized nations, their entrepreneurs and businessmen will facilitate the development of international trade in services in Ukraine. International trade in services is currently an important area of the global economy, as its impact on global economic development is increasing. Due to global trade in services, the pace of economic development in general is increasing. Ukraine has great prospects in international trade in services, the priority of which should be the active development of exports and the improvement of international trade relations between countries. The state has the potential to develop many service sectors, including tourism, engineering and construction services, transport services (river, sea, aviation, road, space, rail) and more. Today, Ukraine has chosen the European vector for foreign trade in services and its perspective and main partners in this field are EU countries.

Having analyzed the multifaceted nature of international trade in services, global trade in services is at the forefront of the development of each country. Through international trade, countries can develop several areas of activity in which they specialize well or import those services that they do not have or do not produce, or which are of comparable quality to other countries. Priority areas for the development of global trade in services include the following: development of intellectual services, scientific and technological progress; information boom; growth and increase in the number of service providers; accelerated development of modes of transport; an increase in the share of new types of services, including insurance services, banking, intermediation, etc.; know-how, or new scientific discoveries.

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FORMING A FAVORABLE BUSINESS ENVIRONMENT IN THE GLOBALIZATION CONDITIONS

Investigated the basic tendencies and problems of forming of business environment in Ukraine. Substantiated the impact of globalization on the activities of domestic entities. Analyzed the indicators of favorable business conditions in the World Bank's Doing Business rating. Determined priority vectors and features of formation of favorable business environment in economy.

Keywords: *business environment, competition, competitiveness, globalization.*

Ясько Юлія. *Формування сприятливого бізнес-середовища в умовах глобалізації.*

Досліджено основні тенденції та проблеми формування бізнес-середовища в Україні. Обґрунтовано вплив глобалізації на діяльність вітчизняних суб'єктів господарювання. Проаналізовано показники сприятливості умов ведення бізнесу в рейтингу Світового банку Doing Business. Визначено пріоритетні вектори та особливості формування сприятливого середовища для ведення бізнесу в економіці.

Ключові слова: *бізнес-середовище, конкуренція, конкурентоспроможність, глобалізація.*

Relevance of research topic. The current stage of development of the world economic system is characterized by the increasing interdependence of the economies of different countries, the intensification of integration processes and the rapid transition of developed countries to an innovative type of economy, which requires timely adaptation to the influence of external factors in the formation of a competitive national economy.

Creating a favorable business environment is a source of sustainable socio-economic development that directly influences the improvement of the standard and quality of populations life. Sustainable economic growth in the country is impossible without successful business development, which requires the development and

implementation of an effective mechanism to stimulate it. It requires constant adaptation of the conditions of functioning of national economic entities to the tendencies of the global business environment and the corresponding reaction from the state.

Formulation of the problem. The problem of forming a favorable business environment as an important component of market systems cannot be diminished, given its potential impact on the economic development of society.

The state of development of the business environment forms a significant factor influencing the processes that occur in the national economy as a whole. This determines the relevance of research into problematic issues related to the creation of a favorable environment for the activities of economic entities, ensuring a level playing field, as well as the formation of effective market structures and institutions that will enhance the competitiveness of both individual and national entities. economy as a whole.

Analysis of recent research and publications. Researches of certain aspects of the formation of the business environment can be found in the works of domestic and foreign scientists: R. Coase [2], A. Galchinsky [4], V. Heits [5], S. Khalatur [6], V. Lipov [7], A. Mazaraki [8], M. Porter [10], J. Schumpeter [12], Y. Zhalilo [13] and others. However, despite the existence of some scientific achievements, the important scientific and practical problem of creating a favorable business environment in Ukraine remains unresolved.

Presenting main material. In the economic literature, the business environment is seen as a complex and multidimensional system. The business environment is understood to mean the totality of all external and internal factors of the enterprise, which greatly affect its functioning [1, p. 26].

According to the definition of the World Bank, the business environment consists of a set of institutional, legislative and regulatory conditions under which the business operates [3].

We think that the business environment is the set of individual economic entities and their interconnections, and also the factors of internal and external environment that create the conditions for their functioning. Such major factors include consumers of products, suppliers, competitors, government regulation, as well as economic, social, political, technological, legal and environmental conditions.

At different stages of historical development, different forms of relations of state power with economic entities prevailed, which led to the formation of quite different types of relations between them, and therefore - different economic and political models of state policy, centered around two classical models - the conductor and liberal.

In the context of intense globalization transformations, the orientation towards liberalization of the economy becomes especially relevant through the creation of a favorable institutional environment in order to stimulate entrepreneurial activity and

stimulate economic growth in the country. In a liberal business environment model, private business itself looks for growth points, financial and investment support for innovative projects.

However, as noted by Y. Zhalilo, «one of the main paradoxes of globalization is the combination of the trends of economic integration on a global scale with the trends of economic disintegration at the levels of national economies. By separating one of the leading «contours» of the economic system - capital flow and income on them - economic globalization directly interferes with the key regulator of competition in the national market - intra-industry and inter-industry flow of capital, modifying the content of competition. Therefore, globalization requires a parallel strengthening of the internal integration of the national economy through a powerful national market. Preserving national economic integrity is only possible through the participation of national governments in a kind of «competition» for the better business environment» [13].

Scientific discussions of representatives of different economic policy areas did not lead to one of the approaches. Today, the economic policies of most developed countries combine several approaches. Therefore, a mixed model of business environment is a symbiosis of market and state influence on the formation of favorable business conditions, the availability of equal organizational capabilities of all subjects of economic relations. An example of the successful implementation of such a model is the Japanese economy, which has developed a strategy based on taking into account the economic interests of all actors, thus expanding the economy as a whole. The state and business entities pursued a common policy of foreign economic expansion in the international market in the direction of improving the functional and territorial organization of the economy, improving the standard and quality of life of the population of the country.

The involvement of our country in the integration processes requires a search for effective and dynamic models of macroeconomic equilibrium, application of effective methods of regulating the economy, the rationale for the extent of intervention in economic processes and state policies on the principles of preservation and protection of the economic interests of the country and its economic actors. The priority directions of the state economic policy should be the creation of balanced proportions and development of reproduction processes in the economy. It is important that government economic policies were developed not from a position of restriction of competition, but from the standpoint of saving in the domestic market of Ukraine, its integrity, on the basis of realization of competitive advantages of Ukraine.

The key to Ukraine's high competitiveness at the international level is to increase the efficiency and productivity of a diversified national economy, which should be based on a powerful technological, scientific and investment base [6, p. 22].

The intensification of competition in the domestic and foreign markets, the emergence of new forms and methods, significant differentiation of consumer demand require the search for priority areas for obtaining competitive advantages by domestic

enterprises in the context of intensification of globalization-integration processes and modern crisis transformations in the national crisis [9, p. 110].

In today's world, competition from microeconomic entities is turning into an instrument of global competition from states in the form of economic models, modes of support for national producers in foreign markets, which can ultimately ensure the quality of citizens life. The result is fixed by the country's place in the global economy. Its entry into the core, proto-periphery or periphery of the world-system is confirmation of the level of development, criterion of success of international integration, indicator of interest of partners in interaction with it, rating in the global system of redistribution of value [7, p. 22].

In order to identify problems and identify priority vectors for the development of a favorable business environment in Ukraine, an analysis of the ease of doing business in Ukraine was conducted based on Doing Business World Bank ranking data. This research will help to determine the prospects of Ukraine's participation in the global innovation process.

So, let's look at the main indicators of business environment development in Ukraine. In 2019, Ukraine ranked 71st among 190 countries in the Doing Business World Bank's annual ranking, which is 5 positions higher than in the previous year (Table 1). Experts of the World Bank note that advancement in the rating allowed Ukraine to improve in terms of protection of minority shareholders (from 81 to 72 positions), simplification in terms of obtaining building permits (increase from 35 to 30 places). In addition, improvements in international trade were noted - trade across borders was simplified, eliminating the inspection of auto parts requirements by the State Export Control Service (promotion from 119 to 78 places) (Table 2).

Table 1

Rating of ease of doing business (individual countries) in 2018–2019*

Country	Rank 2019	Country	Rank 2018
New Zealand	1	New Zealand	1
Singapore	2	Singapore	2
Denmark	3	Denmark	3
Hong Kong	4	South Korea	4
South Korea	5	Hong Kong	5
Georgia	6	USA	6
Norway	7	United Kingdom	7
USA	8	Norway	8
United Kingdom	9	Georgia	9
Northern Macedonia	10	Sweden	10
Lithuania	14	Lithuania	16
Poland	33	Poland	27
Czech Republic	35	Czech Republic	30

Country	Rank 2019	Country	Rank 2018
Belarus	37	Belarus	38
Ukraine	71	Ukraine	76
Somalia	190	Somalia	190

* Prepared according to [11].

Table 2

Ukraine's overall ranking in the Doing Business Ranking and Top Ten Indicators in 2018–2019*

Key indicators	Doing Business 2018 Rank	Doing Business 2019 Rank	Changes
Rating of Doing business	76	71	+5
<i>by the indicators</i>			
business registration	52	56	-4
enforcement of contracts	82	57	+25
lending	29	32	-3
investor protection	81	72	+9
regulation of insolvency issues	149	145	+4
connection to the mains	128	135	-7
obtaining building permits	35	30	+5
property registration	64	63	+1
international trade	119	78	+41
taxation	43	54	-11

* Prepared according to [11].

According to the report, other criteria (business registration, tax payment system, access to credit, access to electricity, insolvency resolution) were the restraining factors in advancing Ukraine in the ranking - their performance deteriorated.

Thus, despite Ukraine's increasing place in Doing Business, the state of the national business environment still needs significant transformation. Today, there are a number of constraints that impede the development of an effective business environment, as well as reduce the introduction of innovation and investment in the economy, which leads to a decrease in the level of competitiveness of national producers. The main constraints include the imperfection of Ukrainian legislation, political instability, underdeveloped market infrastructure and considerable tax pressure.

Ukraine's strategic priorities for improving the business environment should be reflected in the systematic steps of adaptation of the national economy to changes in globalization processes. This will make it possible to realize the existing innovative and human potential and will become a prerequisite for the gradual enhancement of Ukraine's national competitiveness. The main mechanism for enhancing Ukraine's competitive advantage is the implementation of internal reforms and the transformation of foreign economic policy vectors.

Conclusion. In the context of rapid globalization changes, the realization of an effective economic policy of the state, by finding an effective and dynamic model of macroeconomic equilibrium, applying effective methods of regulating the economy, substantiating the necessary degree of intervention in economic processes and state policy on the basis of conservation economic interests of the country, should become a necessary condition for the development of a favorable business environment.

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CORPORATE INNOVATION: FROM AN IDEA TO COMMERCIALIZATION

Corporate innovation is an effective tool for meeting the challenge of organic economic growth for companies in a highly competitive environment. The article defines the basic prerequisites for innovation in enterprises and systematizes the risks associated with undertaking an innovation activity, as well as the implementation of innovation. The essence of the main programs of development of corporate innovations is considered: the program of internal entrepreneurship; corporate business incubator; partnership with technology centers (universities), taking into account the experience of leading foreign and domestic companies, identified the advantages and disadvantages of their application. The efficiency of using open innovation in various forms as the most adaptable to modern conditions of functioning of domestic enterprises and their business models is substantiated.

Keywords: *corporate investment, business model, internal entrepreneurship, business incubator, technology centers (universities).*

*Андрєєва Вікторія, Лаптева Вікторія, Афанасьєв Костянтин.
Корпоративні інновації: від ідеї до комерціалізації*

Корпоративні інновації – це ефективний інструмент для вирішення задач щодо органічного економічного зростання компаній у висококонкурентному середовищі. У статті визначено основні передумови інновацій на підприємствах та систематизовано ризики, пов'язані із здійсненням інноваційної діяльності, а також впровадженням інновацій. Розглянуто сутність основних програм розвитку корпоративних інновацій: програма внутрішнього підприємництва; корпоративний бізнес-інкубатор; партнерство з технологічними центрами (університетами) з урахуванням досвіду провідних зарубіжних та вітчизняних компаній, визначено переваги та недоліки їх застосування. Обґрунтовано ефективність використання відкритих інновацій у різних формах як найбільш адаптивних до сучасних умов функціонування вітчизняних підприємств та їх бізнес-моделей.

***Ключові слова:** корпоративні інвестиції, бізнес-модель, внутрішнє підприємництво, бізнес-інкубатор, технологічні центри (університети).*

Relevance of research topic. Ensuring the innovative development of corporations is the basis for their dynamic growth and entry into international markets in a globally competitive environment, as evidenced by global economic trends. Continuous competition, both through the emergence of new products and new businesses and industries, makes it impossible or extremely difficult to find, create and implement innovations within traditional existing business processes, so corporate innovation is no longer a trend, but a need that allows businesses to grow fast and overcome the crisis with confidence. Innovations allow you to upgrade your company values, optimize and properly utilize all types of resources, streamline business processes and effectively implement change, quickly create new products that will ensure long-term business success, and ultimately increase the company's profitability and market value.

Formulation of the problem. According to the Global Competitiveness Index, published by the World Economic Forum in 2017-2018, Ukraine ranked 81st out of 137 countries, improving its position compared to 2016-2017 by four points (for comparison, Georgia ranked 67th). Poland – 39, Russia – 38), with the innovative component of the Index reduced by as much as nine points (61st out of 137 countries) [7]. Accordingly, it is necessary to increase the competitiveness of domestic enterprises, that is, the search for such business models that will respond promptly to changes in the environment and offer high-tech innovative solutions to bridge the striking gap with leading competitive states.

Analysis of recent research and publications. The issue of improving the effectiveness of corporate innovation management has received considerable attention from researchers. It should be noted that J. Schumpeter, who in his book «The Theory

of Economic Development» [6] was the first to apply the concept of innovation and highlight their paradoxical nature. He stated that the innovation «would strike not only the profit and production activity of existing companies, but its very existence» and called the innovation «a creative disruption» [6]. Another foreign scientist who has researched innovative strategies of the innovator is I. Ansoff in the book «Strategic Management» [1]. A. Osterwalder, Y. Pigneur's book «Business Model Generation» is devoted to the question of necessity of change of traditional business models to modern innovative ones, their development and implementation [4]. In addition, important contributions to the development of the nature of innovation and features of management have made: S. Blank, B. Dorf, P. Drucker, E. Mansfield, K. Opplander, E. Ries, R. Waterman, G. Chesborough. Among the domestic researchers who have studied the issues of corporate investment should be noted: L.S. Blyakhman, V.P. Loginova, A.G. Kruglikova, V.M. Rudzitsky, R.A. Fathutdinova et al.

At the same time, the constant and rapid changes of highly competitive markets require constant research and modernization of the types, forms, methods and tools of corporate innovation implementation.

Presenting main material. Given the relevance of the research topic, the main prerequisites for innovation in enterprises are:

- the need to maintain and grow market positions in the conditions of fierce competition and technological breakthrough, which cannot be ensured in the framework of existing business models that do not involve innovative solutions and will in the future lead to a decrease in operational efficiency;

- the need to meet the real and hidden needs of consumers, manage changes to these needs and its programming. That is, an enterprise needs to give up the production of an old product in time and quickly bring to market a new successful product or solution;

- understanding the need to innovate and the availability of opportunities, appropriate mechanisms and tools for implementation;

- the need to reduce the cost of products and accelerate business processes through the rapid introduction of new technologies;

- availability of creative potential of employees of the enterprise, their desire to be involved in the process of solving problems of the enterprise;

- shortening the life cycle of an enterprise: so if in 1965 the average length of life cycle of enterprises on the S&P list was 33 years, in 1990 – 20 years, by 2026 it is projected to decrease to 14 years [5].

The path to effective innovation should take into account the risks that can be divided into two groups: related to the enterprise's need for innovation and implementation of innovation.

The main risks of the enterprise in terms of the need to carry out innovative activities should include:

- underestimation of the role of innovation in the development of the enterprise and strengthening of its competitive advantages;
- fear of the need to innovate and change the existing traditional model;
- low culture of entrepreneurship (lack of desire and knowledge for promotion of new ideas by employees; lack of interest and lack of support for innovations by the management of the enterprise; ineffective communication between different levels of management and departments;
- lack of knowledge transfer; inefficient system of motivation;
- lack of material, intellectual, human and financial resources to innovate.

The main risks associated with the implementation of enterprise innovation are:

- the destruction of the old, inefficient existing business model in the absence or insufficient development of a new one, which can lead to a decrease in the volume of operating activities of the enterprise and loss of positions in the market;
- lack of instant result from innovation or the result may be different from what was planned;
- implementation of an innovative solution outside the enterprise, both by its employees (unless appropriate conditions for implementation were created) and by employees created by other enterprises;
- ineffective system of practical evaluation of innovation implementation results.

Among the large number of corporate innovation development programs, it is advisable to distinguish the following: internal entrepreneurship program; corporate business incubator; partnership with technology centers (universities).

1. An internal entrepreneurship program is the concept of motivating creative ideas and skills within an existing organization and investing in their implementation.

For instance, Adobe developed Kickbox for its own internal use and created both a process for individuals and a system for deploying that process across an organization at scale. It's designed to increase innovator effectiveness, accelerate innovation velocity, and measurably improve innovation outcomes. It can also optimize innovation investments by reducing costs compared to traditional approaches. The top of the box features a clever fire alarm image with the words «Pull in Case of Idea» written on it. When you break open the seal, you will find instruction cards, a pen, two «postit» notepads, two notebooks, a Starbucks gift card, a bar of chocolate and (mostly importantly) a \$1,000 prepaid credit card. The card can be used on anything the employee would like or need without ever having to justify it or fill out an expense report [2]. The Adobe methodology enables employees to experiment, and managers understand in advance about the existence of a project that delivers results.

The main advantages of the internal entrepreneurship program are: involvement of employees of the enterprise, who are closest to the business and understand the processes that are going on, and their focus on the achievement of management goals; forming a sense of ownership; the effectiveness of identifying internal problems and

new creative ideas to solve them; joint development of innovations, absence of necessity of investment of big funds for realization of only one or several projects. Risks of the internal entrepreneurship program are: unwillingness of the enterprise to trust employees, lack of resources for realization, inefficient staffing of the team of innovators, fear of possible failure.

2. *Corporate business incubator* consists of small clusters and creative associations of employees, created at the enterprise for development and implementation of innovations. It is based on giving access to the resources of the corporation (premises, equipment, technologies, information, analytical, resources, financing, etc.), that is, things that most likely would not be available outside the corporation).

While in 2010 only 2% of the world's largest companies used corporate incubators and accelerators to develop young projects, in 2016, 44% did so [3].

For example, Allianz Digital Labs in Munich places startups in their offices; GE Garages gives you the opportunity to collaborate with startups in many ways; Microsoft Ukraine has set up an IoT lab where eight startups are currently incubating projects with Internet of Things projects.

Types of corporate business incubator are open innovation programs, the essence of which is to solve the problems of the company on the basis of gathering ideas on the network, most often, for reward and hackathons- forums of developers of different directions, which together solve the task and attract the necessary personnel. So, in 2010, one of the TechCrunch hackers sold Skype for \$85 million.

Accelerators are used by companies such as Citrix, Intel, MasterCard, Orange, etc.; Kyivstar uses Radar Tech telecom-accelerator: five startups are currently incubated; Mironovsky Bakery also launched a joint venture with Radar Tech, an innovative accelerator for agrarian startups. It selects twenty five applicants, of which the top ten will be accelerated and the winners will work with the company.

The main advantages of a corporate business incubator are: enterprises are changing in accordance with current world trends and future technologies, without distracting themselves from operating activities, which now make the major part of profits; reducing the time for finding and launching a new product; capitalization of innovation; identify and attract the most talented staff. The main risks are: research results are often seen in isolation from other innovative steps of the enterprise; most startups will not be implemented in the short-term or at all. For example, as part of IBM's 2003 Emerging Business Opportunities program, 25 startups were created over a five-year period, of which only three failed to make a profit. The other 22 in 2008 brought in \$ 15 billion in revenue [3].

3. *Partnerships with Technology Centers (Universities)* involve collaboration between corporations and academia, enabling companies to access new technologies and projects in the early stages of development, as well as connect with reputable educational institutions.

Among the companies that actively cooperate with higher educational establishments of Ukraine in the economic direction, the following should be mentioned: Watsons, Ernst&Young, Procter&Gamble, Philip Morris, L'Oreal, etc.; technical areas: Microsoft, IBM, Samsung Electronics, etc.

In addition to universities, new resources for the provision of technical education are being disseminated, such as General Assembly, an innovator in online education that provides a large number of advanced training in programming, marketing, design, business and career development; Galvanize is the learning community for technology. Their partners, who offer jobs for graduates of educational programs, are such well-known companies as Google, Microsoft, Visa, L'Oreal, Conde Nast and others.

The main benefits of partnering with technology centers (universities) are: increasing the innovations in the companies' activities and transforming their operating activities into high-tech ones, which increases their competitiveness in the market; attracting highly qualified personnel; expansion of business functions; participation in the creation of joint venture funds; participation in the educational process of higher education institutions; raising their own attractiveness, recognition, loyalty of the state and acceptance by the society. The main risk may be related to the allocation of intellectual property rights.

According to the research, in countries with developed market economy in corporations there is a rapid transition from closed to open innovation, characterized by the following advantages: a large number of innovations and the ability to synthesize their own and external ideas; cooperation of the best specialists of the enterprise with innovators beyond its borders; the possibility of involving consumers in the development of innovations; the variety of types of innovation; significant volume and branching of the resource base; reducing the time to search and develop innovation; the ability to involve the enterprise in the development of innovation at any stage of the process; differentiation of new products, and accordingly expansion of the circle of consumers and receipt of additional income; profit on the basis of cooperation and the sale of intellectual property. The disadvantages of this transition are: the complex nature of the organization of innovation; lack of complete control over the processes by the corporation; presence of external risks in combination with internal risks; problems with defining ownership of the invention and the mechanism of profit sharing.

Thus, given the prospects and risks of corporate innovation development, the benefits and disadvantages of implementing corporate programs, the use of open innovation can be more effective, as their business models can best be built according to strategic goals, available resources and internal features of domestic enterprises.

Conclusion. In today's environment, innovation has evolved from a corporate business development tool to a prerequisite for its survival. An effective corporate innovation management system ensures dynamic growth of the company, creation of

significant additional value, growth of income and profit. To do this, it is necessary to constantly develop and improve innovative processes in the enterprise, which will provide competitive advantages. The most effective is the open innovation model, which combines both the internal resources of the corporation itself and the external ones for the development, implementation and commercialization of new ideas the application of which is offered for domestic enterprises.

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GLOBAL COUNTRY'S RESILIENCE AS A CONDITION OF ITS ATTRACTIVENESS FOR INTERNATIONAL BUSINESS

The data of the Global Resilience Index of Ukraine in 2019 are analyzed. The factors of resilience of business environment are considered. Business environment resilience tools are offered.

Keywords: *international business, global resilience, global resilience index, risks, shocks.*

Бойко Аліна, Шкуропадська Діана. *Глобальна стійкість країни як умова її привабливості для міжнародного бізнесу.*

Проаналізовано дані глобального індексу стійкості України у 2019 році. Розглянуто фактори забезпечення стійкості бізнес-середовища. Запропоновано інструменти забезпечення стійкості бізнес-середовища.

Ключові слова: *міжнародний бізнес, глобальна стійкість, глобальний індекс стійкості, ризики, шоків впливи.*

Relevance of the research topic. International business entities are looking for the best options for pursuing their business interests globally. They seek for maintaining a share of the national markets and increasing profits by conquering new markets. At the same time, international business is fraught with significant risks due to the peculiarities of the socio-economic development of countries and the dynamic changes in the global environment. In today's changing business environment conditions, when unforeseen events occur, which N. Taleb calls the Black Swans (Taleb, 2010), it is relevant to study the global country resilience as a condition of attractiveness of the country's business environment for the subjects of international economic activity.

Formulation of the problem. Socio-economic, climatic, political and other factors shape the country's attractiveness for international business. In each country there are specific conditions and features of doing business. Scientific approaches to assessing and benchmarking the factors that shape a country's global resilience are only emerging. Global resilience means a country's ability to adapt to exogenous shocks, counteract shocks that come outside, and quickly restore own potential. Currently, the international insurance company FM Global has developed and calculated a global index of country resilience. The problem is the lack of scientific interpretation of Ukraine's global resilience as a condition of its attractiveness for international business.

Analysis of recent research and publications. The European Commission (2017) has been researching key areas of economic resilience. N. Hughes's publication (2018) is devoted to the study of business resilience measures. The publication of T. Teixeira and I. Kemp (2018) is devoted to the study of key risks that affect the resilience of the business environment. A. Boiko's publication (2017) is devoted to the study of factors for ensuring the economy's resilience to negative external influences. Approaches to ensuring the resilience of the economic system are explored by S. Kozlovsky (2017).

Presenting main material. The decision to invest or start a business abroad is justified by taking into account the results of the study of cause and effect relationships and features of the development of local and global markets. The international insurance company FM Global makes a rating of the countries on the calculation results of the global resilience index. The company rates 130 countries on 12 factors, which are grouped into three categories: economic potential, risk quality, supply chain. The business environment in each country is shaped by factors (economic, political, social, environmental), the totality of which creates the conditions for doing business. Using the example of Ukraine, we consider the rating data of the Global Resilience Index in 2019 (Table 1). According to this rating factors, measured by index, had been remained relatively stable and has not been changing dramatically during 2016-2019 (2016 – 38.3 points; 2017 – 38.7 points; 2018 – 40.3 points; 2019 – 38.7 points).

Table 1

Global Resilience Index of Ukraine in 2019

Place (130 countries)	Points (100 points)	Categories	Factors	Place (130 countries)	Points (100 points)	Level
80	38,7	Global Resilience Index				
98	25,4	economic potential	Productivity	94	6,3	low
			Political risk	127	12,9	low
			Oil intensity	52	76,8	sufficient
			Urbanization rate	35	89,3	sufficient

Place (130 countries)	Points (100 points)	Categories	Factors	Place (130 countries)	Points (100 points)	Level
52	44,7	risk quality	Exposure to natural hazard	66	37,2	moderate
			Natural risk	39	45,4	medium
			Fire risk quality	67	38,4	moderate
			Inherent cyber risk	52	61	medium
80	45,6	supply chain	Control of corruption	107	17,7	low
			Quality of infrastructure	61	61,9	medium
			Corporate governance	101	48,1	medium
			Supply chain visibility	56	48,2	medium

Note: low level (1–29 points), moderate level (30–44 points), medium level (45–69 points), sufficient level (70–100 points).

Source: Global Resilience Index (2019).

Economic potential is the aggregate ability of the country's economy, its enterprises and organizations to produce goods, provide services, meet social needs, and ensure the development of production and consumption. FM Global identifies 4 factors that influence on economic potential growth: productivity, political risk, oil intensity, urbanization rate. Let us consider in more detail the role of these factors.

Among the socio-economic features that distinguish Ukraine from most European countries is low productivity. Labor productivity is a measure of the efficiency and effectiveness of human labor. Comparison of GDP, length of working day and number of employed population reveals that an average Ukrainian worker produces goods and services at \$3.7 USA per hour. If we take into account not current-price GDP but real GDP, the figure goes down to \$2.8 USA (Vikhrov, 2018). Estimating productivity in 2019 FM Global gave Ukraine 6.3 points out of 100. Such a result testifies to the low level of labor productivity of Ukrainians. Increasing labor productivity is a major way of achieving intense economic growth as it determines the competitiveness of Ukrainian goods and services in foreign markets.

The factor of political risk determines the likelihood of destabilization or overthrow of the government in an unconstitutional, violent manner, including politically motivated violence and terrorism. Political risk is characterized by the possibility of loss occurrence or decline of profits as a result of public policy. In Ukraine 2% politically related firms control over 20% of total turnover and over 25% of assets of all Ukrainian companies. Sizing up a political risk, FM Global gave Ukraine 12.9 points out of 100. Such a result indicates a low level of resilience of the country to the influence of political risks. Political instability has a negative impact on investors' motivation to invest in the real sector of the Ukrainian economy.

Further we consider the factor of oil intensity, which is influenced by international relations, demand and oil prices in the world market. The oil factor permanently influence on international trade, since there is a link between oil prices and the state of the economy. In 2019, Ukraine ranks 57th in the world (among 97 countries) in terms of oil production with an indicator of 32,000 barrels per day. The

oil industry of Ukraine is characterized by a high level of monopolization, lack of transparency of management, poor organizational structure of management and low level of competition. Almost 95% of the oil, which is produced on the territory of Ukraine, comes from Naftogaz of Ukraine. This company creates a strategy for the development of the industry, carries out structural restructuring of the industry in accordance with market conditions, provides for the needs of industrial consumers and the population, and provides for the transit of oil and gas to European countries. In recent years, this company has shown poor performance and overstaffing (Lobanova, 2014). Estimating the oil intensity, FM Global gave Ukraine 76.8 points out of 100. This result indicates a sufficient oil resource base in Ukraine.

The factor of country urbanization characterizes increasing the proportion of urban population, as well as increasing the economic, political and cultural significance of cities compared to rural areas. The urbanization level of Ukraine is about 70%. The result of the urbanization was the formation of urban agglomerations of Kyiv, Kharkiv, Odesa and Dnipro. Evaluating the urbanization rate, FM Global gave Ukraine 89.3 points out of 100. This result indicates a sufficient country's urbanization level. Increasing the urbanization level has a positive effect on the amount of investment in the economy.

Further we consider the factors that characterize a country's resilience level to the emergence of different inherent risks. Countries' inclination to take risks has increased significantly in recent decades. This is explained by the accumulation of risks in the global economy that can reduce economic activity and cause serious damage to its long-term development. FM Global identifies 4 factors that affect countries risks inclination: exposure to natural hazard, natural risk, and risk of fires starting, cyber risk.

Natural hazards for international business are manifested in the form of abnormal climatic phenomena (earthquakes, floods), raising or lowering the temperature of material bodies that surround a person, collapse of rocks, the occurrence of natural ionizing and ultraviolet radiation, atmospheric pathogens and toxins). Assessing the level of impact of natural hazards, FM Global gave Ukraine 37.2 points out of 100. This result indicates a moderate country's level of resilience to the effects of natural hazards, which can create dangerous consequences for the global economy development.

Further we consider such a factor as natural risk. Such type of risk means the possibility of socio-economic losses from the manifestation of a dangerous natural process or phenomenon. This risk is measured in terms of the number of casualties, injuries, value of damaged private property and economic activity. According to the international risk index rating, in 2019 Ukraine is in the group of countries with high level of vulnerability to natural risks. In May 2019, about 2,000 homes were flooded in the territory of Transcarpathian, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Khmelnytskyi and Chernivtsi oblasts, over 7300 households, 8800 hectares of agricultural land in 162 settlements, blurry of about 100 kilometers of road coverage, 197 settlements were

de-energized. The most difficult situation was in the Transcarpathian region, where as a result of floods the amount of losses amounted to UAH 150 million (Bratyuk, 2019). That is how much money is needed to repair damaged hydraulic structures, embankments and dams. Assessing the level of natural risk, FM Global gave Ukraine 45.4 points out of 100. This result indicates the country's medium level of resilience to natural hazards that pose a real threat to the population, businesses and infrastructure.

The risk factor for fires characterizes the likelihood of fires at different establishments, in private houses and structures, outdoor installations, equipment. The International Fire Rescue Association estimates the average death toll per 100 fires. The figure for Ukraine is 2.82 casualties per 100 fires. The allowed value should not exceed 0.7. Assessing the risk of fires starting, FM Global gave Ukraine 38.4 points out of 100. Such a result indicates a moderate of country's resilience level to the risk of fires starting, which may adversely affect the activities of investment objects (buildings).

Further we consider the cyber risk factor. This type of risk means a likelihood of physical, functional, reputational disruption to structures and systems through network technologies. The International Telecommunication Union, a specialized UN agency in the field of information and communication technologies, annually calculates a global cyber-security index. Cyber-security applies to most sectors of the economy and life spheres. The level of cyber-security is assessed by five criteria: legal measures, technical measures, organizational measures, capacity building, and cooperation. The results for each criterion are combined into a total score. In 2018 Ukraine ranked 54th out of 175 countries, scoring 0.661 points out of 10. Ukraine is in a group of countries that participate in cyber-security programs and initiatives. Rating cyber risk, FM Global gave Ukraine 61 points out of 100. This result indicates the country's medium level of resilience to cyber risks. It is worth noting that cyber risks associated with massive data leakage heighten concerns about the potential impact of cyber-attacks on the global economy (Rosenbush, 2017).

Further we consider the category of resilience assessment as a supply chain, that means a network of related but independent organizations that work together and in a coordinated manner to organize, manage, improve material and information flows from supplier to end consumer. The supply chain includes resellers, industrial enterprises, logistics centers, in-house distribution centers, distributors, wholesalers and other legal entities leading to the end user. FM Global identifies 4 factors that influence on the supply chain development: the level of government corruption, the quality of infrastructure, the level of corporate governance, the supply chain visibility. Let's take a closer look at the role of these factors.

The impact of corruption is a serious and urgent problem in almost all countries. The preamble to the UN Convention against Corruption states that it is a threat to the stability and security of society, which undermines the role of democratic institutions, ethical values, damages sustainable development and the rule of law. Corruption is no longer a local problem; it has become a transnational phenomenon

that has a negative impact on the development of society and the economies of all countries. Corruption is a crime that involves the direct exercise by an official of the rights conferred on him or her for the purpose of personal enrichment. Assessing the level of government corruption, FM Global gave Ukraine 17.7 points out of 100. This result indicates a low level of country's resilience to the manifestations of corruption that distorts competitive market mechanisms.

Next, we consider the factor of infrastructure quality, which is a set of industries, facilities, structures that provide the general conditions of production necessary for the effective economic development as a whole and the life of people in all territory. These include electricity, transport, communications, utilities, education, health care, and social security. Assessing the quality of the infrastructure, FM Global gave Ukraine 61.9 points out of 100. This result indicates a medium level of infrastructure quality. It is worth noting that infrastructure development contributes to economic growth, affecting marginal productivity of private capital and the inflow of investment into the country.

The factor of corporate governance is related to the development of global communications, the growth of global business, which unifies the norms of business conduct and brings different business cultures closer. In April 1999, the Organization for Economic Co-operation and Development formulated the definition of corporate governance: Corporate governance refers to the internal means of ensuring the activities of corporations and controlling them. One of the key elements for improving economic efficiency is corporate governance, which includes a complex of relationships between the board (management, administration) of the company, its directors (supervisory board), shareholders and other stakeholders. Assessing the level of corporate governance, FM Global gave Ukraine 48.1 points out of 100. This result indicates the medium level of corporate governance development.

The transparency of supply chains is revealed through information transparency, which enables the distribution of critical data needed to manage the flow of products, services, and real-time information between suppliers and consumers. Information transparency implies the distribution, exchange, availability of critical, in terms of a supply chain, information between the entities in the logistics chain. Estimating the level of transparency of supply chains, FM Global gave Ukraine 48.2 points out of 100. This result indicates the medium level of information transparency of the supply chain. It is worth noting that increasing the transparency of national economic entities contributes to the intensive development of the global information space.

Thus, in the study we considered the key factors that characterize the state of the Ukrainian business environment. An analysis of these factors allows us to determine the resilience of the business environment, as the ability of economic entities (enterprises, organizations, and institutions, households) to quickly adapt to shock impacts, maintaining the continuity of business operations and ensuring the protection of their assets. In our opinion, for increasing the level of the resilience of business environment there is a need in effectively implement the tools shown in Figure 1.

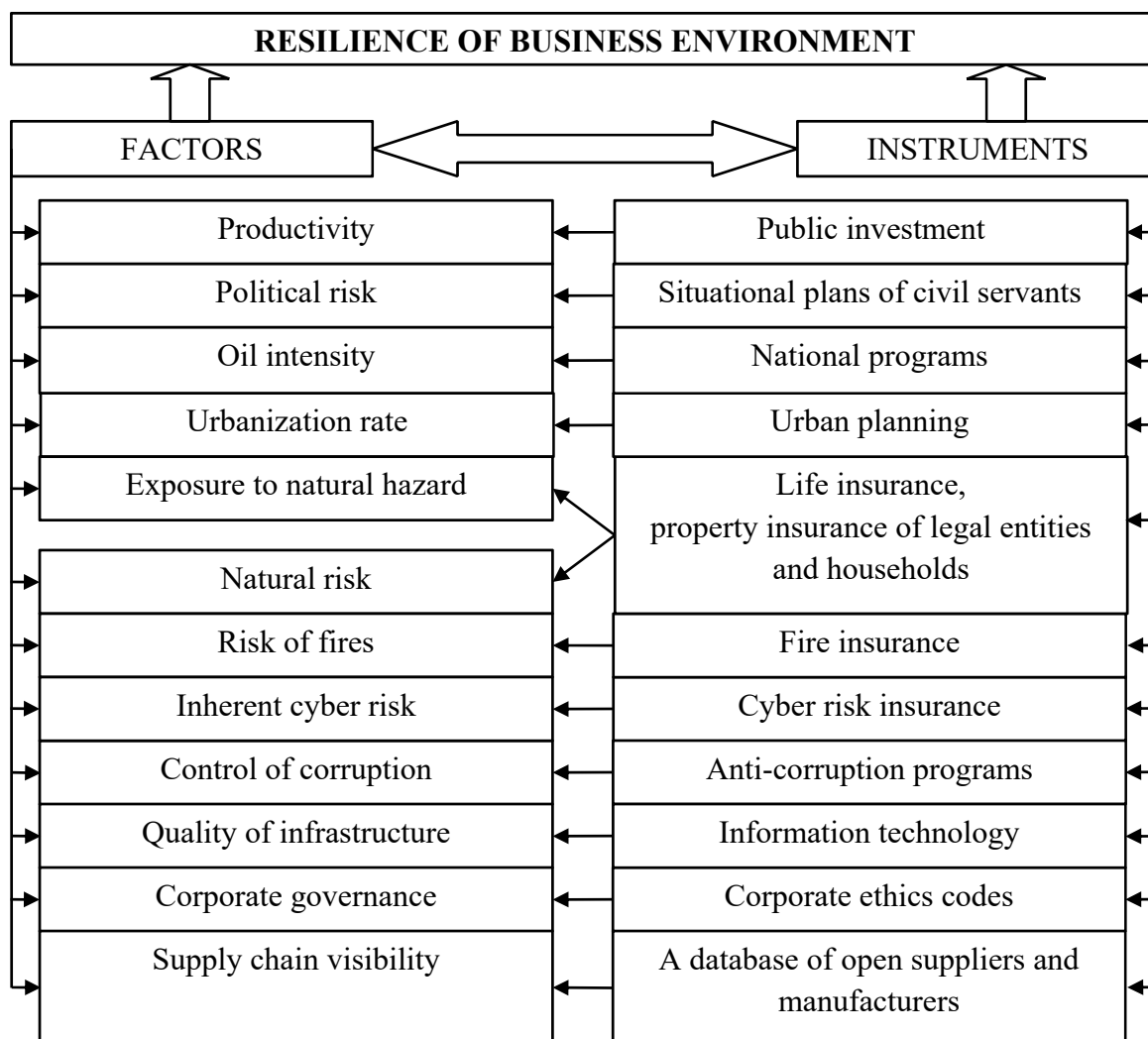


Figure 1. Business environment resilience tools

Conclusion. Resilience is a modern criterion for choosing a country for international business. In 2019, Ukraine ranked 80th out of 130 countries in the Global Resilience Index. Ukraine has a low resilience level that negatively impacts on business environment attractiveness for international businesses. Ukraine's economic development keeps back by poor labor productivity, inefficient use of labor resources and a significant impact of political risks. Forming a country's attractiveness for international business also requires its environmental resilience. This means developing an effective preventive climate change response system. The priority of state policy and development of Ukrainian society is to reduce manifestations of government corruption and to build effective mechanisms for improving business practices.

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THE ROLE OF MARKETING TECHNOLOGIES IN EXPORT PROMOTION TO CHINA

The article analyzes traditional marketing tools for promoting domestic products to international markets, which include advertising, sales promotion, public relations, direct marketing, personal selling. China is one of the main and still promising foreign economic partners of Ukraine, but the export promotion to China requires the adaptation of marketing technologies to the local market peculiarities. In view of the above mentioned, the article presents the recommended marketing communication mix of the enterprise when promoting products to the PRC. In addition the most promising in terms of efficiency is the activation of marketing communications over the Internet by domestic enterprises. The use of non-standard and up-to-date marketing tools to promote the export of Ukrainian products, taking into account the peculiarities of the international marketing environment, contributes to the successful entry of the company into a new foreign market as well as strengthening its competitive position in the existing one.

Keywords: marketing technologies, promotion, export, brand, SMM.

Сеvрук Ірина. Роль маркетингових технологій в просуванні експорту на ринок КНР.

У статті проаналізовано класичні маркетингові інструменти просування вітчизняної продукції на міжнародні ринки, до яких належать реклама, стимулювання збуту, зв'язки з громадськістю, прямий маркетинг, особистий продаж. КНР є одним з основних та перспективних зовнішньоекономічних країн-партнерів України, однак просування експорту до Китаю потребує адаптації маркетингових технологій до специфіки локального ринку. З огляду на зазначене, у статті представлено рекомендований комплекс маркетингових комунікацій підприємства при просуванні продукції на ринок КНР. Крім того, найперспективнішим з точки зору ефективності є активізація вітчизняними підприємствами маркетингових комунікацій через Інтернет. Використання нестандартних й найсучасніших маркетингових інструментів просування

експорту української продукції з врахуванням особливостей міжнародного маркетингового середовища сприяє успішному виходу підприємства на новий зарубіжний ринок та посиленню своїх позицій на вже існуючому.

Ключові слова: маркетингові технології, просування, експорт, бренд, SMM.

Introduction. In the conditions of globalization of the world economic processes, fierce competition, saturation of markets, excess of goods supply over demand, the constant increase in consumer requirements significantly complicate the marketing activities of enterprises. It is becoming increasingly difficult to attract consumer attention through regular advertising. In order to attract customers and maintain positions in the foreign markets domestic enterprises should apply modern effective mechanisms of formation and maintenance of image of the goods or the enterprise itself, in particular, by improving the complex of promotion to international markets.

Therefore, the purpose of this article is to study tools for promoting domestic products to international markets, as well as to highlight the key development trends and features of Ukrainian goods export promotion to the PRC as one of the key foreign economic partners.

Review of previous studies and theoretical rationale. The publications of A. Derykolenko and S. Illyashenko are devoted to the issues of development of methodological tools of marketing activity of enterprises in foreign markets and study of perspective directions of development of subject branches of international marketing, in particular international marketing researches (Derykolenko and Illyashenko, 2013). V. Dobryanska and I. Kurtina in their works analyze the nature, peculiarities of implementation and tendencies of development of promotion and effective sale of products (Dobryanska and Kurtina, 2014). Such scientists as T. Bilous, O. Kovinko, and N. Slobodanyk have explored the tendency of the interconnection of economic recession and marketing methods of sales promotion and proved that the role of marketing is increasing in a crisis and the international marketing functions and tasks are complicated (Bilous, Kovinko and Slobodanyk, 2015). However, despite the existing developments of this vector of research, in the dynamic market conditions constant monitoring of trends and possibilities of application of the most modern marketing technologies of promotion of goods by domestic enterprises to international markets remains relevant.

Discussion. In view of the above mentioned, in the changing market conditions among other measures to intensify export activities enterprises should pay special attention to the improvement of ways and instruments of promotion of products to international markets, in particular, marketing technologies that promote the export to foreign markets.

It should be noted that traditionally the main (classic) promotion tools include advertising, sales promotion, public relations, direct marketing, personal selling. According to some scholars (Glushko, 2018) the promotional complex may include in addition to the major ones the so-called synthetic means which are in particular: exhibition activities, branding, sponsorship and integrated marketing communications. The latter is a comprehensive marketing communication tool that requires the use of elements of advertising, sales promotion, personal selling, public relations and other communications at the point of sale of the enterprise product (Glushko, 2018).

Analyzing the promotion of goods in international markets, we note that it is significantly different from the national. In addition to the main difficulties during the international promotion (legislative regulation, the degree of availability of media, creation of a justified message, the choice of type of advertising and advertising agency, the choice of the means of dissemination of information, the level of costs, coverage of target and potential consumers), Y. Chala also emphasizes the specific problems: translation of messages; customs and cultural characteristics of different countries and peoples; inertia, resistance, rejection and politics; competitive environment; differences in economic, political and social systems (Chala, 2014).

In order to improve efficiency, it is advisable to develop communication programs specifically for the individual market, or even for individual clients, taking into account both direct and inverse relationships between the enterprise and counterparties. Therefore, the first stage of the communication process in the foreign market should be a thorough study of the potential of interaction between the enterprise and its product with counterparties. Potential consumers, no matter what they buy, first study advertising messages, forum reviews (in case of online advertising), etc. (Tyukha, 2012).

Considering the current trends in world economic development, accompanied by the strengthening of the role of the Asia-Pacific region countries and the intensification of partnership between them and Ukraine, which is reflected in the corresponding changes in the geographical structure of export of Ukraine, we consider it promising to study the features of promoting export to the PRC, that belongs to the main partner countries of Ukraine in the export and import of goods. According to statistics in 2017–2018 years the PRC accounts for 4.6%–4.7% of Ukrainian exports and 11.4–13.3% of imports (State Statistics Service of Ukraine, 2019).

Considering the peculiarities of the PRC's marketing environment, it is possible to identify specific marketing features that businesses should pay attention to when promoting their products to the Chinese market (Figure 1).

The specifics of the Chinese market is also that the Chinese are very dependent on brands and public opinion (Gaiduk, 2017). In China nobody will buy obscure and unknown product. For this reason manufacturers who intend to market their products in China, especially consumer goods, should register their trademark with the China

Trade Mark Office (CTMO). This prevents infringement and creates a long-term brand reputation (Agronews, 2017).

We should note that the Chinese strive to be modern. Taking this into consideration, mass advertising is an effective tool for the enterprise to enter the Chinese market. At the same time a high quality translation of the advertising message into Chinese language should be ensured with the involvement of a professional native speaker (Gaiduk, 2017).

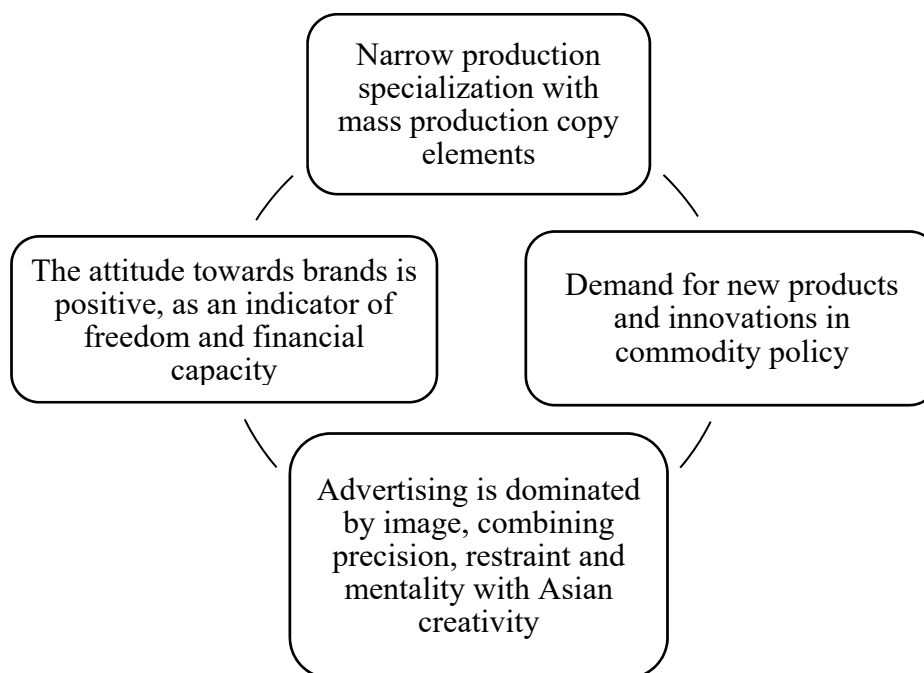


Figure 1. Specific features of marketing in the PRC

Source: compiled by the author according to (Shapenkova, 2014)

In the context of foreign trade relations advertising must: first, prepare the potential market (consumer) for a favorable perception of a foreign product; second, to support demand in the developed market; third, to promote the expansion of the market (Tyukha, 2012).

Depending on the stage of the product life cycle, the scale and intensity of advertising, the relation between prestigious advertising (advertising of the exporting firm) and product (advertising of a specific product), its means of propagation should be changed, more fresh and original ideas should be selected.

Although the costs of advertising, participation in international exhibitions and fairs are considerable, these costs are quite justified. First, advertising costs are included in the cost of exported products as overhead during export, and are accordingly offset by net sales proceeds. Secondly, without advertising, trade is usually sluggish, bringing losses that often exceed the cost of advertising (Tyukha, 2012).

Another specific feature of the Chinese market is the lack of billboards. Instead, the Chinese subway is one of the most effective tools for attracting customers. The passenger traffic of the Beijing Metro is 3.2 billion people per year, Kyiv –

536.2 million people. That is why the Chinese spend huge budgets on subway advertising (Gaiduk, 2017).

The recommended range of product promotion to the Chinese market is characterized by the use in a certain proportion of online advertising, direct marketing and sales promotion methods, ignoring personal selling and public relations methods because of their high cost and significant time, which is illustrated in Table 1.

Table 1

Recommended marketing communication mix of the enterprise in promoting products to the PRC*

№	Marketing communication tools	Characteristic
1	Advertising	Typical media is online advertising and advertising in the subway or print media, mostly highly specialized, depending on the type of product, as a tool for mass audience reach and multiple exposure and persuasion. Significant costs when using the services of professional foreign intermediaries
2	Personal sale	The personal nature of this marketing communication tool makes it the most costly per one foreign economic contact
3	Propaganda	This tool is not typical in promoting products to the foreign market
4	Direct marketing	It is used in the form of address messages both in the forward (offer) and reverse order (request or order) and prevails in the search for potential counterparty (direct) and established foreign trade relations (reverse). This type is characterized by high reliability of information, trust of the counterparty and long-lasting effect aimed at building stable customer loyalty to one brand.
5	PR	Like propaganda, it is not typical for a foreign trade practice to promote a product because of its predominant form of news, which is usually a supplement to advertising.
6	Sales promotion	It has a short-term effect, which is why it is usually supplemented with new export-oriented products in relationships with regular counterparties

** differentiation of tools is possible depending on the type of products*

Source: systematized by the author on the basis of (Tyukha, 2012 & Gaiduk, 2017)

At the same time, this study should point out the relevance of such a tool to promote products to international markets, as the global network Internet, since active use of the Internet is an integral part of the 21st century and the ability to purchase goods through online platforms greatly simplifies the trading process.

In addition, the growing popularity of social media (hereinafter referred to as SM), which have become a significant component of doing business as the widespread

use of SM by society enables companies to better evaluate their prevailing consumer preferences and reduce the cost of promoting their products. SMM is a subspecies of digital marketing and probably the most effective channel for brand promotion and audience communication (Social Media, 2016 & Canada business, 2019).

Social networks are a very convenient platform for disseminating a relatively small amount of information with the attachment of further links. For example, the International Federation of Organic Agricultural Movement (IFOAM), in addition to having its own platform for information dissemination (website), is also present in SM («Facebook») (Derykolenko A. and S. Illyashenko, 2013).

At the same time it should be noted, that Google does not work in China as well as popular global online resources such as Facebook, Twitter, YouTube, etc. The Chinese have their own search engine Baidu, their messengers, social media. Therefore, there is no point in doing content analysis with Google Analytics and developing an ad campaign based on this (Gaiduk, 2017).

Another recent marketing trend that has a positive effect on consumers' attitude to the brand is the availability of videos or story-telling (The Seattle times, 2018) about the manufacturer, its goals, purpose, objectives that empower consumers to become closer to the production and form a favorable attitude towards the company.

China does not stay away from global trends. The number of Internet users in China in 2018 reached a record high – 828.5 million people or more than 20% of the total number of Internet users in the world. At the same time, the main way of contact with the consumer is the mobile Internet, as 817 million people (98% of total internet users) use internet access through mobile devices (Statista, 2018).

Therefore, marketing on social media is a very effective method of brand promotion, since SM focus on the largest number of target audiences and enable them to quickly acquaint consumers with products and their use is expedient to study the latest trends in consumer preferences. The use of social platforms is a common business practice for both global and relatively small local businesses. In an era of digitization and active use of the Internet, social media marketing (SMM) enables the creation of a relatively new level of company interaction with consumers (Derykolenko A. and S. Illyashenko, 2013).

Conclusion. Promotion of production of the enterprise to foreign markets should be carried out taking into account their peculiarities. Given the specific features of the Chinese market, it is recommended to use such tools of the marketing communication mix as advertising, in particular, online advertising and subway advertising, direct marketing and sales promotion. At the same time depending on the product type, it is possible to adjust the promotion complex and choose the most optimal marketing communication tools. It should also be noted that at the initial stage investing in the promotion of products to the PRC should be considered as a long-term investment.

Ukrainian companies need to rely on the experience of developed countries, i.e. systematically manage the promotion, use non-standard and most modern ways of export promotion, taking into account the peculiarities of the international environment. This requires a more detailed study of foreign experience in promoting products to international markets and possible ways to adapt it to Ukrainian realities, which determines the prospects for further research.

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FUZZY LOGIC MODELING OF REGIONAL ECONOMY DEVELOPMENT SCENARIOS

In the present paper there is shown the application of the Fuzzy modeling method in solving the problem of scenario forecasting of regional development, based on the analysis coordination of the expert evaluation data and the data of regional statistics. A two-hierarchical fuzzy model with four input parameters, describing the development of Chernivtsi region, two intermediate and one output parameter were built in Matlab2017b. The model included a set of 27 fuzzy rules and used the Mamdani method for fuzzy decision-making and fuzzy inference. Defuzzification was performed using the Center of Gravity method. Analysis of the regional statistics selected data of Chernivtsi region confirmed the adequacy and prospects of using the model. In particular, there has been identified the need to reduce significantly the unemployment rate to reach the threshold of the optimistic scenario development.

Keywords: regional development, scenario forecasting, Fuzzy logic, Fuzzy set.

Лучик Василь, Королюк Юрій. Нечітке моделювання сценаріїв розвитку регіональної економіки.

У роботі описано застосування методу нечіткого моделювання при вирішенні проблеми прогнозування сценарію регіонального розвитку. Дослідження реалізовано на основі аналізу координації даних експертної оцінки та даних регіональної статистики. Двоєрархічна нечітка модель була побудована в Matlab2017b і містила чотири вхідні параметри, що описують розвиток Чернівецької області, два проміжні та один вихідний параметр. Модель

включала набір з 27 нечітких правил і використовувала метод Мамдані для нечіткого прийняття рішень і нечіткого висновку. Дефузифікація проводилась методом Центру мас. Аналіз регіональних статистичних показників Чернівецької області підтвердив адекватність та перспективи використання моделі. Зокрема, виявлено необхідність суттєво знизити рівень безробіття, щоб досягти межі розвитку оптимістичного сценарію.

***Ключові слова:** регіональний розвиток, сценарне прогнозування, нечітка логіка, нечітка множина.*

Relevance of research topic. In Ukraine the regional economic development is characterized by a considerable inter-regional differentiation, so regional development policy should be based on the implementation of systematic regional forecasts, differentiated by directions, industries and terms. When setting and carrying out national tasks, the territorial aspect must be indispensably considered and not only national but also regional priorities must be taken into account. Ukraine, on its path to forming a highly developed economy and social sphere, needs mechanisms that can offer alternatives of such development. Being able to obtain the development scenarios in optimistic and pessimistic planes will allow the government to elaborate management decisions better and more objectively.

Thus, today there is urgent the need for scientifically substantiated local expert views agreement and the available statistical base of regional indices with the tendency to objective forecasts formation as to the development of Ukrainian regions.

Formulation of the problem. The system of measures for the regional development policy implementation is based on the assessment, quality forecasting and programming of the regions' development, the main purpose of which is to determine the priorities of regional development, to maximize the use of competitive advantages and minimize the negative factors influence , as well as to harmonize national, regional and local interests.

Analysis of recent researches and publications. According to L.I. Fedulov, regional forecasts are wrongly aimed at obtaining macroeconomic indices only, they should be of primary importance in setting strategic goals and components of public policy in a particular field of activity. In other words, regions should take into account the trends and challenges at all levels that affect their development [3, P. 95].

Modeling and forecasting is now at a fundamentally new stage of its development. It is impossible to obtain accurate forecasts for solving increasingly complex tasks facing our country without mastering the resources of the so-called information society. The information itself is insufficient for forecasting and proper decision making, so it is necessary to master modern methods of its analysis and processing.

One of the main techniques for implementing systematic research on complex developing objects is scenario forecasting. This definition lies in the basis of forming a comprehensive procedure for conducting a complex scenario study of the forecasting

object. Carrying out a scenario study is a kind of filling with content that is real, and peculiar only for this object of study. The whole set of procedures in this approach is based on the combination of meaningful logical-heuristic approach with formal methods of systems research, first of all by means of economic and mathematical modeling. As a rule, externally they are organized as interactive procedures that mean involving the intelligence of researchers at one evaluation stage or another. A feature of this forecast tool is its rigid orientation on the forecasting objective. It is because they allow to distinguish the system under study out of the overall picture of a real-functioning environment, make a list of relationships, dependencies, indicators, parameters essential for the study, evaluate functional, technological and pragmatic applicability of certain mathematical methods as the means of describing and studying the properties of the research object.

In the general case, the purpose of the scenario forecast developing can be reduced to three basic situations or their different combinations:

observing the system development under different hypotheses regarding the mechanism of this development formation;

identification of critical situations, 'bottlenecks' in the development of the system;

development and assessment of effective strategies for future development problem solving.

The first two objectives of the study correspond to the passive function of the forecast, the latter reflects its active component. Thus, like any method of scientific cognition, scenario forecasting realizes all the basic functions of scientific research: descriptive, explanatory and prognosing.

In general, creating of scenarios is aimed at solving two main problems, namely: highlighting the key moments of development of the research object and developing on this basis qualitatively different variants of its dynamics; comprehensive analysis and evaluation of each of the options obtained, studying its structural features and possible consequences of its implementation.

Thus, the scenario is always considered in dynamics, that is, when developing the «history» of the object under study in time and / or space. Therefore, in the scenario space, an individual scenario is not a point, but a vector or a trajectory, which shows the change of the system characteristics in the course of a given series of iterations.

The method of scenario forecasting at the present stage, as a rule, uses two main methods: Delphi and Foresight.

The essence of the Delphi method, which was proposed in 1963 by T.G. Gordon, O. Helmer [5], is a summary and statistical analysis of specialists in each industry on the prospects of the development of this and the related industries. Its main purpose is to discover new ideas based on intuitive reflections in the process of considering individual phenomena from different points of view. It is based on the hypothesis that many ideas contain some good ideas. And the problem is to find those good ones.

The Foresight method is quite effective in solving the forecasting problem for objects that can influence actively the environment and have the ability to change their location to achieve future desired states. These features are met by economic objects of all levels of complexity because they are created in the process of purposeful activity and at the same time are subject to uncertainty and risk [4].

System of Foresight methods is constantly developing and improving, with extensive experience of their applied use. At the same time, it is becoming apparent that major national projects for selecting priority ways of developing the country require new approaches that would provide objective assessment. In this sense, the idea of the Foresight Triangle, whose vertices represent the key factors that provide the result of working with experts, was improved: creativity, expertise and interaction [6].

In their works I. Miles and R. Popper suggested to add another vertex – the proof [7]. In this way, the triangle became a rhombus, which made it possible to forecast the development of advanced technologies, the construction of long-term scenarios for the development of many technological industries, the solution of social and economic problems, etc more effectively.

Foresight is based on forecasting the options for a possible future, which may come under certain conditions: the correct determining the development scenarios, reaching consensus when choosing a desired scenario, taking steps in its implementation. There are many forecasting methods, but Foresight programs use only 10–15 of them the most intensively: Delphi method, critical technologies, scenario development, technology roadmap and expert panel formation, etc.

Foresight technology, based on the Delphi method has been the most popular in recent years. The method is based on the interviewing a large number of experts. It is used in Japan, Germany, the United Kingdom, etc. The method requires the creation of expert panels in particular fields of science and technology; developing a list of topics – potentially scientific and technological achievements, which are expected in the long term up to 25–30 years.

Thus, expert review enhances substantially the potential for the applied use of scenario forecasting methods. Experts are able to take into account the complex dynamics of regional development in real time, to make necessary adjustments to the offered solutions, to reach agreement in the case of many forecasting factors. However, having an expert review leads to subjectivity and imprecise decisions. Forecasting models based on expert opinion cannot fully rely on deterministic mathematical methods. Also, the objective insufficient number of experts and their assessment precludes the use of probabilistic forecasting methods.

It is suggested to use fuzzy logic methods to solve the above problems. Fuzzy logic theory was offered by Zadeh in the middle of the last century. The main advantages of the theory are the ability to model uncertainty, to describe subjective statements of human knowledge and experience [8], to turn fuzzy information into clear one with further mathematical processing and linguistic output of results. In regional government, fuzzy logic methods are actively used to solve problems of

regional development assessment [9], development planning [1], assessment of local sustainability [2], and many others.

However, the diversity and uniqueness of regional systems and their environment requires a certain approach to solving forecasting problems, including using fuzzy logic methods.

So, the objective of the article is to build and test a forecasting model for assessing regional development scenarios using fuzzy logic methods.

Presenting main material. Indices of the Chernivtsi region development for 2014–2017 were chosen as the object of research. The system of national accounts quite broadly and accurately parameterizes the state of the regional socio-economic system of Chernivtsi region. In particular, more than a few hundred monthly, quarterly and annual statistic indices are expected to be input. On one hand, this fact contributes to the comprehensive disclosure of the region development process. On the other hand, the final assessment of its condition is challenging. Different statistic methods are used to solve the problem, including integral assessment, cluster analysis, different averaging, etc. However, the results of such methods application are often controversial in the case of comparisons. The prospect of resolving this is the attempt to apply expert judgment as analyzed by fuzzy logic methods.

Parameterization of the research object involved the selection of indices that describe the region’s development state most significantly: gross regional product index (GRPI), industrial production index (IPI), agricultural production index (API), unemployment rate index (URI). The indices values were taken from the official data of the State Statistics Service of Ukraine. These parameters were indexed with the purpose of qualitative fuzzification. The model parameter fuzzification was performed with the help of three linguistic variables («pessimistic», «stagnant», «optimistic») by the triangular membership function (see Table 1).

Setting the membership functions was accomplished by the Fuzzy Tool Box of Matlab2017b environment. Figure 1 shows an example of the GRPI parameter membership function.

Table 1

Fuzzy set of the model

Variable	Type of variable	Linguistic term	Membership function	Interval
GRPI, IPI, API, URI	input	pessimistic	triangular	(70, 70, 100)
		stagnant	triangular	(80, 100, 130)
		optimistic	triangular	(100, 140, 140)
output1, output2	intermediate	pessimistic	triangular	(100, 140, 140)
		stagnant	triangular	(0.25, 0.5, 0.75)
		optimistic	triangular	(0.5, 0.75, 1, 1)
output3	output	pessimistic	triangular	(0, 0, 0.4)
		stagnant	triangular	(0.1, 0.5, 0.9)
		optimistic	triangular	(0.6, 1, 1)

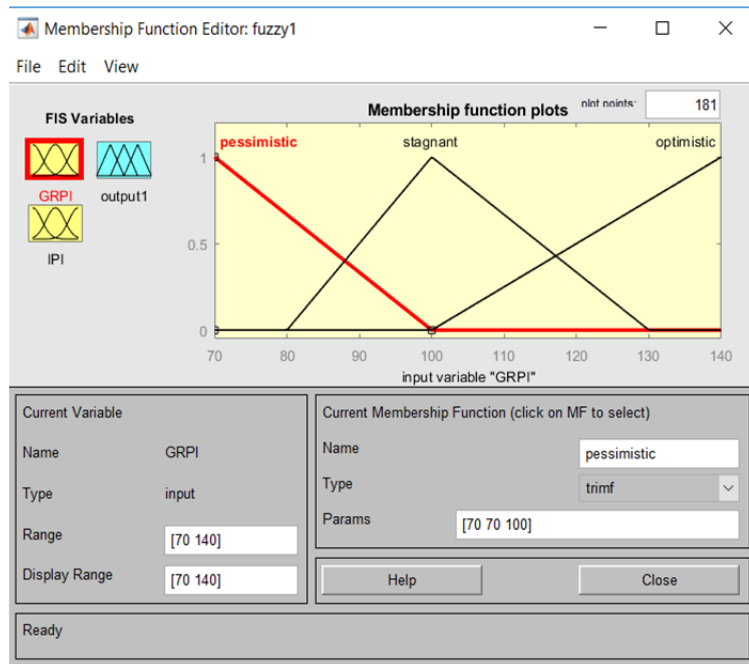


Figure 1. An example of setting the membership functions of the GRPI input parameter

The boundaries of the universal set were determined taking into account the behavior of the research parameters over the last 4 years. The names and shapes of membership functions were chosen taking into account the approaches of expert review to regional development scenarios.

The fuzzy model was built in the Simulink Matlab2017b environment. To simplify the formation of the set of fuzzy rules, the model was formed in a two-hierarchical form (see Figure 2).

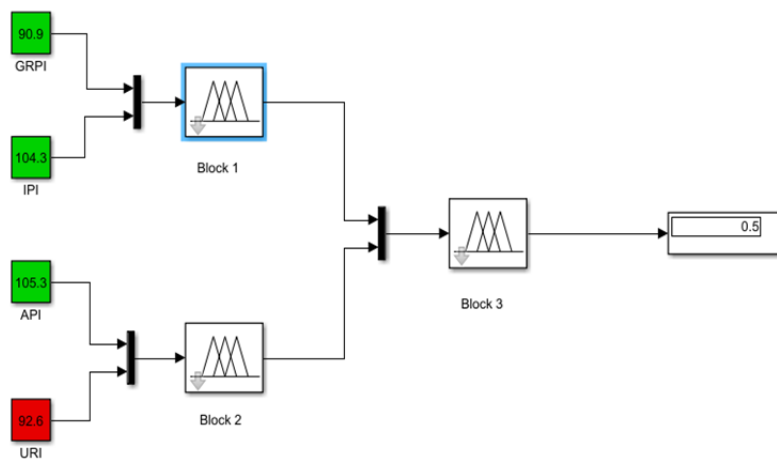


Figure 2. Two-hierarchical fuzzy model in Simulink (Matlab) environment

The set of 27 fuzzy rules for all three fuzzy blocks of the model is shown in Table 2. The set of fuzzy rules is also formed and specified by expert review, extending the universality of the model application in the case of other regions as well.

Set of rules

	IF		THEN	
Block 1	GRPI	IPI	wf	Output 1
	pessimistic	pessimistic	1.00	pessimistic
	pessimistic	stagnant	1.00	pessimistic
	pessimistic	optimistic	1.00	stagnant
	stagnant	pessimistic	1.00	stagnant
	stagnant	stagnant	1.00	stagnant
	stagnant	optimistic	1.00	stagnant
	optimistic	pessimistic	1.00	stagnant
	optimistic	stagnant	1.00	optimistic
Block 2	API	URI	DoS	Output 2
	pessimistic	pessimistic	1.00	stagnant
	pessimistic	stagnant	1.00	stagnant
	pessimistic	optimistic	1.00	pessimistic
	stagnant	pessimistic	1.00	optimistic
	stagnant	stagnant	1.00	stagnant
	stagnant	optimistic	1.00	pessimistic
	optimistic	pessimistic	1.00	optimistic
	optimistic	stagnant	1.00	stagnant
Block 3	Output 1	Output 2	DoS	Output 3
	pessimistic	pessimistic	1.00	pessimistic
	pessimistic	stagnant	1.00	pessimistic
	pessimistic	optimistic	1.00	stagnant
	stagnant	pessimistic	1.00	pessimistic
	stagnant	stagnant	1.00	stagnant
	stagnant	optimistic	1.00	optimistic
	optimistic	pessimistic	1.00	stagnant
	optimistic	stagnant	1.00	optimistic
optimistic	optimistic	1.00	optimistic	

When forming the set of rules, it was taken into account that the GRPI parameter has a significant impact on the regional development assessment, and the increase of the URI parameter is negative in the same assessment. Weighting factor (wf) for all rules was taken as 1.

Mamdani method was used for fuzzy decision-making and fuzzy inference. Output defuzzification was performed on the basis of the membership functions of Table 1 and the Center of Gravity method. Figure 3 shows an example of an intermediate defuzzification of the output parameter 1.

The model was tested on the basis of analysis of Chernivtsi region data indices for 2014–2017 (see Table 3).

The results of the work confirm the stagnant state of Chernivtsi region development for the research period. The clear index of the model's output defuzzificated parameter was in the range 0.4979-0.5265, which corresponded to the value of the «stagnant» linguistic variable (Table 3).

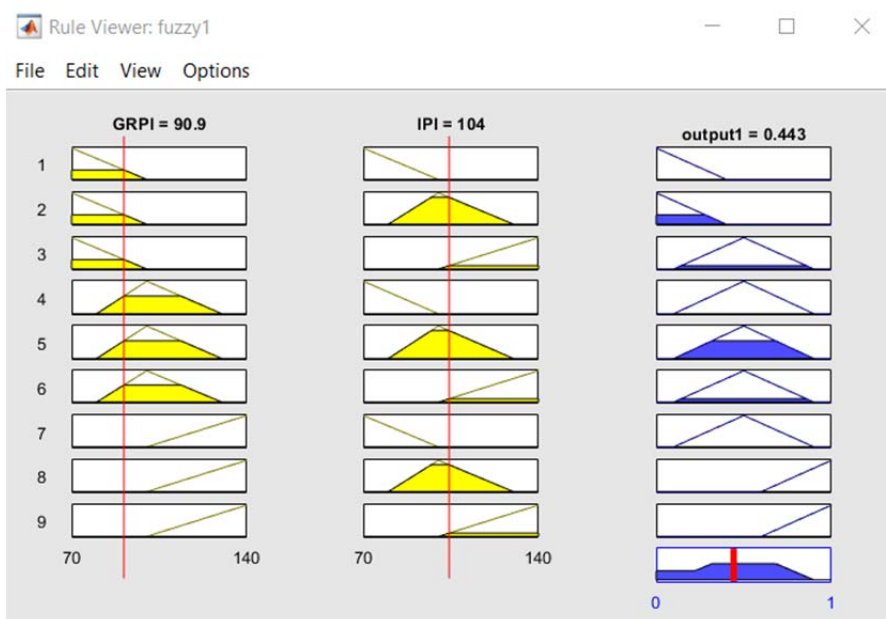


Figure 3. An example of output parameter 1 defuzzification

Table 3

Assessment of the state and development scenarios of Chernivtsi region

Years	Gross regional product index (GRPI)	Industrial production index (IPI)	Agricultural production index (API)	Unemployment rate index (URI)	Output 1
2014	109.2	92.9	104.2	118.6	0.4979 (stagnant)
2015	122.9	98.3	91.1	102.9	0.5265 (stagnant)
2016	114.9	96.7	100.0	90.5	0.5 (stagnant)
2017	90.9	104.3	105.3	92.6	0.5 (stagnant)
Scenario 1	120.0	110.0	110.0	80.0	0.75 (optimistic)
Scenario 2	140.0	125.0	125.0	90.0	0.75 (optimistic)

Two model scenarios (Scenario 1 and Scenario 2 Table 3) were analyzed to study the contribution of input parameters to the development state of the region. The modeling showed that in order to obtain an optimistic development scenario (in our case the output index should be greater than 0.75), Chernivtsi region needs to achieve high rates of GRPI, IPI, API. But even under such conditions, a high unemployment rate significantly lowers the initial assessment of the development. For the scenarios under study, the unemployment rate should be reduced to at least 80 and 90 indices respectively (Table 3). Such results confirm that the development of Chernivtsi region

economy in the context of high unemployment and significant labor outflow is impossible even with significant innovation and capital investment.

Conclusion. Forecasting assessment of the region's economy development scenarios is a complex process with the tendencies of attracting experienced experts as the greatest applied potential. However, the subjective and unclear nature of expert review makes the use of deterministic and probabilistic methods of analysis impossible. Fuzzy modeling method was tested in this paper to solve this problem.

In the Matlab2017b environment there was constructed a two-hierarchical fuzzy model with four input parameters describing the state of Chernivtsi region development by two intermediate parameters and an output one. The model had a set of 27 fuzzy rules and used the Mamdani method for fuzzy decision-making and fuzzy inference. Defuzzification was performed using the Center of Gravity method.

The analysis of the regional statistics selected data of Chernivtsi region confirmed the adequacy and prospects of application the offered model. In particular, there has been ascertained the need to reduce significantly the unemployment rate to reach the threshold of the optimistic development scenario.

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NATIONAL BRAND IN THE EXPORT STRATEGY OF UKRAINE

Ukraine's position as a reliable partner in the international sphere makes it an urgent issue of national brand development. The need to national brand development is also urgent as trade, political, cultural relations are deepening, and there is a need to maintain Ukraine's competitive position in the world market.

Keywords: national brand, branding, export, export strategy.

П'янкова Оксана, Серова Людмила. національний бренд в експортній стратегії України.

У статті доводиться важливість урахування чинника національного бренду в умовах стрімкого розвитку України як повноцінного партнера міжнародних економічних відносин, посилення позицій національної економіки на світовому ринку товарів та послуг. Позиціонування України як надійного партнера у міжнародних відносинах, прагнення подальшого поглиблення торговельних, політичних, культурних зв'язків, актуалізують необхідність подальшого дослідження окремих аспектів багатогранної наукової проблеми управління розвитком національного бренду країни-експортера. У статті визначено взаємозв'язок між експортною орієнтацією країни та силою національного бренду, акцентовано увагу на необхідності докладного дослідження факторів, що прямо чи опосередковано впливають на економіку України, конкурентну позицію на світовому ринку.

Ключові слова: національний бренд, брендінг, експорт, експортна стратегія.

Relevance of research topic. The national brand is the identifier of the country's competitiveness in the world economy. The national brand emerged in domestic science in the twentieth century and became the most important determinant of the interaction formation between national economies in the twenty-first century.

The national brand development influences the development of a country, its economic status and political system, cultural and social spheres. Also, the national brand influences on the sphere of national security, geo-strategic priorities, integration aspirations.

The rapid development of Ukraine as a full-fledged partner of international economic relations, the need to strengthen national positions in the world market, actualize the issue of national brand development.

Formulation of the problem. Based on the achievements in theoretical developments in branding and practical aspects of Ukraine's development as an export-oriented country, it is appropriate to note that some aspects of the multifaceted scientific problem of the national brand management of an exporting country remain debatable and need further investigation. Particularly noteworthy is the dualistic approach to the primacy of the strong national brand influence on exporting country gains or, conversely, the formation of the country's brand on the basis of export performance.

Analysis of recent researches and publications. In the context of a national brand development in an evolutionary and revolutionary way, it is appropriate to focus on a complex revolutionary Ukrainian model, characterized as a qualitative shift.

The United States and European countries received certain consequences as a result of natural revolution. Our scientists are trying to investigate, analyze and adapt to Ukrainian realities these results.

Philip Kotler, David Gertner (2002) made significant contributions to the branding theory development. Veli Olins, Simon Anholt explored the development of national brands.

Simon Anholt says that country branding is a systematic process of reconciling a country's actions, behaviors, investments, innovations and communications, aimed at implementing a national security strategy (Anholt S., 2011).

Domestic scientists perceive the national brand in the world as a country identifying factor, a positioning tool, an informative source, a factor of a potential partner influencing, a product origin guarantee of the country, an integrative component of synergistic enhancement of competitive advantages.

Understanding the special role of the national brand in the development of an export-oriented economy contributes to establishing and maintaining the country's competitive position.

Presenting main material. We review the national brand development as a systematic process. This process is a set of mutually agreed components of the system, namely management. The process should be focused on building the identity and

ensuring the spectrum of national security components and the competitive position of the exporting country. National brand is a source of competitive advantage, determines strategic orientation. The national brand forms and maintains relationships with partners through a combination of the intangible assets of the country (commercial, protective, competitive advantage in the market, cultural, coordinating, synergistic) and communication tool (information, providing, identifying, symbolic).

Brand Finance has been researching national brand development since 1996. The study consists of an analysis of strength and value of national brands.

Brand Finance National Brands has researched the most expensive national brands. According to the investigation, the United States is the traditional leader – the value of the brand increased in 2018 by 25% to \$ 25899 billion. China ranks second in the \$ 10209 billion ranking, Germany ranks third with a 28% increase in value to \$ 5147 billion. The top five are the UK (\$ 3750 billion) and Japan (\$ 3598 billion). Ukraine’s national brand ranks 60th with a value of \$ 84 billion with a 23% over year growth.

Table 1

Top 10 Countries with the Most Expensive National Brands by Brand Finance National Brands, 2017–2018

Nation Brand	Rank		Brand value (USD bn) 2018		% change 2018/2017	National Brand Strength	
	2018	2017	2018	2017		2018	2017
USA	1	1	25,899	21,055	23	AAA	AAA-
China	2	2	12,779	10,209	25	AA	AA
Germany	3	3	5,147	4,021	28	AAA	AAA-
United Kingdom	4	5	3,750	3,129	20	AAA	AAA
Japan	5	4	3,598	3,439	5	AAA-	AAA-
France	6	6	3,224	2,969	9	AA+	AA+
Canada	7	7	2,224	2,056	8	AAA-	AAA-
Italy	8	9	2,214	2,034	9	AA-	A+
India	9	8	2,159	2,046	5	AA	AA
South Korea	10	10	2,001	1,845	8	AA	AA
Ukraine	60	61	84	68	23	A-	A-

Source: conducted by the authors on the basis of Brand Finance National Brands (https://brandfinance.com/images/upload/brand_finance_nation_brands_reports_2018).

The Future Brand Country Index, first published in 2014, aims to show the global perception of 75 different countries on a nationwide brand power rating. In addition to status, experience components include tourism potential, cultural and historical values, and quality of life.

A study of the Global Top 75 rating positions shows that Japan, Norway and Switzerland remain the most successful national brands in the world. Ukraine's national brand ranks 74 out of 75 possible. The rating authors explain such a low result in 2014 and 2019 with military events, high riskiness of the Ukrainian economy, significant unpredictability of business development.

Table 2

Future Brand Country Index 2019 Global Top 75

Ranking	Point Change from 2014	Country	World Bank Ranking 2019	Region
1	=	Japan	3	Asia Pacific
2	+4	Norway	28	Europe
3	-1	Switzerland	20	Europe
4	=	Sweden	22	Europe
5	+8	Finland	42	Europe
6	-3	Germany	4	Europe
7	+2	Denmark	35	Europe
8	-3	Canada	10	North America
9	+1	Austria	27	Europe
10	-	Luxembourg	73	Europe
74	=	Ukraine	60	Europe

Source: conducted by the authors on the basis of Future Brand Country Index (<https://www.futurebrand.com/uploads/FBI/FutureBrand-Country-Index-2019.pdf>).

It is worth noting that the National Brand of Ukraine is just beginning its active development. Ukraine is difficult to perceive by the international community, on the one hand it is a high-risk warring country, on the other – «a logistical and mental bridge between west and east» (Sapry`kina M., 2015).

According to the CSR Development Center research (Sapry`kina M., 2015), the world community perceives Ukraine as: a country with a rich culture, a country with significant economic potential, a country with corruption and political chaos, a country where it is dangerous to live. It should also be noted that experts believe that Ukraine has prospects for change.

Strengths include: people, natural resources, geographical location, opportunities, unique culture and democracy.

Most of the respondents identified weaknesses: corruption, political instability, poor economic development, inefficiency of government, poor popularization of Ukraine in the world.

Export impact investigation of national brand leaders helps to identify the presence of correlation between absolute export performance, balance the structure and value of the brand.

The analysis of Ukraine's export activity makes it possible to emphasize the imbalance of the export structure. According to the results of 2018, Ukraine is ranked

46th in the world by export, 45th place – by goods export, is ranked 27th by the share of agricultural raw materials in the total export structure, becomes 16th in the world by foodstuffs export share, by 40th place in the industrial goods share in export, by results of 2017 Ukraine is 76th in the world in the high-tech goods share in industrial goods export.

Table 3

Ukraine's Export, 2018

Indicator	Ukraine		Leaders
	Rank	Value	
Export of goods and services	46	59117 million US dollars	1. China 2. USA 3. Germany
Export of goods	45	43345 million US dollars	1. China 2. USA 3. Germany
Export of agricultural raw materials in the total export structure, %	27	2%	1. New Zealand 2. Latvia 3. Finland
Export of foodstuffs in the total export structure, %	16	39,1%	1. Belize 2. Cape Verde 3. Saint Vincent and the Grenada
Export of industrial goods in the total export structure, %	40	48,8%	1. Hong Kong 2. Andorra 3. Israel

Source: conducted by the authors on the basis of Knoema (<https://knoema.com/atlas>).

It should be noted that Ukraine is not global development trends exception and is integrally active. Ukraine, like most countries in the world, needs to develop a strong national brand.

There is a close correlation between the export orientation of the country and the strength of the national brand in terms of origin and nature of manifestation and consequences. Today requires a detailed study of the factors that directly or indirectly affect Ukraine's economy, its competitive position in the world market.

It is advisable to consider the issues of national brand development in the context of strategic priorities of the country's development. One of the key areas is the export orientation of the economy.

The final goal of Ukraine's Export Strategy (Export Strategy of Ukraine's, 2017) is «science-intensive and innovative exports for sustainable development and success in world markets» through:

- creation of favorable conditions that stimulate trade and innovation for export diversification;

- development of business and trade support services capable of enhancing enterprises competitiveness, including small and medium-sized businesses;
- strengthening the skills and competences of international enterprises, in particular small and medium-sized businesses.

Considering the problems of creation and formation of the national export brand of the country, it is appropriate to emphasize that Ukraine is identified in the world as supplying agricultural and food products. Existing and potential importing countries are increasingly focusing on co-operation in the agricultural sector, increasing purchases of agricultural raw materials, finished food and beverages.

Recognizing that Ukraine has a significant competitive advantage in the food market, the Government is taking the initiative in the context of the Export strategy implementation to create the Export Brand of Ukraine. According to the developers, it will become «a complete set of emotions, associations and characteristics of goods and services from Ukraine in the consumers’ minds» (BRAND-BOOK), will help strengthen the position of the national brand.

Defining Ukraine as a «modern country and reliable trading partner that exports quality, innovative, technological and authentic products» (BRAND-BOOK) is a key slogan of export brand creating.

Formation of a positive image of Ukraine as an exporter of quality goods and services is the main goal of export brand creating.

Among the tasks: positioning Ukraine in the world as a reliable trading partner; stimulation of export growth; development of export-oriented industries; resources reduction to promote Ukrainian products to priority partners markets.

Depending on the sectoral affiliation, domestic manufacturers-exporters are offered a version of the «Trade with Ukraine» slogan adaptation in a more detailed version.

Table 4

Adaptation of the exporting country brand name

The country’s export brand	Trade with Ukraine
Food & Beverages	Taste with Ukraine
Confectionary	Taste with Ukraine
Information & Communications Technology	Innovate with Ukraine
Creative services	Create with Ukraine
Toys	Create with Ukraine
Perfumes & Cosmetics	Create with Ukraine
Furniture Industry	Create with Ukraine
Machinery	Manufacture with Ukraine
Electrical Machinery	Manufacture with Ukraine
Aerospace: Spare parts & Components	Rocket with Ukraine
Aircraft Maintenance	Fly with Ukraine

Source: conducted by the authors on the basis of Export Promotion Office materials.

The work of the Export Promotion Office continues. The Office makes practical efforts to assist experienced and potential exporters. Particularly important is the great educational work, export consulting, exhibition activities, information and analytical support, organization of trade missions, etc.

Conclusion. Undoubtedly, a strong export-oriented economy is capable of forming a strong national brand. It is advisable to review the structure of domestic exports in favor of knowledge-intensive and innovative in the context of the Ukraine's Export Strategy implementation. The new export structure will create the preconditions for strengthening the position of Ukraine's national brand as a reliable strategic partner among the developed countries of the world.

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IMPACT OF MILLENNIAL CONSUMERS ON BUSINESSES AND INDUSTRIES: WORLD TRENDS

Today millennial generation is recognized to be the most powerful and influential generation in history, possessing the largest share of the world population and increasing their welfare and purchasing power. Multiple studies show that there are common characteristics of this generation in the different parts of the world, as a result of globalization and spread of digital technologies. In the frames of the recent researches carried out in different countries, the relationship of millennials with business partially considered in this study. On the other hand, the effect of the influence of millennial consumers on businesses and industries, known as an «industry-killer» impact is summed up.

Keywords: millennials, generations, buying behavior, preferences, industry-killers.

Сай Дарія. Світові тенденції впливу споживачів покоління міленіалів на бізнес та галузі економіки

За сучасних умов покоління міленіалів признано, як найбільш потужне та впливове покоління в історії, що визначається лівовою часткою населення світу та постійно зростаючими заможністю і купівельною спроможністю.

Численні наукові праці свідчать про існування узагальнюючих характеристик цього покоління в різних частинах світу, як наслідок процесів глобалізації та розповсюдження цифрових технологій. В цій статті частково розглядаються взаємовідносини покоління міленіалів та бізнесу, відповідно до сучасних досліджень, що проводились в різних країнах. З другого боку, підсумовано наслідки впливу споживачів покоління міленіалів на бізнес та галузі, а саме так званого ефекту «знищувачів галузей».

Ключові слова: міленіали, покоління, купівельна поведінка, уподобання, знищувачі галузі.

The relevance of the research topic. Millennials, being the most significant global generation, have a relationship with businesses that are different from the previous generation. Also, there is evidence to suggest that millennials not only cause

businesses to transform but refuse to use certain products or services or avoid certain industries. This «industry-killers» phenomenon, which is observed during past decade internationally, sets a precedent for enterprises situated in the countries with different economic cycles to consider this worldwide experience when developing their competitive strategies or multi-business activities.

Formulation of the problem. As a consequence of millennials consumers far-reaching effect, the cases of regression of some industries worldwide merits science-based approach of study and systematization.

Analysis of recent researches and publications. The authors W. Strauss and N. Howe credited with naming millennials. They authored multiple books on social generations, and they are also the authors of the newest theory of generations. Gui Costin's book «Millennials are not aliens» (*Forbes books, 2019*) can be cited among the recent publications on the topic, as well as multiple surveys published by Deloitte, BCG, Bloomberg.

Setting objectives. The purpose of this study is to identify priority areas for businesses to modify their market offers to change preferences of millennial consumers. To define and to systemizes the international experience of enterprises that are subjects of the effect of «millennials industry-killers».

Due to increasing importance of millennials as a purchasing power worldwide, more and more businesses, and notably international ones, use generation as a segmentation criteria for developing their marketing strategies internationally. Millennials broadly classified as individuals born between 1980 and 2000 (*Lee & Kotler, 2016*), and their coming on age coincided with a historical period of Information age or New Media, bringing economy based on information technology. For the first time, the term millennial was used by the authors Neil Howe and William Strauss, the authors of the book «Generations: The History of America's Future, 1584 to 2069». There are many other terms for this generation, such as Generation Y, Generation Next (Nexters), and Echo Boomers.

Besides multiple sociological, psychological and economic studies specifying a variety of traits inherent in this particular cohort, there are some titles around the world, which reflect in its origins the realities of life of millennials and, consequently, the circumstances influencing their culture and buying behavior in different geographic regions. For instance, in China millennials are called ken lao zu, or «the generation that eats the old», and in Japan – nagara-zoku, «the people who are always doing two things at once». As a result of youth unemployment and the national economic crisis in Spain young people are called Generación Ni-Ni, «ni trabaja, ni estudia», »neither work nor study». For the same reason in Greece millennials is «the Generation of 500 euros», named for a Greek governmental program employing young specialists for a salary of €500 per month [6].

Because of the wide use of digital technologies and Internet, the world trend of young people to be preoccupied with technology and not to live without the existence of computers and smartphones lead to calling this generation Global Generation and The Net Generation . Other significant global influences that unite millennials are

AIDs epidemic, the terrorist act of September 11, 2001, gay marriage legalization, TV talk shows, mixed or «single parent» families, environmental issues, the great recession known as a period of general world economic decline during the late 2000's and early 2010's.

In light of the evidence of *UN World Population Prospects* and analytical researches of *Bloomberg and Deloitte*, one can have a better understanding of the importance of millennials as the world's most powerful consumers and the largest generation ever. Taking into account the total number of global population of 7,7 billion in 2019, millennials will represent a 31, 5 percent share, or 3,43 billion people [7]. In absolute terms, India, China, the United States, Indonesia, and Brazil have the world's largest millennial populations. About 1 billion millennials currently live in Asia alone and 86 percent of the world's millennials concentrated in emerging markets, that is to say, in the countries with lower income per capita. Despite the forecasts that in the nearest future Generation Z will surpass generation Y and comprise 32 percent of the global population in 2019, millennials as an older generation are expected to grow their wealth considerably. Until 2020 the aggregated net worth of global millennials is estimated ranging from 19 to 24 trillion US Dollars [5].

Differences in national economic development suggest that the household income of young adults diverge from country to country. Yet, the forecast of millennials' global annual aggregate income through 2030 represented in the Fig 1. shows that global millennial spending power will continue to raise and overpass the Generation X reaching the figure between 20 and 23 trillion US dollars [3].

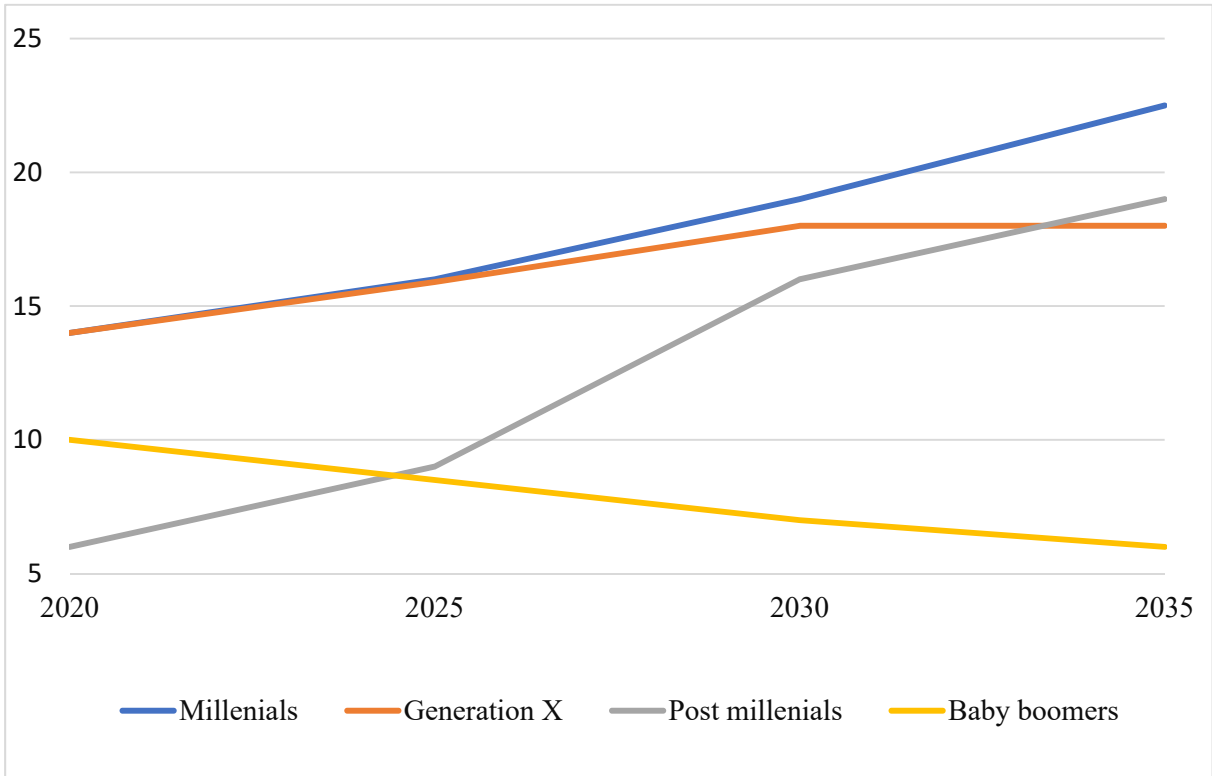


Figure 1 Forecast of Millennials' global annual aggregate income through 2030 (trillion US Dollars)

The world trends in spending power of millennials represented, for example, by their shopping abroad and buying luxury goods. The growth of the global luxury market today is also driven by millennials, who will represent half of its customer base in 2024 (*Boston Consulting Group, 2018*). In particular, Greater China Millennials (China, Taiwan, Hong Kong) spend around €4,000 when travelling abroad, which is as much as older generations expenses. The highest shopping abroad budget of €5,200 is possessed by East Asia millennials, followed by Gulf Countries millennials – €4,700 and Russians – €4,600 [8].

In order to consider the impact of millennials on businesses and industries, we need first to understand the main types of research papers, studying the influence of this generation on the economic activity of the enterprises and domains. As a rule, the vast majority of marketing studies are concentrated on the revealing of particular features of millennials' within «Stimulus-response model of buyer behaviour» elements. For instance, they include the studies of culture and reference groups; motivation, values, perceptions, beliefs and attitudes; lifestyles, economic circumstances and personality; buying decision process itself, including the needs, the ways of information search, benefits sought, intervening factors, purchase decision and post-purchase behaviour. Furthermore, world specializing companies, such a Deloitte or BCG, carry out their survey across many countries or globally that permit to highlight common characteristics of a generation and to plan international business activities in the international markets, given the convergence of a target audiences [2].

In contrast to the studies describing the features and characteristics of young adults, there is another type of publications attempting to show the cause-and-effect relationship between millennials and businesses. These types of research investigate the cases of enterprises fails or successes due to the influence of millennials. Under the influence of the most numerous generation in the history of the world, businesses are changing and adapting their activity not only with an aim to maintain or increase their turnover but to survive.

A part of the recent study o «The Deloitte Global Millennial Survey 2019» testifies that millennials have a relationship with businesses that are different from the previous generation. [2]. This 2019 report based on the questioning of 13 416 millennials across 42 countries and territories. The Fig.2 outlines the main reasons why millennials start and stop relationships with companies, which can be characterized as personal ones. Thus, the main motives for young adults' generations to begin or to interrupt the business relationship is the perceiving that a company's products or services have a positive impact on society and/or the environment or because of the ethical behaviour of the company.

The political position of the company is also quite important for millennials. To illustrate, 28 per cent said they had stopped a business relationship because of the company's its position on political matters and, conversely, 29 per cent stopped a relationship because of behaviour or comments of a single company leader. 36 per cent believed a company was ethical to start a relationship.

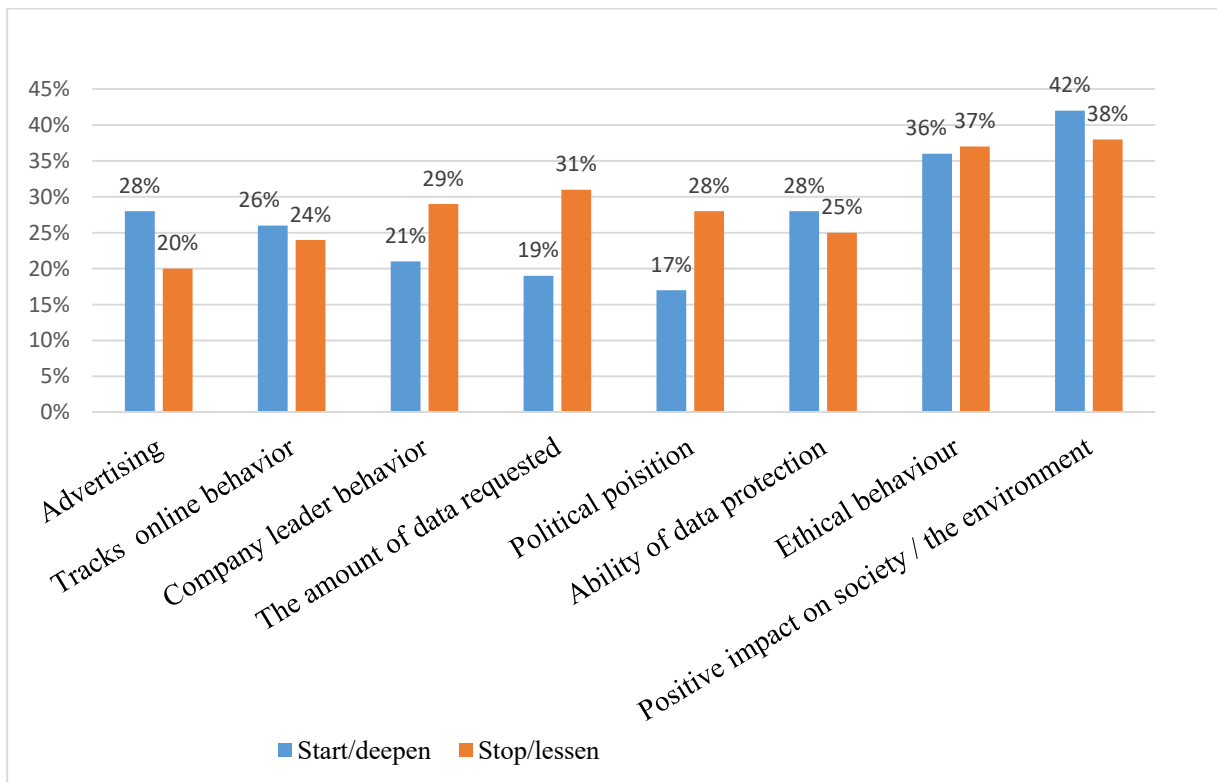


Figure 2. Reasons why millennials change their relationship with business [2]

Moreover, this study shows the harmful effect of modern tendencies of intervention into private life with digital technologies. Not only about a third of respondents said they have stopped a business relationship because of the amount of personal data the company requests but 25 per cent have done the same because of a company's inability to protect their private data. Another key thing to remember is that 24 per cent lessen the relationship because of the way the company tracks or customizes the user's shopping and online behaviours.

Whatever are the reasons why millennials stop or start their relationship with businesses, another phenomenon merits special attention of the scholars, which is characterized by some authors as «industry killers». That is to say, that to the most extreme, millennials not only initiate businesses transformations and retrenchments but, but refuse using certain products and avoid some industries in general.

To illustrate the mentioned above impact of millennials on businesses, the case of restaurant industry can be considered. For instance, Subway, the world's largest fast-food chain, having 24 000 stores in the United States and about 42 000 stores worldwide, closed more than 1 000 restaurants in the United States in 2019. The owners of casual dining restaurant chains in the United States such as Buffalo Wild Wings, Ruby Tuesday, Applebee's (closed more than 130 restaurants) and TGI Fridays recognized that casual-dining chains have struggled to attract millennial customers and to increase sales [9].

Another demonstrative example is a jewellery industry and a significant drop in sales of diamonds. As indicated by different studies the average age for marriage is

now 29 for men and 27 for women which is much later than it was in previous generations, 78% of millennials prefer to spend money on experiences instead of items. Thus, Tiffany's and De Beers, which are the world's largest diamond producer and seller saw their sales declining by 4% and 11% in 2017 [4].

The real estate industry, for instance, also is a subject of millennials impact. This generation is renting longer and notably until their 30's and buying expensive houses later. Millennials are interested in purchasing homes, and a big part of them as just 34% are homeowners [4,10]. Similarly to mentioned before examples some other cases are presented in the Table 1, describing briefly the reasons and consequences of the impact of millennial consumers on the businesses and the industries.

Table 1

Impact of millennial consumers on businesses. Brief of industry-killers effect

№	Product or industry	Brief cause and effect description
1	Chain restaurants industry	The decline of casual-dining restaurants is reported during a decade. According to <i>www.restaurantbusinessonline.com</i> the sector closed more restaurants than it opened in 2017 for the first time in USA. In total, casual-dining restaurants were down for the first time by 1.5 percent: more than half of the TOP USA 186 casual-dining restaurants showed a unit decline or turnover drop in 2017. Instead of eating in sit down restaurants, many millennials prefer higher-end eateries if they can afford it, and fast, healthy options when they can't. Frequently, lunch dining out is replaced with snacking. Also, this generation prefers to cook mostly at home.
2	Real estate industry	The lowest rate of homeownership in half a century was observed in 2016. The homeownership rate fell to 63 percent (<i>CNBC, 2018</i>). The growth in student debt is a major factor explaining the decline in homeownership among the young adults. Millennials don't buy the starter cheaper houses. Because of student loan debt, many millennials are living with their parents or have a roommate long into their 30s.
3	Jewelry industry	Millennials spend their money on travel rather than on luxury and material goods. Moreover, they have ethical attitudes regarding the way diamonds are mined. 78% of millennials prefer to spend money on experiences instead of items. Also, millennials are delaying marriage, and therefore not buying diamond rings.
4	Hotel industry	As reported by <i>American Hotel and Lodging Association (AHLA)</i> , millennials will have a huge impact on the hotel industry because by 2020 50 percent of all hotel guests worldwide will be presented by this generation. Airbnb which is the millennial's digital alternative to hotels, has attracted young adults towards private homes. About 20% of millennials stayed in an Airbnb, and 37 percent of them have a positive opinion of this service. More than a third of respondents think that Airbnb offer a beneficial price and better service.

№	Product or industry	Brief cause and effect description
5	Napkin industry	80 per cent of millennials choose paper towels avoiding napkins, according a <i>Washington Post</i> , 2016. Paper towels are considered by the generation as more functional and used for many purposes. Consequently, millennials don't need this product because they often eat out and leave napkins off the buying list.
6	Beer industry	Mass market beer are losing their popularity and craft beer market is on rise. Craft beer consumption in the USA has grown by 500% in the last decade and multiplied its market share. Beer lost 10% of its market share to wine and hard liquor between 2006 to 2016. Millennials drinking less overall and are adepts of gluten-free diets, that may be a reason of increased popularity of wine and spirits. This trend represents a lot of innovation opportunities for non-alcoholic drinks industry.
7	Department stores	\$230 billion in total sales in 1999 in the USA was represented by department stores. By 2016, that number had fallen to \$155, 5 billion. Experts forecast that more than 1,000 department stores will close by 2023, and their overall market share will drop by 66%. Millennials shift their preferences towards online shopping and stores that offer them their preferred brands, especially designed for their target audience: like H&M and Zara and outlets offering quite significant discounts and price bargains.
8	Cable TV	The number of TV subscribers in the USA was down 3.8% in 2018. As reported, 33 percent canceled pay-TV service in 2018, a 32.8% increase over the previous year, according to <i>eMarketer</i> . Millennials are called «cord-cutters», they avoid cable subscriptions and prefer streaming services like Netflix, Hulu, and Amazon Prime. Another favoring factor is a customization because streaming services give viewers a lot of freedom to watch what they want, when they want.
9	Cereal industry	The \$9 billion cereal industry in USA is declining. It has dropped on 17% over the last decade. According to the studies (<i>Mintel</i> , 2016) 40% of millennials don't eat cereal for breakfast because it takes too long time to prepare and clean up and because it's like eating a dessert. The products that replaced cereals are quick-cooked hot grains, breakfast sandwiches, fruit-flavored smoothies, and yogurts.
10	Golf industry	In the middle of nineties 9 million of 18- 34- year-olds were playing golf, compared to just 6 million today. Overall, this industry has lost 5 million participants in the United States since 2008, according to <i>the National Golf Foundation</i> . The main reasons why millennials aren't attracted to this type of sport are: it is too time consuming, it is exclusive and does not permit to share the experience, because it is too expensive and complicated. In fact, it is estimated that if such trend continues, golf could disappear in 52 years.
11	Bar soap	When the rest of the bathroom cosmetics exhibited the growth, bar soap sales fell 2.2% from 2014 to 2015. Almost half (48%) of all US consumers believe bar soaps are covered in germs after use, a feeling that is particularly strong among consumers aged 18-24 (60%), as opposed to just 31% of older consumers aged 65-plus as reported by <i>Mintel</i> .

№	Product or industry	Brief cause and effect description
12	Fabric softener	Fabric softeners' sales fell 15% overall between 2007 as the <i>Wall Street Journal</i> reported, and according to <i>Procter & Gamble's</i> , their market leader brand Downy brand dropped 26% in the same period. According to <i>Fortune magazine</i> , millennials «don't know what the product is for.» Other studies show that millennials refuse to use this product because of conscious choice to skip harmful products because of their chemical ingredients.

Source: developed by the author based on [1, 4, 9, 10].

In a whole, the result of recent reports from different specialized sources provide a compelling evidence that since millennials came of age, their consumption patterns and spending habits have an impact on following products and industries: casual chain restaurants, diamonds, luxury, real estate, movie theaters and cable TV, cereals, raisins, processed cheese, beer, napkins, golf, motorcycles, yogurt and exceptionally light yogurt, bars of soap, fabric softener, banks, department stores, designer handbags, gyms, home-improvement stores and oil. In addition to spending habits and preferences, such common factors as less earning, fewer assets and less wealth than previous generations should be taken into account.

Conclusion. Nowadays, millennials are the world's most powerful consumers and the largest generation ever, representing 31,5 per cent share, or 3,43 billion of people from 7.7 billion of the global population in 2019. Businesses undertake many efforts to study the consumer behaviour of this cohort in order to compete successfully in the marketplace. On the other hand, during the past decade, a range of cases when millennials refused to use certain products and avoided some industries reported in different countries. This phenomenon called an «industry killers» resulted in a significant decline of turnover, businesses shutdowns and, to the most extreme, as experts predict, can lead to a disappearance of some product or service categories. For this reason, it is advisable to further explore these precedents with an application of science-based methods with the aim of improvement of multi-business activities management in the countries with different economic cycles.

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BUSINESS OBLIGATIONS ON HUMAN RIGHTS IN THE INFORMATION SOCIETY

The article discusses the human rights business obligations in the information society. Obligatory and voluntary business obligations, direct and indirect obligations are considered. The global and national strategies for regulating companies and developing appropriate standards are identified. Features of responsibility of transnational corporations, IT companies, impact on the latest and recognized human rights are investigated.

Keywords: *human rights, human rights concept, business obligations, information society, transnational corporations.*

Разметаєва Юлія. *Зобов'язання бізнесу щодо прав людини в інформаційному суспільстві*

Статтю присвячено питанням зобов'язань бізнесу у сфері прав людини в інформаційному суспільстві. Розглядаються обов'язкові та добровільні зобов'язання бізнесу, покладання прямих та непрямих обов'язків. Виокремлюються глобальні та національні стратегії регулювання діяльності компаній та вироблення відповідних стандартів. Досліджуються особливості відповідальності транснаціональних корпорацій, компаній, що працюють у сфері ІТ, вплив на новітні й визнані права людини.

Ключові слова: *права людини, концепція прав людини, зобов'язання бізнесу, інформаційне суспільство, транснаціональні корпорації.*

Relevance of the research topic. The influence of business as a non-state player of public relations on the implementation and protection of human rights has increased significantly in recent years. The role of IT companies and transnational corporations is particularly prominent in today's information society. At the same time, there are shifts in the concept of human rights that are largely related to the development of digital technologies and the information economy. The complexity of regulatory and jurisdictional issues in a globalized world, the increasing

interdependence of states and organizations, and the particularities of cyberspace development add new dimensions to these issues.

All of the above encourages us to discuss and implement the standards of activity and responsibility of a business, its binding and voluntary human rights obligations.

Formulation of the problem. Although the human rights obligations of the business are enshrined in a number of international acts and implemented at the level of some states in a number of countries, there are strong reasons to believe that this is not enough to ensure an adequate level the realization and protection of the human rights in the information society.

First, there is no universal model of human rights business obligations. This applies to both the regulatory framework and the theoretical framework. The best results can be found in documents such as the Guiding Principles for Business and Human Rights: Implementing the United Nations «Protect, Respect and Remedy» Framework, UN Global Compact, OECD Guidelines for Multinational Enterprises, OECD Declaration on International Investment and Multinational Enterprises, Decisions and Recommendations. The discussions about the nature and scope of such obligations, their maintenance, support and consequences of non-compliance are ongoing within the UN and intergovernmental groups, in civil society and academic community.

Second, it is difficult to predict what impact business will have on human rights in the digital age, as geopolitical and geo-economic shifts are occurring at an extraordinary rate. On the one hand, vulnerability in the protection of data of a powerful corporation can have consequences such as the unexpected results of elections and referenda in some states, massive violations of the right to privacy, distortions in the realization of the right to information. On the other hand, the well-thought-out advertising campaign of a powerful corporation, focused on individual rights, would be able to benefit not only the business structure but also society, promote social change and act as an educational tool. UN General Assembly in its resolution of 19 December 2016 «Globalization and its impact on the full enjoyment of all human rights» recognizes that «the responsible operations of transnational corporations and other business enterprises can contribute to the promotion, protection and fulfilment of all human rights and fundamental freedoms, in particular economic, social and cultural rights» [4].

Third, the idea of human rights business obligations is opposed by a large proportion of businesses, state and local government representatives. At the same time, the reluctance to impose clear standards and monitor their observance is characteristic not only of corrupt representatives of any government, but also of those who understand that, given the peculiarities of economic activity in the modern world and building relationships across borders, the main burden will be borne by developed countries.

Analysis of recent researches and publications. Over the last decade, several important studies and publications have emerged, addressing the need to review human rights obligations and to include businesses in the list of obligated entities, standards to be implemented, the legal framework, problems with which all stakeholders face, and existing mechanisms for bringing corporations to justice [See: 2; 3, 9]. They continue to promote the lack of proper regulation and enforcement mechanisms at international and national levels for business structures activity.

It is also in line with the trend towards a revision of the human rights concept, the increasing popularity of horizontal human rights and the responsibility of non-state players. It is determined that new phenomenon in strategies to protect human rights is «a shift by global actors concerned about human rights from nearly exclusive attention on the abuses committed by governments to close scrutiny of the activities of business enterprises, in particular multinational corporations» [7, p. 446]. When considering the dangers for human rights and potential business responsibilities of business, the following solutions have been suggested – indirect and direct, where the first corresponds to the indirect withdrawal of business obligations from existing documents and mechanisms, and the second reflects direct and immediate obligations [5, p. 47]. The implementation of such commitments is actively discussed, based on a «due diligence» strategy, as a way of solving problems in the context of globalization and informatization, corporate responsibility and incentives for voluntary compliance [10, p. 860; 6, p. 251–252].

Presenting main material. An adequate regulation in the field of business and human rights remains insufficient, both internationally and nationally. First of all, this is facilitated by the lack of consensus as to whether the business should have direct or indirect, binding or voluntary human rights obligations. On the one hand, voluntary initiatives will be more efficient, but they will not guarantee the protection of rights and no-one would be held responsible in case of refusal to participate in the initiatives. On the other hand, even a human rights protection system built on the obligations of states as direct addressees of rights does not work perfectly. In addition, a voluntary human rights obligations strategy will not provide such coverage and not ensure their execution by companies operating in undemocratic and corrupt states.

It has to be said that business obligations are often focused on certain groups of rights, notably environmental and labor rights, as well as non-discrimination. At the same time, most existing international instruments contain a general statement of the obligation to respect, protect and remedy. UN Global Compact as a standard for business containing ten basic principles, provides that businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses; should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of

child labour; and the elimination of discrimination in respect of employment and occupation; should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies; should work against corruption in all its forms, including extortion and bribery [12]. Questions about the indirect impact on the rights, as well as the degree of liability of the company for complicity in the violations, remain open. For example, the transfer of company production into a state with an authoritarian regime for the sake of cheapening or doing business with a counterparty for which there is evidence of systematic and gross violation of workers' rights.

It should be noted that in any case, public authority does not disassociate itself with the sphere of business and human rights, leaving this sphere to the discretion of companies and civil society. Even a soft obligations option requires the governments use regulation to create an environment more conducive to enterprises voluntarily meeting their social responsibility [6, p. 251].

In discussions that come to a consensus view of the need for a commitment to business obligations and propose the creation of a relevant international document there are differences over which business entities should be covered. Two positions have been formed in this regard: 1. Dissemination of binding standards to transnational corporations only. 2. Dissemination of mandatory standards to all types of companies.

Arguments for assigning obligations to transnational corporations are based on the fact that the latter have economic power, and often also have political weight. This allows them to have a significant impact on human rights, international relations and national legal systems as a whole. The problematic issues of regulating corporations, potentially having consequences for human rights, are the uncertain legal status and understanding of what transnational corporations are. Formally, they belong to the private sector, but acting in the public sector, at the level of governments and international organizations, have the potential to influence regulation and enforcement.

Arguments that a potential convention on human rights for business should also cover national enterprises are based on the necessity of the prevention of human rights abuses, as well as on the understanding that in an information society the influence of a company legally in the jurisdiction of one state can extend far beyond the borders of this state. In addition, specific regulation of business and human rights in national legal systems may be absent or cover only certain narrow spheres. However, as stated above, with the help of certain regulatory schemes, governments «could monitor corporate human rights activity in the same way they monitor corporate environmental, anticompetitive, securities, or bribery-related activity» [7, p. 533–534].

As far as responsibilities of business are concerned, the efforts of many states to apply extra-territorial jurisdiction to matters related to its business should also be taken into account. The clash here is compounded by the fact that information society

activities are possible in cyberspace, data is transmitted across many countries, and some operations are difficult to trace.

In particular, the EU General Data Protection Regulation, which entered into force on 25 May 2018 for the European Union, imposes rigorous requirements for business on the handling of any data used by companies in their activities, as well as on the observance and protection of individual human rights. Business entities including should be able to demonstrate that they have implemented technical and organizational measures that show how they view and integrate data in processing processes, what they know, what information they own and where they store [8]. The application of this document has already led to several high-profile lawsuits against corporations established in US jurisdiction.

Regulation in the field of business and human rights in Ukraine is based on the above international documents, but today it is fragmented and characterized by the lack of an overall strategy in this matter. As a general guideline, the National Human Rights Strategy, approved by Presidential Decree of August 25, 2015 No. 501/2015, may apply. The National Action Plan on Business and Human Rights, involving all stakeholders, is envisaged to adopted.

Criticism of the ability to implement universal standards for business obligations in the field of human rights, whether imperative or advisory, is also based on a fair fear of not being able to apply them to all business entities, given the variability of companies and differences in their operations, and the fact that managers may not know that businesses are affecting rights in some way [1, p. 338]. Indeed, human rights education is not adapted to such challenges. In addition, even reputable and experienced representatives of international jurisdictions sometimes face complex cases, rather widespread in the sphere of the impact of business on the exercise and protection of rights.

In the information society, resources for business are the attention and trust of consumers of goods and services. Activity in the «gray areas» of law, ethics and technology promises significant profits. Therefore, business interests may be fundamentally at odds with the human rights doctrine. In particular, the key findings of the Ranking Digital Rights for several years now have been to confirm the inadequacy of the disclosure of private data, the non-transparent processing and use of information by companies. In 2017, the ratings of the most popular Internet and mobile companies were as follows: Google (65%), Microsoft (62%) and Yahoo! (58%). In 2018, 17 out of 22 key companies have improved performance in at least one area, but their privacy regimes remain far from ideal [11].

An additional dimension to the problem of rights and company activities is the fact that business structures often operate in the field of the newest human rights, such as prohibition of human cloning, smart bioengineering, maintaining anonymity, digital identity, the right to the Internet, and so on. The concentration of innovative

technologies in the hands of corporations that are poorly regulated by traditional legal instruments can be quite dangerous.

The human rights recognized as fundamental are also under attack. The global business activities influence information and, in the presence of digital tools and domination of the communication space, significantly affect freedom of expression, pluralism and cultural diversity, democratic processes and the realization of political rights.

At the same time, modern companies may be interested in building a positive image and promoting social responsibility, as well as in maintaining the strong trust of users in the digital age. Certainly, this can have a positive impact on human rights.

Conclusion. In the information society, business has a major impact on human rights that will only grow, taking into account global political, economic and social processes. At the same time, companies can act responsibly or choose the most favorable legal regime for irresponsible activity.

Internationally and at the level of most national legal systems of the world, there are no universal binding standards for the observance and protection of human rights by business. Trends in ongoing regulatory divergences and growing transnational service markets will require further development of legislation and legal practice, global partnerships and innovative approaches.

Further research needs to address the international legal personality of business entities and their direct human rights obligations, the particular responsibility of transnational corporations and the impact of IT companies, the use of autonomous legal regulation and soft law instruments.

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CONTEMPORARY STATUS AND PROSPECTS OF INTERNATIONAL INTEGRATION FOR AGRARIAN SECTOR OF UKRAINE

The article deals with the investigations on the priorities and prospects of Ukraine's participation in international integration processes. The current status of Ukraine into the world-wide integration is characterized. The results of the analysis made it possible to distinguish agrarian integration as a separate object of study for international economic integration. The chronology of the stages of Ukraine's integration path is described thereafter. The perspective markets of the countries for the Ukrainian export of agricultural products are determined. The perspectives of the chosen integration way for Ukraine are considered and possible positive and negative features of this choice are analyzed.

Keywords: *Integration, international economic integration, agrarian integration, market, agri-food products, forecast, development.*

Федун Ігор. *Стан та перспективи міжнародної інтеграції аграрного сектора України.*

У статті досліджено пріоритети та перспективи участі України в міжнародних інтеграційних процесах. Охарактеризовано сучасне становище України у світовому інтеграційному просторі. Результати аналізу дозволили виділити аграрну інтеграцію як окремий об'єкт дослідження міжнародної економічної інтеграції. Описано хронологію етапів інтеграційного шляху України. Визначено перспективні ринки країн для українського експорту аграрної продукції. Розглянуто перспективи обраного інтеграційного шляху та проаналізовано можливі позитивні й негативні моменти цього вибору.

Ключові слова. *Інтеграція, міжнародна економічна інтеграція, аграрна інтеграція, ринок, агропродовольча продукція, прогноз, розвиток.*

Relevance of the research topic. *Ukraine's economic integration is becoming one of the important factors of economic growth, improvement of the economic situation in the country and betterment of well-being for the whole population.*

International economic integration determines a promising way of improving and expanding world processes in Ukraine's agri-industrial production. It is impossible to imagine integration without expanding the circle of partners and introducing the latest technologies and services. However, integrational processes are not always accompanied by positive consequences that require scientific grounding.

Formulation of the problem in general. Ukraine's international integration puts out new demands as for the domestic agricultural sector, which functions in conditions of fierce competition with manufacturers of much higher level of state support. Formation of competitive status and positive image of domestic manufacturers is one of the most important directions for promotion of agri-food products onto foreign markets. The domestic agricultural sector is characterized by positive growth dynamics. Ukraine is becoming a leading global exporter of certain types of agri-food products. However, further expansion of domestic agri-food exports requires analysis and systematization of current trends in foreign trade development and forecasting trade and economic cooperation.

Analysis of the issues researched and publications. Scientific researches of a number of scholars are dedicated to the study of international economic integration as an important component of the function and further development of the national economy, as well as to the seeking for new ways of its efficiency improvement. Thus, the problems of European integration for agricultural sector of Ukraine are covered in the scientific works of B. Dukhnitsky, M. Pugachev, A. Melnyk [6], I. Kyrylenko [3], Yu. Lupenko [5], P. Sabliuk [4]. The authors consider processes of Ukraine's integration with the EU as a form of foreign economic policy in the agrarian sphere on the basis of rational use of agri-food export potential.

Despite the considerable amount of investigation over these issues, research into the prospects for development of the agricultural sector of the Ukrainian economy at the current stage of international integration remains relevant. On the basis of scientific achievements of researchers there is a need to systematically study the problem of further development and functioning of the free trade zone in the conditions of increasing exports, institutional improvement of support for agriculture.

Presentation of main material. International economic integration is an objective process of contemporary stage of development of the world economy along with the processes of internationalization of production and trade, globalization and regionalization of economic life. According to the WTO data, in 2017 there were 446 integrational associations functioning throughout the world, 90% of which were Free Trade Zones (FTAs).

Ukraine is also an active participant in world-wide processes. Taking into consideration the diversity of definitions presented by scientists of the multifaceted and multidimensional process of international economic integration, international economic integration is urgently characterized as the harmonious development, convergence and complementarity of national economies within the interests of more efficient use of resources and meeting the needs of states-members to this process. The

economic basis for integration sets the place for legal equality of participants and mutually beneficial cooperation.

Methodological basis proposed for the level assessment of integration, which consists of several stages is being the characteristic feature of factors that promote or inhibit integration, threats to the development of integration, determination of integrated index, ranking of objects of integration by the level of benefits for Ukraine.

International economic integration is manifested in blurring the differences between the economies of different countries, introducing relations that are built on the absence of any form of discrimination against foreign partners in each of the national economies.

The goals of international economic integration are as follows:

- raising the level of national competitiveness, jointly combating the challenges of globalization;
- usage of benefits for «economy of volume» that expand the market, stimulate FDI inflows;
- promotion of structural reforms in economy;
- accession of a country to regional trade agreements of countries with higher levels of development;
- acceleration of access to financial, labor, material resources, new technologies to penetrate new regional markets;
- establishment of good neighborly relations between countries;
- increase of the impact on the world market;
- joint entry into international organizations.

Ukraine is a member of 16 international integrational groups covering the markets of 45 countries (about 800 million consumers), in particular: on September 1, 2017 The Association Agreement with the EU has come into full force; The FTA with Canada has been ratified and went into force on August 1, 2017. Negotiations are underway with Israel and Turkey to set up free trade zones.

Currently, Ukraine is at the first stage of integration – the formation of free trade zones, which are in their content being the system of preferential foreign trade liberalization within the framework of the agreement between the countries, based on the elimination of import tariffs as for the parties to this agreement. The functioning of free trade zones may occur in different combinations of their format, with the exclusion of certain goods from the free trade regime in accordance to national interests. The expediency of Ukraine's participation in customs unions is substantiated.

The most difficult element of international economic integration of countries is the secure of guarantee for the interests in agriculture and food industry. Negotiations on the establishment of free trade zones are complicated as for the agricultural sector of the economy indeed. The results of the analysis made it possible to distinguish agrarian integration as a separate object for study of international economic integration.

Agrarian integration as a component of international economic integration of the states is aimed at increasing competitiveness of the leading sub-sectors of the agro-

food sector of the domestic economy and the economic efficiency of agriculture, food and processing industry of Ukraine.

Agrarian integration studies allow us to trace the statistical and dynamic effects of Ukraine's international economic integration. The statistical effects of integration are reflected through the establishment of the trade (increase in trade flows between the participants of integration) and trade deviation (increase in trade and economic relations with third countries).

The formation of each international integration group presupposes taking into account some specific conditions of all participants of the negotiations, and finding out appropriate compromises. Therefore, when creating a free trade zone with Turkey, it should be borne in mind that the conditions for protection of markets of the countries are asymmetrical. Turkey has much higher level of tariff protection for its market and an average tariff protection of the most favored regime for agri-food products (42.7 in 2015), which applies ad valorem and combined duty rates.

The most protected agri-food products in Turkey are meat and offal (225%), dry milk powder and animal butter (180%), dairy products (170%), cheese (140%), other kinds of sugar – lactose, glucose and fructose, maltose, syrups, artificial honey (135%), prepared and preserved meat products (121.5%), not for sowing cereals (130%), wine (70%). As a consequence, meat and dairy products, cereals and sugar are considered to be particularly sensitive to Turkish goods, and it is proposed to save the right to apply current tariff rates and rules for the import of agri-food products.

This is especially unacceptable for Ukrainian exporters, as Turkey applies an additional specific tariff (agricultural component) for certain agri-food products, which is calculated basically on the content of milk fat, the content of protein in milk, starch, glucose and sucrose, etc., and is subject to payment in euros for one unit net weight (100 kg).

The agricultural component is applied to import of confectionery, ice-cream, baby food, dairy paste, mixes and dough for the production of bakery products, biscuits, crackers, etc., which makes it impossible to export from Ukraine high value-added cost goods. Therefore, Ukraine's position in the negotiations with Turkey on the Free Trade Area should be aimed at creating new opportunities for domestic agrarian business within the framework of duty-free trade, with appropriate advocacy of national interests. The principles of its formation should be based on the principles of mutual liberalization of foreign economic relations and mutually beneficial access to the agri-food markets of the countries.

The international integration and European integration of Ukraine puts forward new requirements for the domestic agrarian sector, which activity takes place in conditions of fierce competition with manufacturers obtaining ten times higher level of state support, than in Ukraine [5].

An important direction of international economic integration is the European Union. This way is in the line with goals and objectives according to the Program of Activities of the Cabinet of Ministers of Ukraine, the Law of Ukraine «On the

Principles of Internal and Foreign Policy», which affirms that «implementation of integration for Ukraine into the European political, economic, legal space is the purpose of gaining membership in the European Union» [2]. In 2017 Ukraine delivered agri-food products to the EU for \$ 5.8 billion USD, which exceeded the record highs of similar exports in 2012 and 2013 at \$ 5 billion with the highest score. In the EU the largest buyers of Ukrainian cereals and grains are Spain, Italy, and the Netherlands. The main importers of oilseeds are France, Belgium, Greece and the Netherlands, and the largest buyers of agricultural food products in monetary terms are Germany, Austria, Poland and Hungary. Increase in volumes of export updates the prospect of mutual trade in the future [7].

The results of modeling for foreign trade turnover of agri-food products between Ukraine and the EU clearly show the significant impact of the economic growth of GDP of the European Union and Ukraine. To further improvement for domestic exports it is advisable to intensify the negotiation process to increase the volumes of quotas for agri-food supplies to the EU. Ukrainian exporters need to intensify their work on expanding their international relations and finding out new foreign partners, enhancing the competitiveness of their products, and first of all, their quality indicators.

Studies show that the demand for global food markets remains stable over the average period of time in perspective, and Ukraine needs to take advantage of this situation and maximize the benefits of agri-food exports. Plans for expanding the volume and geography of agri-food exports in terms of international economic integration are based on projections.

The forecast indicates that developing countries are the main importers of agri-food production in the world. The growing volume of agricultural imports from these countries is caused not only by increased needs of the population that is growing in number, but also by the increase in purchasing power of people in these countries. While maintaining the share of these countries in the world market, their volume of imports by 2025 is going to increase in comparison to 2015. Forage grain will grow from 66.0% to 79.8%, oilseeds from 79.2% to 81.9%, meal from 51.6% to 59.2%, sugars from 71.2% to 47.7%, beef from 57.1% to 59.9%, pork from 53.1% to 62.8%, poultry from 75.2% to 78, 4%, and butter from 66.9% to 75.1%. The developing countries should be considered as promising destinations for the export of Ukrainian agri-food products.

Conclusion. Increasing Ukraine's exports of agri-food products to the markets of economically developed countries is quite a challenge because of the high level of competition in these countries and the growth of their own production. More promising for Ukrainian exports are the markets of developing countries, especially China and India. These countries will constantly increase imports of agricultural food products. The forecast of changes as for the demand in the agri-food markets, the potential opportunities of Ukrainian manufacturers and farmers to export their products makes it possible to formulate recommendations on strategic directions for further international economic integration of Ukraine towards the countries of Asia and Africa.

Further studies of the international economic integration of the agricultural sector of Ukraine provide for scientific substantiation of the directions for improvement of the regulation of foreign economic activity and import substitution policy, ensuring the competitive advantages of domestic agri-food products on world markets.

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COMPLIANCE QUALITY THE LUXURY HOTEL SERVICE

In the article reflects the directions of compliance of the hotel services quality with standards quality and consumer needs. Stated that the hotel in the luxury segment should take into account the requirements of national and local legislation, and in the planning of activities to lean on psychophysical needs and demand of potential consumers.

Keywords: hotel service, compliance quality, luxury hotel.

Бовш Людмила, Гопкало Лариса. Комплаєнс якості послуг лакшері-готелів.

У статті відображено напрями комплаєнсу якості готельних послуг стандартам якості та потребам споживачів. Зазначено, що готель у сегменті лакшері повинен враховувати вимоги національного та місцевого законодавства, а в плануванні діяльності спиратися на психофізичні потреби та попит потенційних споживачів.

Ключові слова: готельне обслуговування, комплаєнс якості, лакшері-готель.

Relevance of the research topic. The modern world is characterized by the rapid dynamics of technology, which increases the consciousness of consumers, saturates with new trends that is caused by socio-psychological and economic transformations of society. Each era of civilization has its own cross-cultural and cross-technological needs, worldviews and reactions to marketing influence. Research

and consideration of these features in the strategic perspective of economic subject activates appearance and development of adequate for trends formats of business, reduces compliance risks. In addition, the growth of leisure time and the pursuit of new emotions and experiences encourage people to rest and travel, organization of which is based on accommodation and food that is often the aim of the visit. Therefore, the quality requirements of hotel and restaurant services must be constantly updated, which causes verification of the range of hotel services to the level of service and compliance control.

Formulation of the problem. In terms of positioning the hotel as an indicator of social growth is becoming more urgent development of national standards that would regulate the level of service in luxury-segmented hotels. Proof of this is the geography proliferation of international hotel operators in the hotel market in Ukraine.

Development of modern legal and regulatory instruments of hotel management today must be based on economic and social needs of potential customers. The compliance of the regulatory base for standardization and certification of hotel entities should reflect the global trends of qualitative changes and psychophysical features of the recipient of hotel services. The most economically active generation today is the generation of so-called millennials, who make over 53% of their bookings and purchases online. Moreover, for them important aspects of the selection are unique products that provide positioning and comfort. Therefore, investment interest should contact segment luxury, which has positive forecasts: an annual revenue growth – 4.5%; by 2024, the world market size will reach 22.2 million dollars (Global Luxury Hotel Market Analysis, 2019). In particular, the prospects of the domestic market are quite significant in view of the tourism potential in the implementation of luxury service projects.

The above-indicated justifies the urgency of studying the needs of tourists, existing hotel business concepts of Ukraine, and the formation of a national system of classification of hotel services in the luxury segment.

Analysis of recent research and publications. Research on the questions of quality of hotel services is always relevant, because the main focus is pointed to safety and comfort for travelers. Service quality compliance has been the subject of research by many foreign scholars (Asad Mohsin, 2010; Batinić Ivica, 2016; Boon-Liat, C., Zabid, A. R., 2013; Carol Lu, 2014; Gil, S. M., Hudson, S., Quintana, T., 2006; Khalid Saleh Al-Rashid, 2014; Mukhles M. Al-Ababneh, 2017; Najafi S., Saati S., Tavana M., 2015; Salszar A., Costa J., Rita P., 2010; Sharma A., Sharma K., 2017 and others. However, luxury service was only considered as a component of the service system. Due to its isolation as a separate segment in the hospitality industry, it is worth exploring and evaluating aspects of the quality of luxury services through the light of socio-economic paradigms of comfort, quality and luxury.

Presenting main material. The growth of international activity in the diplomatic business area and in tourism promotes to the growth of the luxury hotel

market worldwide: today most business meetings and events are organized and accompanied by hotels. On the other hand, a restless daily lifestyle influences on consumers' desire to spend their free time in order to experience a luxurious life, get services that include a high level of security, exquisite interior design, high-quality restaurant service, innovative SPA procedures, everything that not only satisfies the needs of hotel guests, but also emphasizes their status, creates new impressions. The demanding consumer seeks for attentive attention, taking into account the individuality and possibility of evaluating the quality of the services with appropriate response of the hotel. In the product service hotel take into account national peculiarities, mental characteristics and age predisposition it is hard enough, but possible. The national classification system for luxury hotels should be based on the development of a marketing complex that meets customer expectations, in particular quality of service.

Compliance standards of luxury services should be based on the concept of «4 channels» by F. Schulz von Thun, which describes the multilevel nature of messages in the communication system [F. Schulz von Thun, 2008] (Fig. 1).

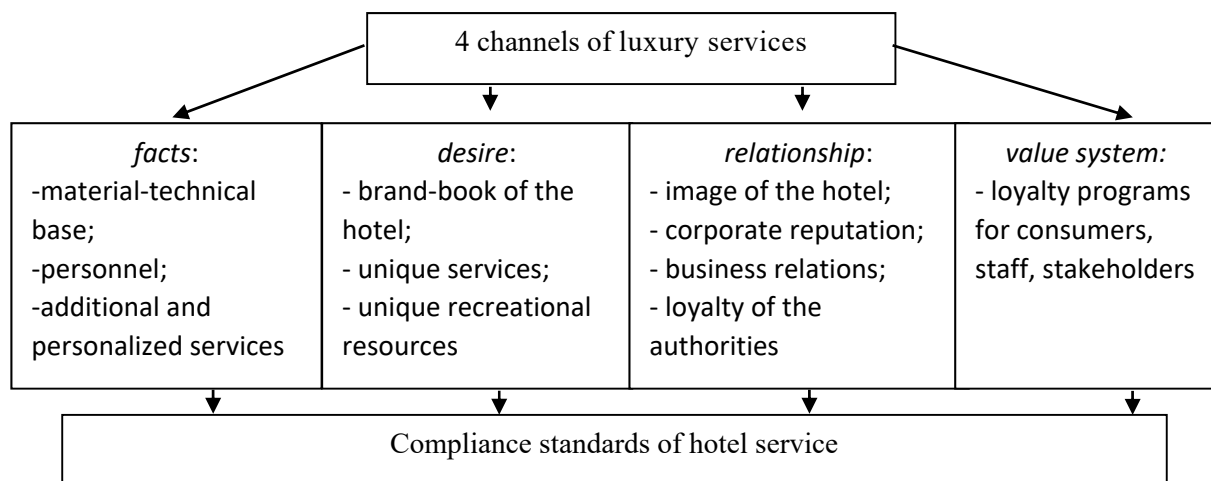


Fig. 1. Channels of luxury service

Source: own development by Mukhles M Al-Ababneh, Schulz von Thun

Fact Channel: It is important for luxury segment customers to create service packages that save time and simplify business and personal issues. Therefore, the package offers should be in the focus of hotel marketing and demonstrate successful experience.

Inturn, the desire: manipulation and motivation to choose must be made when using the full toolkit of marketing influence with a personalized approach.

Therefore, presentation materials should give a clear idea and desire to buy a hotel product. Traditional loyalty systems in the luxury segment are almost out of service. Therefore, loyalty systems should have a customer-based approach and be based on the corporate reputation of the hotel and its services. The value system, that takes into account the compliance control of the quality of hotel services should exist at all levels of management and organization of the enterprises – from the specific employee and the

department to the hotel as a whole. Corporate reputation and culture are becoming a brand.

Implemented channels in the compliance system determine the legitimacy of the actions of the hotel subject as a whole and its every worker: from top management to all employees of the units. Counterparties and consumers take compliance management as conformity with legal requirements, proposed rules, hotel standards, and contract terms. The implementation of complex controls is also an important issue for international hotel operators, who must maintain compliance with relevant local law.

Therefore, in the luxury segment, the formation of package offers for guests must comply with market trends and tendencies, as well as comply with regulations and legislation.

In characterizing the economically active social groups modified emerging needs and tastes, which demand new marketing strategies and approaches to the development of concepts of quality. Among the peculiarities of the potential demand is conditional separation of target audiences in Generation X (Generation 13), Y (Millenials), Z (Homeland Generation) and α (Emotional intelligence Generation) (Table 1).

Table 1

Marketing peculiarities of market segments according to the theory of generations

Generation	Values	Needs	The tool of influence
X (conditionally 1965–1982 years of birth)	comfort and nostalgia	need to choose	strengthen the sense of unique, providing benefits activation retrospective feelings
Y (conditionally 1983–1992 years of birth)	overstated self-esteem, expectations and vulnerability	expectations must coincide with reality, the product must be known, fashionable	reviews, infographics, concentrated presentations, unconventional marketing methods
Z (conditionally 1992–2010 years of birth)	high speed of information perception	unique and impressive characteristics of the product (service), opportunities, gives status, style, environmental friendliness	technologies of the future, visual content, videos, infographics, short help, etc.
α (conditionally after 2010 poky year of birth)	personal space, time management, saturation digital technology	Object / subjectv reputation, personification of services, home minimalism, maximalism in devises	Youtube, mobile apps, social networks, video content, etc.

Source: owndevelopmentbyAsad Mohsin, Boon-Liat, C., Zabid, A., Kuo, N. T., Reklamaster.com, Economictimes.indiatimes.com

Comparing the characteristics of generations with a wide range of research, we can draw the following conclusions that determine the value of compliance-control in consumer behavior studies of the luxury segment:

- in the first place in the generation X – comfort, so the traditional luxury service is just for them;

- millennials (Y) often spend money on travel that many consider to be a priority. Therefore, the quality of luxury services, supported by the brand, will be an effective argument for their choice of hotel;

- representatives of the generation Z value home comfort, environmental friendliness, ease and safety – therefore luxury-hotel must provide the product of status, authority. In this case, network hotel brands will be preferred;

- for generation α is decisive in choosing voice technology, emotion recognition technology and cognitive status, behavior prediction algorithms, chat-bots and virtual assistants, internet of things. SMART hotels, robot-waiters and robot-concierge, virtual informants should all be priorities in the generation of luxury service concepts for this generation.

As for the instruments of influence, it should be noted, also, significant transformation of perception and the decision to purchase in different generations. Yes, effective promotional messages have decreased from 3 minutes for Generation X to 6 seconds for Generation Z and 1 second of content for Generation α . As for communication channels, they have been transformed from radio, television to the internet, capable for quickly finding information and making simultaneous comparisons.

Synthesizing the above, we can notice the basic components of the hotel selection process – quality of service, safety and price, which are imperatives of the compliance control of luxury segment hotels.

In the segment of luxury hotels in Ukraine, as in the whole world, the largest share in the market belongs to 5 star business hotels. Business people, travel groups, small conference groups and individual tourists are the target customers of business hotels. To this category in Ukraine should be included SPA hotels, Resort & Spa hotels. In addition, the airport hotel segment is showing strong growth in the luxury hotel market around the world, as the target customers of the airport hotels are airline passengers who mainly travel for leisure, search for new emotions and business clients.

Analysis of the material base and the list of services of enterprises to the group of hotels offering luxury-service in Ukraine, include the following: Fairmont Grand Hotel, Premier Palace Hotel, Riviera House, Grand Hotel Lviv Luxury & Spa, Bankhotel in Lviv, Edem Resort Medical & SPA, Radisson Blu Resort Bukovel, Rixos-Prykarpattya, Mirotel Resort & SPA, M1 Club Hotel in Odessa, InterContinental Hotels Group PLC, Hyatt Regency Kyiv, Hilton Kyiv [Reuters.com, 2019]. Accordingly, the luxury hotels include both of autonomous and national chain hotels (Premier Palace Hotel, Reikartz). For defining the level of satisfaction of

luxury-service in the hotels in Ukraine, there has been selected 26 enterprises from the general sample and divided into groups: A – hotels under management of the chain brands; B – hotels included in the national chain; C – independent hotels (Table 2).

Table 2

Average value of evaluated criteria of luxury-service in hotels of Ukraine

Quality measurements	First line of service			Room service			Restaurant service			Business service			Household service			Recreational services			Event-services			Average value (AV)
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	
functional	3,9	3,8	3,7	4,0	3,7	3,8	4,0	3,6	3,8	4,0	3,9	3,6	4,0	3,7	3,7	3,9	3,7	3,9	3,3	3,1	3,3	3,7
ecological	3,2	3,0	3,0	4,0	3,7	3,8	3,5	3,6	3,0	4,0	3,9	3,6	3,0	3,0	2,7	3,9	3,5	2,9	3,6	3,2	2,3	3,3
technical	4,0	3,7	3,8	4,0	3,5	3,1	4,0	3,6	3,6	4,0	3,9	3,7	4,0	3,7	3,7	3,9	3,7	3,8	4,0	3,5	3,7	3,8

Source: owndevelopment

The evaluation of the degree of importance of the criteria was made in the process of conducting a field study of the defined the selection. So, the quality of luxury service consists three parameters: functional quality, ecological and technical quality, which are defined by the following tangibility: confidence, loyalty, sensitivity and promptness (a presence of the parameter – 1point, the absence – 0point. The maximum quantity of points – 4).

The functional quality defines the ability of staff to perform their duties qualitatively and depends on the qualifications, experience, skills, professional skills of employees, embodies the useful properties of services and the characteristic features of the process of their providing of them. The technical quality defines the compliance of the requirements to the material and technical base. The ecological quality is formed using safe and ecological logistical concepts and Zero Waste principles.

Monitority the quality of hotel services based on customer satisfaction (QCS) using the following formula 1:[Carol Lu, 2014;Garmider L.D., 2014;Gil, S., Hudson, S., Quintana, T., 2016]

$$QCS = (AV - CSI) \times M / 10 \quad (1)$$

where CSI – consumer satisfaction index;

AV – the average of the criteria evaluated;

M – maximum quantity of points.

So, the average indicator of the quality index is 3,6; including: among the international chain brands 3,8; national chain – 3,5; autonomous hotels – 3,4.

That’s why we receive the following values of quality scores:

$$QCS_A = (3,6 - 3,8) \times 4 / 10 = -0,112;$$

$$QCS_B = (3,6 - 3,5) \times 4 / 10 = 0,04;$$

$$QCS_C = (3,6 - 3,4) \times 4 / 10 = 0,08.$$

Point the received values on the modified service positioning map of quality (Fig. 2). As a result of the research we have found out the degree of importance of the selected criteria of the quality level of luxury-service for certain groups of hotels which are located in the near range.

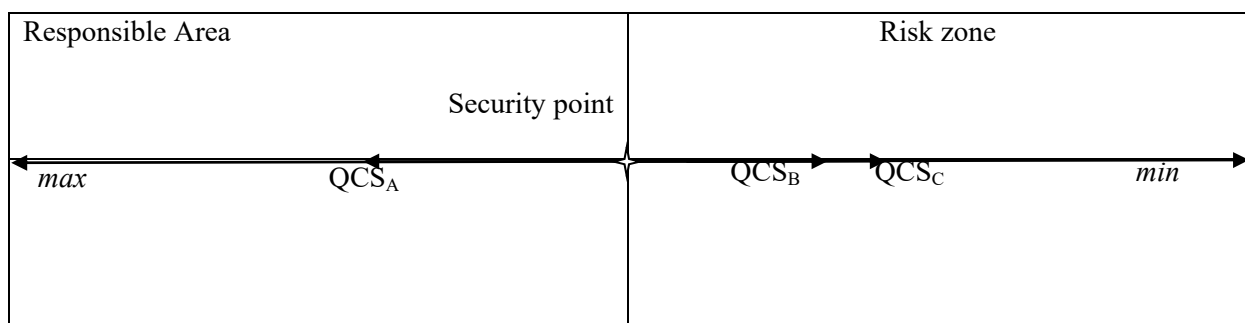


Fig. 2. Modified quality positioning map

Source: own development

For example, the functional quality of hotel security is estimated at 3,9 – 3,7 points, ecological quality is evaluated at 3,2 – 3,0 points, and technical one at 4,0 – 3,7 points.

As we see from the modified service Positioning Map of Figure 1, there are three strategic attitude, when the impressions of with services quality and the level of

consumer satisfaction exceed professional evaluations; risk-management – the quality level does not the full-fledged and safety point that fully correspondence of the expected and actual quality of services. Therefore, it's expected that in the area of responsible attitude there are the hotel chains for which quality and customer satisfaction are priorities of tasks of strategic management and development, the service system of which is based on the implementation of standards of service at the luxury level.

The national hotel operators and autonomous hotels which are positioning themselves as luxury hotels should implement the system of standards for organization and providing services, based on on the results of consumer market research and service technology trends, namely:

- Standards for individual safety of guests at luxury hotel.
- Standards for the organization of premises at luxury hotels.
- Standards of restaurant luxury service.
- Standards for the organization of business services at luxury hotels.
- Standards of household service at luxury hotels
- Standards of recreational service at luxury hotels.
- Animation service standards at luxury hotels.

Conclusion. From the above mentioned it follows that the compliance control of the quality of hotel services is an important task and purpose of management in the segment of luxury service. Getting a high level of quality of service and customer satisfaction is equal to increasing customer loyalty, increasing market share, increasing return on investment, reducing costs and guaranteeing competitive advantages in the luxury segment.

Further research needs to be deepened in terms of the impact of quality components of luxury hotel activity on the formation of its reputation.

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CONCEPTS OF REGULATION OF RESORT AND RECREATIONAL SERVICES PRICING IN THE CONDITIONS OF GLOBALIZATION

The article deals with general theoretical, methodological and practical aspects of state regulation of pricing for resort and recreational services. The list of factors that need to be taken into account in the development of the state pricing policy in the market of resort and recreational services in the context of global trends in tourism development was presented. Conceptual approaches to value identification of resort and recreational services for the consumer are revealed. The extent of asymmetry of consumer spending on wellness tourism in European countries has been revealed. The modern practice of state regulation of pricing for resort and recreation services is analyzed. The perspective directions of modernization of the state pricing policy for resort and recreation services are outlined. The materials of the conducted research can be used to develop the methodological base of state regulation of pricing in the resort and recreational sphere.

Keywords: globalization, state regulation of pricing, resort and recreational services, tourism.

Гуменюк Володимир, Штан Марина. Концепції регулювання ціноутворення на курортно-рекреаційні послуги в умовах глобалізації.

У статті розглядаються загальнотеоретичні, методологічні й практичні аспекти державного регулювання ціноутворення на курортно-рекреаційні послуги. Наведено перелік чинників, що потребують врахування при розробці

державної цінової політики на ринку курортно-рекреаційних послуг в умовах глобальних тенденцій розвитку туризму. Розкрито концептуальні підходи до ціннісної ідентифікації курортно-рекреаційних послуг для споживача. Виявлено масштаби асиметрії витрат споживачів на велнес-туризм у європейських країнах. Проаналізовано сучасну практику державного регулювання ціноутворення на курортно-рекреаційні послуги. Окреслено перспективні напрями модернізації державної політики ціноутворення на курортно-рекреаційні послуги. Матеріали проведеного дослідження можуть бути використані для розвитку методологічної бази державного регулювання ціноутворення в курортно-рекреаційній сфері.

Ключові слова: глобалізація, державне регулювання ціноутворення, курортно-рекреаційні послуги, туризм.

Relevance of the research topic. Global trends in tourism development represent a positive trend in demand for resort and recreational services. In the global economy, the average annual growth rate of total revenues from health tourism, since 2012, was 6.8%, reaching \$ 563.2 billion in 2015; they are projected to grow at an average annual rate of 7.5% to \$ 808 billion by 2020. About 1/6 of all domestic and international travel costs are for resort and recreational services. In Ukraine, their growth potential is estimated to be three to seven times that of the EU countries. In terms of concentration of natural healing resources, Ukraine is one of the richest European countries, revealing a powerful potential for economic growth, enhancing the domestic market of resort and recreational services and a competitive breakthrough in international tourism. The direct contribution of the resort and recreation sphere to the formation of GDP in European countries differs in the range from 0.4% to 9.5%, in Ukraine it does not exceed 1.0%, although under the optimistic scenario by 2026, combined with the indirect (1,8%) and induced (0.7%) contributions will be 3.8% of GDP [2; 13; 15].

The development of the market of resort and recreational services will provide a multifaceted contribution to the formation of the national wealth of the country: investment in human capital, created jobs, financial flows of wages, social transfers, taxes, rent. It is linked to the human development and health of the nation, strengthening the financial base of local government, improving the well-being of the population, taking into account the multiplier effect of employment, income, investment and innovation. In view of these factors, the issue of research of perspective directions of modernization of state regulation of pricing for resort and recreational services in the conditions of global tendencies of tourism development becomes especially urgent [4, p.418].

Formulation of the problem. The processes of globalization and the widespread use of information and communication technologies have created new opportunities for the development of the resort and recreational sphere. Factors such as

high costs of acquiring medical services in high-tech countries, increasing public needs for restoring public health, the inability of state, municipal, medical and insurance institutions to provide human capital reproduction in order to fund social guarantees, projects and initiatives that consumers have begun to look for more effective ways to meet solvent demand, given the opportunity to receive treatment in less costly countries with higher quality services, more affordable prices and so on.

At the same time, the complexity of the state's pricing policy in the resort and recreation sphere is caused by many internal socio-economic problems of social development. The contemporary demands of Ukrainian society place the highest priority on national security, the promotion of the health of the nation, the improvement of the quality of life, and the proper level of reproduction of human capital.

In Ukraine, the problem of forming an effective pricing policy of the state in the resort and recreation sphere has arisen as extremely complicated due to the low level of social security of treatment and rehabilitation of the population from public consumption funds, the difficulties of market interaction due to the risks of reducing the purchasing power of the population and low competitiveness of resort and recreational services.

Analysis of recent research and publications. Modern economic literature presents scientific developments of foreign and domestic scientists that reveal different aspects of pricing. The issues of state regulation of pricing in the transformational economy were developed by I. Chernysh [1], A. Mazaraki, V. Lagutin [6], S. Melnichenko [7], O. Tishchenko [14], N. Ushenko [16], and other scientists. However, the problems of forming an effective domestic market of resort and recreational services of Ukraine, expanding the possibilities of restoring the health of the population, developing the competitiveness of national resorts to attract foreign consumers, revitalizing inbound tourist flows in the Ukraine requires the development of a state pricing policy for resort and recreational services in the context of global trends in tourism development.

Presenting main material. Structural and institutional transformations in the market of resort and recreational services and the need for systematic changes in the modernization of the mechanism of state regulation of resorts and tourism are caused by the development of processes of globalization, international competition, and internationalization of business. The main factors that need to be taken into account when developing the state's pricing policy in the market of recreational services in the context of global trends in tourism development include:

- 1) significant differences in prices for medical services, accommodation, food and recreation in the world allow countries to specialize and take advantage of comparative competitive advantages in the world market;

2) creation and dissemination of international standards, unification of technologies, procedures and conditions for the provision of resort and recreational services;

3) availability of an international comparative system for training specialists and conditions for obtaining certificates and licenses for professional practice;

4) development of the private sector of the resort and recreation sphere and creation of international transnational corporations (hotel chains, medical and non-medical SPAs, health resorts, wellness centers) providing high quality services using transfer pricing technologies;

5) asymmetry of distribution of natural healing resources, development of resort and recreational and recreational infrastructure, tourist security, social accessibility of services;

6) differentiation of prices for labor and availability of different working conditions and its remuneration contributes to the international migration of specialists in medical, service and management profile.

7) excellent conditions for the formation of financial resources, the creation of added value, the generation of resort rent in different countries of the world.

8) differences in approaches to the identification of the value of health, tourism, recreation in different socio-economic formations, the role of state regulators in the formation of the price system, peculiarities of motivation and behavior of the consumer of tourist services, development of a system of value-oriented management in the resort and tourism sector of each countries in particular.

In the scientific intelligence of economists, until the twentieth century, the concept of value was not thoroughly conducted, since considerable attention was paid to the analysis of the economic category of value, which expresses the socially necessary labor and economic relations between the subjects of economic activity embodied in goods and services associated with the processes of production and exchange, pricing, estimation of market parameters of domestic trade, international transactions, execution of commercial agreements, etc. [8, p. 898].

Given the increasing need for human capital reproduction, the focus is on the need for value-based identification of resort and recreational services that should be accessible to everyone who needs them, regardless of geographical, economic, social, cultural or ethnic characteristics. At the same time, the quality of services, including adequacy, safety, efficiency, effectiveness, timeliness, satisfaction of expectations and needs, process and result stability, continuous improvement and improvement, must be ensured for the proper reproduction of human capital.

With regard to the value that a person has gained as a result of consuming the services he offers, R. Woodruff and S. Gardial propose to determine the level of satisfaction of consumer needs. The formation of a positive or negative consumer perception depends on the situation, which is characterized by the specific conditions

in which the services are created. The feeling can be expressed in the form of a direct reaction to the outlined service offer, as well as through full resonance in response to a series of similar empirical situations [17, p. 95–96].

In many cases, the quality of resort and recreational services is close to understanding their value to the consumer. However, in the search for personalized value, the consumer is faced with the need to choose a compromise set of services with certain quality and price characteristics.

Consumer value is determined by the necessary conditions and needs of the person, in connection with this resort and recreation services play the role of a transmitter in human life, contribute to the improvement of quality of life and human development.

The following basic approaches can be used in the recreational sphere to uncover the economic nature of value:

- 1) in relation to consumers of resort and recreational services (rarity theory);
- 2) regarding manufacturers of resort and recreational services (theory of production costs);
- 3) in terms of value for money, utility and price (relative utility theory);
- 4) to maximize the market value of business owners' capital (the concept of value-based management);
- 5) resort business provides benefits to all stakeholders (consumers theory): consumers, employees, managers, suppliers, investors, entrepreneurs, public servants, territorial community, etc.

An important attribute of market exchange, the basis for determining the profit of manufacturers (sellers) of resort and recreational services, costs of consumers (buyers), a form of expression of market interaction between them is price. Given the non-territorial nature of the production of resort and recreational services, the price acts as a carrier of added value, a means of realizing the business interests of entrepreneurs in the market.

The offer of resort and recreational services in Ukraine should attract the attention of foreign consumers at competitive prices, especially if they are designed in accordance with the domestic market demand and purchasing power of the local population. In this regard, the potentially low tourist costs associated with wellness at Ukrainian resorts may be considered as an attractive factor for foreign tourists.

Figure 1 illustrates the differentiation of the average cost of wellness tourism in calculating per consumer in Ukraine compared to 18 EU countries, Switzerland and Turkey. This indicator is calculated as the ratio of the volume of income from wellness tourism to the number of domestic and international tourists – consumers of health services in a particular country.

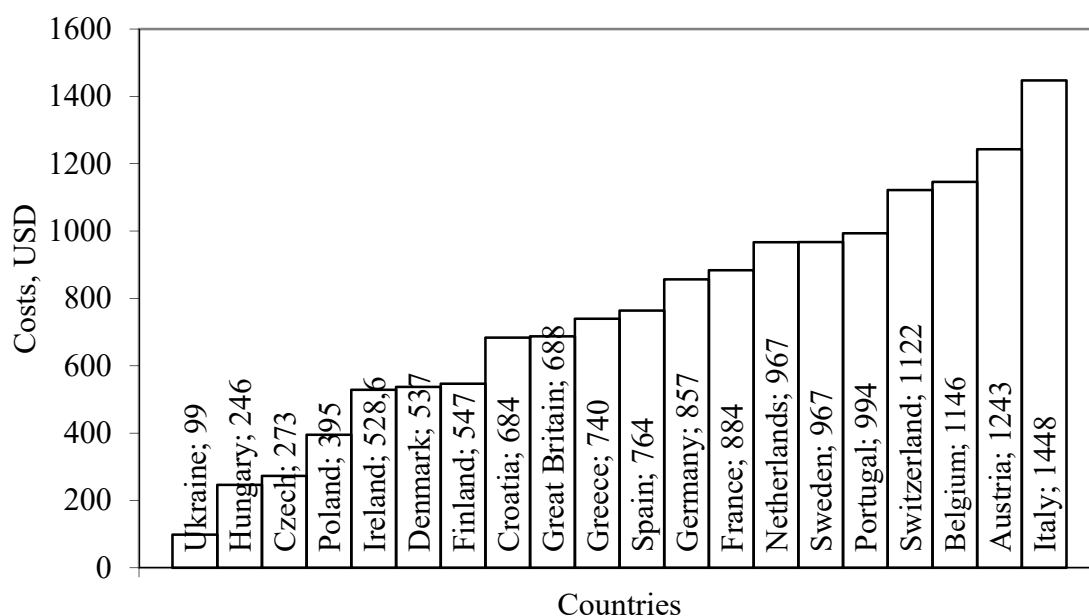


Figure 1 – Costs of wellness tourism in the calculation

Per one consumer in European countries [3, p.17].

The volume of aggregate expenditures of consumers of resort and recreational services on a countrywide scale is determined by the factors of attraction to the resort recreation of the local population and persons who arrived in the resort locality with different tourist motivation. In addition, the consumption of resort and recreational services and their associated costs depend on certain events, phenomena and processes that disturb the market conditions and, accordingly, cause its dynamics both in the direction of economic recovery and in the direction of recession.

Prices for resort and recreation services determine the structure and dynamics of tourist flows are a tool of redistribution of money from health tourism between countries, an important factor for investment mobility. Therefore, due consideration should be given to the development of the state's pricing policy in the market of resort and recreational services.

In Ukraine, the implementation of the state pricing policy, conducting an economic analysis of the level and dynamics of prices, developing and submitting proposals for the formation and implementation of the state pricing policy in accordance with the Law of Ukraine «On Prices and Pricing» of 21.06.2012 № 5007-VI rely on the central executive body implementing state pricing policy [18].

Resolution No. 442 of the Cabinet of Ministers of Ukraine «On Optimization of the System of Central Executive Bodies» of 10.09.2014 eliminated the State Inspectorate for Price Control, and its functions of monitoring the dynamics of prices (tariffs) in the consumer market are entrusted to the State Statistics Service [9].

State supervision and control over pricing in the market of resort and recreational services is carried out by bodies of the state fiscal service, control over

compliance with budget legislation; state control over compliance with the legislation on protection of economic competition. State regulation of prices in the conditions of formation of socially oriented market economy should be directed on protection of the national producer, development of competition.

According to current practice, manufacturers of resort and recreational services, wholly or partly funded by state or local budgets, may purchase medicines and medical devices at prices that do not exceed the level of declared changes in wholesale and retail prices, including duties, value added tax and marginal supply and trade (retail) allowances [10].

At the level of administrative-territorial entities of regional scale, the state authorities are empowered to set tariffs for paid services that provide medical and preventive state and communal healthcare institutions [12].

Formation of unified instruments of tariff-price regulation of the activity of manufacturers of resort and recreational services, regardless of their form of ownership and features of budget financing, will promote market competition between them, elimination of discrepancy of qualitative price characteristics of products and services of medical and health purpose which have arisen as a result of.

Features of functioning of the market of resort and recreational services are distinguished by the instruments of state regulation of prices by which the state can carry out social policy in the system of public health protection. The possibility of their application should be considered based on the ratio of the demand for spa and recreational services and the real needs in the resort rehabilitation, treatment and health of the population.

In Ukraine, the experience of tax regulation of prices for resort and recreational services is gained. In particular, the following tools were used to reduce the cost of spa treatment:

- The Cabinet of Ministers of Ukraine approved the lists of sanatorium-resort establishments whose operations for the sale of services, to which the sanatorium-resort treatment and rest of children were not subject to VAT, periodically amended it [11].

- Recreational establishments by types that did not pay VAT were established in the normative order: children's health camps (towns, complexes) of all types, including health camps for orphans; extracurricular health camps; children's health resorts of sanatorium type; labor and recreation camps; recreation camps for high school students and student youth; recreation camps with daily relocation on the basis of schools, boarding, preschool, extracurricular, cultural, educational and sports facilities; specialized camps (tourist, health, sports, gifted children, etc.); summer cottages for summer rehabilitation of preschool children; boarding houses, recreation centers, sanatoriums-preventive hospitals, health resorts of enterprises, institutions, organizations and trade unions (subject to the organization of specialized changes for children).

– Exemption from taxation on operations for the provision of medical services to health care institutions, the provision of services to rehabilitation institutions for disabled people and children with disabilities (except for massage to promote the health of the adult population, posture correction, etc.).

– Supply of rehabilitation services to disabled persons, children with disabilities, sanatorium-spa treatment, rehabilitation and rest on the territory of Ukraine of persons under 18 years of age, disabled persons, and disabled children [5].

The problem of rising prices for medicines also imposes a negative mark on the formation of the cost of resort rehabilitation and treatment of the population, and its solution is in line with the implementation of the foreign experience of reference pricing, the use of the practice of government fixed prices for medicines, systems of tariffs for medical services in accordance with basic standards of medical care.

There is a situation when the spontaneous nature of pricing does not contribute to improving the quality of resort and recreational services, and the state's pricing policy in the resort and recreation sphere does not provide the generation of economic incentives to strengthen the internal market and the formation of export potential of resort and recreational services. This means that the mechanism of state regulation of prices for resort and recreational services needs improvement.

If the overall price increase is combined with the process of reducing the purchasing power of consumers and outstrips it in the dynamics, then only in the short-term aspect can we expect positive structural changes due to import substitution of resort and recreational services. The criticality of this situation is measured by the market parameters of the purchasing power of national consumers, who express their willingness to meet the need for health restoration through self-financing of resort and recreation within the country.

However, due attention should be paid to other important factors that comprehensively influence the formation of the value chain of the resort and recreational service and the establishment of market prices for resort and recreational services.

Fiscal regulation of the resort and recreation services market should provide incentives to activate entrepreneurial activity and accumulate financial resources of the state to solve socio-economic goals. At the same time, the tax regulation of the resort and recreational activity is limited by administrative approaches to expanding the tax base by attracting the corporate sector and informal resort service to taxation. It is necessary to clarify the list of privileges and base for determining the tourist fee («the cost of the whole period of stay (overnight stay)»), Article 268.4.1. «Resort tariff»), which will allow to differentiate tax payments, and provided they accumulate in the system of local budgets to use financial resources for the appropriate purpose: «development of hospitality and tourism» and «development of resorts».

Thus, modernization of the mechanism of state regulation of the market of resort and recreational services on the basis of stimulation of free pricing, competition, socially oriented entrepreneurship is an important prerequisite for the implementation of state policy aimed at human capital development, strengthening national security, comprehensive solution of socio-economic problems, improvement of public welfare and health of the nation.

Conclusion. Based on the study of the process of formation of the mechanism of state regulation of the market of resort and recreational services in Ukraine, the presence of several divergent vectors of state policy regarding the system of self-regulation (excessive tax pressure / lack of taxation, regulatory prohibition of privatization of health and recreation facilities / and hidden establishments of it), as well as the contradictory coexistence of outdated and new concepts, forms and methods of state influence (establishment of territorial regime and definition of zones of regulated recreation / tools of sustainable development of resort destinations), which negatively reflected on the impact of economic and social policy in the pricing of the resort and recreational services.

Due to the need to increase the effectiveness of state social policy in the market of recreational and recreational services in the context of human capital development, the practice of formal compensatory payments for non-provided social services of citizens, which are classified as preferential categories, needs to be replaced by real targeted subsidization and reimbursement of consumer spending – recreational services. Fixing the necessary minimum of resort and recreational services in the consumer basket and forming a Ukrainian consumer budget, taking into account the norm of annual rest and recovery, is consistent with the directions of improvement of social policy of Ukraine in the context of EU integration.

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MARKETING STRATEGY FOR HOTEL ENTERPRISES AS A CORE TO BUSINESS DEVELOPMENT

The article analyzes the urgency of the development of the hotel industry in Ukraine as the nucleus of business development. The importance of the marketing strategy for the hotel industry is highlighted. The stages of marketing strategy of hotel enterprises are considered. The core of the business for the hotel industry has been identified.

Keywords: *hotel enterprises, strategy, marketing strategy, core of business.*

Павлова Аліна. Маркетингова стратегія підприємств готельного господарства як ядро розвитку бізнесу.

Проаналізовано актуальність розвитку готельного господарства в Україні як ядро розвитку бізнесу. Визначено важливість маркетингової стратегії для готельного господарства. Розглянуто етапи маркетингової стратегії готельних підприємств. Визначено ядро бізнесу для готельного господарства.

Ключові слова: *готельні підприємства, стратегія, маркетингова стратегія, ядро бізнесу.*

Relevance of research topic. Nowadays, in the perspective of business development of different directions and industries, it is necessary to differ and have good tactics among competitors. The rapid development of technology, growing consumer demands, increased competition at the global level, over-regulation of the economy, profound social change – all open up wide opportunities and prospects in various fields of economic activity, in particular in the hotel industry.

Formulation of the problem. When economic change is ongoing, an enterprise in a market environment must: firstly, meet the requirements of buyers to compete successfully, and secondly, to adapt or anticipate change. They were identified by I. Ansoff [1], when he considered different levels of turbulence of the environment and classified the corresponding necessary reactions of the enterprise. According to him, today most companies are forced not only to adapt to changes in the environment, but

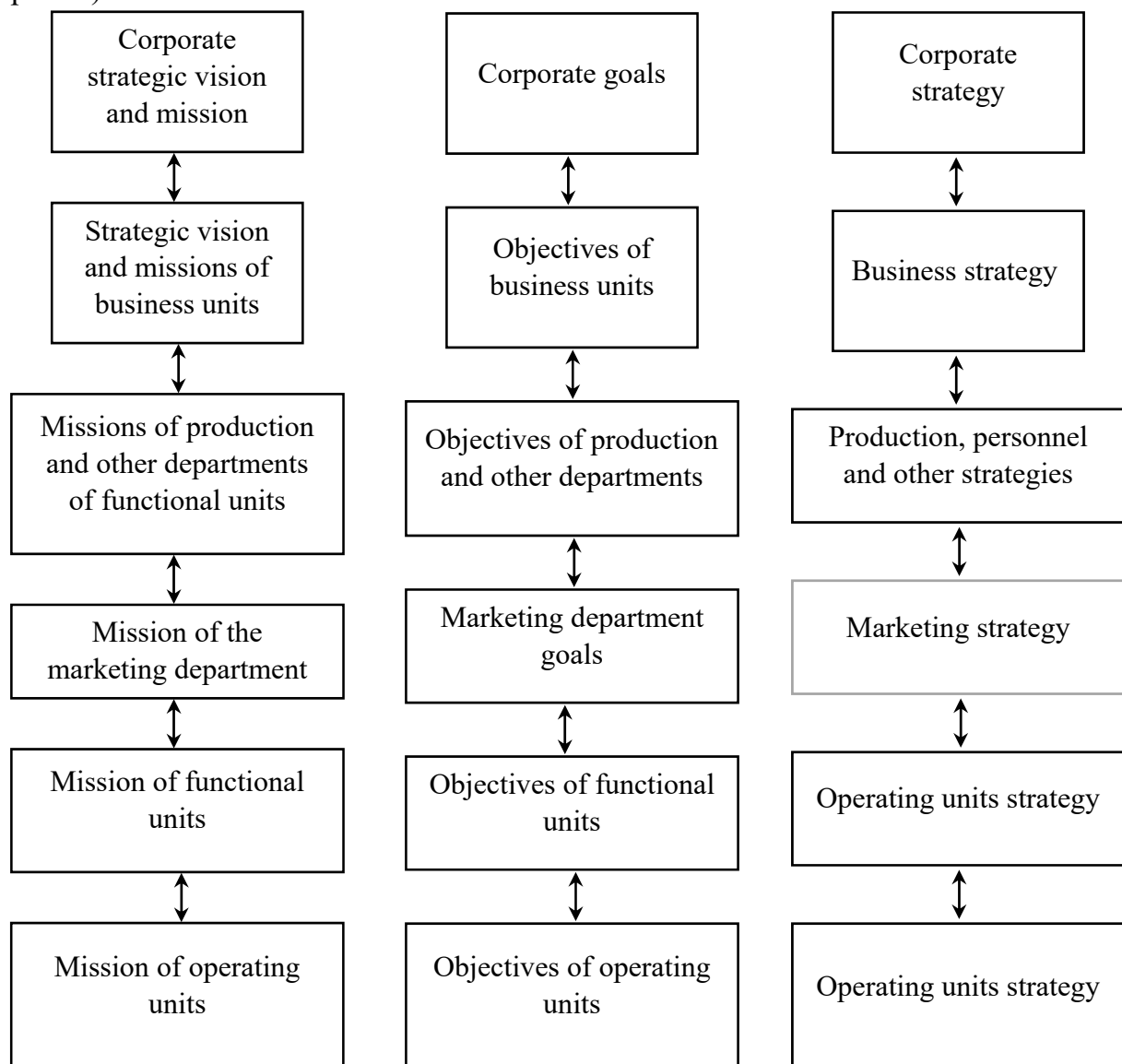
also to develop a strategy for their anticipation. It is important for the company to choose the direction of strategic development and strategy. The problem of development and implementation of enterprise development strategy is receiving increasing attention in modern economic science. An important issue is the professional and effective provision of the company with effective marketing tools, which requires management to pay attention to the formulation of marketing strategies for their effective use. Strategy development should be consistent with its feasibility.

Analysis of recent researches and publications. Problems of change management and various aspects of the mechanism of enterprise development were devoted to the work of well-known domestic scientists: S. Nekrasov, N. Fedorov, M. Bidnyak, E. Panina, F. Khmil, M. Boyko, the study of strategic management and marketing, the formation of competitive marketing strategies, some of their elements and aspects are devoted to the work of many scientists: I. Ansoffa, K. Lindi, M. Martynenko, S. Filippova, O. Kuzmin, O. Melnyk, O. Mogilevskaya, P. Doyle, L. Shemaeva, O. Aref ' Eve, V. Grinyova, J. Lambena, B. Karloff, H. Koboyashi, F. Kotler, P. Doyle, I. Kretova, D. Crombrugge, S. Majaro, J. MacArthur, M. Mescon, N. Moiseeva, D. Aucker, A. Romanova, H. Takeuchi, T. Fujimoto, G. Shmalen, J. Day, Yu. Yudanova, D. Jobber, M. McDonald, E. Golubkov, P. Drucker, A. Porshnev, R. Fatkhutdinov and others. In scientific writings of foreign economists, the scientific approach to the construction of the enterprise marketing strategy based on the definition of business, focusing on its constituent elements, has become more relevant recently. This approach proves effective in practice. In the Ukrainian economic literature, the term «key of business» is practically not used. At the present stage of development of domestic marketing, it is not enough in the sphere of the restaurant industry to research the marketing strategies of enterprises, considering the potential of their business, so the chosen topic of research is relevant.

Presenting main material. The development of the hotel business is ensured primarily by the formation of its overall strategy. Marketing strategy plays an important role in the effective implementation of corporate enterprise strategy. The place of marketing strategy in the strategic planning system is shown in pic. 1.

When developing a marketing strategy in the hospitality industry, it is very important to define the business of the enterprise. First, for all this definition reveals the very essence of the enterprise, that is, its main purpose. Therefore, the definition of business can be considered as a statement of the mission of the company. Second, defining the business of an enterprise sets the boundaries for its efforts and sets the horizons for further development, that is, it forms the field of activity in which the enterprise will compete. Defining an enterprise's business is also the starting point for developing a marketing strategy. Changes in the definition of activities can cause major changes in strategic direction, sources of revenue, priorities in the allocation of

resources, performance indicators that need to be monitored (Dyukov I.I., 2008, p. 124).



Picture 1. Marketing vision, mission, goals and strategy in the hierarchical structure of corporate governance

Correct definition helps the company to move away from being focused on internal problems, thus enhancing the characteristics of the products or services offered, and makes it clearer to show what the business offers to its customers. The structure of business definition can be represented as a set of these four elements (Day J., 2015, 3 p. 11).

The first element is consumer inquiries, which are at the forefront of defining a business because consumers meet their needs or solve their problems, trying to find not just products or services, but collections of benefits. The way consumers plan to use a product or service determines the type of benefits they seek. To give them these benefits, manufacturers are trying to offer consumers complete functional packages

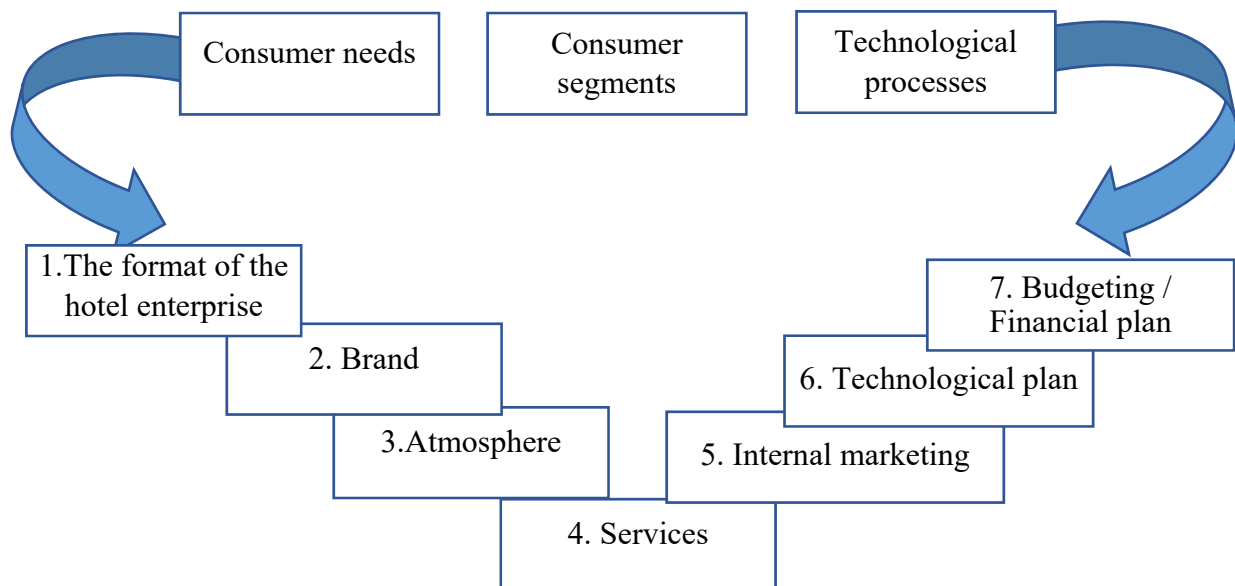
that include additional services. This practice leads to the emergence of a whole group of questions that help more clearly determine what and how the company intends to compete with rivals. To create the most profitable consumer demand, you need to start with a deep study of consumer attitudes, behavior and economics. It is important to understand, at the most elementary level, which consumers are profitable to serve and who are not, and to modify the company's products and services as efficiently as possible so that more targeted consumers can be profitably served, giving them the highest value (no more and no less). This systematic approach is called Understanding Attitude, Behavior and Economics, or «Three-Dimensional Consumer Look».

The second element of defining a business is to distinguish consumer segments. The consumer segment is a group of consumers with similar needs and general characteristics, meaning that they are strategically comparable to each other. The business can choose the option when it will serve all potential consumers, or focus on a separate segment, selected from the broad market. One of the hardest choices is geography. Many businesses, because of resource constraints or high transportation costs, or the condition that their products soon deteriorate, limit themselves only to regional or national markets. Other restrictions related to the tendency to a particular geographical area are tariffs and other economic barriers encountered in international trade.

The third element to defining a business is technology and materials. Technology describes the way in which a customer's needs can be met or a function performed. The end product is essentially a sequence of technology use. Often, the general need of restaurant industry consumers can only be met with the help of several technologies of production and storage (pressure frying, shock cooling and freezing, vacuum packing). Depending on the difficult market conditions, different options may be cheaper.

The fourth element in the business definition structure is the value chain activities. This direction addresses the question of how close it is to the end consumer or, conversely, to the raw materials and components of the organization to locate their business; how to access the market (through which communication and distribution channels) and whether to own or use the services of intermediaries.

The marketing strategy of a hotel business depends both on the definition of the business and, to a large extent, on its core, serving as a set of services, products, customers, equipment, personnel, capabilities, resources, competencies, brand, service standards and service methods that provide a stable and profitable growth. The core of an enterprise's business is potentially the most profitable, privileged customers, the most important products and services, as well as the most important strategic and unique resources. It is advisable to investigate exactly how the elements of the definition of business and its core relate to elements of the overall concept of the restaurant business (pic. 2).



Picture 2 – Relationship between business definition elements and elements of the overall concept of a hotel business

Picture 2 shows that:

- the hospitality industry is determined according to consumer needs and segments, considering the technology to be used;
- the brand of the hotel enterprise is formed on the basis of consumer preferences;
- the atmosphere of the company is designed to attract the desired consumer segment, considering its needs;
- the range of services provided by the hotel enterprise is formed on the basis of needs, considering the consumer segment in terms of income and consumer preferences;
- internal marketing should create the marketing features of a particular restaurant establishment, such as non-standard ordering or menu design;
- technological plan is shaping the technologies that will be used in a separate hotel enterprise;
- budgeting / financial plan provide budgeting models, cash flows and economic evaluation of the performance of the hotel business.

When developing a marketing strategy should determine the areas of activity of the company. Each activity can be associated with one product as well as a group of similar products (or services). However, the key of the marketing strategy should be the core of the business as what determines the most profitable aspects of the hotel business (Lambert J.-J., 2004, p. 548).

In order to define marketing strategies in a hotel business, you need to identify those measures that are an integral part of marketing in this area and related to the parameters of the hotel business core. These measures include:

- identification of client's wishes and needs;

- creation of a complex of goods and services of marketing-mix) that would satisfy these desires and needs;

- promotion of goods and services on the market (promotion) and their sale in order to create a level of profitability of the enterprise and correspond to the interests of shareholders.

The first and foremost task of marketing is to understand the most profitable consumers and be sure to study their desires and needs. Another important direction in harnessing the potential of the core business is to use marketing tools to create the most profitable products and services for subsequent offering to customers. The next elements of marketing that are influenced by the core of the business are the most important channels for promoting goods and services in the marketplace, advertising and marketing, created products and services. The final piece of marketing for using the core of business is to generate a reasonable level of revenue in the value chain of the hotel business as defined (Chris Z., James A., 2016, p. 156).

The formed core of the hotel business solves many issues that are decisive in the formulation of a marketing strategy, namely whether the core is determined, whether it should be modified, whether the core potential is fully utilized. The answers to these questions form the basis of a marketing decision support system for developing the following stages of a marketing strategy (Pyatnitskaya G.T., 214, p. 231):

- development of goals by elements of the marketing complex based on the previously set goals

- highlight the segments that are most interesting for the company to which they will focus. The main purpose of segmentation is to focus them on specific segments, since it is not possible to meet the needs of all consumers of hotel services at the same time;

- analysis of the commodity policy of a given catering company: assortment analysis (ABC – analysis); comparison of the range with the main competitors; identifying the directions of development in accordance with the set goals, analysis of the raw material situation;

- price policy analysis: determination of production and sales costs; comparison with the prices of the main direct competitors; determining the pricing strategy according to the purpose;

- service delivery: analysis of service quality; personnel analysis; evaluation of the hotel's image; development or improvement of the standard of service;

- communication policy analysis: evaluation of the effectiveness of previous advertising campaigns or promotions; development of a new advertising campaign and calculation of the promotion budget in accordance with the set goal;

- conducting a SWOT analysis of the company, considering all the previous steps; comparison of the data of the analysis of our enterprise with the analysis of the main competitors; identifying promising competitive advantages and developing a company positioning strategy.

The effectiveness of the chosen marketing strategy is verified through a system of special indicators that can be divided into two groups: the criteria of economic efficiency and the criteria of social efficiency. The first group of criteria includes indicators of resource efficiency, enterprise performance and competitive position. Social performance criteria evaluate the quality of production activity, the quality of service. This metric system has analytical capabilities and provides diagnostics of the current state of the enterprise, which serves as a basis for making marketing decisions aimed at increasing efficiency.

Conclusion. Summarizing the above, we note:

1. Formulated marketing mission, goals and functional strategy in the hierarchical structure of the corporation.

2. The main elements that determine a business are consumer inquiries, consumer segments, technologies and materials and the place in the value chain.

3. The core of the hotel business enterprise is identified, which allows to solve many problems in forming the marketing strategy of the hotel enterprise (in particular, such as: Does a certain core have force? Should it be changed? Is the potential of the core fully utilized?).

4. The marketing strategy of a hotel enterprise as a component of strategic planning should be based on the core of the business, as it identifies the most profitable and promising elements of the enterprise's economic activity and allows it to form effective directions of development.

5. Further areas of research in the strategic marketing of hotel businesses should be scientific developments on the conceptual foundations of the formation of marketing strategies based on the core of the business.

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FROM CROSS-BORDER COOPERATION TO EUROPEAN INTEGRATION AND GLOBAL ECONOMIC MOVEMENTS

The article focuses on changes in the legislation of Ukraine concerning cross-border cooperation and its organizational foundations. According to the survey of scientists, practitioners, representatives of local authorities and public organizations, the definition of «unification of European and regional cooperation with the status of a legal entity» as a socially recognized organizational and legal form of collective socio-economic activity is proposed. Based on the analysis of socio-economic development of a number of regions of Ukraine in 2017, which are territorially located from the Center to the West, it is confirmed that the development of regions in Ukraine occurs from the center to the periphery and the reasons of this situation have been identified. The ways and additional opportunities for the development of cross-border cooperation and its impact on European integration processes and global economic shifts are highlighted. The role of cross-border cooperation in increasing exports and imports of goods and services has been identified on the example of international trade in cross-border regions with the EU countries.

Keywords **Relevance of research topic:** *cross-border cooperation, European integration, social and economic development.*

Кифяк Василь, Кифяк Олександр. Від транскордонного співробітництва до євроінтеграції та глобальних

У статті акцентовано увагу на змінах до законодавства України щодо транскордонного співробітництва та його організаційних основ. За результатами опитування науковців, практиків, представників місцевих органів влади та громадських організацій, запропоновано визначення «об'єднання єврорегіонального співробітництва зі статусом юридичної особи» як суспільно визнаної організаційно-правової форми колективної соціально-економічної діяльності. На основі аналізу соціально-економічного розвитку низки областей України за

2017 рік, які територіально розташовані від Центру на Захід, підтверджено, що розвиток регіонів в Україні відбувається від центру до периферії та встановлено причини такого стану. Виокремлено шляхи та додаткові можливості розвитку транскордонного співробітництва і його впливу на процеси євроінтеграції та глобальні економічні зрушення. На прикладі міжнародної торгівлі у прикордонних регіонах з країнами ЄС визначено роль транскордонного співробітництва у нарощуванні обсягів експорту та імпорту товарів і послуг.

***Ключові слова:** транскордонне співробітництво, євроінтеграція, соціально-економічний розвиток.*

Formulation of the problem. Globalization processes and the simultaneous implementation of administrative reform in Ukraine and the delegation of broad authorities to the united territorial communities and local authorities have significantly actualized the importance of establishing relations between Ukraine and neighboring countries, both at the state and regional levels.

Cross-border links between the adjacent territories of neighboring countries, which have become an effective mechanism for the socio-economic development of the regions on both sides of the border are getting a particular importance.

A powerful instrument in Ukraine's international economic relations with neighboring countries has been the creation of European regions, the functioning of which facilitates the gradual integration of cross-border regions first and then of Ukraine as a whole into the world economic system.

The relevance of this research is also determined by the development and implementation of a single strategic line and a coordinated policy of cross-border economic cooperation throughout Ukraine, which will allow intensive advancement to global economic shifts.

Today, the regions adjacent to the state border are active in not only environmental, cultural, sporting, educational, migration, security spheres, but also in economic, social and other activities. In the West, Volyn, Lviv, Ivano-Frankivsk, Transcarpathian and Chernivtsi regions have borders with the countries of the European Union (EU) – Poland, Slovakia, Hungary and Romania, in the south Odessa region borders with Romania.

Nowadays Ukraine and the European Union are working under four cross-border co-operation programs, which will operate until 2020. In particular, the programs are: Ukraine-Poland-Belarus, Ukraine-Slovakia-Hungary-Romania, Ukraine-Romania and the Black Sea Basin. And as the Director of the Government Office for European Integration stated, «within the priorities of the Association Agreement, in particular, the course of decentralization, we keen to intensify investment, joint economic activities in those regions bordering the EU countries, to promote the development of infrastructure projects that bring Ukraine closer to the creation of European standards of living» [7].

Thus, Ukraine's neighborhood with the EU states necessitates the extension of cross-border cooperation in all directions.

Adherence to international imperatives and the objective regularity of moving the center of gravity of the management of socio-economic processes from the national to the regional level encourage the search and expansion of modern forms and methods of cross-border cooperation and adaptation of economic activity to the conditions of international business.

However, despite Ukraine's associate EU membership and strategic partnership between cross-border regions of Ukraine and the EU countries, the socio-economic development of cross-border regions has a significant backlog in many economic indicators. There is a need to identify the causes of such a significant gap between the internal and cross-border regions of Ukraine and conduct a scientific research on identifying problems that will stimulate economic growth and European integration.

Analysis of recent researches and publications. Many foreign and domestic scientists have studied the issues of cross-border cooperation development, its impact on the socio-economic development of cross-border regions, the definition of forms and methods of cooperation. Significant contributions to the study of these issues were made by: Joachim Beck, Birt Wassenberg, Carmen Nastase, Danila Moroshan, O. Garasyuk, V. Evdokymenko, M. Lendel, A. Mazaraki, T. Melnyk, N. Mikula, V. Pyla, T. Tereshchenko, I. Shkola, O. Chmyr and others.

In particular, German professor Joachim Beck and French professor Birt Wassenberg focus on the actual and potential contribution of cross-border co-operation to European territorial cohesion and believe that the practical field of cross-border co-operation outweighs the theoretical, they consider it exemplary [1, 19]. Romanian scholars, Carmen Nastase and Danila Moroshan offer sources of funding for cross-border cooperation [4, p.191–193].

Exploring the impact of globalization processes on the development of international economic relations, including cross-border economic cooperation, Professor A. Mazaraki emphasizes: «International economic relations have developed since the second half of the twentieth century with the significant impact of globalization. Globalization contributes to the integration of international relations at the bilateral and regional levels into a coherent system» [5, p. 200].

However, under current conditions, the legislation of Ukraine on cross-border cooperation has been amended and new forms of cooperation are envisaged. With the creation of Euro-regional cooperation associations with the status of a legal entity [20, Art. 1], there is an objective need to expand the cross-border cooperation not only in the interests of cross-border regions, but also its increased impact on integration processes and global economic shifts.

Scientific substantiation of ways of expanding cross-border cooperation based on updated legislation and research of the impact of economic growth on integration processes. In order to do this there is a need to clarify the essence of the concept of

«unification of Euro-regional cooperation with the status of a legal entity». It is important to systematize scientific approaches to problems solving of cross-border regions development and establishing reasons for their lagging behind in the socio-economic development of the central regions of Ukraine as well as to explore the international trade and economic relations of cross-border regions and to determine the impact of cross-border cooperation.

Presenting main material. A prerequisite for cross-border activity is compliance with the law, which consists in the «formation of legal and institutional support for cross-border cooperation at the international, national, local and regional levels» [8, p. 31]. According to the Law of Ukraine, cross-border cooperation is defined as «joint actions aimed at establishing and deepening of economic, social, scientific, technological, environmental, cultural and other relations between the subjects and participants of such relations in Ukraine and the respective entities and participants of such relations with of neighboring states within the competence defined by their national legislation «[20, Art. 1].

At the same time, Birt Wassenberg states that borders are the scars of history and overcoming them is the goal of regional cross-border co-operation in Europe [19], which is extremely important both for cross-border regions of Ukraine and for the whole country.

In order to remove the barrier functions of the border, amendments to the Law of Ukraine «On Cross-Border Cooperation» have been introduced in 2018. They will stimulate the creation of «associations of cross-border cooperation entities of Ukraine and relevant entities of neighboring Member States of the European Union with legal status persons in accordance with the national legislation of the Member State of the European Union in the territory it is located «[20, Art.1]

According to the surveys of leading scientists, practitioners, representatives of public organizations and regional authorities that are researching, directly participate in cross-border cooperation, coordinate and promote its development, the concept of «unification of Euro-regional cooperation with the status of a legal entity» has different interpretations.

For example, business leaders believe that «unity of Euro-regional cooperation with the status of a legal entity» is a voluntary association of commercial and non-commercial legal entities, regardless of the form of ownership, whose main purpose is to promote business activity in cross-border regions, simplified creation of joint ventures, and development of small and medium-sized enterprises. Cross-border business centers, business incubators, sectoral or territorial clusters should be created based on Euro-regional cooperation, and «poles of economic growth» should be formed.

Public representatives consider the main point in the activity of «integration of Euro-regional cooperation with the status of a legal entity», the development and implementation of joint projects, the formation of programs and strategies of cross-

border cooperation, joint activities, promotion of Euro-regions, creation and promotion of their brand, etc.

Taking into account these and other opinions of practitioners, public activists, representatives of local authorities, as well as that territorial community, their representative bodies and associations, local executive bodies, public organizations and other legal entities may be participants of cross-border cooperation. We believe that «unification of Euro-regional cooperation with the status of a legal entity» is a socially recognized organizational and legal form of collective socio-economic activity created in accordance with national law of the territory it is located.

The Association Agreement between Ukraine and the European Union provides a wide range of opportunities for the modernization of regional policy and the implementation of cross-border cooperation [18, Art. 446-448]. In the State Strategy of Regional Development for the period up to 2020 and the State Program of Cross-Border Cooperation Development for 2016-2020 [3, 2], cross-border cooperation is generally defined as a tool for enhancing the competitiveness of border territories and a factor in accelerating integration processes.

In 2012, I. Shkola stated: «the development of integration processes leads to the strengthening of regionalization processes, enhancing the role and importance of cross-border regions of the country as international economic agents in the context of forming and maintaining the competitiveness of national economies, strengthening good neighborly relations and creating conditions for coordination actions in the field of integration of economies of neighboring countries» [9, p.6].

According to separate indexes, the analysis of socio-economic development of a number of regions of Ukraine for 2017 shows that regions located from the Center to the West, with the exception of Lviv, with the approximation to the borders with the EU countries, are less economically developed and the inhabitants of these regions less socially protected (Table 1) [16, p. 507–518].

Table 1

Analysis of socio-economic development of particular regions of Ukraine in 2017

Regions of Ukraine	GRP per person / UAH	Monthly average wage / UAH	Income per person / UAH	Costs per person / UAH	Consumer Price Index, %	Level of unemployment, %
1. Kyiv	78075	7188	50321	73202,0	114,0	6,5
2. Vinnytsia	48000	6121	43725	57516,9	112,3	10,7
3. Zhytomyr	39560	5836	41787	57295,3	113,8	10,8
4. Khmelnytsk	41290	5938	42350	54095,9	113,4	8,9
5. Ternopil	30299	5554	35211	50325,3	114,0	11,9
6. Ivano-Frankivsk	38000	6074	39326	56686,5	113,5	8,5
7. Lviv	58200	6391	44194	59854,2	112,4	7,5
8. Volyn	35442	5849	38069	56592,0	114,6	12,5
9. Chernivtsi	23435	5621	35403	49775,7	112,4	8,4
10. Zakarpattia	25572	6355	33282	47723,2	113,3	10,5

Source: Statistical Yearbook of Ukraine for 2017.

Comparison of these and other indicators confirms that the socio-economic development of regions in Ukraine occurs from the center to the periphery. The main reasons for this situation are that cross-border regions of Ukraine, due to their distance from the center, in most of them developed with slower pace, were industrial-backward, and had poor transport links with the center, which led to a decrease in economic efficiency of production and competitiveness of products. Another reason for the gap in socio-economic development between the western cross-border and central regions of Ukraine is active labor migration. According to the State Migration Service and the State Border Guard Service, on January 1, 2019, 3.2 million citizens of Ukraine are permanently employed abroad. Another 7–9 million people work temporarily [10]. These are mainly residents of cross-border areas.

However, «despite the fact that cross-border economic systems are often identified as peripheral and problematic, they are characterized by a high level of communication ability, since they have the ability to use both internal and external resources for development» [17, p. 15].

Today, in the context of administrative-territorial reform and decentralization, cross-border cooperation creates additional opportunities for mobilizing resource potential in cross-border regions of Ukraine, accelerating their socio-economic development and improving the standards of living.

Important place in expanding cross-border economic cooperation is given to international trade in competitive goods and services, including markets of cross-border regions of the neighboring countries. According to T. Melnyk and K. Pugachevska, «our country is significantly inferior to GDP per capita and per capita exports to European countries. At the same time, Ukraine takes a rather active part in the international division of labor due to the higher export quota» [6, p. 212].

Research on international trade and economic relations in cross-border regions shows an increase in international trade, where cross-border cooperation is becoming increasingly important. The Carpathian, Upper Prut, Bug, and Lower Danube Euro-regions play a special role in the growth of cross-border trade.

On the example of foreign trade activity of cross-border regions of Ukraine, which have borders with the EU countries, the dynamics of export-import operations for 2013–2017 was analyzed (Table 2), and it is established that the volume of exports of goods and services in 2017 exceeds \$ 545 million . Compared to 2013, imports of goods and services decreased by \$ 3,139.5 million over the same period [11, p. 585–585, 12, p. 576–577, 13, p. 561–562, 14, p. 553–554, 16, p. 532–533]. The ratio of exports of imports of goods and services is 1,088, which generally confirms the positive foreign trade balance in this group of regions.

International trade of goods and services in the regions of Ukraine that have borders with the EU (million \$)

Regions of Ukraine which have borders with EU	2013		2014		2015		2016		2017	
	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
Volyn	686,4	1131,4	745,7	786,0	683,5	638,8	662,7	1148,2	752,7	1359,9
Lviv	1686,6	2769,1	1716,4	2555,4	1576	1498,1	1669,3	1779,4	2056,3	2240,2
Ivano-Frankivsk	540,2	612,7	533,3	504,7	418,4	307,7	627,6	423,9	720,1	653,2
Zakarpattia	1592,4	2110,9	1584,7	1767,8	1283,3	1032,4	1395,9	1159,2	1703,3	1363,6
Chernivtsi	142,3	160,5	144,5	112,9	128,8	80,2	139,7	97,3	174,8	115,1
Odesa	2806,7	3707,3	2800,7	2296,1	2624,4	1099,8	2306,1	1554,4	2592,4	1620,4
Total	7454,6	10491,9	77525,3	8022,9	6714,4	4657,0	6801,3	6162,4	7999,6	7352,4

Source: Statistical Yearbooks of Chernivtsi Region for 2013,2014,2015,2016,2017 (separate comparisons by regions of Ukraine)

At the same time, the largest export of goods and services grew to such neighboring countries as Poland, Hungary, Romania and Slovakia and in total amounted to \$5478.1 million in 2017 [15, p. 393, 399].

At the same time, the globalized world has begun to rapidly develop the digital economy and use artificial intelligence in predicting socio-economic development, which will inevitably lead to deeper integration not only of cross-border regions but also of individual countries and changes in the international division of labor.

In cross-border regions, digital technologies are more likely to penetrate and leverage joint ventures, build partnerships to streamline and automate business processes, increase productivity, and improve communication.

Lack of scientific research and the obvious practical importance of cross-border cooperation in European integration processes, necessitate further comprehensive study of the development of cross-border cooperation through the prism of national interests.

Conclusion. Consequently, the results of the study show that cross-border cooperation is an important way of realizing Ukraine's national interests, and cross-border regions, using their opportunities effectively, can significantly improve their socio-economic status and facilitate European integration processes.

The prospects for cross-border cooperation with EU regions depend on finding and making optimal decisions by the efforts of central and local authorities to formulate an appropriate economic cooperation policy with each country, taking into account the differences that exist on both sides of the border.

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SEARCH FOR BUSINESS DEVELOPMENT MODELS IN THE 21ST CENTURY

The article outlines some geopolitical and geo-economic shifts that shaped the modern picture of the world. The modern views on the business models development in conditions of turbulent environment were shown. It's defined that the contemporary competitive advantages of companies are built on two business models. The first – built on the company's ability to respond changes in the external environment with maximum speed, and the second – model based on internal changes generated by innovation. It was shown that the basis of all innovations now is the technology of the digital economy. The advantages and models of the digital economy for various business areas and industries were determined.

Keywords: *business model, digital economy, information, innovations.*

Соколова Юлія. Пошук моделей розвитку бізнесу в 21 сторіччі.

В статті розглянуто деякі геополітичні та гео економічні зрушення, що визначили сучасну картину світу. Показано сучасні погляди на моделі розвитку бізнесу в умовах турбулентного середовища. Доведено, що сучасні конкурентні переваги компаній побудовано на двох бізнес-моделях. Перша – побудована на здатності компанії максимально швидко реагувати на зміни у зовнішньому середовищі, а друга – ґрунтується на внутрішніх змінах, що породжуються інноваціями. Показано, що основою всіх інновацій, сьогодні, є технологія цифрової економіки. Показано переваги та моделі цифрової економіки для підприємств різних сфер бізнесу.

Ключові слова: *бізнес-модель, цифрова економіка, інформація, інновації.*

Relevance of research topic. The business environment has become more complex and unpredictable under conditions of geopolitical and geo-economic shifts, which requires companies, both the real and financial sectors, to develop innovative and effective solutions, search for new business models, and strategic tools for growth

and development. Recently, companies, which are leaders in their industries, are capable to combining flexibility and adaptability to changes in the external environment with internal innovations. So, Ukrainian enterprises are particularly urgent in demanding new business development models built on digital economy technologies combined with marketing and strategic analysis.

Formulation of the problem. The new business models search in the 2nd half of the 20th century was launched by American companies. And by the beginning of the 1970s, Japanese and South Korean companies had demonstrated new business models that served as a powerful start to the economic breakthrough of the Southeast Asia region. The specified experience was immediately reflected in such publications as: «In Search of Excellence. Lessons from America's best-run Companies» by T. J. Peters, R. H. Waterman, Jr., (1980) [9]; «Competing for the Future» by G. Hamel, C. K. Prahalad (1994) [5]; «The organization of the future» (The Drucker Foundation, 1997). Unfortunately, such publications were unavailable to the Ukrainian scientific community for a long time, due to the information vacuum.

Over the past forty, thirty, twenty and even ten years, the world has been constantly changing, especially in the field of access to information. And world-class scientific thought has become absolutely accessible in Ukraine. But since we do not observe the changes characteristic to the advanced economies, in field of real Ukrainian business, very few people are familiar with new economic studies, and mainly those who cannot influence the economic realities of the country. Moreover, mainly, in Ukraine there is no connection between real business and scientific economic research. Companies the real and financial sectors of the economy do not allow academic researchers to access internal information and publish research results. In turn, enterprises are deprived of the opportunity to receive high-quality up-to-date data and recommendations for business development that can be obtained by studies.

So, the purpose of the article is to show the search directions for effective approaches to the formation of business models for companies and national economies development in the context of geopolitical and geo-economic shifts.

Analysis of recent researches and publications. Numerous publications of foreign researchers are devoted to the issues of improving business efficiency in the face of constant changes in the external environment. As we said, G. Hamel, C. K. Prahalad, P. Drucker, T. J. Peters, R. H. Waterman, Jr. and others had started searching for conceptual approaches to expanding business and improving the efficiency of business processes. Researchers of the 21st century: P. Frankopan [2], R. M. Grant [3], J. Tamny [11], and not only economists, but also political figures, for example C. Rice [10], picked up and developed these studies.

Questions devoted to formation and development of the digital economy as infrastructure, technology and new management approaches are of particular interest today. Among foreign researchers in the digital economy, the works of D. Tapscott [12], M. Peitz, J. Waldfoegel [8] should be noted.

Ukrainian scientists studies, devoted to the evolution of business processes and models, consider business models at the micro level in relation to a specific enterprise. At the same time, questions of searching for business development models, especially in the conditions of modern geo-shifts, remain unexplored.

Presenting main material. The roots of today's geopolitical shifts go back to the 20th century. In the mid-1950s, a change in superpower status took place: Great Britain was lost it, and the USA gained. As a result – the USA had inherited lots of spheres of influence in geopolitics.

The Middle East – one of the illustrative examples. According to P. Frankopan, the USA position in this part of the world was based on a number of strong people with undemocratic instincts and dubious methods of retaining power by corrupt elites [2]. As a result of the USA policy, another superpower – the USSR was pushed out, from the sphere of influence of such countries as Iran, Iraq, Egypt, Syria, Afghanistan. However, the main goal of this confrontation – control over oil production and oil flows, was not achieved. Since in the 60s, countries of the region (Iran, Iraq, Saudi Arabia, Kuwait) created the world organization of oil exporters – OPEC. Although, OPEC was not a political institution, it was, still, a key link in the process of transferring power from the USA and Europe to local governments, which radically changed the political picture of the world at the end of the 20th century [2].

The deep geopolitical changes took place in the 90s of the 20th century: the Berlin Wall was fallen and two German states were reunited (1989/90); the collapse of the USSR (December 1991) and fifteen independent states appearance, as well, as the destruction of the socialist system in the Eastern Europe; reforms in China, which turned it into a country with a growing economy (an average annual growth of 9%), with military might at the level of developed countries and with new political ambitions.

Ukraine was one of the states that gained independence after the collapse of the USSR. The history of independent Ukraine includes the economic chaos of the 90s, three revolutions [10, p. 147] (Independence – 1991, Orange – 2004 and Euromaidan– 2014), loss of the territorial integrity, the permanent political crisis, and constant search for new effective models of economic development.

The Ukrainian economy is affected not only by geopolitical shifts, but, also, by geo-economics changes. The most significant geo-economic shifts: formation of open world markets for goods, services, labor and capital; creation of a global currency market, initiation the dollar and other currencies floating exchange rate.

G. Hamel's monograph «Leading the Revolution: How to Thrive in Turbulent Times by Marketing Innovation a Way of Life» shows that the time of gradual evolution had come to an end, and we had entered the era of revolution, when the value of the position is negligible and only those companies will success, which will follow the path of constant change [4]. In G. Hamel's opinion, «revolutionaries» will win with the help of innovative concepts embodied in new business models.

Today, the unit of innovation is not products or technologies, but business concepts. A business concept and a business model consist of the same elements: a business model – is just a business concept that had been put into practice. The innovative business concept – is the ability to imagine completely different business concepts or completely different ways of differentiating existing business concepts. It's becoming the key to creating new wealth. The competition within any field, be it financial services, communications, entertainment or any other field, does not occur between goods and companies, but between business models.

What business models are we talking about? In our opinion, there are only two of them:

a) A model built on the ability of the company to respond changes in the external environment with maximum speed. It requires one main resource – information, and one main competence – flexibility. This conclusion is supported by the illustrations presented in «Contemporary strategy analysis» by R.M. Grant, (2004). So, the success of Wal-Mart – is its ability to constantly outperform other retail discounters, based on a business system that responds quickly and effectively to changing demand, and the core of the ability to respond quickly is to encourage and reward initiatives at all levels of the company. Dell – is an unsurpassed master in speed and maneuverability, while each computer is assembled in accordance with the requirements of the individual buyer [3, p. 230];

b) A model based on internal changes generated by innovation. Wal-Mart owes its position, as a global giant and the most successful retailer, to a business model based on new technological processes and organizational approaches («star-shaped» supply chain, distribution system, using of information technology and communications), which allows receiving data from all points of sale and make effective decisions along the entire value chain [3, p. 232].

Using both models let companies achieve the greatest success, as Wal-Mart demonstrates.

The wide spread of digital technologies determines the development paths of the economy and society, and had led to cardinal changes in people's lives already. The development of the digital economy is one of the priority areas for largest advanced economies, including the USA, Great Britain, Germany and Japan. As a rule, they are characterized by a long period of implementation of the «digital development agenda» and continuity of priorities – from building a basic information and communication infrastructure to formation of a coordinated policy in this area.

There is still no common definition of the digital economy. Most often, when defining a digital economy, the emphasis is on information and communication technologies and related changes in the methods of interaction between economic agents. Often, the definition of a digital economy is replaced by a list of areas of its influence on the economy and the social sphere.

The systematization of various sources [1, 6-8, 12] allows us to argue that the digital economy is reflected in such areas:

- supporting infrastructure (hardware, software, telecoms, networks);
- e-business (how business is conducted, any process that an organization conducts over computer-mediated networks);
- e-commerce (transfer of goods, for example when a book is sold online).

The annual reviews of the Organization for Economic Co-operation and Development (OECD), devoted to the development of the global digital economy, emphasize its role in the development of countries, industries and companies.

So, in the 2014 report [1] shows how the widespread adoption of digital economy, combined with the rapid decline in price and increase in performance of these technologies, has contributed to the development of new activities in both the private and public sector. Together, these technologies have expanded market reach and lowered costs, and have enabled the development of new products and services. These technologies have also changed the ways in which products and services are produced and delivered. They also led to the creation of new payment mechanisms including new forms of digital currencies.

The OECD 2014 annual report shows how the digital economy has changed and keep changing different business sectors [1]. For example, in retail, digital economy has enabled retailers to allow customers to place online orders and has made it easier for retailers to gather and analyze data on customers, to provide personalized service and advertising. It has also enabled retailers to manage logistics and supply stores with products, which has had a significant, positive impact on productivity. The logistics sector has been transformed by digital economy, which enables the tracking of both vehicles and cargo across continents, the provision of information to customers and facilitates the development of new operational processes such as Just In Time delivery in the manufacturing sector. As the digital economy spreads, universities, tutor services and other education service providers are able to provide courses remotely without the need for face to face interaction through technologies such as video conferencing and streaming and online collaboration portals, which enables them to tap into global demand and leverage brands in a way not previously possible [1, p.72–73].

The digital economy has also enhanced the ability of companies to collect and use information about the viewing habits and preferences of customers, to enable them to better target programming. As digital technology is adopted across the economy, segmenting the digital economy is increasingly difficult. In other words, because the digital economy is increasingly becoming the economy itself, it would be difficult, if not impossible, to rinfence the digital economy from the rest of the economy.

The digital economy has given rise to a number of new business models. Although many of these models have parallels in traditional business, modern advances in digital economy have made it possible to conduct many types of business

at substantially greater scale and over longer distances than was previously possible. These models are: e-commerce, B2B models, B2C models, C2C models and other.

Electronic commerce, or e-commerce, has been defined broadly by the OECD Working Party on Indicators for the Information Society as «the sale or purchase of goods or services, conducted over computer networks 1 by methods specifically designed for the purpose of receiving or placing of orders. The goods or services are ordered by those methods, but the payment and the ultimate delivery of the goods or service do not have to be conducted online» [1].

The vast majority of e-commerce consists of transactions in which a business sells products or services to another business (so-called business-to business (B2B)). This can include online versions of traditional transactions in which a wholesaler purchases consignments of goods online, which it then sells to consumers from retail outlets [1].

Business-to-consumer (B2C) models were among the earliest forms of e-commerce. A business following a B2C business model sells goods or services to individuals acting outside the scope of their profession. B2C models fall into several categories, including, for example, so-called «pureplay» online vendors with no physical stores or offline presence, «click-and-mortar» businesses that supplemented existing consumer-facing business with online sales, and manufacturers that use online business to allow customers to order and customize directly [1].

Consumer-to-consumer (C2C) transactions are becoming more and more common. Businesses involved in C2C e-commerce play the role of intermediaries, helping individual consumers to sell or rent their assets (such as residential property, cars, motorcycles by publishing their information on the website and facilitating transactions. These businesses may or may not charge the consumer for these services, depending on their revenue model. This type of e-commerce comes in several forms, including, but not limited to: auctions facilitated at a portal that allows online bidding on the items being sold; peer-to-peer systems allowing sharing of files between users; and classified ads portals providing an interactive, online marketplace allowing negotiation between buyers and sellers [1].

Conclusion. The study allowed us to show some geopolitical and geo-economic shifts that determine the conditions for the Ukrainian economy existence. We have determined that under the influence of contemporary changes in the world, two effective business models, based on flexibility, innovation, infrastructure, technologies and business approaches of the digital economy, have been formed. And, only those companies, which use both models, achieve success.

The subject of further study will be questions, related to implementation of the indicated models, based on the principles of the digital economy, into the Ukrainian business environment.

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DEVELOPMENT OF THE CRIMEA BUSINESS IN THE CONDITIONS OF GEOPOLITICAL UNCERTAINTY

The article deals with the business environment of Crimea in terms of global economic and geographical transformations. The economic indicators are analyzed, the factors that negatively influence the economic situation of the republic are noted. The directions of normalization of the geo-economic situation of Crimea, which is in direct dependence on the geopolitical situation on the peninsula, to increase the efficiency of the use of own resources for ensuring prosperity, are outlined.

Keywords: *Crimea, geopolitics, geo-economics, entrepreneurship, business development.*

Павлішина Ніна. Розвиток бізнесу криму в умовах геополітичної невизначеності.

У роботі розглянуто бізнес-середовище Криму з погляду глобальних економічних та географічних перетворень. Проведено аналіз економічних показників, відмічено фактори, що негативно впливають на економічне становище республіки. Окреслено напрямки нормалізації гео економічної ситуації Криму, що знаходиться у прямій залежності від геополітичної ситуації на півострові, з метою підвищення ефективності використання власних ресурсів для забезпечення процвітання.

Ключові слова: *Крим, геополітика, гео економіка, підприємництво, розвиток бізнесу.*

Relevance of research topic. The last decades have been marked by global transformations that are emerging as a new geopolitical configuration of the world. At the same time, the processes that take place in Ukraine not only correspond to global trends but also partly cause them. In particular, the most important event from the point of view of geopolitics is the annexation of Crimea, which represents the change of zones of economic influence, because of which Ukraine became at the same time the center of geo-economic confrontation of two trade zones, thus becoming the object

of world geopolitical relations in the determined entity, with their priorities and the ability to make them a reality.

Formulation of the problem. The purpose of the research is to study the status and trends of business development in the Crimea, to identify geopolitical and geo-economic factors that impede its effective functioning, to outline directions of stabilization of the business environment of the republic.

Analysis of recent researches and publications. Issues of geopolitical and geo-economic relations are under review of such scientists as S. Huntington, O.I. Chablis, A.A. Mitrofanov, A.V. Anichkin, Y.B. Oiler. In particular, the geopolitical position of Crimea was studied by I.N. Voronin, L.A. Ozhegova, V.P. Petrov, K.Yu. Sikach, A.V. Shvets and others. However, the influence of geo-economic factors on business development in the republic has not been thoroughly studied, which made the research relevant.

Presenting main material. The geographical location of Ukraine is very convenient from a geopolitical position, being at the intersection of interests of Europe and the countries of the East, it has a chance to become both an object and a subject on the «chessboard» of geopolitics. Referring to M.M. Mitrofanova and A.A. Anichkin (Mitrofanov, AA & Anichkin, AA, 2015, p.17), who define geopolitics as a science that «reveals the dependence of foreign policy on factors that allow them to control certain aspects of geographic space», we can note that current Ukraine's position is determined by significant political and economic instability, unfavorable investment climate, riskiness of business processes, corruption, contradictory legal framework, and other factors.

However, modern scholars have noted the economization of politics, the growing role and importance of financial diplomacy in solving international problems and conflicts, and the balancing of the border between domestic and foreign policy. The country's position is increasingly dependent on geo-economic space factors. Thus, strategic decisions are made taking into account both the geopolitical and geo-economic coordinate system. It is the subjects of geo-economy that define and shape geopolitics and geo-strategy.

The annexation of Crimea by Russia in 2014. The Peninsula is a strategically important territory of the Black Sea and a meeting point of geopolitical interests of both Ukraine and Russia, as well as Turkey, the European Union, and the United States. Having considerable potential, Crimea has never been an independent entity, always being in one of the states and being in the area of attention of others. Crimea, as a geopolitical system, can be represented as three blocks:

– functional – geographical and economic potential. From the geography standpoint, Crimea is of interest as a sea route, a means of control of the Black Sea-Azov region, the Kerch Strait, a naval base (Sevastopol), an opportunity to organize communications through the construction of the bridge. From an economic point of view, tourism, agriculture, services, fishing, viticulture are worth considering. The

attractiveness of the republic increases the availability of oil and gas fields. However, the economy of Crimea is not self-sufficient;

- institutional – information and legal environment;
- territorial – border stability, ethnic identity, natural resource uniqueness, orientation to tourism.

Today, Crimea is actually under the control of the Russian Federation, but it is legally part of Ukraine, which causes the existence of a territorial dispute between the states, to which other countries whose authorities hold various positions on the Crimean issue are involved.

The annexation of Crimea and its transfer to the control of the Russian Federation changed, among other things, the business environment in the republic and led to the emergence of factors hampering the socio-economic development of the peninsula. Including:

- legal uncertainty of territorial affiliation;
- the presence of sanctions by the leading powers of the world and Ukraine;
- risk of international cooperation;
- the weakening of foreign economic relations;
- poor infrastructure and resources;
- the threat of raiding.

One of the factors affecting the business environment in Crimea is sectoral restrictions (restriction of financing in the capital market due to the threat of destabilization of the situation in Ukraine) – a complete or partial ban on the supply of goods and technologies. They are listed on the EU Sanctions Map page and presented in Figure 1.

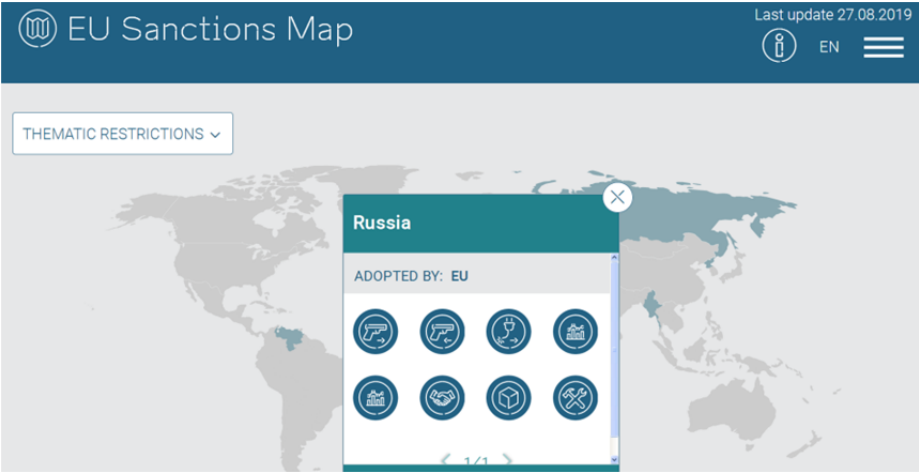


Figure 1. EU Sanctions Map

As you can see, a significant number of goods and services that are of strategic importance for the development of Crimea’s business are subject to sanctions, in particular: export of certain equipment (for example, oil and gas, telecommunications,

energy), dual-use goods and technologies, services (training, service, construction, brokerage). There is a ban on the settlement of claims, on any transactions with certain financial instruments, etc. Imports of products made in Crimea are completely prohibited [EU Sanctions Map]. All major Crimean enterprises have come under sanctions. The banking system, including Visa and MasterCard (world payment systems) (temporarily) stop card servicing in Crimea, has also been affected.

The result of the imposition of sanctions was the total exit of foreign investors of Crimea.

Based on the statistics of the Crimea, one can get an idea of the state of business in the republic in the period 2014–2018.

The source of the data is research Goryunova, E (Goryunova, E.,2019, June 11), Kiviko, I.V. (Kiviko, I.V., 2018),, Department of the Federal State Statistics Service of the Republic of Crimea and Sevastopol (2019), Federal State Statistics Service (2019):

– Gross regional product (million rubles). 2018 data are adjusted according to GRP data for 2017 (Fig. 2);

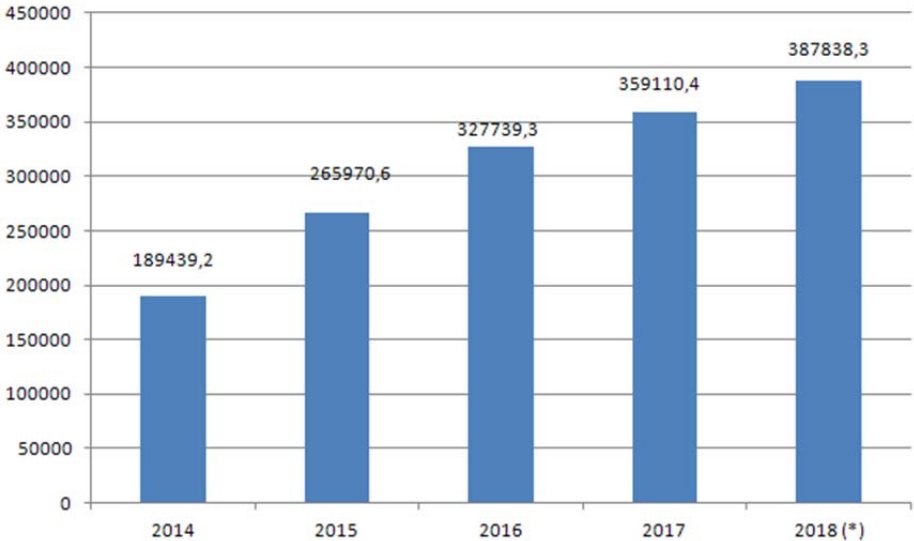


Figure 2. Crimea GRP

– investment development (state / own ratio,%) (Fig. 3);

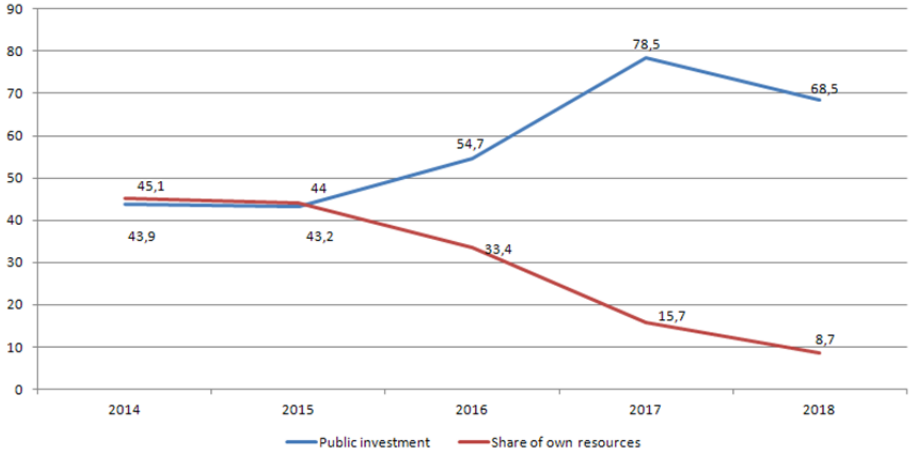


Figure 3. Investments in the Crimean economy by sources of funding

– construction. The construction sector is one of the few to show growth. However, over 5 years, housing has grown by 19%. However, it has not yet been possible to catch up with Ukrainian housing commissioning in the Crimea: 775,000 square meters of housing were commissioned in 2018 against 963,000 in 2013 (Goryunova, E., 2019, June 11);

– production of livestock products in the Crimea (in tons/millions of pieces for eggs) (Fig. 4). During the years of annexation of the cattle population on the peninsula decreased by 25-30%, which led to a decrease in egg production by 12%, meat – by 15%, milk – by 17%, and wool – by 20%;

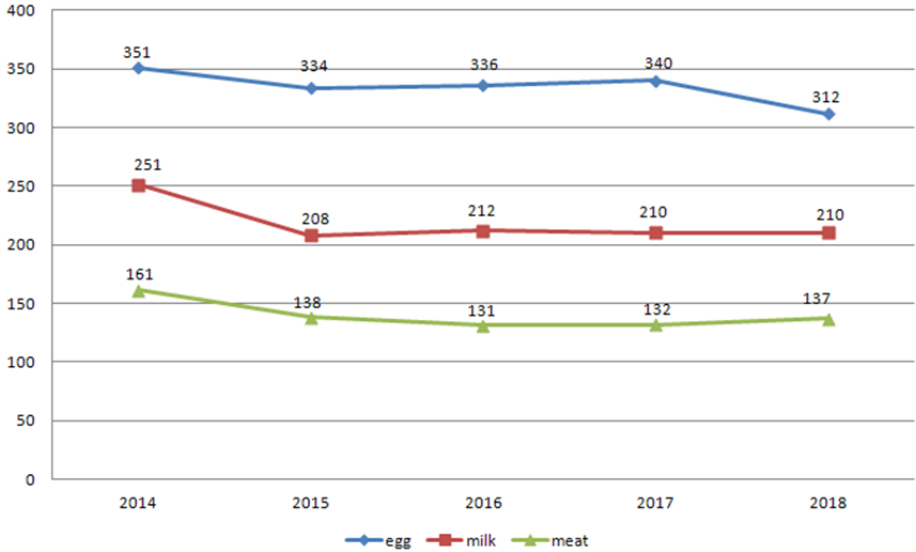


Figure 4. Production of livestock products

– turnover (Fig. 5). Freight traffic increased 5 times over 5 years. However, compared to 2013, it decreased to 3.4 times – from 1093 to 323 million tonne-kilometers.

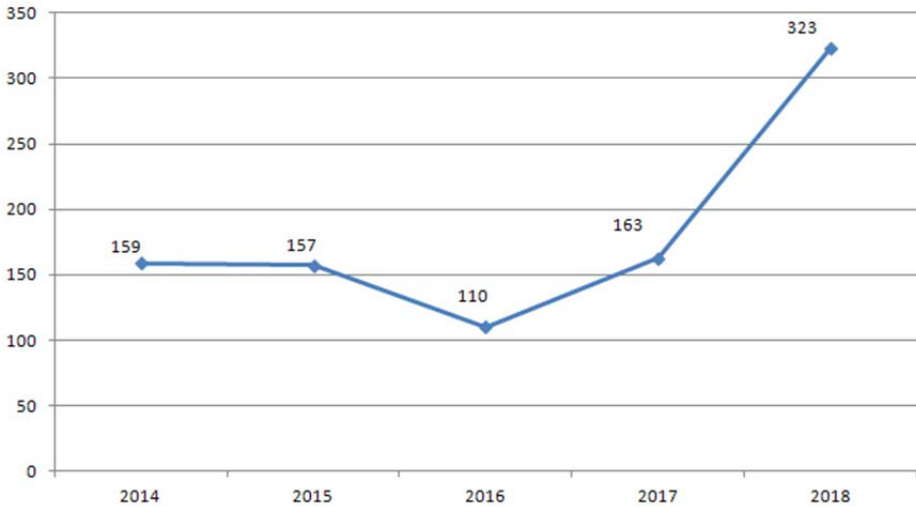


Figure 5. Freight traffic of trunks

– trade (Fig. 6).

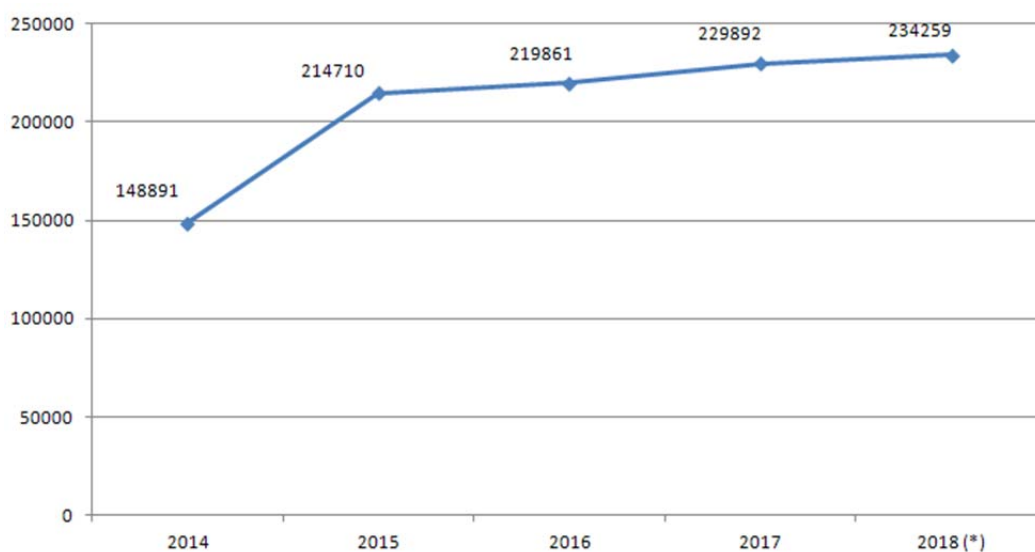


Figure 6. Retail trade in Crimea

Trade is the most profitable area of the economy. Trade turnover in the Crimea has increased by 2 times during the annexation period but decreased by 6% in dollar terms. Sales of bread and sugar (by 35%), pasta (by 40%), flour and tea (by 50%) and salt – by 62%, alcohol – 100% increased significantly. Information for 2018 is adjusted according to the growth of the indicator for 2017;

– taxation (Fig. 7). Most sole proprietors prefer simplified taxation schemes. However, unlike the Ukrainian tax system, Russian provides for payment of taxes regardless of the result of entrepreneurial activity.

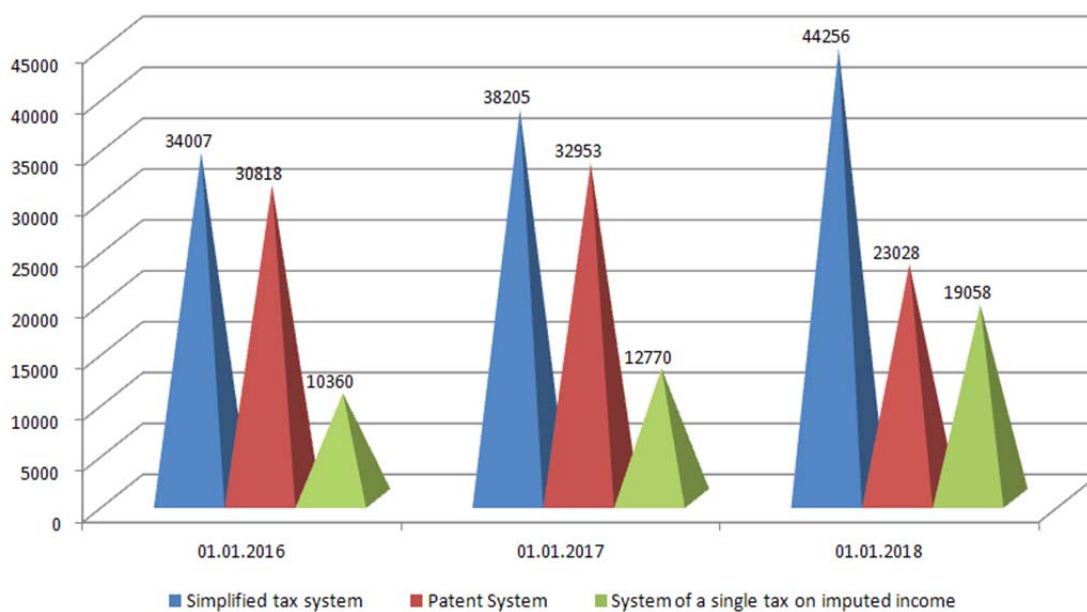


Figure 7. Special tax regimes selected by individual entrepreneurs

If domestic trade shows growth (albeit mainly through inflation), foreign trade has virtually disappeared. Over the five years of occupation, Crimea's exports have fallen threefold – from \$79.5 to \$23.8 million, and imports have fallen from \$100 to \$56 million. Compared to Ukrainian times, foreign trade fell tenfold: exports – 38 times, and imports – 18.6 times (Federal State Statistic Service (2019)).

These data indicate a slow economic development. On this basis, the creation of small and medium-sized enterprises is a promising area for doing business in Crimea today. After all, big business is rather irreversible and unable to respond promptly to environmental changes. All over the world, business development requires government support. In the case of Crimea, the most important issue remains the issue of the territorial identity of the peninsula and its relation to the «Crimean issue» of the international community. Today's sanctions on Crimea are intended to become a destructive mechanism for Russia's economy.

However, the most essential prerequisites for the development of Crimea's business in the conditions of geopolitical and geo-economic instability can be determined:

- developing a business support program;
- simplification of tax pressure;
- providing access to markets;
- providing access to financial and information resources;
- favorable economic environment, deepening of cooperation with big business and the state;
- development of business infrastructure;
- reducing the level of «shadowing» of the economy;
- ensuring the «transparency» of the regulatory section.

Conclusion. Creating an opportunity for business development in the Crimea is a necessary prerequisite for the transition of the economy of the republic to increase the efficiency of business entities, employment problems, and is of particular importance in the uncertainty of the position of Crimea in the world arena and its territorial affiliation. However, to enhance geopolitical influence and geo-economic positions, Ukraine should strive for a speedy solution of the «Crimean issue» and not allow the predominance of a particular vector of geopolitical orientation. It is necessary to assert the sovereignty of Crimea, which is an continued of the territory of Ukraine and is of great importance for the country.

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MARKETING TOOLS FOR PROMOTING INNOVATIVE FOOD PRODUCT FOR YOUTH

The urgency of the problem of inappropriate nutrition of young people is caused by significant deviations from the norms of consumption of nutrients, acceleration of the rhythm of life, lack of awareness of the audience about fast and nutritious food. Therefore, there is a need for marketing research and substantiation of tools for bringing to the market the food products with proven biological effects for youth. The paper presents the results of research using the questionnaire survey method to determine consumers' preferences and tastes, as well as potential demand for new products. The AID method defines the target segments of potential consumers: «teens», «students», «young specialists» and «young people in shoulder straps». For each of them an innovative product is offered. The consumer characteristics of the developed line of snack products and its advantages are substantiated. Recommendations on the formation of a culture of consumption and promotion of the latest products for youth were developed. For each consumer segment, a separate marketing concept was developed for the launch of a new product on the market. The concept allows to clearly position the product in the minds of consumers, to formulate standards of consumption of these products through proactive marketing tools and marketing interaction in the proposed system of the marketing mix «5P + C». The paper has a research character. Its scientific and practical value lies in the systematic approach to the introduction of new food products into the market and the systematization of food-marketing tools.

Keywords *Relevance of research topic: marketing research, marketing of innovations, food-marketing.*

Савицька Наталія, Афанасьєва Оксана. Маркетингові інструменти просування інноваційних ХАРЧОВИХ продуктів для молоді.

Анотація: Розглянуто вирішення проблеми неправильного харчування молоді шляхом формування культури здорового харчування інструментами проактивного маркетингу та маркетингу взаємодії. Наведено результати дослідження з використанням методу анкетування для визначення переваг і смаків споживачів, а також потенційного попиту на нові продукти. Методом AID визначено цільові сегменти потенційних споживачів: «підлітки», «студенти», «молоді фахівці» і «молоді люди в погонах». Обґрунтовано споживчі характеристики розробленої лінійки інноваційних снекових продуктів і їх переваги. Розроблено рекомендації щодо формування культури споживання та просування нових харчових продуктів для молоді. Для кожного споживчого сегменту розроблена окрема маркетингова концепція для запуску нового продукту на ринку. Концепція дозволяє чітко позиціонувати продукт у свідомості споживачів методами запропонованої системи комплексу маркетингу «5P + C». Стаття має дослідницький характер. Наукова і практична цінність одержаних результатів полягає в системному підході до просування на ринок інноваційних харчових продуктів.

Ключові слова: маркетингові дослідження, маркетинг інновацій, продовольчий маркетинг.

Formulation of the problem. The urgency of the problem of rational nutrition of young people and students is due to the following main factors: significant deviations from norms associated with insufficiency or excess of nutrients. This causes a violation of metabolic processes and leads to the development of a number of alimentary diseases; high rhythm of life and lack of time for healthy eating; lack of awareness of fast and healthy nutrition as a basis for a healthy lifestyle.

The health problems of the nation have a multifaceted complex nature, the solution of which is a global socio-economic challenge to the goals of sustainable development proclaimed by the United Nations in 2018 as a food security and nutrition challenge; conscious consumption and production; providing health and well-being [10]. According to the results of the NielsenHealthyrevolution study, the trend of healthy eating is increasing in Ukraine [8], but this is not typical for young people's eating behavior.

The main types of healthy food products: least content or full missing of fats, organic products, sugarless products and functional food products.

Consequently, in modern conditions, innovative processes are being activated in relation to the development of food products with proven biological effects for youth. In order to saturate the food market with such products, it is necessary to expand their industrial production and provide proper marketing support for their promotion to the market through the tools of food-marketing.

Analysis of recent researches and publications. Marketing problems of the formation of demand for functional food products and their market entry are considered in the scientific articles of O. Zhegus, V. Yevlash, S. Nikitin [11], M. Mardar [7], analysis of motivational and personal factors of customer behavior of I. Anninou, GR. Foxall [1], demonstrative consumption of functional health products J. Gineikiene, J. Kiudyte, M. Degutis [5], eating healthy to impress – D. Barauskaite, J. Gineikiene, BM. Fennis, V. Auruskeviciene, M. Yamaguchi, N. Kondo [2] and others.

The conducted analysis of recent research suggests that most sources focus on the general aspects of the production of functional foods and marketing research in the food market, while integrated solutions for the production, withdrawal and promotion of food products with proven biological effects for young people remain neglected which determines the need for additional research on target market segments and the development of marketing measures for each of them. The urgency of the above-mentioned aspects, their inadequate theoretical substantiation and practical application led to the choice of this area of research.

Presenting main material. The object of research is the process of introduction and promotion of new food products with proven biological effects on the market. The subject of the study is the toolkit for forming a marketing mix for innovative food products for young people.

The main results were obtained using general scientific and special methods of marketing research: analysis, systematization and generalization; economic-statistical, comparative and situational analysis; strategic analysis, content analysis, benchmarking, AID method, graphical, observation and questionnaire. For substantiation of technological solutions for the production of proven biological products for the prophylaxis of iodine and iron deficiency, lipid metabolism, carbohydrate, uric acid, as well as the mobilization of internal reserves of the organism, increased work capacity and resistance to loading, strengthening of immunity, methods of preclinical research in laboratory animals were used; the method of clinical testing of a trial lot of products.

The results obtained are of a complex nature, since they included the following steps: 1) Marketing research of potential demand for innovative products. 2) Development of technology for the production of innovative products. 3) Pre-clinical studies of new products on animals. 4) Issue of a trial lot of innovative products by the company «Sweet World» and its clinical testing on one of the target segments of consumers. 5) Development of recommendations for the concept of an innovative product for each target audience and marketing complex on the implementation of these concepts on the market.

At the first stage, to validate the market introduction of innovative products, a marketing research was conducted using a questionnaire survey method to determine the health problems among young people, as well as consumer preferences and tastes. The sample population of this study was 657 people. The sampling was carried out with the help of non-repeat quota selection. The number of respondents (657 persons)

is a representative one, since for a city with a population of one million inhabitants there are enough 400 respondents, and in the city of Kharkiv at the time of the survey by statistical data, on February 1, 2018, 1449414 people lived [3]. The sampling error was $\pm 5\%$, which is a sufficient level of reliability for field marketing research [9].

For marketing research of potential consumers an electronic questionnaire was used in the Facebook social network. The questionnaire was created using the GoogleForms application, which allowed us to conduct an online survey.

A questionnaire survey showed that 61% of the respondents had symptoms similar to iodine and iron deficiency conditions. Such condition correlates with World Health Organization statistics: 9 out of 10 children and 6 out of 10 adults have iodine deficiency, and one-third of all humans have iron deficiency pathologies [10]. Therefore, the essence of the technological idea is to create a new product for youth – dry breakfast – bars with proven biological effects, with a balanced composition containing natural supplements for the prevention of alimentary states. Further on the results of the survey it is determined that:

- the majority of consumers of snack products (namely 72.3% of respondents) are young people aged 14-35 years, therefore, when placing innovative products on the market should focus on the needs of this age group of consumers;

- among the types of snack products, according to the advantages, the first place is occupied by bars (57.3% of respondents), therefore it is most expedient to produce products of this group in the form of bars;

- the differentiation of needs and expectations regarding the bars among young people of all ages and occupations was identified; therefore, measures aimed at promoting innovative products to different target consumers of consumers should be clearly identified;

- one should pay attention to the factors that motivate young people to buy new products, the most important being noted: the affordable price (43.2%), the natural composition and utility of the product (27.1%) and positive reviews in social networks (26.4 %);

Investigating the potential demand for a new bar, it was found that most consumers 45.1% agree to buy it, after studying the information about the composition of this product. Consequently, the task of the company-manufacturer should focus on informing consumers about the benefits of new bars (fig. 1).

Based on our marketing research, target audiences of potential consumers were identified: teens (middle and high school students), students, young specialists and youth with shoulder straps (fig. 1):

- 1) «Teenagers» – these are children of middle and senior school age (14–17 years old) who have pocket money from their parents for their own small purchases of food. They decide on the purchase of fast snacks, sweets, etc. on their own.

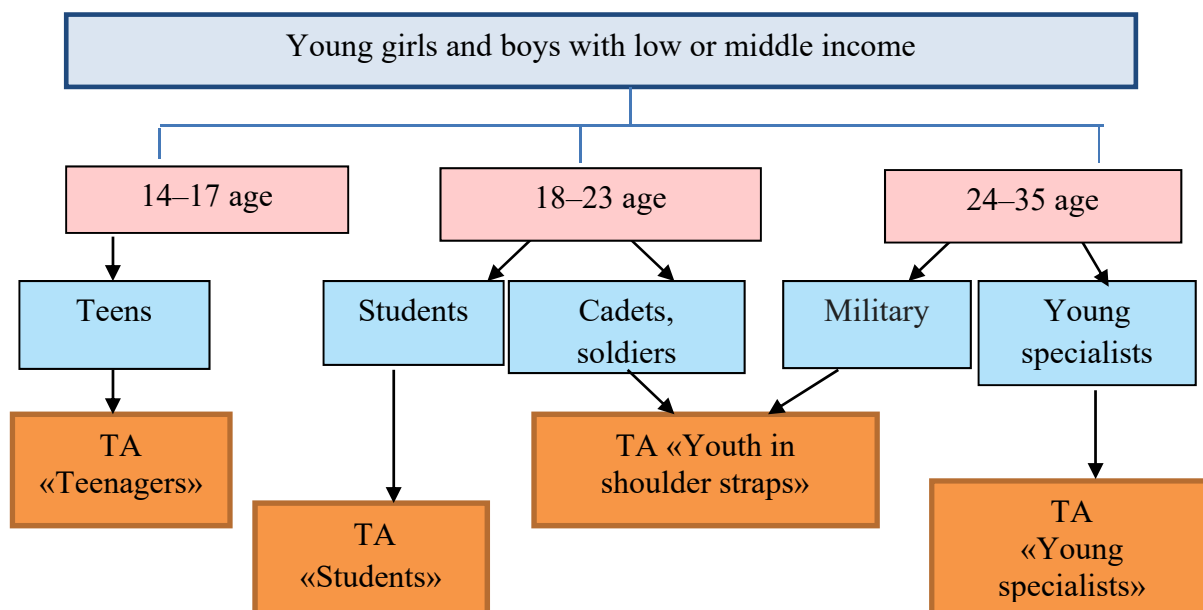


Fig. 1. Market segmentation by AID method

2) «Students» – are young people aged 18 to 25 who study, hence needing a fast-food lunch at affordable prices.

3) «Youth in shoulder straps» – these are cadets and servicemen aged 18–35 who have an active lifestyle, have both mental and significant physical activity, sometimes in stressful situations, and therefore need snacks to restore strength, resistance to stress, are guided by the choice of not only inexpensive products, but also high-income for maintenance of work capacity.

4) «Young specialists» – are young people aged 24–35, working, family or single, need to restore strength for active activities, while choosing more nutritious and healthy snacks.

Due to the specific needs of each of the consumer segments for the formation of demand for new products, it is necessary to use a strategy of differentiated marketing, that is, to adapt marketing decisions to the features of the separated segments and to develop separate marketing programs for them.

On the basis of marketing research the technologies of production of a line of innovative products for the selected consumer segments were developed. For target audiences: «Teenagers» and «Students» are offered «Protein bar with heme iron»; «Youth with shoulder straps» – energy-saving bar «The Winner»; «Young specialists» – a bar with iodine and selenium. Composition of the newest special-purpose products is multicomponent, in which the ratio of ingredients forms a complex of biologically active substances of natural origin.

The finished product is shaped like a bar, has a homogeneous mass, brown color, an elastic consistency, with a glossy surface and a fruity taste. The developed product is supposed to produce a mass of 30g or 60g in black or milk chocolate. The

advantages of its production technology are the minimum heat treatment, which allows to save all nutrients, convenient packaging, extended shelf life without adding artificial preservatives and low energy consumption for its production. Bars contain antioxidants, iodine and iron in an easily accessible organic form for an organism. They have attractive appearance, pleasant taste, comfortable packaging and are externally they are usual sweets. But unlike most bars, they do not contain sugar and palm oil. The ability to quickly restore energy loss causes the attractiveness of bars for nutrition to a wide audience of young people, including cadets, young soldiers and the ability to include bars in rations and dry rations packs of the Armed Forces. These facts strongly confirm the high social utility of the newest products of bars: «Protein with heme iron», energy bar – «The winner» and «Bar with iodine and selenium».

At the third stage, the biological effect of the bars is proved by preclinical studies in laboratory animals. At the fourth stage, the «Winner» bars were included in the daily diet of servicemen of the Armed Forces of Ukraine, namely the servicemen of the National Academy of the National Guard of Ukraine (Kharkiv), who were in different conditions of service activity – were at the point of permanent disposition and received moderate physical activity and performed military and combat tasks in the field, received large physical and psycho-emotional loads. The conducted clinical studies of blood parameters (hemoglobin level and the number of red blood cells) of all participants before and after the use of bars showed a significant increase in hemoglobin content and the number of red blood cells. In addition, surveys showed improvements in the psycho-emotional condition. Based on the conducted research, the worked out and recommended schedule of reception of the latest products of bars by military personnel was prepared.

At the fifth stage, recommendations were made to create a culture of consumption and promote the proposed bars in the market for dry breakfasts for young people. For each consumer segment, a separate concept was developed, which will allow the product to be clearly positioned in the minds of consumers. The 5P + C mix marketing complex is proposed for the formation of standards for the consumption of advanced products by proactive marketing and interaction marketing tools.

To form the standards for conscious consumption of new products, recommendations have been made to use the tools of the proactive «5P + C» (Product + Price + Place + Promotion + Participants + Culture = Marketing-Mix) marketing for each product for a specific target audience. The emphasis is on low-budget measures, which will not significantly affect the price increase of products. «Protein bar with heme iron», the price is 8-10 UAH for the «Teens» and «Students» segments, distribution channels: school dining, sports and dance sections, supermarket departments, kiosks near the school and sports grounds. Promotion through SMM: Instagram Entertainment Group for Students in Social Networks, advertisements through bloggers, opinion leaders, through YouTube gaming channels at sales sites. Content: games, storytelling, entertainment posts. Event-marketing: sporting and

educational events for senior students with gifts and tastings, Student's Day, St. Valentine's Day, Sports holidays of the city level (marathons, football matches, etc.) – participation with gifts.

Table 1

Marketing mix for an innovative product

Marketing Mix	Conceptions of innovative product			
	«Smart Junior»	«Smart Student»	«Smart Winner»	«Smart Energy»
Product	Protein bar with heme iron, 60 g		Energy-saving bar «Winner», 60 g.	Bar with iodine and selene 60 g.
Price	8–10 €		10–15 €	8–10 €
Place	School canteens, sports and dance classes, departments at supermarkets, kiosks near schools and sportgrounds	Cafes and buffets in educational institutions, sport classes, online stores	Cafes and buffets in military educational institutions or military units and kiosks near them. Combat rations for field trips and business trips	Departments at supermarkets, online stores, direct sales, cafes and canteens in office centers
Promotion	<p>SMM: entertainment groups for schoolchildren in the social networks as VK, Instagram, bloggers' ads, ads at YouTube video game channels, st the points of Content sales: games, story telling, entertainment posts</p> <p>Event marketing: sports and educational events for senior school with gifts and tastings</p>	<p>SMM: entertainment and education groups in social networks as Facebook, VK, Instagram, educational video channels at YouTube, promotions, gifts, tastings</p> <p>Event marketing: Student's Day, St. Valentine's Day, city-level sports events (marathons, football matches, etc.) – participation with gifts</p>	<p>SMM: groups for cadets and military in the social networks as Facebook VK, Instagram, ads at Youtube military channels</p> <p>Event marketing: Defender's Day, military holidays (National Guard Day, etc.) – participation in military educational institutions during holidays</p>	<p>SMM: groups at social networks as Facebook, VK, Instagram, YouTube, Twitter, LinkedIn, bloggers' ads (LiveJournal, LiveInternet, authors' blogs), promotions, gifts, tastings</p> <p>Event marketing: Presentations at youth eateries and during city holidays (City day, sports holiday, marathons, etc.)</p>
Participants	System's development of internal and external marketing: trainings and motivation of the staff, suppliers, intermediaries and contact audiences			
Culture	Measures of propaganda and learning of conscious consumption, involvement of opinion leaders for product reviews in the Internet and media in case to form the standards and the culture consumption of a new product.			

Energy-saving bar «Winner», the price is 10–15 UAH for young soldiers. Sale through cafes and buffets in military educational institutions or military units, kiosks near them, dry rations packs for field trips and business trips. Promotion through SMM: Groups for cadets and military in social networks Facebook, Instagram, advertising on YouTube on military topics. Event-marketing: Day of the defender of the fatherland, military holidays (National Guard Day, etc.) – participation in holidays in military educational institutions.

«Bar with iodine and selenium», the price is also 10–15 UAH for the segment «Young specialists». Realized in supermarkets, online stores, direct sales, cafes and dining rooms at office centers. Promotion through SMM: Facebook social networking groups, Instagram, YouTube video channels, Twitter, LinkedIn, bloggers (LiveJournal, LiveInternet, author's blogs), promotions, gifts, tastings. Event-marketing: Presentations at youth food establishments, city holidays (City day, sports holiday, marathons, etc.).

For the whole line of products, the marketing tools of Participants and Culture are to form the interaction of all participants in the process of production, marketing and promotion, and to create a culture of conscious consumption of the custom product, taking into account the specific behavior of consumers of each target audience.

For the segment «Teenagers» we offer the concept of «Smart Junior», the consumption of the bar allows you to solve the problem of choosing an inexpensive tasty and healthy snack. The image is active and funny teens, the communication idea – «You can do more!».

For the «Students» segment, the concept of «Smart Student», the problem of fast snacks for improving the mental activity. The image is a smart student, a communication idea – «Smart choice for smart decisions!»

For the «Young Specialists» segment, we offer the concept «SmartEnergy», a selection of products for a healthy snack that increases energy and immunity. The image is successful and energetic young people, the communicative idea – «Warm up with smart energy!»

For the «Youth with shoulder straps» segment, the concept of «Smart Winner» is the selection of useful and nutritious products for a fast snack. The image is a joyous serviceman, communicative idea – «Smart Food – Quick Victory!»

Conclusion. The emergence of the newest bars in the market for dry breakfasts for young people will enable them to enrich their diets with nutrients, improve their health and improve the cognitive activity of young people. Such products will promote the expansion of the range of useful and inexpensive dry breakfasts, reducing the youth's spending time on cooking and eating, reducing the cost of finished products through the use of domestic raw materials, reducing the number and duration of some technological operations.

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PRIORITIES OF THE IMPLEMENTATION OF AGRICULTURAL LAND TURNOVER

The article is devoted to the substantiation of effective ways of circulation of agricultural lands. The experience and limitations of the agricultural land market in the neighboring countries of Ukraine are analyzed. The principal risks of the immediate introduction of the agricultural land market were identified. The main directions for preventing speculation on the agricultural land market are offered. Complex measures for the development of the agricultural land market have been developed.

Keywords: *agricultural land turnover, land market, land sale, land relations, the experience of neighboring countries.*

Будзяк Василь, Будзяк Ольга. Пріоритети запровадження обігу земель сільськогосподарського призначення.

Стаття присвячена обґрунтуванню ефективних шляхів обігу земель сільськогосподарського призначення. Проаналізовано досвід та обмеження ринку земель сільськогосподарського призначення в країнах-сусідах України. Встановлено основні ризики негайного запровадження ринку земель сільгосп-призначення. Запропоновано основні напрями щодо запобігання спекуляціям на ринку земель сільськогосподарського призначення. Розроблено комплексні заходи розвитку ринку земель сільгосппризначення.

Ключові слова: *обіг земель сільгосппризначення, ринок земель, купівля-продаж земель, земельні відносини, досвід країн-сусідів.*

The relevance of the research topic. For Ukrainians, the land has always been not only a means of growing crops and the basis for the location of objects of industry,

social sphere, transport, communication, settlements, nature reserves, and recreational territories, etc. but also a sacred symbol of social life and survival in different periods of its history. That is why Ukrainians are very cautious and reserved about selling land. As a consequence, discussions have been ongoing in Ukraine for a long time not only on the forms of establishing a full-fledged land market but also on the feasibility of a right to sell and buy land in general.

Formulation of the problem. In the absence of specialized discussions and objections with non-agricultural lands in Ukraine, the introduction of agricultural land sales was suspended for almost an undetermined period. Thus, one of the fundamental constitutional rights of every citizen of Ukraine as the owner of the respective lands was violated, namely the right to exercise their powers regarding the possession, use and disposal of the land.

Analysis of recent research and publications. A significant number of scientists are engaged in the issues of introduction of the agricultural land market, in particular, Sabluk P.T. [1] developed the principles of reforming the agrarian complex of Ukraine based on the development of market land relations. Fedorov MM [2] substantiated land relations in the system of socio-economic affairs of the country, taking into account the experience of developed countries. Mesel-Veselyak V. Ya. [2] developed methodological approaches to the expert monetary evaluation of agricultural lands. Instead, theoretical, methodological, and practical approaches to maximizing the experience of neighboring countries on the introduction of agricultural land use remain to be fully formulated.

Setting objectives. That is why the primary purpose of the article is to substantiate the effective ways of introducing the circulation of agricultural land, taking into account the experience of the neighboring countries of Ukraine, as well as to identify the main restrictions for the development of the land market.

Presentation of the main material. The agricultural land market in different countries was introduced on different models and at different time intervals. At the same time, the experience of the neighboring countries of Ukraine testifies to sufficient caution and prudence in the development of ways to introduce the agricultural land market. That is why a detailed analysis of the existing events in the developed and economically prosperous countries of the world and even less successful neighboring countries of Ukraine will allow not only to choose the optimal way for our country to establish the proper land market but also to ensure the development of land and socio-economic relations in the country.

From the neighbors of Ukraine, Romania is the most open market for agricultural land. One of the signs of such openness is the presence in the country of corporate forms of farming on agricultural lands (Table 1). In Romania, both domestic and foreign companies own agricultural land. However, in comparison with other neighboring countries in Romania, foreign companies own about 10% of agricultural land.

The high share of these companies is offset by the diversification of the structure of agricultural landowners. In addition to improving the resilience of the agricultural sector to changes in market conditions and financial and economic crises, this factor has a positive effect on the level of capitalization of agricultural land itself. The investment climate in the country's agriculture is also improving.

Table 1

The experience of the neighboring countries of Ukraine in the introduction of the agricultural land market

Country	Area of agricultural land, million hectares	The maximum allowable area of purchase of agricultural land, hectares	The share of GDP of agroindustrial complex in total GDP, %	The share of persons employed in agriculture, %	Starting price, USD / hectar
Poland	14,7	A 10-year moratorium on land acquisition was in place for foreigners from EU countries Up to 500 hectares for individuals and legal entities	3,2	17	10300
Romania	14,7	Foreigners from EU countries allowed to buy land Individuals up to 100 hectares	5,4	29	6150
Hungary	0,9	Foreigners from EU countries allowed to buy land Individuals up to 300 hectares Legal entities are prohibited from buying land	4,3	5,2	4500
Moldova	0,3	Foreigners are prohibited from buying land Individuals and legal entities without restrictions	15	28,8	1700
Slovakia	1,9	For foreigners there was a 7-year moratorium on land acquisition Individuals and legal entities without restrictions	4,4	3,5	1750
Russia	225,7	Foreigners are prohibited from buying land The minimum area is 2 hectares The maximum area is 10% of the administrative area	4,2	9,8	1150

Country	Area of agricultural land, million hectares	The maximum allowable area of purchase of agricultural land, hectares	The share of GDP of agroindustrial complex in total GDP, %	The share of persons employed in agriculture, %	Starting price, USD / hectar
Ukraine	40,8	Foreigners are prohibited from buying land 15% of the area 0,5% of the country area	12,1	17,7	1058

Source: [3] and [4].

However, in most agricultural landowners, there are plots of less than 5 and even less than 2 ha, which adversely affects the volume and structure of the crops grown. Considering the fact that in Romania there are the smallest landowners, not only among the neighboring countries of Ukraine, but also in the EU, it is now a pressing issue to further develop agricultural land use and management in order to find opportunities and ways to consolidate agricultural land.

The situation with the development of the agricultural land market in Slovakia is similar. This country is also dominated by small (less than 5 hectares) landowners. Despite the dominance of small landholdings in the country, most of these landowners have many co-owners, which usually complicates the efficiency of land use and management, and the primary efficiency in making the necessary decisions, such as decisions related to changing market conditions. As a result, farms in Slovakia require perhaps the highest protection among similar farms in neighboring countries of Ukraine.

Moreover, a considerable number of small-scale farms in the country operate without attracting additional and, above all, foreign investment. In addition, the value of agricultural land is adjusted by local authorities, that is, the price of land becomes recommended rather than dictated by the market. All this leads to low capitalization of agricultural land.

In Hungary, in addition to the traditional ways of forming landowners among EU countries, they have taken a unique path, namely to create conditions for the additional and free acquisition of agricultural land for private ownership. As a result, a large proportion of agricultural landholdings have emerged in the country, who are also most interested in the most efficient use of their land. Moreover, such average land users are not corporate owners but private individuals. That is, the search for an effective owner of agricultural land occurs among the villagers and not among foreign companies or even large domestic investors. These circumstances, on the one hand, hold back the capitalization of agricultural land and, and on the other, are the more socially just redistribution of land as the fundamental national wealth of each country. At the same time, the Hungarian state itself is the leading investor in agricultural land use and management.

Moldova has one of the most closed markets for agricultural land among Ukraine's neighbors. This is due not only to the ban on the sale of land in the country

by foreigners but also with significant state and even place interference in market land relations, first of all, it is a matter of regulatory pricing. In addition, Moldova's agriculture does not have sufficient internal financial resources for its accelerated development, and the path to foreign investment is almost completely closed at the legislative level.

Lack of internal stimulation of at least the most efficient agricultural land users leads to their long-term selection in the domestic agricultural market, and thus to a long-term improvement of investment conditions in the country and a slight and slow capitalization of agricultural land. All this comes against the backdrop of the almost complete absence of legal restrictions, such as the permissible areas of agricultural land. The current gradual development of agricultural land use and management in such severe conditions is conditioned by the dominance of the rural population and rural lifestyles in Moldova.

Russia is characterized by a large number of medium-sized agricultural enterprises that have been reorganized to some extent from former collective farms. In general, less than 14% of the land in the country is suitable for agricultural production. All this forced the farmers who started farming to abandon the property of the respective collective farm. Instead, they received new often less quality and less transportable, and therefore more expensive, agricultural land.

As a result, small holdings in Russia take less than a third. At the same time, medium and large farmland areas have retained mainly the old approaches to land use, which means that they are less attractive for investment. The capitalization of these lands is slow, as the large number of co-owners complicates their sale. Abuse with a change of purpose is observed in the country of agricultural land, for example, under construction land.

Belarus has a significant share of state-owned agricultural land, which, of course, has a negative impact on the development of the agricultural land market. In addition, collective farms have been preserved in Belarus, albeit in somewhat modified form, which hinders the development of new market forms of farming, such as farms. Besides, only agricultural lands of private farmer farms are in the market turnover.

This market model is virtually closed not only to foreigners but also to the development of medium and large farms based on private ownership of agricultural land. That is why the capitalization of agricultural land is virtually non-existent, and foreign investment is at best replaced by state support. As a result, most farms, regardless of their size, have low competitiveness not only on external but also on internal agricultural.

In Ukraine, the moratorium on the sale of agricultural land for both individuals and legal entities has been going on for 18 years. During this period, a large proportion of the farmers who received the land shares died without ever exercising their right to sell their land. On the other hand, most of the most fertile agricultural land is leased to the so-called agro holdings, that is, corporate forms of management.

These legal entities now mostly abuse their monopoly position in the land lease market, which is manifested, first of all, in the low rent payments to the landlords, as well as in the neglect of environmental and even production rules and rules of agricultural production. Monopoly in the land leasing market allows large land users not only to lease agricultural land on favorable terms but also at times, virtually at no cost [5].

In addition, their monopoly position ensures the selection of the best fertile land and often the maximum depletion of leased land. The latter is facilitated not only by the lack of legally prescribed mechanisms of land protection and punishment measures against their reduction in Ukraine but also by their quality accounting.

Moreover, the Ukrainian state does not allocate funds for a legislatively stipulated norm for conducting at least five years of soil surveys for physical and chemical characteristics of the main soil types in the regions of Ukraine. Therefore, there is a need for the introduction of the agricultural land market in Ukraine, but the conditions for its full implementation have not yet been created [6].

Against this background, the Ukrainian government has drafted a legislative change on the way to the immediate launch of the agricultural land market. Thus, the draft Law of Ukraine «On Amendments to Certain Legislative Acts on the Circulation of Agricultural Lands» [4] proposes, firstly, to allow the purchase of the specified lands only to Ukrainian citizens, and secondly, to establish the area permitted for the sale at 15% of the agricultural land area of the respective administrative region and 0.5% of the country area (Table 2).

Table 2

Areas and value of agricultural lands available for purchase by one individual and legal entity *

Region	Area of agricultural land, thousand ha	Regulatory monetary value of land, UAH / 1 ha	The area of potentially acquired land by one individual and legal entity, thousand ha	Cost of potentially acquired land by one individual and legal entity, thousand UAH (million USD)
Crimea	1774,2	26005	266,13	6920710 (276,8)
Vinnitsia	2939,4	27184	440,91	11085697 (460,9)
Volyn	1055,0	21806	158,25	3450799 (132,7)
Dnipro	2510,3	30251	376,55	11390862 (438,1)
Donetsk	2034,8	31111	305,22	9495699 (365,2)
Zhytomyr	1654,0	21411	248,1	5312069 (204,3)
Transcarpathian	453,3	27268	67,99	1854087 (71,3)
Zaporizhya	2242,5	24984	336,38	8403993 (323,2)
Ivano-Frankivsk	608,7	26087	91,31	2381873 (91,6)
Kiyv	1706,6	26531	255,99	6791670 (261,2)
Kirovohrad	2044,6	31888	306,69	9779730 (376,1)
Luhansk	1884,4	27125	282,6	7665525 (294,8)

Region	Area of agricultural land, thousand ha	Regulatory monetary value of land, UAH / 1 ha	The area of potentially acquired land by one individual and legal entity, thousand ha	Cost of potentially acquired land by one individual and legal entity, thousand UAH (million USD)
Lviv	1263,2	21492	189,48	4072304 (156,6)
Mykolaiv	2003,3	27038	300,49	8124783 (312,5)
Odesa	2562,7	31017	384,41	11923089 (458,6)
Poltava	2182,5	30390	327,38	9948926 (382,7)
Rivne	927,9	21938	139,19	3053440 (117,4)
Sumy	1720,2	26793	258,03	6913397 (265,9)
Ternopil	1055,0	29035	158,25	4594788 (176,7)
Kharkiv	2412,3	32237	361,85	11664797 (448,6)
Kherson	1968,8	24450	295,32	7220574 (277,7)
Khmelnytskyi	1568,8	30477	235,32	7171847 (275,8)
Cherkasy	1454,5	33646	218,18	7340884 (282,3)
Chernivtsi	472,6	33264	70,89	2358084 (90,7)
Chernihiv	2121,1	24065	318,17	7656640 (294,5)
Ukraine	40773,0	27499	2038	56044429 (2155,6)

Source: [7] and [8].

In addition, the tenant has the preferential right to purchase agricultural land at the price of its sale. A 5-year installment is proposed for the farm to pay the value of the land at the regulatory, monetary valuation, but this only applies to those farmers who have the right of permanent use and the right of inherited ownership of the land of state and communal ownership.

We are offered virtually a market without domestic restrictions, first of all, regarding the area of agricultural land acquired in the ownership of land, since even when more than 15% of the land of the respective administrative area is obtained by natural and legal persons for domestic buyers, there is no penalty, no financial or legal only their so-called overtime area of acquired land is simply not registered.

Secondly, legal entities for land acquisition have the same rights as natural persons, which means that it will be practically impossible to compete with natural persons in land auctions with legal entities, with the exception of natural oligarchs who are now both natural and legal. A person can legally purchase 15% of the land in the region, and if you add a few more members of his family, the land in the area may not remain for other persons.

As a result, local land tycoons will appear to us as it was in previous periods of our history. There will be no competition from ordinary natural persons – citizens of Ukraine since the average citizen will not get the money to buy land and foreign oligarchs under the draft law will have neither now nor later access to the agricultural land market.

As a result, capitalization of agricultural land in Ukraine will practically not occur, and if foreign investment arrives, it will be only in the form of return of financial resources from the territory of domestic land tycoons, but they will invest not in agricultural production but the construction of their estates, since with the removal of the moratorium agricultural land is lifted and a moratorium on the prohibition of changing their intended purpose.

That is, we are offered a land market that will provide a full right to buy the majority, and most importantly, the highest quality and most fertile lands of Ukraine by a group of domestic oligarchs, and ordinary farmers are given only the right to sell their land, but without financial opportunities to buy agricultural land, at least for agricultural activities.

Also, domestic farmers will be deprived of the financial opportunity to buy leased agricultural land from farmers who want to sell them, as they will, of course, sell their land at the maximum market price that farmers have, due to lack of free money and lack of cheap credit.

The primary purpose of legislative changes in the field of agricultural land turnover, according to the explanatory note, namely the introduction of flexible and effective state regulation of agricultural land turnover, while minimizing the potential negative socio-economic consequences, is particularly illustrative.

Today, only 26% of agricultural land is in state and communal ownership, and after the ban on their sale is lifted, this proportion will decrease, and it is, therefore, unclear how the state, with such a small share in the ownership structure of agricultural land, will be able to regulate the market of these lands by market methods.

The goal of reducing the socio-economic impact of the introduction of the agricultural land market is equally enigmatic. The state will sell its land and so as its farmers, and the state does not plan to establish, as is customary in developed countries, a sales tax and even a tax or at least minimal restrictions on the resale of the land.

In addition, it is not proposed to introduce any mechanism and make no reference to the need to regulate the relevant laws for newly acquired large landowners, such as the owner of 15% of the area of agricultural land of Kyiv region, functioning and development of the social sphere of the village, where those farmers in which he lives and buy at minimal non-market the normative monetary value of land and shares.

The way out is to bring the relevant draft law on the circulation of agricultural land in Ukraine to the norms adopted in the EU or at least to the standards of non-EU neighbors. Yes, even in Russia there are stricter restrictions on the purchase of agricultural land, namely such purchase cannot exceed 10% of the corresponding administrative formation and it must agree with the local authorities.

Since the draft law does not contain provisions for imposing a tax on sale and even on a resale of agricultural land, it is advisable to introduce a moratorium on a resale of purchased land. It is necessary to introduce a ban on changing the purpose of

the purchased land and oblige the new owners to carry out the agricultural activity on the acquired land, as well as to develop mechanisms of punishment for the non-use of the land as a whole and their non-purpose use.

Particular attention is paid to the need to establish the objective value of agricultural land. The draft law proposes to adopt the normative monetary value for the starting price of land plots, while now the tax on the purchase of land for personal farming, gardening, etc. is charged at the expert monetary valuation, i.e., at a much higher and much closer market price. This means that they artificially reduce the value of agricultural land, and therefore, farmers do not receive their money when selling, for example, land shares. It may make sense to identify areas of agricultural land that can be purchased at a regulatory, monetary valuation and areas that need to be paid for not less than an expert monetary assessment.

It is also advisable to establish additional requirements for a potential buyer of agricultural land, at least land lots of a large area. The stated norms include the need for permanent prior residence in the respective locality and registration of their business activity at the place of purchase of land by a potential buyer, and therefore the payment of taxes to the respective rural or settlement community. The united territorial communities should be empowered to coordinate the purchase of large tracts of land in their respective territories.

Conclusion. Therefore, the accelerated movement towards introducing agricultural land market circulation, although correct and motivated, is not sufficiently substantiated today. First and foremost, the agricultural land market should be based on the introduction of full restrictions for unscrupulous future land users and landowners, both financial, economic, and administrative.

Next, it is necessary to define the primary purpose of introducing such a market. The proposed goal, namely, to improve state regulation of land relations, is, first of all, not entirely marketable, since state regulation is mostly envisaged as state intervention, and there is currently insufficient financial resources and even agricultural land for the proper regulation of the state. Secondly, for the appropriate purpose, it is necessary to determine the creation of a favorable market environment for the development of efficient and rational landowners and land users, as well as the development of support paths, social development of the village and the environmental friendliness of the countryside.

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BRAND AS A PHILOSOPHY OF BUSINESS IN CONDITIONS GEOECONOMIC SHIFTS

The systematic approach to researching the philosophy of the branding is proposed. The rational and irrational components of the branding are analyzed. Rationality of the branding is substantiated through: a description of human activity and its knowledge; modern characteristics of the world market of goods and services in general; a universal category that encompassing logic and dialectic. Irrationality of the branding is defined as a characteristic of a methodology or rules of activity that forms the economic behavior of its consumers. The essence of the branding in the light of philosophical laws is revealed: «Forms and content», «Negation of the negation», «Dynamic equilibrium». The branding is grounded as an instrument for changing the economic behavior of consumers.

Keywords: *branding, branding philosophy, rationality and irrationality of the brand.*

Студінська Галина. Бренд як філософія бізнесу в умовах геоелекономічних зрушень.

Анотація. *Запропоновано системний підхід щодо дослідження філософії брендингу. Проаналізовано раціональні та ірраціональні складові брендингу. Раціональність брендингу обґрунтовано через характеристику діяльності людини та її знання; сучасну характеристику світового ринку товарів та послуг в цілому; універсальну категорію, що охоплює логіку та діалектику. Ірраціональність брендингу визначено як характеристику методології або правил діяльності, що формує економічну поведінку його споживачів. Розкрито суть брендингу в світлі філософських законів: «Форми та змісту», «Заперечення заперечення», «Динамічної рівноваги». Обґрунтовано брендинг як інструмент зміни економічної поведінки споживачів.*

Ключові слова: *брендинг, філософія брендингу, раціональність та ірраціональність бренду.*

Relevance of research topic. The dynamism of modern geopolitical processes requires economic actors and countries to respond quickly to external challenges, to increase the competitiveness of the world market for goods and services. The branding, as a phenomenon that has inherent transparency, durability, reliability, efficiency, has been widely recognized by theorists and used by practitioners. Brand as a carrier of unique qualities of goods, services, and the attractiveness of companies and organizations, individual territories and people today forms the modern philosophy of production and consumption; is considered as an effective tool for the development of the national economy, a successful strategy for increasing the competitiveness of individual subjects of the domestic economy and the national economy as a whole due to increased exports of national products, investment attraction, highly skilled labor, high technologies [2, p.77]. The research of the philosophical basis of the branding contributes to a deep understanding of this phenomenon, which determines the relevance and novelty of the chosen theme.

Formulation of the problem. The philosophy of economics is knowledge of the essence of human being's economic existence in the context of multi-vector shifts, combining logical and historical approaches to the study of economic theory; ensures penetration into the intrinsic nature of economic phenomena and processes; can justify the reasons for establishing links between these phenomena and processes; demonstrates the horizons of their further development; explains the logic and sequence of economic trends in the historical context. Awareness of the objectivity of economic laws by business entities opens up ways to increase the competitiveness of Ukrainian companies and their products and services, as well as innovative opportunities for the formation of a modern model of the national economy.

Problem statement. Explore the branding in four philosophical aspects: 1. Philosophy of branding as a process; 2. Philosophy as the basic theory of the branding (subordination to the laws of philosophy); 3. The branding as a philosophy of management (rationality of behavior); 4. The branding as a tool for managing consumer economic behavior (irrational component of the branding).

Analysis of recent research and publications. The first direction, defined in the formulation of the problem, is sufficiently investigated by well-known brandologists, in particular J.-N. Kapferer, D. Aaker, and K. L. Keller, who use the philosophy as a system of guidelines for the branding on the construction of commercial brands (goods, services, companies). Other directions of branding philosophy are poorly researched, which makes the topic attractive for our investigation.

Presentation of the main material. The brand, as an economic phenomenon, is considered by us as a philosophy of modern business, on the one hand, understanding and application of which to various branding objects (goods, services, companies, organizations, networks, events, persons, communities, territories, t. etc.) provides the efficiency and competitiveness of the objects, but on the other hand, it needs its own philosophy of creation, development, management of brands, which, in

essence, prompts other people to act in accordance with their goals. The philosophy of the branding as the system of guiding principles which form the basis of action of people, companies, objects and subjects of management must be well-known, understandable and convincing.

Branding, as a process of creating and developing brands of various objects, obeys the basic laws of philosophy, in particular::

1) In the context of the Law «Form and Content», a successful brand is a it is a claimed concept of the product, a clear essence, attractive to the target audience, a conscious identification and a consistent set of features and qualities consistent with each other, an accurate niche positioning, a successful name that reflects and supports the essence of the brand, visual aesthetics that is unique and adequate to the brand content. Ignoring the need in accordance with content and form leads to negative consequences: from reducing the profitability of the brand to its disappearance in general;

2) In the light of the «Negation of the negation» law, the creation and development of the brand collapses into separate, relatively independent stages, with each subsequent stage associated with the previous denial – a necessary, essential element of development, that is, the brand is inherent in the permanence and spiral of development, which affects its ramified architecture, the increase of its wealth, the periodic adjustment of external identification in line with the updating of consumer expectations;

3) In accordance with the law «Dynamic equilibrium», the current development of branding in the world causes natural chain reactions, aimed, on the one hand, on the fetishization of branding objects, causes painful psychological and physical dependence on brands, and, on the other hand, creates the effect of counteraction, neutralizing the changes that the brand provides due to socio-economic problems in society and the subjective nature of associative perception of consumers [2, p. 27].

Brand as an institution for the economic development of commercial and non-commercial objects is a prerequisite for rational and irrational behavior of consumers. The irrational behavior of the consumer is formed under the emotional and mental influence of the brand, which allows him to formulate his subsequent decisions; the rational part is formed under its economic and functional influence through the informatization and training of the consumer, the consumer's understanding of the rational advantages of the brand. The combination of conscious and subconscious consumer behavior, reproduced through the rational and irrational components of the brand, forms its maximum satisfaction, which involves emotional, spiritual, mental and economic components.

Rationality and irrationality as philosophical categories are considered in this context as an additional characteristic of the brand, which covers certain mechanisms of implementing the impact of brands on consumers at all levels of national economic competitiveness, as detailed in [3, p. 69].

The brand's rationality needs to be understood in several respects:

1. *As a characteristic of human activity.* After all, the brand, above all, is the result of purposeful actions of man, from his design, projecting to creation, development and promotion. It is important not only the quality, but also the sequence of these actions. It is considered unrational to create any object prior to its design, since the latter allows you to predict all components of an object, to lay certain its properties, to take into account a set of possible deviations, to provide mechanisms for their elimination, that is, to optimize the formation process. Particularly high risks inherent in the process of creating a national brand of the country. S. Anholt accurately compares the national brand of a country with a tanker who «needs 5 miles to change course and 8 miles to stop» [1, p. 183]. Construction of each brand, including and the national brand of the country must begin with the search for the essence, the definition of mission, philosophy, platform and strategy to promote branding in the global space, which is actually the subject of research by many scholars. This is a long-lasting, troublesome, costly process that should precede the creation of external identifiers for the country's national brand. Instead, in Ukraine, the national brand has not actually been formed, and there are already three levels of external identification. Mistakes of Ukrainian branding are considered in [4, c. 34].

2. *As a characteristic of knowledge.* The brand's rationality is manifested in the conscious search for consumers by functional, economic benefits through the ability to know, compare and make choices. Brand helps a person in search of rationality, he acts as an educational tool that spreads knowledge, educates consumers to certain new skills, contributes to scientific and technological progress.

3. *As a modern feature of the global market for goods and services in general.* The brand's rationality is evidenced by the current trends in the world market for goods and services – by 2018, the cost of the most expensive brand, AMAZON, according to Brand Finance, increased by 47% to nearly 151 billion dollars USA.

4. *As a universal category embracing logic and dialectics.* The brand's originality is to apply branding at all levels of the national economy, as can be seen from Table. 1.

Table 1

List of branding objects in the hierarchy of the national economy

Level of hierarchy	Branding objects
Nano level	Goods; services; events
Micro level	Private companies; nonprofit organizations
Mezo level	State companies; territories; local authorities
Macro level	National: events, economics; public authorities
Mega level	International: goods (for export), events, social networks; countries

Source: proposed by the author

Some experience in applying territorial branding in Ukraine is considered in [5, p. 195]. Investigating the rationality of the national brand, it is necessary to mention the special type of relations between man and country, which would guarantee harmony between them. Rationality of the country's brand is a conscious search for such harmony.

The irrational component of the national brand of the country manifests itself in the unconscious behavior of consumers. The irrational behavior of a person is beyond the scope of the mind, is alogical, incommensurable with rational thinking, even such as to overthrow him, but emphasizes the supremacy of the sensual start of a brand. Given the primacy of the emotional component of any brand (from product to national brand), its irrational characteristic should be used during creating a brand and be managed.

The irrational component of the branding of the country is considered as a characteristic of the methodology or rules of activity that forms the economic behavior of its consumers. In this aspect, it is necessary to divide the consumer audience of the national brand into external and internal. This need is due to different goals and methods of promoting the brand in the relevant audiences. In particular, the goal of creating a country's brand for its own population is the need for citizens to be aware of their own identity as a united nation, as well as the formation of a stable public confidence in its economic policy. It is the public's confidence in the reforms that are being carried out today in Ukraine that is a sure guarantor of their successful implementation, moreover, the state of the financial and credit system of the country, the structure of its debt also depends on the level of people's trust, because personal savings can turn into a powerful financial asset that not only will stimulate the lending of the subjects of the domestic economy, but will also ensure economic independence from external loans of the country. An example of such confidence can be Japan, whose public debt exceeds GDP more than 2 times, while about 40% of the state budget expenditures is covered by the country at the expense of the issuance of securities.

The emotional state of a person affects her activity, vigor, efficiency, and, most importantly, decision-making about consumer choice, that is, shapes the economic behavior of each of us. The labor productivity of the satisfied working conditions of the worker is higher compared to other workers, the cost of a satisfied tourist during a trip to another country exceeds the costs of an unsatisfied foreigner, distrust of the population to the financial and credit system and the legal state, state authorities and local self-government cause the government of the country to external loans, which carries high risks of economic dependence of the country on external will.

Conclusion. The branding is inherent in transparency, efficiency, durability, reliability, which is why it has received broad acceptance of theorists and is widely used by practitioners to various objects: goods, services, events, companies, organizations, people, networks, communities, territories, including countries. The

branding philosophy is considered as a system of four aspects, which determines the scientific approach of research as the newest. The first aspect regarding the use of philosophy in the design and development of brands is traditionally investigated by scientists and practitioners in connection with the existence of certain commercial interests. However, the other three aspects play a fundamental role in the deep understanding of the economic nature of the brand as a phenomenon. Subordination of the branding to the basic philosophical laws («Forms and content», «Negation of the negation», «Dynamic equilibrium») is considered as the second aspect, proving the evolutionary logic of transformation of branding into an instrument of economic development of the national economy at all its levels. The following aspect indicates the presence of a strong rational component of branding, which is substantiated by the characteristics of the activities of business entities, people and their knowledge; a modern feature of the global market for goods and services in general, a universal category embracing logic and dialectics. The last aspect concerns the irrational content of the branding, which affects the change in the economic behavior of a wide range of consumers and determines trends in the development of the world economy as a whole.

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ENTREPRENEURSHIP AS THE POTENTIAL OF ECONOMIC DEVELOPMENT

The article analyses the entrepreneurship as the of potential economic development according to its functions of regulations in the process of development of the economy at the present period of planet development of societies. It is pointed that the entrepreneurship plays the important role in the organization of entrepreneurship activity where the entrepreneur plays the important role which has functions of intermediary and he is the object who has innovative, commercial and organizational capabilities for searching and developing new qualities, new sphere of adaptation of capital. The entrepreneurship as a regulator of economy can realize its potential, the level of development of national household content and direction of economic and political strategy of the state. Margaret Thatcher' s experience and her investment into development of England economy and entrepreneurship activity and application of her experience for improvement economic and entrepreneurship development in Ukraine is analyzed in the article.

Key words: *entrepreneurship, entrepreneurship activity, entrepreneurship, economy, potential of economic development,*

Тюхтій Микола, Громоздова Лариса, Артеменко Антоніна.
Підприємництво як потенціал економічного розвитку.

Стаття аналізує підприємництво як потенційний економічний у відповідності до його регулятивних функцій в процесі розвитку економіки на сучасному етапі планетарного розвитку суспільств. Зазначається, що підприємництво відіграє важливу роль в організації підприємницької діяльності, де важливу роль відіграє підприємець, який виконує функції посередника і

являється суб'єктом , який поєднує в собі новаторські, комерційні та організаторські здібності для пошуку і розвитку нових якостей, нових сфер застосування капіталу, а також підприємництво як регулятор економіки може реалізувати свій потенціал, рівень розвитку національного господарства, змісту і спрямованості економічної та політичної стратегії держави. В статті аналізується досвід Маргарет Тетчер та її вклад в розвиток економіки Англії та підприємницької діяльності, та застосування її досвіду для покращення економічного та підприємницького розвитку в Україні .

Ключові слова: підприємництво, підприємницька діяльність, підприємець, економіка, потенційний економічний розвиток,

At the present stage of the planetary development during the period of global economic processes, which concern not only other countries but also our country, the development of entrepreneurial activity is important, which makes it possible to regulate economic relations both in the middle of the country and externally. The purpose of the article is to analyze entrepreneurship taking into account its regulatory properties. Vynogradskaya AM, Azaryan OM, Belyaev AS, Komyakov O. M., Asaul A.N., Voynarenko M.P. , Miroschnichenko O.V., Onikienko V.V., Vitlinsky V.V., Gelikovnenko G.I., Bilous O.G., Butenko A.I. , Stuart Hall, Martin Jacques Michael, P. Todaro and others scientist researches this research which is based on various different economic aspects.

Small and medium business is an independent active and initiative activity of entrepreneurship and entrepreneurs, which is carried out at the expense of own or borrowed funds for the purpose of obtaining business profit and which is often accompanied by economic risk (Gerasymchuk, Miroschnichenko, Onikiyenko, 2002. P.7).

Considerable role in development of enterprise as a regulator of economy belongs to a businessman It is a subject that combines in itself innovative, commercial and organizational capabilities for a search and development of new economy. (Varnaliy, 2002, p. 232). A businessman must effectively manage entrepreneurial activity, understanding that enterprise guidance is possibility to induce people to the action. The type of guidance is determined by the requirements of present moment and necessities (Vynogradskaya, 2008, p. 61).

We could admit that a businessman must understand importance of economic competition for the achievement of the best results, economic fight between firms (by businessmen) for the most advantageous terms of production and sale of commodities can create regulative relations in an economy. (Varnaliy, 2002, p. 47).

And a businessman does not produce and does not sell a commodity, but acts part mediator, united link in the process of commodity exchange, in commodity-money operations. Here main task and article of activity is to connect two parties interested in a mutual agreement. For the grant of such services a businessman gets a profit, income. (Vitlinskiy, 2004, p. 3).

In a process adjusting of economic development of the state that provides the equal legal and economic terms of management to the business entities assists to market development, carrying out his adjusting by means of economic laws and stimulation will realize antimonopoly measures. (Vynogradska, 2008, p. 47).

Experience of the developed countries of the world testifies that partner relations of the state and private business always were in the field of the special attention of power. Problems of improvement of state property management and of possibility of bringing in of private capitals to realization of public interests and state initiatives needed the regular conceptual working. Partnerships did not develop spontaneously, but were entered in the general processes of decentralization (Azaryan, 2012, p. 175). A market supports that producer only whose products answer current solvent demand. Changes in the process of enterprise erect only to privatizing or receipt of foreign investments. His profit in a great deal depends on the competent managing.

The modern period of development of world economy is characterized by intensifying of competitive activity for the markets of sale, investment and acceleration of innovations.

In organization of investment activity a considerable role is played by forming of investment resources (Asaul, 2001, p. 327).

Bringing in of foreign investments matters very much for Ukraine. They, except creation of new workplaces on small and middle enterprises, plugging in economic turnover of their resources, assist structural alteration of economy, development of internal competition, capture of management new methods and by technologies, going into international markets with high-quality commodities (Gerasymchuk, Miroshnichenko, Onikiyenko, 2002. p. 39).

In opinion of leading world experts, basic investments in the developed countries will be laid in fundamental researches, software, development of new medicinal preparations, production ecologically of clean foodstuffs, mastering of space and technology of development (Bilous, 2001, p.133).

It should be noted that many processes of structural changes in an economy are general for different countries regardless of the dominating there economic systems (Byelyaev.2003, p.134).

The modern stage of development of economy of Ukraine is extraordinarily difficult for business, that objectively creates a requirement in the effective management of subjects of management , feasibility of their future development, forming of proof competitive edges, creation of instruments of the rapid adjusting on the dynamic changes of environment (Hall&Jacques, 1983, p. 3).

An enterprise can help us to regulate different economic processes and help the state to build highly developed society.

At present the most important thing for the economy is its development. It concerns not only Ukraine but other countries especially if they are not developed. We lived in the period of globalization and the process of the development of the economy play the significant role and entrepreneurship is the main part of this process.

The central economic problems of all societies include traditional questions such as what, where, how, and for whom goods and services should be produced. But they should also include the fundamental question at the national level about actually makes or influences economic decisions and for whose principal benefits these decisions are made. (Todaro, 1999, p. 17–18).

Today many developing countries are plagued by historically unique combination of massive rural-to-urban population movements (Todaro, 1999, p. 223).

During the past decade , economists have become increasingly aware of the important implications of environmental issues for the success of development efforts. The interaction between poverty and environmental degradation can lead to a self-perpetuating process in which, as a result of ignorance or economic necessity, communities may inadvertently destroy or exhausted the resources on which they depend for survival. Rising pressures on increasingly taxed environmental resources in developing countries can have severe consequences for Third World self-sufficiency, income distribution, and future growth potential. (Todaro, 1999, p. 325).

Economic development requires sustainable and shared increases in per capita income accompanied by changes in the structural composition of an economic towards higher value added goods and more efficient production methods and entrepreneurship can contribute to economic development by facilitating the reallocation of resources from less to more productive uses.

We can admit that entrepreneurship can contribute in important ways to economic development and it does this is through innovation, which involves the development of new products, new processes, new sources of supply, but also the exploitation of new markets and the development of new ways to organize business.

The impact of innovation is important across different countries and institutional context. But the nature and role of innovation will differ at different levels of economic development. Entrepreneurship in low-income developing countries provide innovations that are important for firm and country growth, even if they are incremental in nature. Innovations in entrepreneurship of Ukrainian entrepreneurs is also very important which can decide problems of unemployment.

Over the years, economists have formulated a number of economic models of employment determination, The majority of these models have focused on or have derived from the social, economic, and institutional circumstances of the developed nations.

It is reviewed three economic models of employment determination. The first, the free market classical modal, forms the substance of the traditional theory of

employment. The second and third model grow out of the more recent neoclassical tradition of economics. The second, the output-employment macro model, focuses on the relationship among capital accumulation, industrial output growth, and employment generation. The third, the price incentive micro model, considers the impact of distorted factor prices on resources utilization. A fourth model or group of models, which we designate as two sector labor transfer or rural-urban migration models, focus on the determinants of both demand and supply (Todaro, 1999)

The most unique model of the potential economic development is entrepreneurship model which can be used in different sectors of economy.

The experience of Margaret Thatcher reforms in the economic development of England can be taken into account at present time in the process of developing economy of Ukraine and other countries.

The economy had changed by Margaret Thatcher during her premiership. Firstly she privatized sales and made implementation of the market economy.

It could be suggested that privatization is best not implemented as an isolated part of a development strategy but rather as part of a general program for market development. The benefits of privatization will not occur automatically. The role of the state in the economy becomes significantly modified but is certainly not eliminated. Privatization is easiest when state ownership resulted from a historical accident rather than a systemic policy or a result of specific selections of a few «commanding heights» industries intended to play a specific role in the development process (Hall&Jacques, 1983, p. 66).

She had the huge influence on the economy of England. During the period of inflation in England she transformed it. Decrease of inflation was the main priority of the tight fiscal.

Margaret Thatcher tight fiscal policy which had the purpose of controlling of the state costs in combination with tight monetary policy was aimed at the inflation decrease. The main purpose was to put on people to believe in reduction of inflation and so to reduce the requirements to increase wages.

Reducing the influence of the dominant sector has become a kind of public mantra of solidarity. The public sector was forced to retreat into many sectors of the economy. One of the key features of economic policy of Margaret Thatcher was so-called reform of stimulation of proposition to increase in production. The main thing in this economic policy of Margaret Thatcher was to give the opportunity to entrepreneurship to get rich and to have freedom in developing of their companies, to create the new working place. We could admit that we can also give the opportunity to Ukrainian entrepreneurs to get rich and have freedom in developing their companies which helps to create the new working places and improve economy of Ukraine.

Thatcherism must be seen as rejection of major aspects of the modernist approach as it has evolved since the mid-sixties. Indeed, this has been a key source of its appeal – the need for change, a break with the unsuccessful past. Instead, Thatcherism seeks to restructure industry through the operation of market forces and to curtail drastically the economic activities of the state.

The significant aspect of the Conservative economic program was the wide-ranging attack on the state. Nationalized industries were condemned as inefficient, and widespread sales of state assets were promised, along with the admission of property capital into certain profitable nationalized industries. State influence was castigated as inimical to the development of private initiative and enterprise, and reductions in public expenditure were planned in order to liberate the private sector from its «excessive» tax burden. Public borrowings was to be reduced. The center of gravity of taxation was to be shifted away from income tax and taxes on expenditure, and taxes on higher incomes and on capital sharply reduced (Hall&Jacques, 1983, p. 136).

The Thatcher Government began operating in very different circumstances and in its first two years proceeded cautiously, particularly as regards trade union reform. The world recession had changed the framework of political calculation (Hall&Jacques, 1983, p. 117).

A majority of Thatcher's Cabinet believed from the outset that the economic strategy would fail. But they were also convinced that the strategy would have to be seen to fail comprehensively before a major change was possible. If Thatcherism were to succeed in the economy, shifting the political balance permanently and creating a new and broader working -class constituency for the Conservatives, the bulk of the present leadership, reared amidst the constraints and procedures of social democratic politics, would speedily adapt to ruling in the new set of circumstances. On this basis Thatcherism was seen as worth exploring and supporting for a while (Hall&Jacques, 1983, p. 118).

Thatcherism thus combines a neo-liberal economic strategy with reactionary and authoritarian populism.

The chief aim of government economic policy should be maintaining price stability by firm control of the money supply.

The money supply can be controlled any temptation to resort to the printing press to increase revenue, and if government sets monetary targets and controls the volume of private credit in line with them.

To believe that government can and should control the money supply means believing that governments are directly responsible for whatever rate of inflation exists, Wage demands by trade unions, according to monetarist doctrine, do not by themselves raise or lower the rate of inflation, so income policies and the involvement of unions in discussions about general economic policy are entirely unnecessary.

The policy of the Conservative Government under Mrs. Thatcher had spectacular and potentially highly destructive effects on the British economy (Hall&Jacques, 1983, p. 115–132).

Conclusion. Future research in this area should try to analyze the new models of the potential development of entrepreneurship. The results of the research suggest that entrepreneurship as the potential economic development is an effective model for developing economy and deciding problems of unemployment. The success of entrepreneurship transformation in Ukraine is a result of the potential development of economy. The experience of Margaret Thatcher will be useful for Ukraine at present stage of development of economy.

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DISCUSSION PLATFORM 2

LEGAL PROBLEMS OF THE DEVELOPMENT OF PRIVATE LAW

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SOCIAL AND LEGAL PROTECTION OF FAMILIES WITH CHILDREN

The article defines types of social protection of family. The article reviews the characteristics of the family policy in some EU countries, and the social protection of child families in the context of their significant experience for Ukraine. The peculiarities of social protection of certain categories of child families. Concluded imperfection of legal acts in this area. Specific proposals to improve legislation.

Keywords: *social protection benefits, benefits for multi-child families, state social assistance, social leave, pregnancy leave and childbirth leave.*

Андрійв Валентина, Корольков Олексій. Соціальний та правовий захист сімей з дітьми.

У статті розглянуто види соціального захисту сім'ї, особливості сімейної політики в деяких країнах ЄС та соціальний захист сімей з дітьми в контексті їх значного досвіду для України. Проаналізовано особливості соціального захисту окремих категорій сімей з дітьми, визначено недосконалість нормативно-правових актів у цій галузі, зроблено конкретні пропозиції щодо вдосконалення національного законодавства.

Ключові слова: *пільги на соціальний захист, пільги для багатодітних сімей, державна соціальна допомога, соціальна відпустка, відпустка по вагітності та відпустка по народженню.*

Relevance of the research topic. In recent years, the exacerbation of the demographic situation has prompted most developed countries to address the issue of supporting motherhood, childhood and families with children. The tendency of increase of labor migration of Ukrainians and significant decrease of the population will lead to a shortage of labor in our country and to an aging population. The significant shortfall in the Pension Fund and its filling also require immediate resolution today and are linked to the demographic situation in our country. Therefore, the issue of social and legal protection of families with children, raising fertility is one of the urgent problems of our country.

Formulation of the problem. According to the State Statistics Service of Ukraine, the number of deaths in Ukraine exceeds the number of births: there are 57 births per 100 deaths. In 2018 335.9 thousand children were born in the country and 587.7 thousand people have died (On of January DSSU). Demographic growth is closely linked to the economic development of the state, and economic development creates the conditions for population demographic growth. And as A. Solonko points out, reducing the number and density of the population frees up the living space that migrants can occupy (Solonko O. 2019).

The weakening of family relationships, the increasing number of divorces, single-parent families, the reduction of the overall standard of living require a comprehensive approach to the study of legal protection and social guarantees for families with children.

In view of the above, our country should pay more attention to measures that could improve the financial support of families with children, using the experience of developed countries of the world. After all, positive changes in the sphere of social and legal protection of families with children play a key role in solving the demographic, migration and economic situation in our country.

Analysis of recent research and publications. The problems of family policy in Ukraine are at the center of scientific research of specialists in various fields of law. Significant contributions to the development of scientific opinion on social protection of families with children have been made by leading scientists such as I. Andriyenko (Andriyenko, 2014), K. Borovichenko (Borovichenko, 2016), L. Kulachok (Kulachok, 2009), O. Potopakhina (Potopakhina, 2013), S. Prylypko (Prylypko, 2018), V. Tarasenko (Tarasenko, 2018), I. Chekhovska (Chekhovska, 2012), B. Stashkov (Stashkov, 2011) and others.

Presenting main material. Social and legal protection of motherhood and childhood is now considered in our country as one of the most important vectors of economic, social and cultural development. The reluctance to have children is caused by the low standard of living in Ukraine and insufficient regulatory and legal protection of families with children. If in Europe benefits and surcharges are for middle-income families, only poor families are financially supported in Ukraine.

Legal framework for the protection of families with children is multifaceted and covers various branches of law as: social security, civil, labor, administrative, family, criminal, financial etc.

State obligations regarding material support for families with children are defined in the Basic Law. In Art. 46 of the Constitution of Ukraine states that all types of social benefits should ensure a standard of living not lower than the subsistence minimum established by law. Article 48 of the Constitution of Ukraine states that «everyone has the right to a sufficient standard of living for himself and his family, including adequate food, clothing, shelter» (Constitution of Ukraine). But the legislator does not define the term «sufficient standard of living» and what should be understood, so the rules of this article are somewhat declarative.

E. P. Yarygina's opinion is that norms of Art. 48 of the Basic Law of the country on ensuring a sufficient standard of living for themselves and their families are implemented by state social standards and state social guarantees provided for by law (Yarygina, 2016, p. 45).

Support for families with children is, first and foremost, the social and legal protection of women and children, including financial support and the creation of social infrastructure to ensure optimal conditions for the birth and upbringing of children.

Social security for families with children has an extensive system, which consists of individual types, such as: 1) retirement benefits; 2) providing various benefits (insurance and government); 3) providing social services and benefits.

The main support for families with children in our country are in the following ways:

- 1) giving birth, adoption, or parental leave;
- 2) payment of different types of social assistance depending on the type and composition of the family;
- 3) provision of benefits and social services (including medical services), depending on the circumstances of the family;
- 4) natural help in the form of «baby boxes» (baby packages) for newborns;
- 5) the appointment of pensions in connection with the loss of a breadwinner;
- 6) tax benefits.

In our country, social security for families with children provides for direct payments to children, payments to parents and payments to all family members (assistance to low-income families, subsidies).

Among the most important laws that form the legal basis of social protection for families with children, the following laws of Ukraine should be noted: «On child protection», «On state aid for families with children», «On state social assistance to low-income families», «On state social standards and state social guarantees», «About providing organizational and legal conditions for social protection of orphans and children deprived of parental care», «About social services», etc.

It is necessary to agree with K. Borovichenko that during the life of families with underaged children there is a large number of social risks, including disability, illness, low income, raising the child alone, etc., which requires the state to develop and adopt new social programs aimed to protect the subject of the right of social security against the adverse effects of such risks (Borichlenko, 2015, p. 1).

Recently, our state has made positive steps in this direction by adopting new regulations and amending existing ones. By the Decree «On additional measures for state support of the family, maternity, paternity and childhood» of May 11, 2019, the President of Ukraine outlined constructive ways to improve the demographic situation and demographic processes in Ukraine, including the creation of socio-economic preconditions for birth in Ukraine, including the creation of socio-economic preconditions for birth in families of two or more children (On additional measures). If only this decree would really improve the situation and would not just be declarative.

On January 1, 2019, a new type of care for families with ill children emerged in Ukraine. The allowance is set at the subsistence level for people who have lost their ability to work and is paid for every sick child, regardless of receiving other types of state aid (On State Aid). But in our opinion, the novelty has its drawbacks. Assistance to a person caring for a sick child is set at the subsistence level for those who have lost their ability to work, and not at the subsistence level for a person of working age. And the subsistence level for disabled people (as of July 2019 – UAH 1,564) is much smaller than the subsistence minimum for an able-bodied person for this period (UAH 2007).

Some legislation on social support for families with children does not include a constructive decision to bring the basic social standards into line with the real subsistence level (the subsistence level is used, etc.). The legislative level does not take into account high inflation (rising prices), indexing social payments to families from time to time.

The Law of Ukraine «On State Social Assistance to Persons with Disabilities from Childhood and Children with Disabilities» benefits for children with disabilities depend on the subsistence minimum for disabled persons and not on the subsistence minimum for a child of age. And in Article 3 of the above law, when determining the amount of the allowance for the care of a child with a disability, the subsistence minimum for a child of the appropriate age is already used.

According to the Resolution of the Cabinet of Ministers of Ukraine «On Approval of the Procedure for Assignment and Payment of State Aid to Families with Children» No. 2751 of December 27, 2001, non-working women and women registered as entrepreneurs, pregnancy and childbirth allowances are paid in the amount of 25 percent of the subsistence minimum for the able-bodied person per month. It is clear that this amount of payment cannot meet the needs of the family.

In the Law of Ukraine «On State Social Assistance to Poorer Families» the amount of state social assistance is determined taking into account the level of subsistence level and may not exceed 75% of the level of subsistence level for the family.

Decree of the Cabinet of Ministers of Ukraine «On Improving the Education, Training, Social Protection and Material Support of Orphans and Children Deprived of Parental Care» No. 226 of 05.04.1994, social payments for orphans depend on the non-taxed minimum income of citizens, but such standard is not provided by our government.

According to the calculations of the Ministry of Social Policy, the actual subsistence level for able-bodied people, taking into account the amount of obligatory payments in accordance with the current legislation in June 2019 was 4853 UAH. Thus, the subsistence minimum for the able-bodied people (UAH 1921, and for July 2019 – 2007 UAH) set by June 2019 is 2.5 times lower than its actual size. The minimum wage was lower than the actual subsistence level for able-bodied people by 680 UAH or 14%. (Basic state social standard) This suggests that state-level authorities are discriminating against families with children, using the duality of social standards. Minimum wages, pensions, social benefits are lagging behind the rise in prices, which in turn leads to considerable impoverishment of families with children.

In the context of the European integration processes taking place in our country, improving the social and legal protection of motherhood and childhood should be based on the experience of EU countries and international legal acts implemented by Ukraine.

Baby Pack is a government initiative that has been launched in Ukraine since September 1, 2018. This is a new type of social protection for families with children, which exists in many countries and is designed to support the development of responsible parenthood. The procedure for providing the package is determined by the Cabinet of Ministers of Ukraine Resolution No. 512 of June 20, 2018. However, this kind of support has also caused the mothers to complain that the goods in the baby boxes are expensive and of poor quality, and if they have not been delivered in time, quite often things were too small for newborns. Therefore, it is advisable to use the experience of other countries to replace this package with cash payments at the request of the family. After all, there may be several children in the family and some things are already gone and need not be duplicated. Journalists have investigated that the provision of «Baby Packs» has opened new «schemes» of theft of budget funds by Ukrainian officials and they have learned to steal even those who have not been born (Shche ne narodivsya).

Issues of provision of child care services up to three years «municipal babysitter» are regulated by the Cabinet of Ministers Resolution No. 68 of January 30, 2019. This regulation provides the reimbursement of the cost of childcare services up to three years of «municipal babysitter» in the amount of the subsistence minimum for children under six years of age, as of January 1, of the respective year, starting January 1, 2019. It is clear that the amount of such reimbursement is very small, inconsistent with the level of service provided and not popular with families. In the case of formal employment, the nanny has to pay income tax on individuals, and the employer is the only social contribution. Therefore, it is advisable to reduce the tax rate for municipal nannies and the number of documents required for registration.

Special benefits for large families are set out in the Law of Ukraine «On Childhood Protection», but it should be noted that some of them are purely declarative.

Some countries have positive experience with various types of social benefits which are provided to families with children that's not provided in our country, for example:

1) Israel provides: one-time education assistance; monthly assistance for a divorced parent / mother with one of the children, regardless of the receipt of child support; monthly assistance to families with children under the age of 18 who are independent of family income and are not taken into account when calculating income and are therefore not taxable, etc.;

2) in France: Allocation rentree scolaire is paid to every family with a child or a student; Allocation de soutien familial assistance provided, if the child has lost the mother or father or if one or both parents have not been involved in the child's support for at least two months in a row; assistance for education of a disabled child (Allocation d'éducation de decededenfant handicape) (Yarygina, 2016, p. 137–138).

Noteworthy is the experience of some countries around the world in providing retirement benefits to mothers. When child is born retirement age is reduced by one year. In the authors' view, such a privilege would also be appropriate to introduce in Ukrainian legislation, allow a woman who has children to choose or reduce their retirement age or not.

It is advisable to carry out social – legal protection of families with children not only at the expense of the state budget, but also at the expense of local budgets (relevant local programs). Given the local characteristics, the regional standard of living can equalize the incomes of low-income families or families in difficult circumstances and provide more effective targeting of social support.

Conclusion. Summarizing the legal regulation of social security for families with children, it should be noted that it is not necessary to count on Ukrainian families to increase their welfare in the near future. The low threshold for assigning many types of state social benefits does not contribute to solving the fertility problem in our country. The state has not yet ensured the fairness of social payments to single families, young families, families with no housing.

The reasons for social protection of families with children are such social risks as pregnancy and childbirth, childbirth, child care, adoption, guardianship, orphanage, low income, child support payments, maternal illness, illness or a person caring for a child, raising the child alone, the large family, the child's disability and the need to care for him, the loss of the breadwinner, the difficult life situation.

In order to eliminate inconsistency in determining the amount of social benefits for families with children, it is necessary to:

- 1) use actual subsistence rates for both the child and the parents;
- 2) take into account the overall average wage, price increases and inflation;
- 3) to bring all normative legal acts on social protection of families with children to the use of a single standard – this is the subsistence minimum (eliminating the indicators «level of subsistence level», «non-taxable level of income of citizens»);
- 4) raise the social benefits that are low – to the level of subsistence minimum, ensuring compliance with the provisions of Art. 46, 48 of the Constitution of Ukraine and the Law of Ukraine «On State Social Standards and State Social Guarantees», according to which the basic (and only) state standard recognizes the subsistence minimum;

5) eliminate the influence of political manipulation in the next elections on the size of the pension, social benefits;

6) Use the positive experience of EU countries on this issue.

It is desirable for the new leadership of the state to avoid ill-considered social and economic reforms, to create an effective system of social protection for families with children, because we all pay taxes to the State budget and should use them for the development of the state, not for our own enrichment.

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ELEMENTS OF SELF-REGULATION OF INTERNATIONAL COMMERCIAL CONTRACT

The problems of an international commercial contract are studied through the prism of self-regulation. One of the distinguishing features of an international commercial contract is the application of the principle of the autonomous will of the parties, which is constantly expanding its content due to globalization trends of international trade. The degree of self-regulation of a commercial contract with a foreign element is much higher than the «domestic» commercial contract.

Keywords: *international commercial contract, autonomy of the will of the parties, economic contract, self-regulation, contract.*

Гончаренко Олена. Елементи саморегулювання міжнародного комерційного контракту.

Проблеми міжнародного комерційного договору вивчаються крізь призму саморегулювання. Однією з відмінних особливостей міжнародного комерційного договору є застосування принципу автономної волі сторін, який постійно розширює свій змістовний завдяки глобалізаційним тенденціям міжнародної торгівлі. Ступінь саморегулювання господарського договору з іноземним елементом набагато вище, ніж «національного» господарського договору.

Ключові слова: *міжнародний комерційний договір, автономія волі сторін, господарський договір, саморегулювання, договір.*

Relevance of research topic. The nature of self-regulation lies in multi-dimensionality, complexity, manifested through various means, types and forms. One such means is a treaty based on the freedom, equality and autonomy of its members. The purpose of this article is to identify the elements of self-regulation of an international commercial agreement (contract).

Formulation of the problem. Self-regulation in law is an opportunity for a subject to show some creativity, initiative, autonomy, to create certain rules of behavior for himself, to act at his discretion within the limits defined by the law. This is especially true of international trade relations, in which the parties seek to create the

most clear and uniform rules of conduct, regardless of the place of conclusion, execution of the treaty, or, in case of controversy, to resolve the conflict with the least undesirable features of national legislation, related to specific relationships.

Analysis of recent researches and publications. The following scientists worked on the issue of self-regulation, contractual self-regulation: V. Antoshkina (Antoshkina, 2015), O. Bakalinska (Bakalinska, 2016), O. Belyanevich (Belyanevich, 2006), M. Bonell (Bonell, 2018), A. Gavrilishin, S. Oshurko, (Gavrilishin, Oshurko, 2013), I. Dikovska (Dikovska, 2014), A. Fillipev (Fillipev, 2012), C. Emery (Emery, 2016), V. Milash (Milash, 2005), L. Logush, D. Ischenko (Logush, Ischenko, 2015), S. Pogribniy (Pogribniy, 2009), A. Pokachalova (Pokachalova, 2016), F. Vischer (Vischer, 1998-99), O. Vinnik (Vinnik, 2004), I. Schwenzer (Schwenzer, 2016), M. Zhang (Zhang, 2006), S. Zadorozhna (Zadorozhna, 2008) etc. However, the international commercial agreement (contract) has not been thoroughly explored in terms of self-regulation. Provisions concerning the autonomy of the will of the parties, certain conditions of the contract, its sources are being actively developed in Ukrainian science. A comprehensive study of the contract with a foreign element as a self-regulatory structure has not been conducted.

Presenting main material. I. Schwenzer notes that contract law is at the very heart of international trade (Schwenzer, 2016, p. 60). Contract, economic contract, international commercial contract refers to the normative forms of securing self-regulation, that is, with the help of self-regulation participants can create for themselves certain rules of behavior. O. Pogribniy writes: «... self-regulation... is carried out directly by participants in such relations as members of civil society, taking into account their own interests» (Pogribniy, 2009, p. 38).

The contractual norms of law defined by the state outline the general principles and principles, enabling the parties to self-regulate within certain limits. After all, at the legislative level, in the objective sense, the conditions, the content of binding contractual rules, which are created not by the parties to the relations themselves, but by the state, represented by the authorized bodies, are envisaged. In this situation, it is difficult to speak of the contract as a means of self-regulation, while the norms set by the state include «allowing» the parties to self-regulate, indicating that they are entitled to it. Therefore, the contract is referred to as a means of self-regulation, in which its signs are most actively manifested: the ability of the parties to develop their own rules of conduct, their own mechanisms for its implementation and protection.

Self-regulation in economic activity is defined as voluntary action by entities to organize and streamline public relations in a particular field, define rules, standards and principles to safeguard the interests of the community and the relevant community (Honcharenko, 2016, p. 29). O. Belyanevich rightly states: «The construction of the contract as a means of self-regulation of various social relations is used by different branches of law (international, constitutional, administrative, civil, economic, labor, land, environmental, etc.), regardless of the degree of imperativeness of the legal

regulation of a certain type of mutual relationship and the position of the subjects of this relationship (subordination or autonomy)» (Belyanevich, 2006, p. 12).

Legislation permits the conclusion of an unnamed contract, which is also a plane of self-regulation. Streamlining one's own contractual relationships by applying the principle of «all that is not forbidden» helps counterparties to define their own arrangements with a high degree of self-regulation. Such reciprocal arrangements will be binding not only on the parties to the dispute but also subsequently on the authorities (for example, in the event of a dispute).

The contract becomes a means of self-regulation at the level of individual law-making and enforcement, when the parties define and implement their own rules of conduct without external (public) influence, at the same time within the limits allowed by the state. O. Vinnik on the nature of the economic contract, states that the regulatory effect of the economic contract is due to two factors: a) the economic contract is an individual legal act that provides for the legal registration of complex and diverse economic relationships; b) the complexity and variety of these links requires the proper adaptation of the general guidelines of the law to the content and environment of a particular economic relationship (Vinnik, 2004, p. 219). Public influence is manifested in the activity of public authorities, local self-government, and non-state institutions. Public influence is aimed at protecting a public purpose that may not be respected in the case of self-regulation by the subjects of self-regulation at their own discretion and in their own (private) interests.

Therefore, in an objective sense, an international commercial contract actually includes two system components that are defined by public authority: the basics, imperatives, the limits of the contract, and the basics of contract self-regulation that can be applied by the parties.

The public foundations of self-regulation are implemented, as already stated, at the individual (subject) level of the parties to the relationship when the contract becomes a means of self-regulation. This is the vertical of self-regulation of the contract.

Horizontally, the essence of self-regulation of an economic contract a priori lies in the fact that self-regulation is a natural (including the property of the human psyche) process that starts from the parties to the contract, and not authorized by the state. The parties transcendently choose the model and rules of conduct and only in case of disagreement with the state position can there be obstacles to implementation. Such a view is, in our view, more inherent in the nature of self-regulation of the contract.

The conclusion, execution, termination of the commercial contract meets the general universal requirements of the law, including the self-regulatory principles defined in the contract. Contractual regulation is the regulation at the individual level, when there is a significant detailing of the terms of the economic contract. The economic legislation provides an opportunity to harmonize different contract terms at the counterparty level, while expanding the regulatory function of the contract and the possibility of self-regulation.

An important self-regulatory principle is the freedom of commercial contract. In the freedom of commercial contract, the function of self-regulation is manifested: independently, at your own discretion, to organize activities. The ordering is manifested in the choice of the contractor, the contract (created by the normative individual provision of economic relations), the choice of ways of dispute settlement; the choice of the right to which the contract is subject; creating custom for the performance of the contract between the contractors beyond the formal expression of the contract. The freedom to enter into an commercial contract is an important component and a sign of self-regulation of the parties. It promotes the choice of the proper counterparty to the contract, harmonization of the terms of the contract at the sole discretion of the parties, ensuring their equality and independence. Therefore, it is quite reasonable to state that self-regulation serves as a guarantee of freedom of commercial contract. Empowerment of the parties to the economic agreement by the legislator is a guarantee of the rule of law.

For external transactions, there is a specificity of legal regulation by means of unified material and conflict of laws rules. The parties to an international commercial transaction, unlike the parties to domestic agreements, have the opportunity to choose the applicable law to their legal relationship. The parties are also free to choose a court (if such choice is made by the law of the state of both the «nationality» of the contracting parties and the court of choice), which will resolve the disputes that have arisen between them. In particular, they can apply both to domestic courts of a particular state and to international commercial arbitration courts, which are outside the «national register» of the parties.

An international commercial contract is generally concluded between entities of different «nationality». This complication in this case characterizes the sign of the «subject» of the relationship. The entity may be a foreign legal entity, a foreign natural person engaged in business activities.

The limits of contractual freedom, freedom to conclude and implement the contract, the limits of the subjects' own rules are determined by the possibility of self-regulation, without going beyond the «letter» of the law. The entities that conclude the contract have the right to self-regulate in those spheres, industries, types of economic activity, where such relations are not expressly prohibited by law.

An international commercial contract is the very means of minimizing state interference in relations between the parties. However, it should be. The 1980 UN Convention on the International Contract on the Sale of Goods states that its interpretation must take into account the international character and the need to promote its uniform application and to maintain fair dealing in international trade. It is honesty and good faith that is a binding global principle that combines the private and public law fields and is subject to protection by both the state and individual counterparties.

The international commercial contract is executed according to world standards: *pacta sunt servanda* (contracts must be fulfilled). The contract expresses the will of the parties, which is further ensured by their active actions in accordance with the agreed provisions. The dynamics of an international commercial agreement (contract) is determined by the use of exactly the means provided for its fulfillment by the conditions (for example, delivery by motor vehicles, payment on the terms of collection, etc.).

The private right, unlike the public right, is more open, the impact of globalization and other modern trends is manifesting itself more quickly and comprehensively. This thesis can be demonstrated by lengthy discussions regarding the abolition of the compulsory form of foreign trade agreement (contract) in Ukraine as dictated by the need to communicate with foreign counterparties who consider the latter too formal and significantly complicate the process of starting a business. In general, the obligation to write a foreign trade treaty contract has been significantly inferior to the oral contract form, which is less formalized, but also has its own enforcement mechanisms developed including international trade practices, which are accumulated in relevant autonomous state rules (for example, the Rules INCOTERMS and other sources of transnational trade law). Of particular importance are Principles of International Commercial Contracts UNIDROIT. F.Vischer writes: «...the Principles represent a codification of high quality and homogeneity in contents, which in many respects even surpasses the quality of traditional national legal orders ... they represent a clear and stable codification created by an approved international organization» (Vischer, 1998-99, p. 211). M. Bonell notes: «Even more important, the UNIDROIT Principles prove particularly useful in cases of a so-called implied negative choice—that is, where neither party is prepared to accept the other's domestic law or any other domestic law, and, as a result, the contract is silent as to the applicable law or contains a reference to a not further defined general formula such as 'general principles of law', '*lex mercatoria*', or the like, and—as already pointed out above—the adjudicating body eventually decides the dispute on the basis of the UNIDROIT Principles, defined as a particularly authoritative expression of a genuinely a-national or transnational set of rules (Bonell, 2018). I.Dikovska notes: «The needs of international business turnover determine the need to consolidate not only the parties' right to choose non-state rules, but also the right of international commercial arbitration, to apply non-state rules as applicable law in the absence of an agreement of parties on the choice of law» (Dikovska, 2014, p. 45).

Another important feature of an international commercial contract is procedural self-regulation, that is, the parties' ability to independently choose the type of dispute settlement, its form, and the persons who will contribute to it. An arbitration agreement is a separate self-regulatory element of an international commercial contract that has certain characteristics.

Conclusion. An international commercial contract is the most optimal area of legal relations in which the impact of legal globalization is constantly expanding. One of the great features of self-regulation of an international commercial contract is the application of the principle of autonomous will of the parties, which is constantly expanding its content due to globalization trends of international trade. Self-regulation is an opportunity for participants of a commercial turnover to incorporate the standard terms of the contract and to refer to those already proposed by specialized governmental and non-governmental organizations. Participants in self-regulation can develop their own system of norms, publish them, offering them to others (INCOTERMS International Chamber of Commerce rules). Therefore, the degree of self-regulation of an economic contract with a foreign element is significantly higher than the «domestic» economic contract.

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THE IMPACT OF JUDICIAL PRACTICE ON INSURANCE RELATIONS

The judicial practice of the new Supreme Court is analyzed in relation to the justification by insurance companies of refusal of insurance compensation under compulsory civil liability insurance of land vehicle owners, and conclusions are made about the impact of this decision on insurance legal relations.

Keywords: *insurance indemnity, civil liability, no-fault liability, cassation court decision, Supreme Court.*

Ільченко Анна, Ільченко Антон. Вплив судової практики на страхові відносини.

Проаналізовано судову практику нового Верховного Суду щодо обґрунтування страховими компаніями відмови у здійсненні страхового відшкодування за договорами обов'язкового страхування цивільно-правової відповідальності власників наземних транспортних засобів, та зроблено висновки щодо впливу цього рішення на страхові правовідносини.

Ключові слова: *страхове відшкодування, цивільна відповідальність, відповідальність без вини, рішення суду касаційної інстанції, Верховний Суд.*

Relevance of research topic. Since the creation of the new Supreme Court and its activities in December 2017, much attention has been drawn to attorneys, lawyers, scholars and the public in those decisions taken by the Courts of Cassation within the Supreme Court, and in particular the decisions of the Grand Chamber of the Supreme

Court, which essentially form «Ukrainian precedents». The high expectations that society has placed on the work of the new Supreme Court are, first and foremost, not a scientific component, but a purely practical aspect. This is due to the fact that these decisions lay down or change the existing business practices, approaches to fulfilling obligations, both contractual and tort, the possibility of protecting the violated or unrecognized rights and interests of citizens, etc. Therefore, we consider it expedient to find out in specific examples what influence certain court decisions of a higher court have on the development of insurance legal relations in Ukraine and payment of insurance indemnity by insurers in particular. Given that the most common type of insurance in Ukraine is compulsory insurance of civil liability of owners of land vehicles, the majority of disputes arising in the field of insurance relations and resolved in the courts, are disputes concerning payment of insurance indemnity under these contracts.

Formulation of the problem. In the light of the above, it becomes necessary to find out when insurers are obliged to compensate for damage caused by a secured vehicle in the absence of the fault of the owner of the vehicle, taking into account recent Supreme Court practice.

Analysis of recent researches and publications. This study is based primarily on the Supreme Court's case-law on matters of insurance, which is published in the periodic digest of this court (Dayzhest sudovoi praktiki, 2019) and in the Unified State Register of Judgments. Also, the grounds for analyzing the legal force of the Supreme Court's rulings, as a court of cassation, are the works of D. Luspenik (Luspenik, 2018) and O. Kibenko (Kibenko, 2019). Various aspects of insurance activity, including the issue of insurance payments, were investigated in the works of Patsuria N., Voitsekhovskaya I., Golovachova A. (Patsuriya, Voytsehovska, 2017), Ilchenko H. (Ilchenko, 2017).

Presenting main material. According to Art. 3 of the Act of Ukraine «On Compulsory Insurance of Civil Liability of Land Vehicle Owners» of July 1, 2004 (hereinafter – the Act of Ukraine «On CICAL») the purpose of compulsory insurance of civil liability is to provide compensation for damage caused to life, the health and / or property of victims as a result of an accident and the protection of property interests of policyholders (Zakon Ukrainy, 2004).

Considering that according to the Patrol Police Department, between January and April 2019, there were 47,445 road accidents in Ukraine (hereinafter – road accident), in which 822 people were killed and 7804 people were injured (Statistika DTP, 2019), and civil liability issues is very relevant.

In the event of an accident due to the fault of the driver, whose liability is insured, the insurance company must pay the insurance indemnity within the insurance amount stipulated in the Act of Ukraine «On CICAL».

From February 2016 in accordance with the Order of the National Financial Services Commission «On Amendments to the Order of the Financial Services Commission of July 9, 2010 No. 566» On Some Issues of Compulsory Insurance of Civil Liability of Land Vehicle Owners «dated 29.12.2015 No. 3470 (Rozporyadzhennya Natskomfinposlug, 2019), insurance amounts for internal agreements on compulsory civil liability insurance are set at:

- for damage to life and health – 200,000 UAH. one victim, regardless of the number of victims;
- for the damage caused to the property of the victims – UAH 100,000. per victim, but not more than 500 000 UAH. for one insurance event.

It should be emphasized that these insurance sums are planned to be gradually increased, and in the autumn of 2019, they will be 260 thousand UAH. and UAH 130 thousand respectively (Limityi otvetstvennosti po OSAGO, 2018; Rozporyadzhennya Natskomfinposlug, 2019).

Damage to the life and health of the victim as a result of a traffic accident, in accordance with Art. 23 of the Act of Ukraine «On CICAL» is:

- damage related to the treatment of the victim;
- damage related to the temporary disability of the victim;
- damage related to the permanent loss of disability of the victim;
- moral damage arising from the physical pain and suffering suffered by the injured individual in connection with the injury or other damage to health;
- the damage associated with the death of the victim.

The victims in this case include:

- the driver and passengers of the car that has suffered;
- passengers who were in the culprit's car;
- persons who were in the care of the victim.

However, each type of damage listed above has its own peculiarities of calculation. So, despite the fact that the limit of the sum insured at the death of the victim is 200 thousand UAH, that does not mean that the insurance company will pay all 200 thousand in case of death of a person, which is a direct consequence of an accident.

Article 27 of the Act of Ukraine «On CICAL» provides that in connection with the death of the victim, the following shall be compensated: moral damages and costs for the burial and construction of the tombstone. Compensation for damages shall be made on equal terms in accordance with Article 1200 of the Civil Code of Ukraine (Tsivilniy kodeks Ukraini, 2018) to each person entitled to such compensation. The total amount of insurance indemnity to the dependents of one deceased may not be less than the 36 minimum monthly wages established by law on the day of the insured event. According to Art. 8 of the Act of Ukraine «On the State Budget of Ukraine for

2019» the minimum wage is January 1, 2019 4173 UAH (Zakon Ukrainy, 2018). That is, the amount of such insurance indemnity in 2019 may not exceed UAH 150,228.

The insurer also indemnifies the moral damage caused by the death of the individual, her husband (wife), parents (adoptive parents) and children (adopted children). The total amount of such insurance indemnity to these persons in respect of one deceased is 12 minimum monthly wages, set by law on the day of the occurrence of the insured event, and is paid in equal installments to the other surviving spouse, parents and children. That is, in 2019 this amount may not exceed UAH 50,076.

The costs of burial and erection of the tombstone are also offset by the actual costs, but not exceeding 12 minimum wages at the time of the insured event. That is, in this case in 2019 this amount also does not exceed 50 076 UAH. Payment is made to the person who can document with the insurer that they have incurred these costs. It should be noted that the funeral dinner in this case is not compensated by the insurance company.

Thus, the total amount of insurance compensation in connection with the death of the victim may be less than 200 thousand UAH.

However, there are cases where the accident does not result from the fault of the driver provided with the vehicle. According to patrol police statistics (Statistika DTP, 2019), it can be: the fault of children under 18; the fault of the drivers of motor vehicles related causes of committing technical malfunctions of the vehicle; road accident with the victims of the fault of the owners of the road network; accidents with victims, caused by pedestrians' fault (drunkenness; crossing in an unspecified place); accidents with victims, committed in case of unsatisfactory condition of roads or streets, etc.

In this case, the driver is not guilty, but since the vehicle is classified by law as a source of increased danger, the person who owns, uses, stores or holds the vehicle is liable for the damage if it does not prove that the damage was caused by force majeure or intent of the victim (Article 1187 of the Civil Code of Ukraine (Tsvilniy kodeks Ukraini, 2018).

According to Art. 32 of the Act of Ukraine «On CIGL» (Zakon Ukrainy, 2014), among other cases where the damage is not compensated, the first paragraph fixes the damage caused during the operation of the secured vehicle, but which does not give rise to civil liability in accordance with the law (paragraph 32.1).

As case law shows, insurers often resort to this point, justifying their refusal to pay insurance. A striking example of the unequal interpretation and application of the rules by the courts in this case is the case, which was heard in three instances and was already finalized in the decision of Civil Cassation Court within the Supreme Court of 23 January 2019 (Postanova Kasatsiynogo tsivilnogo sudu, 2019). In this case, in refusing to satisfy the claim, the court of first instance concluded that the defendant

(insurance company) had no civil liability under the law, since criminal proceedings against the driver of the insured vehicle were closed in the absence of a crime in his actions.

Further, in reversing the decision of the court of first instance and adopting a new one on the satisfaction of the claim, the court of appeal, concluded that the civil liability of the PERSON_2 driver at the time of the accident was insured by insurance company «Alfa-Garant», therefore, taking into account the requirements of Article 1187 Civil Code of Ukraine, Article 6 of the Act of Ukraine «On CICAL», the defendant is obliged to compensate the plaintiff for the damage.

However, when the decision of court of appeal was quashed and the decision of court of first instance upheld by the court of cassation, it stated that under Article 22 of the Act of Ukraine «On CICAL» the insurer indemnifies in accordance with the limits of liability of the insurer in accordance with the procedure established by this law the estimated damage, which was caused as a result of a traffic accident to the life, health, property of a third party. The defendant did not incur civil liability in accordance with paragraph 32.1 of Article 32 of the Act of Ukraine «On CICAL».

It follows from the foregoing that the trial court and the cassation instance applied paragraph 32.1 of Art. 32 of the Act of Ukraine «On CICAL» in favor of an insurance company. However, given the unequal application by the courts of substantive law in similar legal relationships referred to by the plaintiff and the analysis set out in the ruling of 23 January 2019, the Supreme Court came to the following conclusion: «The obligation to indemnify property damage caused by a source of increased danger arises under the following conditions: presence of damage; wrongful conduct of the person causing the damage; the existence of a causal link between the unlawful behavior of the person causing the harm and its result – the harm» (Postanova Kasatsiynogo tsivilnogo sudu, 2019).

Conclusion. From the above it follows that the reference to paragraph 32.1 of Art. 32 of the Act of Ukraine «On CICAL» in court will not be grounds for the release of the insurer from payment of insurance indemnity, since the presence of guilt is not a prerequisite for this. Thus, even if the driver's fault in the accident is absent, the insurance company still has to compensate for the damage caused by the insured vehicle.

The aforementioned decision of the Civil Cassation Court within the Supreme Court set a precedent, since it is no use now for insurers to invoke paragraph 32.1. Art. 32 of the Act of Ukraine «On CICAL» to justify its refusal of insurance indemnity. When appealing such a refusal in court, the courts must use the practice of the Supreme Court, and the instructions contained in the decision of cassation court, in accordance with Art. 417 of the Civil Procedure Code of Ukraine are binding on the court of first and appellate court during the new trial of the case. However, as

D. Luspenik rightly points out: «The power of the judgments of the Supreme Court should be manifested not in the obligation for lower courts, but in the reasoning, persuasiveness, compliance with the requirements of the rule of law, and hence their high authority for lower courts» (Luspenik D., 2018).

The existence of such court practice certainly protects the interests of victims, but at the same time deprives insurance companies of the ability to rely on a rule of law to justify their refusal. And given that insurance companies are not charitable organizations, depriving them of their right to a justified refusal to make insurance payments under a special law will certainly have a negative economic effect for insurers.

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PROBLEMATIC ISSUES OF SOME WAYS OF PROTECTION THE RIGHTS AND INTERESTS OF ECONOMIC ENTITIES IN THE CONTEXT OF INTERNATIONAL LEGAL FRAMEWORK

This article identifies the main ways to protect the rights and legitimate interests of the parties of a business obligation, as well as proposes regulatory support for the additional guarantees for the rights of the above entities. The main issues of business development and new standards of activity and efficiency of economic entities in Ukraine are investigated. Positive trends of recent changes in business legislation are outlined.

Keywords: *economic liability, contract, court, damages.*

Хатнюк Наталія, Побіянська Неллі. Проблемні питання захисту прав та інтересів суб'єктів господарювання в контексті міжнародної правової мережі.

У цій статті визначено основні способи захисту прав і законних інтересів сторін господарського зобов'язання, а також подані пропозиції щодо нормативного закріплення додаткових гарантій забезпечення прав вище вказаних суб'єктів. Досліджено основні засади щодо забезпечення діяльності бізнесу та нові стандарти діяльності та відповідальності господарюючих суб'єктів в Україні. Позначено позитивні тенденції останніх змін господарського законодавства.

Ключові слова: *господарське зобов'язання, договір, суд, збитки.*

Relevance of the research topic. Nowadays many significant events are taking place in the legal life of Ukraine, among which the author is going to highlight the signing on 7 August 2019 of the UN Convention on international agreements on the settlement of disputes by mediation with the participation of representatives from more than 70 countries. As noted by officials after its signing, this implementation will enhance the role of mediation, as an alternative to arbitration to resolve international commercial disputes, and generally have a positive impact on the development of international trade.

In the light of this, it is even more relevant to study current trends in the development of both judicial and extrajudicial ways of protecting their rights and interests of economic entities, as well as their implementation in the legal field of Ukraine. The implementation of protection their rights by economic entities and legitimate interests is based on the rules of commercial and civil law.

However, we must admit that the legislative framework, while regulating certain types of economic relations, does not allow to reach unambiguous conclusions and justify the decisions made by the judicial authorities.

At present, the lack of statutory regulation of certain types of economic relations and types of business activities and the regulation of others, hinder the stable and effective economical growth.

Formulation of the problem. Nowadays, there are no sufficient theoretical developments for the full and effective application of extrajudicial methods of protecting the rights of economic entities, and there are gaps in the normative provision of judicial protection of the above persons.

The main idea of the article is to study ways to protect their rights by economic entities and identify problematic issues in their application, substantiation of proposals for their improvement and development.

Analysis of recent research and publications. In analyzing the positions and approaches to reforming the legislation governing economic relations, we support the idea of V. Shcherbyna on strengthening the key role of the Economic Code of Ukraine in all spheres of legal regulation of economic relations (Shcherbina, 2016). It is necessary to take into account the fact that the codification of the general provisions of the legal regulation of economic relations took place on the basis of a number of non-codified acts.

Continuation of further codification processes is possible only in the light of changes in basic statutory instrument, which emphasizes the need for modernization of legislation (Shcherbina, 2016, p. 182).

This opinion is also supported by A. Zamryga, justifying the updating of economic legislation not by increasing and dispersing its norms, which will not allow effective implementation of economic policy, but in the direction of its codification, which implies, in particular, a reduction in the number of blanket norms and simultaneous supplementation with norms of direct action and references to specific laws (Zamryha, 2016, p. 64).

Currently, in the scientific environment, there is such an opinion, which is advocated, in particular, by V.Petrunia, and the author agrees with it, to give to the party of an economic obligation the ability to request the enforcement, with a number of clearly established legislative exceptions, that would cut off claims for enforcement already at the stage of trial. But we cannot agree that obligations that inherently require the lender to be able to use for protection of his rights and interests such protection as the award of a debt in kind are primarily the legal relationship, in which the debtor enterprises – solely monopolists in the market – are acting in the obligation to perform works or provide services. After all, in such relations the creditor cannot entrust the execution to third parties due to the absence of other entities, which are providing such services in the market (for example, transportation by rail, etc.), or when the performance of works or provision of services is related to the person of the executor (Petrunya, 2019, p. 14).

We believe that the use of the term «monopolist» will practically negate the application of this provision. N. Ivanyuta distinguishes such a way of protection of the rights of the parties to economic agreements as notarial protection, considering it as a set of forms, means and measures of an alternative nature, which are carried out by the authorized bodies of the state, in resulting in the proper exercise of rights, in particular, to qualified legal assistance, the prevention or elimination of opportunities for infringement of rights, the restoration of violated rights of economic entities (Ivanyuta, 2018).

We agree with the researcher and believe that the involvement of notaries is undoubtedly a positive phenomenon that is in line with global trends. With the purpose to the practical extrajudicial protection of the rights of economic entities from November 26, 2014, the Business Ombudsman Council (Postanova Kabinetu Ministriv Ukrayiny' № 691, 2014) started operating in Ukraine as an anti-corruption initiative, agreed between the Government of Ukraine, the European Bank for Reconstruction and Development, the OECD and Ukrainian business associations. The activities of this council are aimed at preventing of possible violation of human rights by the economic entities themselves. However, in the opinion of the author, the activity of the above-mentioned council is advisory and needs to be fixed and regulated at the legislative level. As of today, it can not only submit appeals to other bodies of authority and officials in order to resolve issues presented in the complaint to this council.

Presenting main material. The Institute for the Protection of rights of economic entities has its own specificity and its own peculiarities. Part 2 of Article 16 of the Civil Code of Ukraine establishes ways of protecting civil rights and interests, namely: recognition of rights; recognition of a juristic act invalid; termination of the infringing action; restoration of the situation that existed before the violation;

compulsory discharge of duty in kind; change of legal relationship; termination of legal relationship; compensation for damages and other methods of compensation for property damage; compensation for moral (non-pecuniary) damage; the recognition of the decisions, actions or omissions of a public authority or local self-government body, their officers and officials. The court may protect civil law or interest in another way established by contract or by law (Cy'vil'ny'j kodeks Ukrainy').

Analyzing the rules of the Civil and Economic Codes, we agree with the opinion of Fedorenko T.V. that by comparing the norms of the Civil Code of Ukraine, namely Art. 16, which sets out the methods of protection of civil rights and interests, and the norms of the Commercial Code of Ukraine, Art. 20, defining the ways (means) of protecting the rights of economic entities, we see that 1) both codes contain an exhaustive list of ways of protecting the violated rights and interests; 2) the methods of protection of rights and interests established by both codes differ in volume, content and titles.

The main difference between the above-mentioned articles of the Civil and Economic Codes of the methods of protection of rights and interests concerns «recognition of the right» (Fedorenko, 2016, p. 142). In our opinion, they should be agreed first.

In June 2011, the United Nations Human Rights Council adopted the Business Guidelines, which were the impetus for setting new standards for the activities and responsibilities of businesses, and in Ukraine in particular.

In our view, in light of the issue under consideration, it is necessary to draw attention to Guideline 31, which states that, in order to ensure the effectiveness of state and non-state out-of-court complaint mechanisms, the following should be guaranteed: (a) legitimacy: ensuring the credibility of the stakeholder groups to which these mechanisms are intended, their accountability in terms of the fairness of the grievance processes; (b) accessibility: ensuring that all stakeholder groups targeted by these mechanisms are informed and that appropriate assistance is provided to parties whose access to the relevant mechanisms is hampered by specific barriers; (c) predictability: ensuring a clear and comprehensible procedure indicating the oriented timing of each step, as well as clarifying the types of process available, the results and the means of monitoring the implementation of decisions; (d) fairness: the desire to ensure that the parties involved have reasonable access to the sources of information, advice and expertise necessary to participate in the complaint, based on the principles of fairness, awareness and respect (Special Representative, 2011).

In order to prevent violations of the rights of the parties of the economic obligations, in accordance with generally accepted world practice, the author proposes to fix in the Commercial Code, as a prerequisite for the conclusion of any kind of contracts, the principle of «due diligence».

Currently, there are no regulatory mechanisms for ensuring due diligence on the part of the parties to the obligation, and there are no clear recommendations for its compliance. We may meet DUE DILIGENCE (ensuring due diligence) service announcements by many law firms, but in most cases they are part of the legal support of merger and acquisition agreements only. This practice, in the author's opinion, is positive; it requires its regulatory support, further development and application to a much wider range of economic contracts, and as a studying of the real state of the economic entity, studying and taking measures to minimize the real risks of fulfilling the obligation.

Likewise, the author proposes to include in the list of sanctions for a significant (such that it is extremely disadvantageous to the other party to the economic agreement) breach by a party of an economic obligation such as limiting access to certain types of financing, such as state or the right to participate in tendering, obtaining state aid, the right to participate in the privatization of state property, conclude concessions, participate in projects of state-legal partnership.

The mediation procedure is recognized as an effective mechanism for the restoration of human rights violations. Nowadays, the Law of Ukraine «On Mediation» is only a project, but its adoption is time consuming. We believe that its practical implementation will reduce the number of cases before the courts and allow the majority of conflict situations to be resolved in the pre-trial order, which will undoubtedly have a positive impact on the economic turnover.

According to the author, it is necessary to stipulate at the level of the code, as an essential condition of the obligation, a mediation clause, which will regulate the main provisions of its conducting and implementation of the agreements reached, in particular, voluntary payment of fines and compensation of the damages, without the conclusion of additional contracts or agreements.

Conclusion. It is necessary to note all the positive initiatives and shifts that are aimed at preventing and restoring the rights of economic entities carried out in contact and in accordance with international standards. But further intensity and complication of economic turnover in Ukraine can no longer be satisfied with the existing rules of the Civil and Economic Codes of Ukraine.

We conclude that, it is necessary to carry out further revision of the provisions of the Economic Code of Ukraine and to make appropriate changes, in particular, giving the parties of economic obligations the opportunity to operate a full mechanism of mediation procedures and the possibility of paying fines and damages independently without concluding additional agreements.

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INDIVIDUAL WAYS OF PROTECTING THE PERSONAL NON-PROPERTY RIGHTS OF INDIVIDUALS IN THE HEALTHCARE SECTOR

Some scientific methods of protection of personal non-property rights of individuals in the field of health care are considered in the scientific work, the content of the concepts of «protection» and «protection» and their correlation are analyzed, as well as peculiarities of jurisdictional and non-jurisdictional form of protection of personal non-property rights of individuals Health Care.

Keywords: *non-property rights, remedies, health care, jurisdictional form, non-jurisdictional form.*

Коротка Наталія. *Окремі способи захисту особистих немайнових прав осіб у сфері охорони здоров'я.*

У науковій роботі розглянуто окремі способи захисту особистих немайнових прав осіб у сфері охорони здоров'я, проаналізовано зміст понять «захист» і «охорона» та їх співвідношення, а також особливості юрисдикційної та неюрисдикційної форм захисту особистих немайнових прав фізичних осіб у сфері охорони здоров'я.

Ключові слова: *немайнові права, засоби правового захисту, охорона здоров'я, юрисдикційна форма, неюрисдикційна форма.*

Relevance of the research topic. Personal non-property rights of natural persons in the field of health, enshrined in the law, for the possibility of their smooth implementation must be protected by the statutory ways, since in the absence of an individual the opportunity to protect a particular right in that field, such a person may lose the possibility of exercising such a right.

Formulation of the problem. The assertion of personal non-property rights of an individual in the field of health care in the Civil Code of Ukraine gave rise to the need for further development of legislation, implementation of its provisions, and in case of non-recognition, violation or contestation of the rights of this area, their

protection and protection. the protection of the rights mentioned above, the content of which is substantive and their practical implementation will be discussed in this article.

Analysis of recent research and publications. Protection of personal non-property rights of an individual in the field of health care is the subject of research by O.I. Antonyuk, Y.G. Basin, M.I. Braginsky, V.P. Griбанov, M.I. Klein, O.V. Kohanovskaya, V.A. Ryasentseva, G.A. Sverdlik, G.Y. Stoyakin, E.L. Struning, E.O. Sukhanov, M.I. Usenko, etc. However, at present there is a lack of sufficient scientific research. in the aforementioned field, and therefore the ways of protecting the individual's non-property rights in the field of health care require further thorough scientific analysis.

Presenting main material. Subjective right granted to a person but not secured by the necessary remedies is only a «declaratory right». Without providing it with state law enforcement measures, one can only count on the voluntary respect of such a right by unauthorized members of society; it acquires, by virtue of this nature, only a morally secured right, which is based only on the responsibility of members of society and the authority of state power (Griбанov, 2000, p. 104).

Before moving on to the consideration of forms and civil remedies, we must first analyze the content of the concept of «protection» itself. To defend means to defend, to protect someone, something from attack, assault, hostile action, to watch for the inviolability of something (Yaremenko, 2006, p. 926).

Attention should also be drawn to the distinction between «protection» and «security». There are two main traditional ways of solving this problem.

Supporters of the first approach distinguish the concept of protection and protection, stating that protection is the establishment of a general legal regime, and protection – those measures taken in the event of violation or contestation of civil rights (Matuzov, 1987, p. 131; Peshkova, 1997, p. 217).

Supporters of the second approach include protection of the right to the concept of protection [Tertyshnikov, 1999, p. 5; Sergeev, 1998, p. 279; Dzera, 2001, p. 7; Krasavchikova, 1979, p. 8], noting that the concept of protection includes both its own security activities, and the exercise of law, and self-protection of law, and protection of law (Tertyshnikov, 1999, p.5).

We believe that the terms «security» and «protection» are not identical. The concept of «protection» is primordial because it exists before a violation of one or another right, and at the moment of violation, when it comes to the need to cease misconduct and restore the violated rights, a «right to protection» arises.

Thus, protection of personal non-property rights of individuals in the field of health care is the use of the forms and methods established by law in the case of violation of certain rights in the said area, aimed at termination of the violation, restoration of the violated rights, as well as in certain cases of receiving compensation by the person who was harmed.

According to Art. 15 of the Civil Code of Ukraine, every person has the right to defend his or her civil right in case of violation, non-recognition or contestation. Everyone has the right to the protection of his interests which is not contrary to the general principles of civil law.

As a general rule, the protection of civil rights and the interests protected by law is exercised by the courts. Part 1 of Art. 16 of the Civil Code of Ukraine provides that every person has the right to go to court for the protection of their personal property or property rights and interests.

Soviet legal literature denied the possibility of protecting such rights as the right to life, health, and other measures of civil law. It was pointed out that a court decision may not be rendered in all cases of violation of personal goods: civil law cannot protect these goods unless there is a question about the task of unlawful act violating these benefits, property damage (Egorov, 1953, p. 155–156).

Indeed, in the case of deliberate deprivation of life, or an attempt on life or grievous bodily harm, criminal liability exists, but to exclude the possibility of civil liability with regard to health rights in any case can not.

According to Art. 275, 280 of the Civil Code of Ukraine an individual has the right to protect his personal non-property right from the unlawful encroachments of other persons. The protection of personal non-property rights shall be exercised in the manner established by Chapter 3 of this Code. The protection of personal non-proprietary right may also be exercised in another way, in accordance with the content of that right, the mode of its infringement and the consequences which caused it; if a physical person has suffered property and (or) non-pecuniary damage as a result of a violation of his or her personal non-property right, that damage shall be compensated.

Any person may be the subject of a right of appeal. Part 1 of Art. 56 of the CPC of Ukraine (Code of Civil Procedure of Ukraine, 2004, p. 492) stipulates that in cases established by law, public authorities, local self-government bodies, individuals and legal entities may apply to the court for protection of the rights, freedoms and interests of others or state or public interests. In these cases. At the same time, public authorities, local self-government bodies must submit to the court documents confirming the existence of the grounds provided by law for applying to the court in the interests of other persons.

According to Art. 257 of the Civil Code of Ukraine, the limitation period for the protection of the person of their violated rights and interests is established for a period of three years. Instead, according to Part 1 of Art. 268 of the Civil Code of Ukraine, the statute of limitations does not extend to the claim arising from violation of personal non-property rights, except in cases established by law.

Also, Articles 276-279 of the Civil Code of Ukraine set out certain ways of protecting the personal non-property rights of individuals, including in the field of health care.

Yes, a public authority, an authority of the Autonomous Republic of Crimea, a local self-government body, an individual or a legal entity whose decisions, actions or omissions violate the personal non-property right of an individual obliged to take the necessary actions for its immediate renewal. If the actions necessary for the immediate restoration of the violated personal non-property right of the individual are not taken, the court may order the restoration of the violated right as well as compensation for non-pecuniary damage caused by its violation.

Another way to protect individuals' personal non-property rights in healthcare is to refute false information. Art. 277 of the Civil Code of Ukraine provides two special ways of protection of personal non-property rights, which is the right to deny false information and the right to reply.

«Right to refuse» means the right of an individual to demand from a person who violated the personal non-property right of individuals by disseminating false information, recognition of this information as false in a form that is identical or adequate to the form of dissemination of false information.

In turn, the «right of reply» should be understood as the right to cover one's own views on information disseminated and circumstances of infringement of personal non-proprietary right.

Another way to protect the personal non-property rights of individuals in the healthcare sector is to ban the dissemination of information that violates personal non-property rights. Thus, the legislator defines two subspecies of this method of protection with different legal consequences of its application: the first – in the case where the personal non-property right of an individual in the field of health care is violated in a newspaper, book, movie, television program, etc., which are being prepared for release into the world, it is believed that this information has been circulated among the people who prepare the newspaper, book, movie, TV show and more. Therefore, in view of the small number of persons who own the information, the court may prohibit the release of these printed editions or of cinema, television production to the world until the elimination of violation of personal non-property rights. So, for example, when a TV show spreads information that reveals a secret about an individual's health, such a person has the right to request that he or she dismantle the recording of the TV show before it is aired. However, according to Part 2 of Art. 307 of the Civil Code of Ukraine an individual who has agreed to shoot it on a photo, film, television or video film may require the termination of their public display in the part concerning his personal life. The costs associated with the dismantling of an exhibition or recording are reimbursed by that individual; second, when the personal non-property right of an individual in the field of health care is violated in a newspaper, book, movie, television program, etc., which is released to the world, then this information is considered to be widespread. Therefore, in this case, the

court may prohibit (suspend) their distribution until the violation has been eliminated, and if the violation cannot be eliminated, the newspaper, books and the like should be removed for the purpose of its destruction.

In the legal literature, it has also been suggested to enshrine additional, in addition to the aforementioned, methods of protection: publication of court orders on the protection of personal non-property rights for the purpose of preventing offenses, expressing public reprimand, public apology of a guilty person, removal from office or a ban on occupying relevant posts [Drobyshevskaya, 2001, p. 54; Malein, 1986, p. 207–208; Borisova, 2004, p. 175]. In our opinion, the most important for the real possibility of protection of personal non-property rights of an individual in health care is not the number of ways of protection prescribed in the legislation, but the effectiveness of their implementation. The Civil Code of Ukraine states that the list of methods of protection is not exhaustive, so it is possible to apply a method not prescribed in the legislation, but one that does not violate the rights of others.

Conclusion. Therefore, protection of personal non-property rights of individuals in the field of health care is the use of statutory forms and methods in case of violation of certain rights in the specified field, aimed at termination of violation, restoration of violated rights, as well as in certain cases of receiving compensation by the person who was harmed.

In determining the amount of non-pecuniary damage in cases of violation of personal non-property rights of individuals in health care, consider the following criteria: – psychological state of health of the person before and after the violation; – somatic health before and after the disorder; – costs incurred by a person in connection with a violation of a personal property right in the field of health care.

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AUDIT AS AN INTEGRAL PART OF BUSINESS SECURITY ENSURING: ORGANIZATIONAL AND LEGAL ASPECT

The analysis of audit in the field of entrepreneurship from the point of view of its influence over business security ensuring is performed in the article. The organizational and legal aspects of conducting audit control as a means of security and the method of enterprise's competitiveness strengthening in order to ensure independent conditions of its development are determined.

Based on the performed analysis it was ascertained that there are certain problems of audit activity legal regulation. However, it was shown that the existing issues do not deprive business entities of the possibility to determine correctly the procedure and peculiarities of conducting audit of an enterprise as a part of general business security, as well as of taking necessary security measures while it is performed. The types of audit control were defined and it was grounded that upon applying the provisions of many laws and regulations concerning various aspects of audit, the business owners have the opportunity to use any of them (mandatory, agreed-upon, internal) as a part of business security ensuring and due to this to draw their business up to higher development positions. However, each entrepreneur should

set the procedures and special aspects of developing such security measures at his own discretion within the scopes of the legislation in force.

In the process of analysis the exact scope of rights and opportunities that an entrepreneur has while each type of audit control is performed and the aspects one should pay attention to in order to use audit as a part of business security ensuring considering real or potential threats to his business were determined.

Keywords: *audit, laws and regulations, legal regulation, entrepreneurship, business security.*

Крегул Юрій, Сухацький Роман, Отамас Інна. Аудит як інтегральна частина забезпечення безпеки бізнесу: організаційний та правовий аспект.

У статті проводиться аналіз аудиту в сфері підприємництва з позицій його впливу на забезпечення безпеки бізнесу. Визначаються організаційно-правові особливості проведення аудиторського контролю як заходу безпеки та способу посилення конкурентоспроможності підприємства з метою забезпечення належних умов його розвитку.

На основі проведеного аналізу з'ясовано, що існують певні проблеми правового регулювання аудиторської діяльності. Однак показано, що існуючі проблеми не позбавляють суб'єктів господарювання можливості правильно визначити порядок та особливості проведення аудиту на підприємстві як складової загальної безпеки бізнесу, а також прийняти необхідні заходи захисту під час його здійснення. Визначено різновиди аудиторського контролю та обґрунтовано, що застосовуючи положення багатьох нормативно-правових актів, які регулюють різні аспекти аудиту, власники підприємств мають можливість використовувати будь-який з них (обов'язковий, договірний, внутрішній) як складову забезпечення безпеки бізнесу та за рахунок цього підіймати його на більш високі позиції розвитку. Проте кожен підприємець у межах чинного законодавства повинен на власний розсуд визначити порядок та особливості побудови таких заходів економічної безпеки.

У процесі аналізу встановлено, яким саме обсягом прав та можливостей володіє підприємець під час проведення кожного із різновидів аудиторського контролю, та на які саме аспекти варто звертати увагу з метою використання аудиту як складової забезпечення безпеки бізнесу з огляду на реальні чи потенційні загрози для власного підприємства.

Ключові слова: *аудит, закони та нормативно-правові акти, правове регулювання, підприємництво, безпека бізнесу.*

Relevance of the research topic. *Ukraine's transfer to market economy under conditions of independence caused rapid development of entrepreneurship. At the same time appearance of a large amount of small, medium and large business entities caused high level of competition and business owners' attempts to strengthen their positions at the market.*

Due to these changes, the necessity to implement audit as a new form of financial and economic control has appeared. According to articles 1 and 363 of the Law of Ukraine «On Audit of Financial Reporting and Auditing» No. 2258-VIII dated 01.10.2018, audit of financial reporting is an auditing service to verify accounting records and financial statements and / or consolidated financial statements of a legal entity, a representative office of a foreign entity or another entity that submits financial statements and consolidated financial statements to express an independent opinion of the auditor on its compliance in all material respects with the requirements of national accounting regulations (standards), international financial standards or other requirements [13].

However, at the beginning of its formation audit was only a means of examination and confirmation of accounting documents and statements but in modern conditions it has acquired the new features. Namely such as consulting orientation and prevention of risks in the enterprises' activity, forecasting their economic activity and providing business entities with a wide range of consulting and expert services. Thus, audit should be considered as an integral part of ensuring business activity safety which has certain specificity.

Analysis of recent researches and publications. It should be mentioned that there are many studies of native and foreign scientists devoted to the matters of audit. However, their studies were focused on consideration of legal grounds of performing auditing practice in various fields of business activity. The mutual publication of Yu. V. Velykyi, Ye. H. Yurin [18] and the studies of O. S. Horiaieva [7], L. L. Kinashchuk [10], A. O. Semenets [12], A. M. Chorna [3] and others are such works. Some scientists, such as O. V. Tsarenko [15], L. Yu. Ilnytska [8], A. O. Saiun [11], set the goal to study and compare the laws and regulations on audit of different states aiming to provide recommendations concerning introduction of possible amendments to the internal national legislation. Also, there is quite an interesting study of M. I. Kamlyk «Economic security of business activity» [9] and in one of its chapters the author considers audit as a form of independent financial and economic control.

However, the scholars of various aspects of audit did not regard it as one of the parts of business security ensuring. As well as they did not pay attention to defining and applying the security means for its appropriate performance and ensuring further protection of the interests of an enterprise.

Formulation of the problem. Thus, the purpose of this study is to determine the peculiarities of performing audit at commercial enterprises as one of the means of ensuring business security, as well as to choose the ways of protecting an enterprise's interests from the auditors' illegal actions.

Analysis of recent research and publications. Considering audit as an integral part of business security formation it is important to understand the tasks of audit activity established at the legislative level and those the business owner may and should set taking care of protection of his business.

Hence, taking into account the above mentioned article 1 and article 8 of the Law «On Audit of Financial Reporting and Auditing» and the practice of performing audit control at enterprises, the main tasks are as follows:

- examination of truthfulness of financial statements, legality and expedience of business transactions, and state of accounting;
- performing analysis of financial and economic activity with the aim to determine the ways of increasing its economic effectiveness;
- consulting business activity units regarding arrangement of accounting and internal financial control, taxes, improvement of the methods of management;
- performing evaluation of the enterprises' property in view of their privatization, bankruptcy, etc.;
- protection of the client's financial interests;
- conducting the scientific researches in the fields of organization and methodology of accounting, management, financial control;
- developing based on a contractual basis the projects, expert conclusions and other materials connected with creation of new and reorganization of the active enterprises [13].

Thus, the efforts of auditors are directed towards the study of economic, organizational and informational characteristics of the business entities. This means that all the components of business activity, each having a specific functional meaning for functioning capacity of such unit, are considered as the object of audit analysis. They include: material, labour and financial resources; business processes; economic results of business activity; organizational forms, methods and functions of management [9, p. 140].

However, solving such tasks at a high level requires the presence of a clear and structured legislative support. In Ukraine the above mentioned law «On Audit Activity» is the legal basis of determination of all the actions related to «audit» as a term. Thus, setting the goal and tasks of audit, the principles of its organization, preparation of auditor's report and other issues are to be grounded based on its provisions.

It should also be noted that in many aspects the audit activity in Ukraine is imitation of the same activity abroad. Thus, by the decision of the Chamber of Auditors of Ukraine dated 30.11.2006 the obligatory application of the International Standards on Auditing by the entities performing audit was established since 01.01.2007. However, neither the mentioned laws and regulations, nor the State Standards on Auditing [8, p. 167; 11, p. 105] issued under the guidance of the Controller General (US Government Accountability Office), the International Standards of Internal Audit of the Institute of Internal Auditors, the Guiding Principles for Evaluators of the Joint Committee on Evaluation Standards, the Standards on Educational and Professional Testing, which are also the source of auditing activity in Ukraine, contain the common understanding of the terms «audit» and «auditor». But,

taking into account the provisions of the national rules of law, the international experience and the needs of business entities one may say that there is every reason to regard audit in the sphere of business as an independent examination of the impartial economic activity data and events and their compliance with the established criteria with further providing of results to the interested parties in the way established by law. This confirms the significance of audit as a method of business risks decreasing.

Also, unlike ordinary analysis of business activity and financial control, audit uses the methods of comprehensive assessment and comparison to understand the key aspects of business processes. The auditing activity focuses mainly on increasing the business management efficiency and internal control in the first place. The high-quality realization of these processes will ensure determination of the ways of increasing effectiveness of the business entities' activity.

Upon developing the strategy of business protection from various real and potential threats using audit control of an enterprise's business activity, one should remember that by its organizational features it is classified as mandatory, agreed-upon and internal. Respectively, each of them has its own organizational and legal peculiarities of being performed, its functional peculiar features of influencing the business economic security and the probable measures of protecting business interests upon conducting audit control [9, p. 139–141].

The mandatory audit is regulated by the respective legislative documents and laws. The categories of entrepreneurs, subject to audit examination, and the grounds of such examination are determined by them. According to article 36 of the law «On Audit of Financial Reporting and Auditing» conducting of audit is obligatory for:

- confirmation of the truthfulness and completeness of annual and consolidated financial statements of public joint-stock companies, enterprises issuing bonds, professional participants of stock market, financial institutions and other business units whose statements are subject to official public disclosure according to the legislation of Ukraine, except for institutes and organizations fully supported at the expense of the state budget;

- examination of financial position of the founders of banks, foreign investment enterprises, public joint-stock companies (except for individuals), insurance and holding companies, joint investment institutes, trusts and other financial intermediaries;

- issuers of securities, dealing with public placement of shares and derivatives, as well as upon receiving the license for professional activity on securities market;

- other cases provided for by the legislation [13].

Unlike mandatory the agreed-upon audit is performed based on the concluded agreement between the business unit and an auditing company. The object of audit, scope of work, period and time-frame of examination are stipulated in the agreement.

On a contractual basis the auditing company may provide the customer with services on improving accounting and financial control, consultations and

recommendations regarding business activity and other related services. However, despite the fact that audit is performed on a voluntary basis, the business owner is to make a decision on annual enterprise's report approval and in case of negative report of the auditor regarding truthfulness of the annual report he is to eliminate the revealed drawbacks and to submit the revised report for additional checking. One should also remember that in case of failure to submit or late submission of the audit report to the tax authority because of the business unit's fault, financial sanctions and administrative fines provided for by the effective laws and regulations of Ukraine are to be applied to the enterprise, which in its turn will have negative effect on the enterprise's business activity [7, p. 135–136; 9, p. 141–142].

It should also be remembered that according to article 7 p. 4 of the Law «On Audit of Financial Reporting and Auditing» the business entity's authorities are obliged to provide the auditor (auditing company) with the conditions for high-quality performance of audit and are as well responsible for the fullness and truthfulness of the information and documents given to the auditor (auditing company) for conducting audit or providing other audit services [13].

Thus, the applied measures will give the enterprise an opportunity to avoid imposing various fines by the control authorities, as well as, to a certain extent, protect the enterprise from undesirable financial losses disrupting its economic stability and being additional burden in the business unit's cost of goods or services sold.

Internal audit has a special significance for business security ensuring. It is performed by the business owner with the aim to determine managerial needs, to ensure enterprise's solvency and to prevent bankruptcy. With the help of internal audit the issues regarding increase of the company's efficiency and profitability by means of using its own resources and applying the know-how, scientific assessment and reasoning of business activity in general or a separate business transactions may be solved [12, p. 147, 151]. Thus, internal audit may be considered as an integral part of the system of managerial control and is able to perform preventive and strategic functions in the course of enterprise's business activity. It allows to avoid appearing of conflict situations in future, as well as to work out the recommendations for improving the company's marketing activity. Internal audit is directed towards supporting managers in performing their controlling functions, while the external audit is useful for the outside groups.

For the security purposes the important task for the business owners is to transform it into current audit which will be performed in order to provide the enterprise's management with the necessary information for making managerial decisions regarding augmentation of the products and services competitiveness, strengthening business' financial stability, etc. [9, p. 142–143; 18, p. 54–55].

Protection of business' interests in the course of conducting audit is also an important issue. For this purpose it is important to realize clearly the position of each of the participants of legal relationship while performing audit of the enterprise.

Thus, according to articles 7–11 of the Law «On Audit of Financial Reporting and Auditing», regardless of the form of audit – mandatory, agreed-upon or internal, the auditing company and an auditor are obliged:

- to stick in auditing activity to the requirements of the laws and regulations regarding audit activity, standards of audit, auditors’ principles of independence and the respective decisions of the Audit Chamber of Ukraine;
- to perform audit and to provide other audit services in a proper way;
- to inform the business owners, authorized by them persons or customers of the revealed in the course of audit shortcomings of accounting and preparation of financial statements;
- to keep in secret the information received upon conducting audit and performing other audit services, do not disclose the data being a commercial secret and do not use them in one’s own interests or for the benefit of the third parties;
- to be responsible to the customer for breach of the agreement terms according to the agreement and law;
- to confine their activities to performing audit and other types of works related directly to rendering audit services in the form of consultations, inspections and expert examinations;
- to submit in due time the report regarding their audit activity to the Audit Chamber of Ukraine [13].

The terms of appearance of legal responsibility for violation by auditing companies and auditors of their obligations are stipulated in the Law of Ukraine «On Audit of Financial Reporting and Auditing», in the Code of Ukraine on Administrative Infringements, in Civil and Criminal Codes and in other laws and regulations. However, taking into account the mentioned above obligations, in order to ensure their business’ security the business owners should specify in the regulatory documents, which will determine the procedure of performing auditing activity at the enterprise, the peculiarities of the auditor’s and auditing company’s legal responsibility. These may include: instructions of the controlling authorities, agreements, contracts for performing audit, orders of the enterprises’ directors on appointment of the responsible for conducting the internal audit persons or the persons responsible for ensuring the required conditions and for coordination of the internal auditors’ actions. Thus, for example, in the agreements and internal orders the owners should make provision for providing information with limited access and the way it is to be used at the enterprise, especially the information which is a commercial secret [9, p. 145; 7, p. 171–181].

This relates to a large extent to the fact that the question of how the information of the enterprises’ activity should be structured into different types, including commercial secret, and in which way it is to be used is not defined clearly in the legislative documents. In particular, according to article 505 of the Civil Code of Ukraine the commercial secret is a variety of information which is a secret in general or in its certain form or the complex of its parts, which is not known and is not easily

accessible to people who usually deal with the type of information it is related to, and due to this it has a commercial value and was a subject of adequate to existing circumstances measures of keeping it in secret, taken by a person who controls it on a legal basis. According to point 2 of the same article the commercial secret may be the information of technical, organizational, commercial, industrial or other character, except for the information which cannot be related to commercial secret according to the law [2].

In addition to these, article 420 of the Civil Code of Ukraine (CCU) [2] and article 155 of the Commercial Code of Ukraine [4] state that commercial secret is an object of intellectual property, and article 506 of CCU gives the opportunity to the business entities to determine the range of intellectual property rights to commercial secret. The following rights should be related to them: the right to use commercial secret; the exclusive right to permit using the commercial secret; the exclusive right to prevent illegal disclosure, collection or use of commercial secret; other intellectual property rights set forth by the law [2].

It is important to emphasize: the analysis of the effective legislation of Ukraine showed that the structure and volume of data which is a commercial secret and the way it is protected are determined by the owner himself following the legislation in force [17, p. 312–313]. Since any information may be a commercial secret, except for the data set forth in part 4 of article 30 of the Law of Ukraine «On Information» [5] and the Decree of the Cabinet of Ministers of Ukraine No 611 [14] «On the List of Information which is not a Commercial Secret». And the legal basis for requesting to perform certain actions or refrain from performing them with regard to the information with limited access is the right of ownership to this information [1, p. 182–184].

From their part such security measures will create additional restraining factors to possible illegal actions from the auditor's part in the form of illegal use or disclosure of enterprise's commercial secret. Thus, one should remember that the main purpose of the developed measures of enterprises' interests protection, including the security of information whilst performing audit, should not be oriented the reimbursement of damage caused by the loss of commercial secret, but to prevention of such loss.

It should be remembered that the subject of encroachment on the important for the enterprise's activity information may be not only persons performing internal or agreed-upon audit, but also those performing mandatory audit control. As the representatives of controlling authorities, using their official position, may perform such actions for their self-interest. For example, on the competitors' order [1, p. 184]. Thus, for better protection in the course of audit control of information that is a commercial secret from the illegal actions of controlling authorities the business entities should use the provisions of the Decree of the President of Ukraine No 817/98 dated 23.07.1998 [6] and the Order of the State Committee of Ukraine on the Development of Entrepreneurship No 18 dated 10.08.1998 [16]. These regulations

permit in a set order not to admit the representatives of the controlling authorities to perform inspections and to restrict their access to the certain types of information, including the commercial secret.

Conclusion. Thus, taking into account the tendencies of development of entrepreneurship in Ukraine such additional measures of business security ensuring in the course of audit are still relevant.

By summing up the mentioned above, it must be said that the existing set of laws and regulations of native and foreign origin contains certain discrepancies in understanding of audit activity. Although, the study of its functional aspects and the questions regarding formation of complex protection of business activity provided grounds to consider audit as an integral part of business security ensuring.

The study showed that the audit control, under the conditions of high-quality approach to its performance, plays an important role in business security ensuring. As the comprehensive understanding of the qualitative characteristics of audit and correctness of performing and applying it ensure the possibility to detect the shortcomings in the enterprise's activity and to determine the ways to increase business efficiency and profitability by means of using its own resources.

In addition, based on the said above it should be mentioned that in order to improve the effectiveness of performing audit control and to provide proper conditions for development of entrepreneurship it is necessary to pay attention to the existing problems in this sphere in order to solve them.

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REALIZATION OF CONSUMER RIGHTS IN HOUSING AND UTILITIES AREA

The terminological inconsistency in the legislation on housing and communal services is analyzed. The normatively developed concept has been researched and it is established that there is a certain legal uncertainty which limits the rights of consumers, in particular, the notion of «management of an apartment building» is not regulated and it is not specified who is granted this right; abolished the legislative concept «the right of co-owners of apartment buildings to manage their property». The definition of the status of the consumer as an individual receiving services in the housing and communal sphere is analyzed.

Keywords: consumer rights protection, manager, services, house keeping, coowner.

Микитенко Людмила. Реалізація прав споживачів у житлово-комунальній сфері.

Проаналізовано термінологічну неузгодженість в законодавстві про житлово-комунальні послуги. Досліджено нормативно розроблену концепцію та встановлено, що існує певна юридична невизначеність, яка обмежує права споживачів, зокрема, не впорядковано поняття «управління багатоквартирним будинком» та не конкретизовано кому надається це право; скасовано законодавче поняття «право співвласників багатоквартирних будинків управляти своїм майном». Проаналізовано визначення статусу споживача як фізичної особи, яка отримує послуги в житлово-комунальній сфері.

Ключові слова: захист прав споживачів, управитель, послуги, утримання будинків, співвласник.

Relevance of the research topic. Chapter 20 «Consumer rights Protection» of the EU-Ukraine Association Agreement establishes that Ukraine is gradually approximating its legislation to the EU acquis by introducing a number of relevant EU Directives. European consumer policy is based on the approach that legal regulation of consumer rights protection plays an increasingly important role.

In the current conditions of rapid development of economic processes and fierce competition among business entities, consumer legislation is a basic element of such development. Consumer is recognized as a non-professional, who purchases goods and services to meet personal needs, and therefore needs to protect his or her rights from the state side to ensure a balance of interests in market relations with a more powerful participant – the entrepreneurship.

These tasks are extremely important for the consumer community in Ukraine. The entry into force on May 1, 2019 of the Law of Ukraine «On Housing and Public Services» No. 2189-VIII of 09.11.2017, as amended by Law No. 2454-VIII of 07.06.2018 (hereinafter the Law) (Zakon Ukrainy «Pro zhytlovo-komunalni posluhy, 2017), caused violation of this Law, and other related legal acts, consumer rights and provisions of the Constitution of Ukraine. In return the Law on Housing and Public Services (as well as other laws and documents) introduces concepts that are contrary to the Constitution and restrict consumer rights.

The Constitution of Ukraine (Article 22) states – «Constitutional rights and freedoms are guaranteed and cannot be abolished. When adopting new laws or amending the existing laws, it is not allowed to narrow the content and scope of existing rights and freedoms» (Zakon Ukrainy «Konstytutsiia Ukrainy», 2006).

Formulation of the problem. In accordance with the Law of Ukraine «On Consumer Protection» (Zakon Ukrainy «Pro zakhyst prav spozhyvachiv», 1991), all citizens of Ukraine have the right to receive services in full and proper quality. However, in the housing and communal sector, consumer rights are often violated due to legislative disorder and uncertainty.

The Law of Ukraine «Housing and Services» defines that housing and communal services are the result of economic activity aimed at providing living conditions for people in residential and non-residential premises, houses and buildings, complexes of buildings in accordance with norms, standards, rules and policies.

A contractor is recognized as an entity whose subject of activity is the provision of housing and communal services to the consumer in accordance with the terms of the contract.

Currently, there is some ambiguity in the legislation on housing and utilities that limits consumer rights. In particular, there is the certain ambiguity in the definition of «management of an apartment building» and to whom this right is granted, as well as the term in the legislation «the right of co-owners of apartment buildings to manage their property» are not regulated. In addition, the cornerstone is the definition of the status of the consumer as an individual receiving services in the housing and communal sphere, which requires the legal regulation of the concept of «management of an a

Analysis of recent researches and publications. Questions about legal problems of housing and public legislation were addressed by: V. Alekseeva (Aleksieieva, 2005), O. Dimchenko (Dymchenko, 2009), I. Dragan (Drahan, 2011),

O. Malyuta (Maliuta, 2010), V. Rybachuk (Rybachuk, 2012), A. Sidorova (Sydorova, 2012), V. Shumilkin (Shumilikin, 2003), and others. But in their works, the role of state authorities in developing strategies for the development and management of housing and public services at the national, regional and local levels were only highlighted.

To study the legal problems of applying the current legislation in the housing and public sphere, the following tasks were set:

- to define the relation of concepts: «consumer», «person», «citizen», «individual» for further regulation of the legislation;
- to outline the terminological inconsistency of concepts in the housing and communal sphere;
- to make conclusions and proposals for improving legislation in this area.

Presenting main material. The Constitution of Ukraine in Art. 8 guarantees of protection of human and citizen's rights and freedoms are established. The rules that enshrine the rights and interests of individuals are the basis for detailing them in sectoral legislation and regulating all legal relationships, specifying the content of legal guarantees of realization, as well as for establishing a procedural process for the protection of subjective property and personal non-property rights protected by the law of interests and freedoms., including by means of civil procedural law.

However, in the definition of the term «individual», the Constitution does not contain the concept of «individual», but there is the concept of «person», «citizen», «resident». The status of «individual» is the status of a slave, not a person – a material body without spiritual components, a user of property, not his master, a person who has no relation to the constitutional right under Art. 6 of the Charter of the Universal Declaration of Human Rights.

In 1977, the General Assembly of the United Nations gave the following definition of the term «individual – non-citizen» (Deklaratsiia Orhanizatsii Obiednanykh Natsii, 1984). Private international law (Chapter 6, paragraph 1) accepts that «an individual is a migrant», that is, a person who has no legal connection with the state and therefore does not own it.

According to the passport, the person of Ukraine is a citizen, not an individual, the passport has a series and a number that fully identify the person.

The Civil Code of Ukraine (Article 24, Part 1) also stipulates that «a person, as a party of civil relations, is considered an individual». Since a person is always a party of any civil relationship, including before birth and some time after death, to regard the person as an «individual» is unconstitutional.

All people in Ukraine are consumers in different ways. In the first editions of the Law of Ukraine «On Consumer Protection», effective from October 1, 1991 and from December 15, 1993, the consumer was defined as a «citizen», but in subsequent revisions – already as a «individual», so all consumers in Ukraine this law deprived the title of «human» and «citizen».

The manipulation in the legislation of Ukraine of people by means of degrading status is a crime, genocide against a person (Article 442 of the Criminal Code of Ukraine) (Zakon Ukrainy «Kryminalnyi kodeks Ukrainy», 2001).

The next thing that needs to be regulated is the concept of managing an apartment building. In the previous edition of the Law of Ukraine «On Housing and Public Services», which became invalid with the adoption of the new Law, the categories of «holder» and «manager» of an apartment building and their functions were defined, in particular: Art. 13, Part 1:

2) maintenance of buildings and structures and adjoining territories (cleaning of internal premises and adjoining territories, sanitary-engineering services, maintenance of internal-house networks, maintenance of elevators, illumination of places of common use, routine repair, removal of household waste, etc.);

3) services for managing a house, structure or group of houses (balancing, contracting for the performance of services, monitoring the fulfillment of the terms of the contract, etc.);

4) repair of premises, buildings, structures (replacement and reinforcement of structural elements and networks, their reconstruction, restoration of load-bearing capacity of load-bearing structural elements, etc.) (Zakon Ukrainy «Pro zhytlovo-komunalni posluhy», 2017).

In the new edition of the Law of Ukraine «On Housing and Public Services»: Art. 1, h. 12) apartment building management service – the result of economic activity of economic entities aimed at ensuring the proper living conditions and meeting the household needs of the residents of the house by maintaining and repairing the joint property of the apartment building and its territory in accordance with the terms of the contract.

In Art. 1, part 14 of the Law of Ukraine «On Housing and Public Services» the manager of an apartment building (hereinafter – the manager) – an individual – an entrepreneur or a legal entity – the subject of business activity, which under the contract with the co-owners provides the proper maintenance and repair of the joint property of the apartment home and adjoining territory and proper living conditions and household needs (Zakon Ukrainy «Pro zhytlovo-komunalni posluhy», 2017).

So, in the new Law of Ukraine «On Housing and Public Services» (Article 1, Part 1, Item 14 and Article 2 Part 1), the category «holder» was abolished and the function of «maintenance» was defined as «management.», in particular, the subject of the regulation, defined by the Law, is» relationships arising in the process of providing consumers with services for managing an apartment building», not maintenance services.

In addition, in the current Law of Ukraine «On the peculiarities of exercising the property right in an apartment building» № 417-VIII with the changes made in accordance with the Law № 2189-VIII of 09.11.2017 defined the following:

– Art. 1, item 8 – management of an apartment building – committing to the owners of an apartment building actions to exercise the rights and fulfill the obligations of the co-owners in connection with owning, using and managing the joint property of an apartment building;

– item 1, item 7 – manager of apartment building (hereinafter – manager) – individual – entrepreneur or legal entity – subject of business activity, which by agreement with the co-owners ensures proper maintenance and repair of joint property of apartment building and adjoining territory and adequate living conditions and satisfaction of household needs (Zakon Ukrainy «Pro osoblyvosti zdiisnennia prava vlasnosti u bahatokvartyrnomu budynku, 2015).

However, since «management» (p. 8) is the actions of co-owners – owners, users and managers of property and no one else, co-owners are «managers» because they have the right to govern. And the «manager», who «by agreement with the co-owners, ensures the proper maintenance and repair» of the joint property (item 7), is not the manager, but is the «holder».

Thus, the co-owners of apartment buildings (which are managers of common property and consumers of public services including) in violation of the Constitution of Ukraine (Article 22) have been deprived of the constitutional right to be the manager and to own, use and dispose of their own property.

The concept of «co-owner’s share in the cost of maintaining and repairing common property» leads to a double interpretation.

The share of the co-owner in the costs of maintaining and repairing the joint property is defined in the Law of Ukraine «On peculiarities of exercising the property right in an apartment building» № 417-VII (Article 1, item 9) and other acts depending on the area of the apartment and / or non-residential premises of the co-owner.

These costs cannot depend on the area of the apartment and / or non-residential premises (because the property is common), so the costs should be divided equally by the number of owners of apartments and / or non-residential premises located in the apartment building.

Attention should also be drawn to the legal ambiguity of the concept of «housing and utilities contracts». The Law of Ukraine «On Housing and Communal Services» No. 2189-VIII of 09.11.2017 (as amended by Law No. 2454-VIII of 07.06.2018) states that: Art. 1, part 1, item 5 – housing and communal services – the result of economic activity aimed at providing living conditions and / or stay of persons in residential and non-residential premises, buildings and buildings, complexes of buildings and structures in accordance with standards, norms, standards, the rules and regulations implemented on the basis of relevant contracts for the provision of housing and communal services.

In Art. 1, part 1, clause 6 of the Law of Ukraine «On Housing and Communal Services» – individual consumer (who I am) – an individual who is the owner (co-owner) of real estate, or with the consent of the owner, another person who uses

the real estate and receives housing and communal services for their own needs and with which or on whose behalf the relevant contract for the provision of housing and communal services is concluded.

Under the management of an apartment building in accordance with Art. 1, part 1, clause 12 of the Law of Ukraine «On Housing and Communal Services» is understood – the result of economic activity of economic entities aimed at ensuring the proper living conditions and meeting the household needs of residents by maintaining and repairing joint property of an apartment building and its suburban territory in accordance with the terms of the contract. Provision of housing and communal services is carried out solely on a contractual basis.

Thus, the Law states that: – management services are provided in accordance with the terms of the contract with the owner (individual consumer of services); – with the consent of the owner, it is permissible to conclude a contract with another person who uses the real estate object and receives housing and communal services for his own needs. Instead, the same Law (Article 15, Part 1, Item 2 and Final Provisions) establishes the procedure for concluding, amending and terminating contracts for the management of an apartment building, whereby the contract is concluded on behalf of the co-owners of the apartment building by an authorized person of a local government body.

Conclusion. Thus, in view of certain problems of terminological inconsistency of concepts in the housing and communal sphere, we have identified the main factors that should be regulated, namely:

- the individual consumer-owner is deprived of the right to enter into a public utility service contract;

- this right is usurped, by granting it without the owner's consent to an authorized person of a local self-government body, who cannot have such a right, because he does not use the real estate object and does not receive housing and communal services for his own needs;

- violated the requirements of Art. 4 (h. 3) of the Law of Ukraine «On Housing and Communal Services», which defines the powers of local self-government bodies and which it does not provide for the conclusion of an agreement on behalf of the co-owners of an apartment building.

We will note that these norms violate Art. 22 of the Constitution of Ukraine, which does not allow the content and scope of existing rights and freedoms to be narrowed, «and the requirements of the basic act of the civil legislation of Ukraine – the Civil Code of Ukraine (Article 4, Part 2), in particular Art. 633 (part 4), which states that «An entrepreneur is not entitled to refuse to conclude a public contract if he has the opportunity to provide the consumer with the relevant goods (works, services).

In case of unjustified refusal of the entrepreneur to conclude a public contract, he must compensate the losses caused to the consumer by such refusal.

It is considered appropriate to amend the following legal acts:

1. Abolish in the Legislation of Ukraine the term and concepts of «natural person» as unconstitutional and degrading, and replace them with the constitutional terms and concepts of «man», «citizen» and «resident»;

2. In the Laws of Ukraine «On Housing and Communal Services № 2189-VIII of 09.11.2017 (as amended in accordance with Law No. 2454-VIII of 07.06.2018)» and «On Features of Exercising Ownership Rights in an Apartment Building» No. 417-VIII (as amended by Law No. 2189-VIII of 09/11/2017), which abolished the right of co-owners of apartment buildings to manage their property, the term «manager» (which «by agreement with the co-owners ensures the proper maintenance and repair» of joint property) replace by the term «holder».

3. Clause 9 of Article 1 of the Law «On peculiarities of exercising the right of ownership in an apartment building» № 417-VII shall be revised as follows: or non-residential premises.

4. In the Law «On Housing and Communal Services» No. 2189-VIII of 09.11.2017 with the changes made in accordance with Law No. 2454-VIII of 07.06.2018 the provisions of Art. 15, Part 1, Item 2 and the Final Provisions establishing the procedure for concluding, amending and terminating contracts for the management of an apartment building in which «the agreement is concluded on behalf of the co-owners of the apartment building by an authorized person of the local government» shall be canceled as unconstitutional and such that deprives the individual consumer of the homeowner of the right to enter into a public utility contract.

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PRACTICE OF THE ANTIMONOPOL COMMITTEE OF UKRAINE ON DEFINITION OF PUBLIC PROCUREMENT CONCEPTS

The article examines the practice of the Antimonopoly Committee of Ukraine on the application of the «two manufacturers» rule when considering complaints in the field of public procurement. Arguments about the illegal practices of the Antimonopoly Committee of Ukraine on the substitution of the terms «manufacturer» and «entity» are presented.

Keywords: public procurement, Antimonopoly Committee of Ukraine, manufacturer, entity.

Нескороджена Лариса. Практика Антимонопольного комітету України щодо визначення концепцій публічних закупівель.

В статті розглядається практика Антимонопольного комітету України щодо застосування правила «двох виробників» при розгляді скарг в сфері публічних закупівель. Наводяться аргументи щодо незаконної практики Антимонопольного комітету України щодо підміни понять «виробник» та «суб'єкт господарювання».

Ключові слова: державні закупівлі, Антимонопольний комітет України, виробник, суб'єкт господарювання.

Relevance of research topic. The Antimonopoly Committee of Ukraine under the Law of Ukraine «On Public Procurement» (Law Ukrainy, 2015) is the body of appeal in the field of public procurement. The Antimonopoly Committee of Ukraine, as a body of appeal, establishes a Permanent Administrative Board for the Consideration of Complaints of Violations of Public Procurement Law. In order to ensure the impartial and effective protection of the rights and legitimate interests of persons involved in the procurement procedures, the Permanent Administrative Complaints Board shall decide on the elimination of public procurement violations. The purpose of this article is to investigate the mandate of the Permanent Administrative Board to handle complaints of breaches of public procurement law.

Formulation of the problem. When considering complaints about breach of public procurement law, the Permanent Administrative Board of the Antimonopoly Committee of Ukraine (hereinafter – the Board) very often applies the «two manufacturers» rule. However, in our opinion, the Board has replaced the concepts that are enshrined in the Law of Ukraine «On Public Procurement» (Law Ukrainy, 2015). The Law of Ukraine «On Public Procurement» (Law Ukrainy, 2015) does not apply the rule of two manufacturers in any article. The word «manufacturer» is mentioned only in paragraph 3 of Part 2 of Art. 22 of the Law of Ukraine «On Public Procurement» (Law Ukrainy, 2015), namely it is forbidden in the technical documentation to make reference to a specific trademark or company, patent, design or type of the object of purchase, the source of its origin or manufacturer.

Analysis of recent researches and publications. The following scientists worked on issues of authority of the Antimonopoly Committee of Ukraine and the Permanent Administrative Collegium of the Antimonopoly Committee of Ukraine: Y. Zhuryk (Zhuryk, 2004), R. Mikhailik (Mikhalik, 2011), O. Pidmogilny (Pidmogilny, 2012), V. Gladka (Gladka, 2014), M. Malyuk (Malyuk, 2015), A. Zagrebelskaya (Zagrebelskaya, 2018).

However, the powers of the Permanent Administrative Board of the Antimonopoly Committee of Ukraine in the field of public procurement have not been thoroughly investigated in terms of interpreting the rules. Ukrainian science is actively developing regulations on public procurement and the limits of the powers of appeal bodies. There has been no comprehensive study of the mandate of the Permanent Administrative Board of the Antimonopoly Committee of Ukraine in the field of public procurement.

Presenting main material. A. Zagrebelskaya described in detail the rule of «two manufacturers» (Zagrebelskaya, 2018). In the mentioned article A. Zagrebelska also gave an example of a table for proving at a meeting of the Collegium that the products of at least two manufacturers, represented in Ukraine, meet all the requirements of the tender documentation.

The essence of the «two manufacturers» rule is that the Board invites the Customer to provide «... information on the compliance of all in the aggregate with the requirements of the tender documentation for the products of at least two manufacturers with supporting documents» (See the Board's decision in cases: UA-2018-07-06-001322-c.b1, UA-2018-10-26-000565-b.a1, UA-2019-02-19-000276-c.c2, UA-2018-06-07-003278-a.b2, UA-2018-06-05-002268-a.c3 and other).

In case the Customer has not proved the existence of the products of two manufacturers, which are represented in Ukraine, the Board shall make changes to the tender documentation.

However, in our opinion, the Board has replaced the concepts that are enshrined in the Law of Ukraine «On Public Procurement». As an argument can be cited: Part 2 of Art. 20 of the Law of Ukraine «On Public Procurement» of December 25, 2015

№ 922-VIII stipulates that during the open tender procedure all tenderers have the right to submit tenders. At least two proposals must be submitted for the procurement procedure. In the Law of Ukraine «On Public Procurement» of December 25, 2015, № 922-VIII, no article applies the rule of two manufacturers. The word «manufacturer» is mentioned only in paragraph 3 of Part 2 of Article 22 of the Law of Ukraine «On Public Procurement», namely it is forbidden in the technical documentation to make reference to a specific trademark or company, patent, design or type of the object of purchase, source of its origin or manufacturer.

In the legislation of the European Union and Ukraine, a manufacturer is understood to mean an economic entity that manufactures a product or declares itself as a producer of a product (Article 2 of Regulation (EC) 765/2008 of 9 July 2008 establishing requirements for accreditation and market surveillance relating to the sale of products and repealing Regulation (EEC) № 339/93; Article 2 of Directive 2010/35 / EC of the European Parliament and of the Council of 16 June 2010 on mobile pressure equipment, and repealing Council Directives 76/767 / EEC, 84/525 / EEC, 84/526 / EEC, 84/527 / EEC and 1999/36 / EC; Article 1 of the Law of Ukraine «On Consumer Protection» of 12.05.1991 № 1023-XII; Article 1 of the Law of Ukraine «On Liability for Damage Caused as a result of a defect in products «dated May 19, 2011 № 3390-VI and others).

However, economic activity is not only in the manufacture of products, but also in its implementation (Part 1, Article 3 of the Economic Code of Ukraine). According to Art. 263 of the Economic Code of Ukraine economic and commercial activity in the field of commodity circulation, which is aimed at the sale of products for industrial and technical purposes and consumer goods is carried out by economic entities. Economic entity means the participants of economic relations who carry out economic activities, realizing economic competence (set of economic rights and obligations), have separate property and are responsible for their obligations within this property, except in cases provided by law (55 (1) of the the Economic Code of Ukraine). Part 2 of Art. 55 of the Commercial Code of Ukraine refers to economic entities and economic organizations and citizens of Ukraine, foreigners and stateless persons who carry out business activities and are registered as entrepreneurs under the law. An analysis of the current legislation of Ukraine and the EU Directives makes it possible to state that any entity can participate in public procurement. Yes, paragraph 35 of Part 1 of Art. 1 of the Law of Ukraine «On Public Procurement» of December 25, 2015 № 922-VIII states that a tenderer may be a natural person, including a natural person – an entrepreneur, legal entity (resident or non-resident) who submitted a tender or took participation in negotiations in the case of the procurement negotiated procedure. The same is stated in paragraph 11 of the Preamble to Directive 2014/24 / EC of the European Parliament and of the Council of 26 February 2014 on public procurement and repeal of Directive 2004/18 / EC – «Tenderer» means an entity which has

submitted competitive bid. Point 14 of the Preamble to Directive 2014/24 / EC of the European Parliament and of the Council of 26 February 2014 on public procurement and repeal of Directive 2004/18 / EC and point 17 of the Preamble of Directive 2014/25 / EC of the European Parliament and of the Council of 26 February 2014 on the procurement of entities operating in the fields of water, energy, transport and postal services, which terminates Directive 2004/17 / EC, state that the term «economic operator» should be interpreted broadly, including any individuals and / or organizations that offer виконання performing works, supplying products or providing services on the market, regardless of their organizational form of activity. Thus, firms, branches, subsidiaries, partnerships, cooperatives, limited liability companies, universities, public or private, or other forms of non-physical entity, all fall within the concept of an entity, whether or not they are considered they are «legal entities» in all circumstances.

Contrary to these norms, the Board artificially restricts the range of potential bidders only to producers of products. As a consequence, non-product participants or participants who do not have direct contractual relations with manufacturers and / or their representative offices are excluded from the procurement procedure.

The illegality of the Board's position on the two manufacturers is also indicated in the decisions of the Kyiv District Administrative Court of May 15, 2019 No. 640/20251/18 (consideration of the complaint of DIAVITA Limited Liability Company No. 672 of 10.10.2018 in the procurement of UA-2018 -09-13-001220-c) and on August 5, 2019 No. 640/9921/19 (consideration of the complaint of Limited Liability Company «Etalon Auto Trading House» dated 14.04.2019 No. 574 in the procurement UA-2019-04-05- 000260-a.c2). The Court noted that the Antimonopoly Committee of Ukraine did not carry out a complete and objective analysis of the circumstances of the complaints in terms of establishing discriminatory conditions regarding the characteristics of the goods, and decisions were made only on the basis that the characteristics of the procurement subject established by the customer in the tender documentation, the products of two manufacturers, which are represented in Ukraine. The Kyiv District Administrative Court, based on an analysis of the current legislation, stated that «... not only two manufacturers should exist, but they must submit a bid and participate in the relevant tender.

Conclusion. Considering the above, we can conclude that the Permanent Administrative Board of the Antimonopoly Committee of Ukraine is unlawful. The Board, by introducing the «two manufacturers» rule, artificially limited the range of potential bidders to only manufacturers of products. In this regard, non-product participants or participants who do not have direct contractual relations with manufacturers and / or their representative offices are excluded from the procurement procedure.

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ELECTRONIC CORPORATION REGISTRY AS A COMPONENT OF CORPORATE PROTECTION RIGHTS

The article deals with the issues of keeping electronic registers as a component of state registration of commercial legal entities (corporations). The problems of keeping electronic registers have been identified and the directions for improving the legislation have been identified.

Keywords: applicant, state registration, electronic register, state registrar, access to state register.

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В статті розглядаються питання ведення електронних реєстрів як складової державної реєстрації комерційних юридичних осіб (корпорацій). Визначено коло проблем щодо ведення електронних реєстрів та визначені напрями удосконалення законодавства.

Ключові слова: заявник, державна реєстрація, електронний реєстр, державний реєстратор, доступ до державного реєстру.

Relevance of research topic. Within current conditions of development of the corporate sector in Ukraine, the main task of public authorities is to establish attractive investment environment to provide legal guarantees to investors in preserving their assets. First of all, when deciding to set up a corporation, founders, such as limited liability companies, should legitimize the legal entity and implement proper corporate governance for that corporation. But the corporate rights owners to be should understand the peculiarities of starting a business in Ukraine, the role of the state as a regulator of corporate relations, and the involvement of other participants into corporate relations within the activities of corporations and the legal mechanisms for saving and protection of corporate rights.

Formulation of the problem. Proper legal regulation of the whole set of legal relationships in regards to the procedures for state registration of corporations and the

maintenance of the Unified State Register of Legal Entities, Individuals that is Entrepreneurs and Public Formations (hereinafter referred to as the Unified State Register) is crucial for owners of corporate rights and other participants in corporate legal relations. Without proper standardization of state registration procedures and inclusion of relevant records into the state register of the corporation and related persons is impossible for proper corporate governance in the corporation and protection of the rights of the participants (shareholders), which are prerequisites for raising capital in the corporate sector of the economy. At the same time, the protection of corporate rights of members of corporations (commercial legal entities) from raider seizures is the main task of the state in the person of authorized bodies and officials.

Analysis of recent researches and publications. The issues of maintaining an electronic register on the creation and further functioning of commercial legal entities (corporations) have been the subject of research by a significant number of scholars. In particular, the problems of maintaining the Unified State Register as a component of the registration system of corporations, electronic registers were generally considered by O.M. Vinnyk, N.M. Dyakovych, O. R. Kibenko, I. V. Lukach, I. V. Spasibo-Fateeva and other scientists.

Presentaton of the main material. Despite the fact that in today's Ukraine corporations are quite successful in conducting business activities, the phenomenon of unlawful take over of corporate control over such organizations by third parties remain spread out, thus violating the rights of investors. Adequate protection of the rights of investors who have invested their assets into the corporate rights of Ukrainian commercial entities is a determinant of business confidence for the state, and serves as an indicator for attracting assets of national and foreign investors into the economy.

The current legislation of Ukraine, which regulates the activity of legal entities in the whole, and commercial legal entities in particular, has undergone significant changes in recent period. In its turn, corporate law, including the entry of relevant data in state registers, first of all, of the Unified State Register, needs further revision. It should be emphasized that a large number of registers are kept in Ukraine, which go beyond the limits of their own economic activity, as well as directly or indirectly affect the activities of corporations and other entities. However, through the prism of corporate rights protection, the decisive importance is being to maintain the Unified State Register of Legal Entities, Individuals – Entrepreneurs and Public Formations [8]. The general requirements for maintaining this register are defined by the Law of Ukraine «On State Registration of Legal Entities, Individuals – Entrepreneurs and Public Formations» [5]. The rules of the current Law on State Registration generally cover three different groups of relationships:

- in regards to the state registration of a newly established legal entity;
- amending the articles of association (founding agreement) and the Unified State Register of Legal Entities, Individuals – Entrepreneurs and Public Formations;
- the relationship related to the termination of the legal entity.

The information that is entered into the register of corporations reflects the principles of its creation, management features and identifies the person (s) – owners of corporate rights, etc. Therefore, the issue of proper keeping of registers for corporations and members of such corporations is overwhelming for the proper functioning of this type of legal entities and makes it impossible for corporate control raider interception [1, p. 53].

State registration as part of the legitimation of corporations and their activities by the state is intended to provide information to other legal entities, as well as to provide investors with a guarantee of the legality of their activities in whole and in the part of certain registration actions. It should be understood that relations in regards to the registration of a legal entity and the maintenance of the Unified State Register are governed by the norms of various branches of the law, including administrative, civil, economic featuring their complex nature. In particular, the state represented by the governing authorized bodies and persons carrying out the necessary for registration actions, persons creating legal entities have their own legal purpose, their own goals. However, their common features are of that the implementation of state registration on the basis of legality and the proper procedure for maintaining the Unified State Register is in the interests of all participants in the relationship.

One of the issues of today in the sphere of corporate relations regulation that are relevant is the save and protection of corporate rights of the corporations' members. The most frequently mentioned issues are protection of management and legitimate interests of participants of corporate legal relations from raider take overs. Despite the fact that the concept of «raid» as a general legal category is absent in the legislation of Ukraine in the overwhelming majority, it means unlawful activities to intercept control of certain property through the lens of research on the corporate rights of participants of commercial legal entities.

For today the main registration actions have their fixation in the Unified State Register, the data of which is reliable and open for public. Thus, as for the legal entity, the founders (members of the legal entity), other interested persons according to the information of the state register confirmed by the state are being prerequisite for committing certain legally significant actions of property and non-property nature. The legislator determines that the transfer of corporate control or corporate rights to a corporation implies the obligation to take certain actions in the field of amendments to the Unified State Register and other related registration actions, as well as to register changes into the constituent documents of the corporation.

On the legislative level the procedure for maintaining the Unified State Register is determined by the Law of Ukraine «On State Registration of Legal Entities, Individuals – Entrepreneurs and Public Formations», approved by the order of the Ministry of Justice of Ukraine dated February 9, 2016 № 359/5 [3].

M. M. Dyakovych, exploring the problems of notarial protection and save of corporate rights of the founders (participants) of limited liability companies, identified certain problems in this area. In particular, the simplification of the procedure for registration of documents of legal entities that are required for certain registration

activities did not always achieve the intended result. As the consequence in the field of corporate law the reverse process is taking place, namely, the fake and falsification of documents, on the basis of which certain registration actions are carried out and the information is entered into the Unified State Register [2, p. 65].

The measures envisaged by the Decree of the President of Ukraine «On Measures to Raiding Counteract» are aimed at minimizing such actions. In particular, the President Decree stipulates the obligation of notarization of contracts subject to the alienation of a share in the authorized capital of a particular legal entity, except for contracts created on the portal of electronic services of legal entities, individuals-entrepreneurs and public entities signed by using qualified electronic signatures. This provision of the President Decree allows us to draw a number of conclusions. The first conclusion is that the problem of maintaining the Unified State Register has become important because of the non-compliance (violation) of corporate rights of individuals and legal entities. Secondly, in order to protect legitimate interests of the owners of corporate rights the requirement for notarization of contracts for the alienation of corporate rights is established, and it is subject to notarial certificate, and recorded into the Unified State Register. In this direction, the Ministry of Justice of Ukraine is also spreading out its efforts according to the order of July 18, 2019 «On measures to strengthen the preservation and protection of data of the Unified State Register of Real Estate Rights, the Unified State Register of Legal Entities, Individual-Entrepreneurs and Public Formations» No. 790/33761 provides the verification of all persons having access to the Unified State Register [6].

Unlike the previous period, when records into the Unified State Register did not require compliance with special requirements, there was a widespread violation of participants' corporate rights. In order to minimize the negative manifestations regarding the maintenance of the Unified State Register, in 2016 the Law of Ukraine «On Amendments to Certain Legislative Acts on Improvement of State Registration of Real Estate Rights and Property Rights Protection» of October 06, 2016 No. 1666-VII [4] was adopted. This law establishes the requirements for the order of submission of documents to the state registrar and the procedure for their notarization, if provided by the legislation. However, these measures reduced the number of negative manifestations regarding the maintenance of the Unified State Register, but did not solve all the problematic issues. Nevertheless, to date these issues are legislatively regulated, but it remains necessary to eliminate all contradictions in current legislation regarding the maintenance of electronic state registers and the Unified State Register in accordance with the principles of the rule of law, protection of property rights and restoration of violated rights.

Conclusion. In the whole the rules and norms of the current legislation of Ukraine allow to protect the corporate rights of large and small investors, to regulate the issues of corporate governance of corporations and promote their sustainable development. Nevertheless, a number of issues regarding the proper protection of the rights of members of corporations remain, namely the corporations themselves. Therefore, the activity of public authorities in the field of protection of corporate

property, enforcement of corporate governance in different types of corporations should be reviewed in the part of recording information into the Unified State Register exclusively in the form and in the way that reflects the will of the owners of corporate rights and is not about allowing to put information into the register that directly or indirectly violates the rights of corporate investment entities.

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LAW PROBLEMS IN BANKING (PROTECTION OF CONSUMER RIGHTS IN BANKING SERVICES)

Each person throughout his life uses certain services to meet his needs. The service is a result of work, whether or not there is or there isn't a material form in it.

In the process of building a democratic rule of law and becoming a market economy, it is important to provide, develop, improve and implement banking services, which in turn requires an improvement of the banking system in the state and the proper legal regulation of banking activities. Recently, it has undergone significant changes: the two-level banking system has been created, the activities of commercial banks and specialized lending and financial institutions are becoming more and more developed, the non-traditional areas of application of bank capital are expanding, and the nature of the relationship between banks and clients is changing.

Keywords: *banking activity, banking system, banking operations, financial services, banking transactions, financial relationships.*

Ніколаєва Людмила, Севастьяненко Олена, Корольков Олексій. Правові проблеми в банківській справі (захист прав споживачів у банківських послугах).

У статті розглянуто деякі проблеми правового захисту споживачів банківських послуг, проаналізовано поняття та види банківських послуг, їх види та рівні залежно від спрямованості щодо задоволення вимог клієнтів, нормативно

правове регулювання даного виду послуг, зроблено конкретні пропозиції щодо вдосконалення національного законодавства.

Ключові слова: *банківська діяльність, банківська система, банківські операції, фінансові послуги, банківські операції, фінансові відносини.*

Relevance of the research topic. Banking system – it is a special type of economic activity which, without regulatory influence of the state, gathers signs of chaos, unpredictability, and leads to financial collapse. That is why state regulation of banking systems should be considered as a coherent system of relations between regulators and banking structures, the main peculiarities of which are a specific way of interconnection and interaction of its constituent elements.

Formulation of the problem. The banking industry is one of the fastest growing in the world economy. The banking sector of Ukraine did not bypass this process. Banking services are actively influencing the development of the Ukrainian economy at both macro and micro levels. First, banking is one of the active factors in the intensification of the reproduction process as a whole and its component as exchange, in particular. Second, banking services play a significant role in meeting the needs of the population, enhancing their standard of living by providing consumer loans and influencing small business development.

Currently, banking and banking services are in a state of active development and change, primarily due to the growing need for these services. Banking is certainly a specific area of social production by place in the process of public reproduction, the tasks they perform, the nature of the product, the mechanisms of organization and management.

Therefore, the definition of the term «banking service» in scientific circulation introduced several interpretations, which consist of the fact that «banking service» is both a type of activity, its result, and the activity itself. If you try to bring the above definitions to the common denominator, then you can offer the following: «banking service» – a regulated sequence of actions (transactions) carried out by the bank on the client's order, on the basis of payment, in order to meet the needs of the latter.

Using our definition as one of our research tools, we can classify banking services on the basis of certain criteria that characterize the features of their creation and provision to customers. Among them are, first of all, the orientation on market conditions. These will be traditional and innovative services.

Analysis of recent research and publications. Traditional services include credit, operating, investment [7, 52]. Credit is a service related to providing the borrowers with the money in terms of their repayment, payment and timeliness. Operations are services in servicing payment documents, accepting deposits of legal entities and individuals, opening and maintaining current accounts of clients of transactions with currency values, providing guarantees and sureties of responsible storage, as well as renting safes for storing valuables and documents. Investment

services consist in placing banks on their own behalf, on their own terms and at their own risk, attracted funds of legal entities and individuals. These include the services of banks for the organization of purchase and sale of securities on behalf of clients, the implementation of investments, authorized funds of other legal entities, etc.

Innovative services include services that were not previously inherent in banking: warranty, factoring, leasing, trust, advisory, information, etc. Guarantee services are performed by the bank on behalf and at the expense of the other party, on the basis of a return, if it is provided by the current legislation, or on the basis of a warrant established in the contract with the consent of the parties. Factoring services are provided by banks by acquiring the rights of claim for payment on financial liabilities purchased from different persons. Leasing services are provided by banks that purchase, at their own expense, suppliers of the means of production to lease them out to a long-term leasing company for the use of the property to their advantage. Trust (trust) services are services of banks on property management and performance of other services in interests and on behalf of clients.

Presenting main material. Being focused on meeting customer needs is another equally important criterion. The banking services for this classifier are divided into three levels:

1. The first level is the basic banking services that a customer actually buys. As a rule, they form the basic assortment of the bank: lending, servants on investment of capital, services in settlement and cash services, etc.

2. The second level is real-time banking services, ie the current assortment of the bank. This range is constantly evolving, without changing the basic directions of the bank's operation.

3. The third level is the extended banking services aimed at forming friendly relations with the client, providing him with versatile assistance (for example, servicing and developing foreign economic relations, developing the client's financial management).

The controversy over the definition of «*banking service*» makes it difficult to understand a category such as the banking market [8, 41]. Being an element of a complex multilevel system of market relations, it functions as an independent formation with its own content and patterns of development. Taking into account the essence of the system forming part of this market (banking service), the market of banking services can be called the legislatively defined sphere of formation and realization of supply and demand for services of banks, which satisfy the needs of clients and generate banking profit.

The banking services market is a specific sphere of commodity relations, where transactions are performed in order to accumulate funds, provide loans, make cash payments, issue of money and securities, and foreign currency transactions.

The peculiarity of the banking services market is that it exists only in cash and has a direct dependence on the development of the markets it serves. As a rule, bank

services are one-off, there is no possibility of their accumulation, they are not protected by patents.

The banking services market is characterized by all the inherent attributes of the market:

- banking services are the objects of the market;
- market entities are sellers of services: banks and buyers: individuals and legal entities, including the banks themselves;
- Price and sales channels.

Due to the impact of the global financial crisis, the banking business has changed somewhat, namely the change in the functioning of banking systems and the provision of their services. Speaking more specifically about banking services, some financial institutions (banks) began to provide poor quality services, and more specifically, services did not meet the needs of consumers and did not produce the desired result.

2015–2018 was marked by significant changes in the sphere of finance, adverse circumstances in the global financial markets affected each country. In Ukraine, this has led the actors of the relevant relationship, many banks and other financial institutions to take the path of compliance, and sometimes a clear violation of applicable law, to solve their financial problems. Moreover, this path intersected with the rights of ordinary citizens and legal entities – clients of such institutions [5].

State regulation of problems in the sphere of banking services is quite complicated due to the lack of a unified systematic legal act.

Therefore, the state regulation of the banking system of Ukraine should be aimed at creating a regulatory legal field of activity of commercial banks, such regulation would correspond to the current tendencies of banking activity; building a system of interconnections and interdependencies between public authorities in the implementation of fiscal and monetary policy; formation of competitiveness of the domestic banking system in the context of global integration processes; implementation of effective and timely supervision over compliance with the current banking legislation by Ukrainian banks; coordination of activities of state government structures in the external borrowing market.

Each of these areas of state regulation of the banking system of Ukraine requires special research. Let's take a closer look at the legislative and regulatory framework of domestic banks.

The legal framework for banking in Ukraine has begun to emerge since Ukraine's independence. Given the importance of banking regulation in ensuring stability in the development of the economy in Ukraine, there is a special banking legislation.

Banking law establishes the legal basis for bank lending, defines the legal position of credit institutions and the principles of their relations with credit recipients

in terms of repayment, maturity and payment, as well as the basics of Ukraine's currency relations with foreign countries and rules of currency transactions in Ukraine.

The basis of banking legislation is the Constitution of Ukraine. All legislative and regulatory acts must be adopted taking into account the principles and provisions of the Basic Law of the State. It is such documents that form an adequate legal infrastructure in a state where the rule of law exists.

The legal infrastructure of banking regulation in Ukraine has three levels:

1) *Legislation*. In the absence of a single systematic legal act, the norms of which would regulate relationships arising in the field of banking, such as, for example, the Banking Code, banking legislation, are classified as general, such special. The general legislation includes the Law on Banks and Banking, the Laws of Ukraine that define the basic principles of activity of market entities, for example, the Law of Ukraine «On Business Companies», «On Securities and the Stock Market», the Law of Ukraine «On State regulation of the financial services market», the Law of Ukraine «On State Regulation of the Securities Market in Ukraine», the Law of Ukraine «On Investment Activity», the Law of Ukraine «On Prevention and Counteraction of Legalization» (Laundering) of Proceeds of Crime, etc (2, 3,4).

Special legislation is aimed at regulating the relationship between the entities of the banking services market. It includes the Law of Ukraine «On Banks and Banking Activities», the Law of Ukraine «On the National Bank of Ukraine», «On Mortgage Lending, Consolidated Mortgage Debt Transactions and Mortgage Certificates», the Law of Ukraine «On the Deposit Guarantee Fund of Individuals», the Law of Ukraine «On Payment Systems and Funds Transfer in Ukraine».

2) *A series of regulatory rules*. Regulations (by-laws) relate directly to the rules of banking that are developed by competent supervisory authorities. These include Cabinet of Ministers Resolutions, NBU Board Resolutions, Presidential Decrees. Examples include rules for capital adequacy regulation; the order of formation of obligatory reserves; rules for conducting currency transactions, etc.

3) *Clarifications and comments on regulatory documents*. It is an interpretation of a legal act that is provided by a supervisory authority to detail its actions on the application of legislation or regulations.

The domestic banking legislation is characterized by: the multilevel nature of the legal regulation of banking activities and the presence of a large number of by-laws; absence of a single codified act on banking; the dynamics of banking law, the constant introduction of changes and additions to regulations; the contradiction and complexity of many regulations, their inconsistency with the acts related to market management.

In society, largely due to the crisis, there is a growing awareness of this gap between the actual inequality and the legal «equality» of the bank and the client. For example, courts are increasingly siding with private borrowers, especially mortgages. By implementing intuitive rules of fairness, even in defiance of legal protections for

contractual relations, judges seem to compensate for the weakness of the client's position. Courts, in a strange and paradoxical way, are beginning to fulfill the function of social protection, which is clearly overlooked in many aspects of the bank-client relationship.

Real protection of the rights of private clients is not so much to strengthen their positions by improving financial literacy (this is not possible), but to weaken their positions and limit the ability of banks.

The client is not at all obliged to be competent. He is obliged to pay, and literacy is a wish, but not a requirement. Therefore, customer illiteracy cannot be an excuse for banks.

During the crisis, many of the banks 'normal risks and many of the borrowers' abnormal risks were realized. And here is another grimace of the mythical «equality». Recognizing the losses as a result of the crisis, banks in their lobbying activities began to place special emphasis on their social importance, to protect the interests of depositors. And the banks, I must say, have received huge subsidies from the state in support of their social mission.

While citizens – first and foremost, borrowers – are left with their banking problems face to face. And because the main mass borrower was the «middle» class, politically amorphous, who does not visit polling stations and is not able to block the highways, so he did not receive any support from the state. The promises of mortgage loan restructuring are not taken into account – few have made use of this opportunity. And the problem is much wider.

Human rights, legislative, legal and public opinion is gradually but steadily focusing on this issue. In the near future, banks are likely to have to accept a number of restrictions and spend on compensation for their dominant role in public relations. This is not politicking, nor the grimace of the crisis, it is not even populism. This is an objective trend and an inevitability that bankers need to prepare for right now.

Of course, banks' responsibility should be increased. But the process must be progressive and two-sided. And when it comes to, for example, banning banks from unilaterally changing lending rates, we also need to simplify for banks, say, the circulation of collateral. This, again, will allow banks to offer better conditions to citizens.

If we do not adhere to such a balanced approach that takes into account the interests of both banks and customers, and impose only restrictions on banks, then all measures to strengthen their responsibility will necessarily be reflected in the cost of banking services.

Special protection and regulation are already in place to protect consumers of banking services in the banking sector. But now these procedures are applied by the state almost exclusively for the purpose of economic, monetary regulation and fight against shadow financial turnover. The trend of violent socialization of the banking business will inevitably lead to the emergence of new social constraints and

regulations – in addition to what has already been done by the deposit insurance system.

Much has already been done in this direction. These include interfering with the banking activities of government officials, introducing mandatory disclosure of effective interest rates on loans, and restrictions on the distribution of credit cards.

In most «network» banks, the client can only manage their contribution in the branch where he / she has contributed. Then can such a structure be called a network?

If a bank is advertised as a network, then its network is considered as a factor of cost, as an advantage, for example, in terms of access in any corner of the country. But for the benefit of a single network to become a real consumer value, there must be equal conditions and equal responsibility for the «sister daughters» of the same name.

In the long term, this rule should be introduced at the transnational level. If a bank collects clients and money under its international brand, then any «daughter» of this bank around the world must provide services on the same terms as in the country where the client was registered. Or, it should be denied the right to use a transnational brand and abandon the promises of reliability.

Now the use of «daughters» of their parent international brands without localization is often a deception of consumers, because brand «mothers» on the obligations of «daughters» may not meet or offer other conditions.

To protect the consumers of banking services, an All-Ukrainian Public Organization for the Protection of Consumers of Financial Services was created. The priority area of its activity is the provision of free legal support to depositors of banks, investment funds, credit unions, clients of insurance companies and construction financing funds.

There is also an Association of Ukrainian Banks on the territory of Ukraine, which has announced that it has decided to set up an All-Ukrainian Coordination Council for Creditors, Investors and Investors. The purpose of the council is to intensify the dialogue between banks and depositors and to increase trust between them. The Coordinating Council should also promote the introduction of positive experience of associations of depositors to protect the rights and interests of consumers of banking products.

Conclusion: Therefore, in order to ensure the conditions for alignment of the basic principles of the integration development of the domestic banking system to world standards, it is advisable to implement a system of consistent legal measures, covering:

- conducting large-scale studies of the NBU regulatory acts on their compliance with the current legislation. According to the results of the analysis, to develop a mechanism for their harmonization, while avoiding double standards;
- systematization of existing legislative and regulatory legal documents into a single codified act – the Banking Code;

- providing banks with the legal framework for regulating banks' activities with signs of stability and predictability of development;
- developing banking legislation to ensure an adequate level of corporate governance in Ukrainian banks.
- Improvement of existing legislation on: organization of banking supervision; application of monetary policy instruments, protection of creditors' rights; participation of banks in the stock market; and the development of legal provisions for the activities of foreign bank branches in Ukraine.

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JURISPRUDENCE AND INSTITUTIONAL CHANGES IN ADJUDICATION OF COPYRIGHT INFRINGEMENT CASES IN UKRAINE

Due to the judicial reform in Ukraine the system of adjudication of copyright infringement cases as well as the jurisprudence in these matters changes dramatically. The system of courts having jurisdiction over copyright infringement cases is expected to change soon. Also, the newly reformed Supreme Court has made some changes in jurisprudence in copyright infringement cases recently. Both of these aspects of the reform (institutional aspect and new trends in the court practice) are going to be discussed in this article with the main focus on the institutional reforms in Section I of this article, and Section II to be devoted to changes in jurisprudence made by the Supreme Court. Particular attention is going to be paid to some recent developments in court practice related to measuring damages in copyright infringement cases and problems courts are facing while dealing with online copyright infringements.

Keywords: *copyright infringement cases, IP court, online copyright infringements.*

Пільков Костянтин. Інституційні зміни у судовій практиці розгляду справ про порушення авторських прав.

У зв'язку з судовою реформою в Україні різко змінюється система розгляду справ про порушення авторських прав, а також судова практика в цих питаннях. Очікується, що система судів, які мають юрисдикцію у справах про порушення авторських прав, незабаром зміниться. Також нещодавно реформований Верховний Суд нещодавно вніс зміни в практику судочинства щодо порушення авторських прав. Обидва ці аспекти реформи (інституційний аспект та нові тенденції судової практики) будуть обговорені в цій статті з основним акцентом на інституціональні реформи в розділі I статті, а розділ II буде присвячений змінам судової практики, винесених Верховним Судом. Особлива увага буде приділена деяким останнім подіям у судовій практиці, пов'язаних

з вимірюванням збитків у справах про порушення авторських прав, та проблемами, з якими стикаються суди під час роботи з порушеннями авторських прав в Інтернеті.

Ключові слова: справи про порушення авторських прав, IP-суд, порушення авторських прав в Інтернеті.

Relevance of research topic. Ukraine is currently dealing with major reforms, of which the judicial reform is probably the most essential and complex. It started in 2016, went through several phases of ‘rebooting’ of main institutions of the judicial branch, and recently has come to the stage where specialized courts must be established, one of those is the High Court for Intellectual Property. Thus, the system of courts having jurisdiction over copyright infringement cases is expected to change in 2019 and 2020. Apart from that institutional component of the reform, the newly reformed Supreme Court has made some changes in jurisprudence in copyright infringement cases recently.

Formulation of the problem. The major institutional and jurisprudential changes related to adjudication of copyright infringement cases need to be discussed in details, and viewed in connection with the general trend of reforming national system of copyright protection and its approximation to the standards applied according to the TRIPS Agreement and EU-Ukraine Association Agreement.

Analysis of recent researches and publications. Theoretical and practical aspect of reforming courts adjudicating IP cases are widely discussed. Studies on advantages and disadvantages of specialized IP courts have been conducted recently in many countries facing that challenge. Among articles and reports on this problematic topic we should mention papers prepared by Jacques de Werra, Rohazar Wati Zuallcoble, Denis Borges Barbosa and Pedro Marcos Nunes Barbosa, Hong Xue, Shamnad Basheer and Susan Isiko Štrba. Among Ukrainian authors, A. Butyrskiy studied the specialization principle within the Ukrainian court system, and O. Stoiev analyzed the benefits of specialized IP courts for Ukraine (Stoiev, 2015), while O. Iavorska presented a well-grounded critics of the concept of IP courts in Ukraine (Iavorska, 2018). Recent papers by A. Shtefan and K. Zerov deserve attention as the ones focused on legislative and jurisprudential developments of protection of copyright in Internet (Zerov, 2016).

Presenting main material. Currently, common courts (civil jurisdiction) and commercial courts (commercial jurisdiction) have the jurisdiction over copyright infringement cases. The delimitation of jurisdictions is mostly parties-based. However, after the judicial reform enters its further stage when the High Court for Intellectual Property (the ‘HCIP’) starts functioning, copyright infringement cases will be subjected to its jurisdiction. Although this step is sometimes heavily criticized (Iavorska, 2018) it is also viewed also as a step forward in reforming the system of

adjudication of IP cases (Zerov, 2016; Vardamatska, 2017) in particular towards predictable jurisprudence¹.

I. COURTS HAVING JURISDICTION OVER COPYRIGHT INFRINGEMENT CASES

A. *Current hierarchy of courts*

Civil copyright infringement cases (involving at least one private individual not being registered as a sole entrepreneur as a claimant or respondent) are under jurisdiction of common courts:

1. District courts as courts of first instance;
2. Courts of appeals;
3. Supreme Court (its Civil Cassation Court having no specialized chamber and its Grand Chamber in limited cases, e.g. conflict of jurisdiction, necessity of unification of court practice of different courts of cassation, cases having fundamental importance for the development of the law).

Commercial copyright infringement cases (mainly those in which only legal entities and sole entrepreneurs participate) are under the jurisdiction of commercial courts:

1. Local commercial courts in regions;
2. Commercial courts of appeals having jurisdiction over several regions;
3. Supreme Court (its Commercial Cassation Court having the chamber specialized in IP matters and its Grand Chamber).

B. *Specialized IP court*

In 2019–2020, copyright infringement cases will be subjected to the jurisdiction of the HCIP as the court of first instance. The court will be located in Kyiv and it will consist of twenty-one judges (President of Ukraine, Decree No. 299/2017).

The jurisdiction of the HCIP is defined in the Code of Commercial Procedures (the ‘CCP’) new version of which was adopted on October 3, 2017 (16) and entered into force on December 15, 2017 except for some provisions including those related to jurisdiction of the HCIP, they will enter into force when the HCIP starts working.

Article 20(2) of the CCP lists the following matters to be subjected to jurisdiction of the HCIP as soon as it officially starts functioning (the delimitation of jurisdictions is based on the subject matter criterion):

¹ It is also expected that the HCIP will publish landmark cases on its website which is to be created in 2019. Up until now the Unified Register of Court Decisions (access available at <http://reyestr.court.gov.ua/>) is the only official database in which decisions of every court in Ukraine are stored and made available to the public since 2007. Users can specify in their searching requests category of the case («commercial» or «civil») and then choose the subcategory («IP related case»). For court decisions issued after January 1, 2019 users can find within the category of IP related cases further division and chose cases «regarding copyright» and «regarding related rights». However, no separate and publicly available database of court judgments in IP cases apart from the Register exists in Ukraine.

- Intellectual property rights to inventions, utility models, industrial designs, trademarks, business names and other IP rights, including the right of prior use;
- Registration and keeping records of IP rights, the invalidation, prolongation and early termination of patents, certificates and other acts certifying IP rights or violating such rights or lawful interests associated with them;
 - Deciding whether a trademark is well-known;
 - Copyright and related rights, including disputes concerning the collective management of copyright and related rights;
 - Concluding, amending, terminating and executing agreements for IP rights management and franchising agreements; and
 - Protection against unfair competition such as unlawful usage of a trademark or a product by another manufacturer; copying the outer appearance of a product; collecting, disclosing and using commercial secrets; judicial review of the decisions by the Antimonopoly Committee of Ukraine in the abovementioned cases.

Thus, the hierarchy of courts having jurisdiction over copyright infringement cases is going to be the following:

1. HCIP as the court of first instance;
2. Appeal chamber within the HCIP;
3. Supreme Court as the court of cassation (specialized chamber in IP cases).

This new hierarchy is already facing some harsh critique, in particular for having an appeal court within the same institution that adjudicates the disputes as a court of first instance (Iavorska, 2018).

II. CHANGES IN JURISPRUDENCE IN COPYRIGHT INFRINGEMENT CASES

A. Calculation of damages in civil (commercial) procedures for copyright infringement cases

There is no standard approach as to what circumstances have to be taken into account while calculating and awarding damages in copyright infringement cases in Ukrainian civil and commercial procedures. Courts usually take into account all relevant aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer or steps taken to obtain such profits, other economic and non-economic factors. Because proving the causal link from violation to particular amount of damages may become problematic, the rightholders often claim for an alternative remedy – statutory damages.

In 2018, the Ukrainian Law on Copyright and Related Rights (the ‘Copyright Act’) (Zakon Ukrainy «Pro avtors’ke pravo i sumizhni prava») was amended to introduce new approaches towards enforcement of IP rights, specified in EU-Ukraine Association Agreement. According to Article 240 (1)(b) of the Association Agreement Ukraine took the obligation to ensure that when the judicial authorities set damages they are able in appropriate cases, as an alternative to setting actual damages to set the

damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.

Before the respective amendments entered into force, the Copyright Act provided the owners with alternative of claiming actually suffered damages – claiming a lump sum, most recently in range of UAH18,410 (approximately USD 660) to UAH 92,050,000 (approximately USD 3,400,000). This remedy was very popular among claimants because it did not require the precise amount of damages to be proven. As shown by recent jurisprudence, courts usually applied close to minimal amount of the above statutory damages (up to UAH 32,000) for a single violation. Courts usually considered as a single violation of IP rights the unlawful use of each work if several works were used. Also the use of each particular copy of a work and each separate manner of using a work might be considered as a single violation. Supreme Court usually upheld that approach (Supreme Court (Ukraine), Resolution of March 6, 2018; Supreme Court (Ukraine), Resolution of May 21, 2018).

Since July 22, 2018, after the above amendments to the Copyright Act entered into force, the lump sum has to be calculated based on the license fee the infringer would have paid to obtain the rightsholder's permission (actually, as its double amount or, in case of an intentional violation, triple amount of the license fee).

B. Provisional measures in copyright infringement cases

In 2003, the Ukrainian procedural laws were essentially transformed to satisfy the requirements set in Article 50 of the TRIPS Agreement (Agreement on Trade-Related Aspects of Intellectual Property Rights). Similar requirements were set in EU-Ukraine Association Agreement (Article 236) (Association Agreement, 2014). In view of the coming change in the system of courts having jurisdiction over copyright infringement cases and subjecting these cases to the jurisdiction of the HCIP which will conduct proceedings according to the Code of Commercial Proceedings (the «CCP») in this article we focus on the provisional measures that might be established according to the CCP.

There are two types of provisional measures the courts may take:

1. Measures aimed at securing enforcement of the court decision if issued in favor of a claimant – interlocutory injunctions (Section I Subsection 10 of the CCP):

- seizure of property and (or) money, belonging to or due to the respondent;
- prohibition to take particular actions by the respondent;
- prohibition to take particular actions with respect to the matter in dispute or transfer money or property to the respondent or perform any obligation to the respondent by a third party;
- stopping of customs clearance procedures with respect to goods or objects that contain IP rights;
- other measures that are not explicitly specified in the procedural law, but can secure effective defense or restoration of violated rights.

2. Measures aimed at securing evidence (§ 8 of Section I Subsection 5 of the CCP):
- examination of a witness;
 - appointing expert examination;
 - court order to produce and (or) inspect evidence;
 - prohibition of particular actions as to the evidence or ordering a person to commit particular actions with respect to the evidence.

These measures, if taken before the claim is submitted, are to be taken by the court having jurisdiction over the district where the evidence is located or where necessary procedural actions need to be taken. Otherwise it is for the court that is considering the case to decide on these measures.

Motions for both types of measures can be filed with the respective court before the claim is submitted, simultaneously with filling of the claim or in the course of proceedings. The court may take these measures without the respondent having been heard (*ex parte*), in particular where any delay would cause loss or difficulties in production of the evidence. Interlocutory injunctions aimed at securing enforcement of the court decision are usually taken *ex parte*.

The court is obliged to decide on the motion for securing measures within 5 days after its delivery to the court, 2 days – in case of a motion for interlocutory injunctions. Among other requirements the motion has to explain the necessity of taking the requested measures and be paid with the fee. If an applicant obtained provisional measures (court issued respective ruling) and failed to submit the claim within 10 days or the claim was rejected by the court, the court shall revoke the measures the next day after the said term elapsed or the claim rejected.

For both types of measures the court has the right to order the applicant to provide a security or equivalent assurance sufficient to protect the respondent and to prevent abuse.

C. Cross-border IP infringement cases

In court practice related to cross-border IP infringements three topics are still among those that are lively discussed: jurisdiction, applicable law, and recognition and enforcement of foreign judgments.

a) ***Applicable law.*** The principle of territoriality limits the effects of an intellectual property right to the country of its protection. Thus Ukrainian substantial law is applicable if the country in which the act of infringement was committed where the protection is sought is Ukraine (*lex loci protectionis*) according to Article 37 of the Law of Ukraine «On Private International Law» (Zakon Ukrainy «Pro mizhnarodne pryvatne pravo», 2005), which entered into force on September 1, 2005. Parties' choice of law is not permitted in cases of IP infringements, *i.e.* in non-contractual relations. In contrast to that the contracts regarding IP rights can be governed by the law chosen according to general rules of determining the applicable law in contractual relations.

b) **Jurisdiction.** Ukrainian courts find themselves competent and having jurisdiction over the IP infringement cases in which the alleged violations took place in Ukraine and the person who allegedly violated the IP rights is officially registered in Ukraine (Resolution of the Supreme Court of April 25, 2018 in «*Microsoft Corporation v. Zhytomyrgaz PJSC*»² (case No. 906/353/17): although the Supreme Court remanded this case, so that it was sent to the lower court, this case clearly illustrates that the commercial court properly recognized jurisdiction over the dispute about the alleged violation of copyright to the software produced in the USA and the rightholder was the entity incorporated in Washington, USA (Supreme Court (Ukraine), Resolution of April 25, 2018). Also Resolution of the Supreme Court (Commercial Cassation Court) of March 13, 2018 (case No. 918/186/17 «*NGO RC Social Partnership v. Ecology Investments LLC*») (Supreme Court (Ukraine), Resolution of March 13, 2018) presented below in Subsection D of this Section in details).

c) **Recognition and enforcement of foreign judgments.** Ukrainian courts recognize and enforce foreign judgments if an effective international treaty on recognition and enforcement of judgments exists between Ukraine and the state where the judgment was rendered³, or on foot of reciprocity. Reciprocity is presumed to exist unless otherwise is proven as it has been recently reiterated by the Supreme Courts in its Resolution of October 31, 2018 (case No. 127/10583/17) (Supreme Court (Ukraine), Resolution of October 31, 2018).

D. Jurisprudence in online copyright infringement cases

In several recent decisions the Supreme Court gave some directions for further development of jurisprudence in online infringement cases by issuing conclusions on important issues of jurisdiction and admissibility of evidence in such cases.

a) «**Uploading movie clips on Facebook: jurisdiction and evidentiary matters**»: Resolution of the Supreme Court (Commercial Cassation Court) of March 13, 2018 (case No. 918/186/17 «*NGO RC Social Partnership v. Ecology Investments LLC*») (Supreme Court (Ukraine), Resolution of March 13, 2018): In this case the courts found that the registration details of the Respondent contained among other information also the address of the official website of that entity. The website had a

² The name of the case is given for convenience only. Court cases are formally identified only with their unique numbers.

³ Ukraine is a party to over 35 bilateral treaties on legal assistance in civil matters, which contain provisions about recognition and enforcement of judgments. However, the majority of those treaties are not directly applicable to judgments in commercial disputes. Ukraine is also a party to several multilateral agreements directly or indirectly regulating the enforcement of foreign judgments. Some of these cover the Commonwealth of Independent States (CIS), e.g. Kyiv Agreement on Settlement of Commercial Disputes of 1992 and Minsk Convention on Legal Assistance and Legal Relations in Civil, Family and Criminal Matters of 1993. One of the most widely used international multilateral instruments to which Ukraine is a party is HCCH Convention on Civil Procedure of 1954.

link to the Facebook profile of that legal entity where a short movie clip had been uploaded. The copyright to that movie clip belonged to the Claimant.

This case is important for several reasons:

i. Courts found admissible as evidence of the content of the Respondent's website and its Facebook profile the report issued by an independent IT-firm, which is neither an expert institution nor an entity formally authorized to certify such facts;

ii. Courts reviewed the content of webpages directly at the hearing and admitted the screenshots of those webpages as additional evidence. Until recently courts were reluctant to conduct fact-finding researches of the Internet and assign any evidentiary value to the results of any such research. Sometimes notarized reports of the content of webpages or expert opinions were admitted as the only relevant, admissible and reliable evidence. The fact that the Supreme Court upheld the decisions of the lower courts in this case may be a sign that the jurisprudence develops towards less formal approach with regard to evidence;

iii. The lower courts and the Supreme Court did not get involved into the theoretical discussion about whether posting a movie on the Facebook page constitutes a display of a work and whether the copy that was made available for access constituted a copy of the work as the law defined it. The Supreme Court only concluded that the use of the work (public display) took place and it was not the non-commercial use, which was permitted by the law under certain conditions;

iv. The Supreme Court also upheld the opinion of the lower courts about the jurisdiction over the dispute. As the Respondent's Facebook page was available for access from anywhere in Ukraine, and the Claimant presented evidence (report of the independent IT firm issued in one of the regions) of the infringement in a particular region (where the report was issued), the local commercial court found that it had jurisdiction over the case as the infringement allegedly took place in its district. It was a simple solution to a significant theoretical questions of where an online infringement of IP rights actually took place and which court has the jurisdiction over the dispute.

b) **«Uploading copyrighted materials on a website: evidentiary matters»:** Resolution of the Supreme Court (Commercial Cassation Court) of March 13, 2018 (case No. 910/7092/16 «*Universe Media Corporation LLC*» v. *Interactive Marketing LLC*) (Supreme Court (Ukraine), Resolution of March 13, 2018): the Supreme Court upheld the opinion of the lower courts that the Respondent infringed the Claimant's IP rights to a movie by uploading and thus making it available on the website belonging to the Respondent (the Respondent was registered as the owner of the domain name). The courts also took progressive approach towards admissibility of evidence and admitted the minutes of the commission which was established according to the Claimant's order to inspect the content of the respective webpage as well as the video in which the inspection was filmed.

Conclusion. Although the Supreme Court has recently adopted some progressive approaches to determining whether the publishing a work online may be

considered as a public display or performance or sharing copies of the work, and thus constitute a violation of the copyright, Ukrainian jurisprudence is expecting the more sophisticated debate as it is clear that the above forms of use are not the same.

The development of modern technologies of sharing and distributing information, such as torrent sharing of pieces of files that may not be used by a human without computer technologies, may bring another set of legal questions as to what constitutes sharing copies of the work. These problems already became a hot topic among scholars, though the courts have not addressed these issues. Also the issues related to jurisdiction may rise again with respect to posting copyrighted materials on websites to which the access of some users is limited or restricted.

After the 2018 amendments to the Copyright Act changed the approach towards calculating statutory damages Ukrainian courts may face problems in deciding on the fair amount of hypothetical license fees that now constitute the basis for calculating lump sums alternative to damages. Courts also have to decide on the guilt of the respondent and apply tripled amount of the fee when they find the violation was intentional.

Apart from the challenges raised by 2018 amendments, the members of the judiciary are constantly facing the important questions of what material can be admitted as evidence (Pilkov, 2014, p. 149) and what probative value should it be assigned with in IP cases, especially when the line between the technical field or any other area where the expert knowledge is required and the common sense where the judge can make a competent opinion about the facts is not clear. The current trend towards wide use of the procedural economy and effectiveness principle in court proceedings combined with the judicial reform which may soon bring Ukraine the functioning specialized court in IP matters (HCIP), shows the direction of the development of the jurisprudence away from rigid adherence to use of expert opinions when deciding on many important questions in IP cases.

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CIVIL LIABILITY ON THE PROTECTION OF VICTIMS OF WAR AND TERRORISM

The article is devoted to the specific features of functioning the mechanism of civil liability in legal relations that arise in connection with the need to protect the rights of victims of war and terrorist acts. The author pays priority attention to finding adequate ways of implementation in national legislation the provisions of international legal acts on compensation of the damage caused to the victims by the mentioned circumstances.

Keywords: national legislation, war, terrorist act, damages, civil liability.

Прима́к Володи́мир. Цивільно-право́ва відпові́дальність в конте́ксті захи́сту пра́в осіб по́терпілих від те́роризму.

Статтю присвячено особливостям функціонування механізму цивільно-правової відповідальності в контексті правовідносин із захисту прав осіб, потерпілих від збройних конфліктів і терористичних актів. Основну увагу автор приділяє визначенню належних способів імплементації у національному законодавстві положень міжнародно-правових актів щодо компенсації шкоди, спричиненої такого роду обставинами.

Ключові слова: національне законодавство, війна, терористичний акт, відшкодування шкоди, цивільно-правова відповідальність.

Relevance of research topic. The problem of protection of civil rights and interests, both in itself and in combination with various aspects of international legal protection of human rights, is constantly and quite justifiably the focus of attention of domestic scientists. However, the continuing state of armed aggression of the Russian Federation against Ukraine is of particular relevance to the raised issue. Because of the fighting in the area of anti-terrorist operation and the operation of the united forces, as well as due to the temporary occupation of a large part of the territory of our country, prerequisites were created for large-scale violations of personal non-property and property rights and interests of individuals and legal entities.

Formulation of the problem. The provisions of international law on the need to create within the national legal systems various mechanisms of redress for the harm of victims of crime, terrorist acts, human rights and international humanitarian law violations (Good Practices, 2015) are based on the ideas of justice (Zegveld, 2003) and social solidarity (Banchuk et al. 2015). Without these ones national law could not to assert the primacy of human dignity (Hryshchuk, 2013). in the relevant sphere of social life. However, the legislation of Ukraine, designed to ensure full regulation of these compensatory relations, remains practically unformed.

Analysis of recent researches and publications. The issue of ensuring the state of Ukraine the right of victims to compensation for damage caused by acts of terrorism or as a result of hostilities has been actualized recently – with the beginning of the armed aggression of the Russian Federation against Ukraine (since 2014). In view of this, there is currently a lack of publications in domestic legal science on establishing the patterns of interaction between the rules of international and national law, designed to ensure the functioning of appropriate compensation mechanisms.

Presenting main material. Positive determining in the Law of Ukraine from 18.01.2018 № 2268-VIII «On the Features of State Policy for Ensuring the State Sovereignty of Ukraine in Temporarily Occupied Territories in Donetsk and Lugansk Regions» and in the Law of Ukraine from 15.04.2014 № 1207-VII «On Ensuring Rights and Freedoms Citizens and the Legal Regime in the Temporarily Occupied Territory of Ukraine» the responsibility of the Russian Federation as an aggressor state for violations of the rights and freedoms of a person and citizen defined in the Constitution and laws of Ukraine in a temporarily occupied Russian Federation territory, as well as the imposition on this state the obligation for compensation of material and moral damages caused as a result of temporary occupation to the state of Ukraine, legal entities, citizens of Ukraine, foreigners and stateless persons, unfortunately, remain unsecured at present sufficiently effective international legal and domestic legal instruments for the implementation of these regulations.

In addition, the rules of the aforementioned Laws of Ukraine are being in conflict with the provisions of the Law of Ukraine of 20.03.2003 № 638-IV «On Fight against Terrorism» and the Civil Protection Code of Ukraine, which contain blanket norms that potentially make the State liable for damage caused, accordingly, by a terrorist act or as a result of an emergency. Of course, many victims are using this, seeking to find a real source of compensation for their losses they suffered during hostilities in the East of our country.

In this context, it is important to take into account the content of international law on the protection of the rights of victims of crime (terrorist acts in particular) and violations of international humanitarian law, as well as internally displaced persons, who are largely focused on identifying appropriate forms of effective redress, among which issues of material compensation for property and non-material losses suffered by the victims (Basic Principles, 2005).

Although the report prepared by J. Milquet to the President of the European Commission «Strengthening victims' rights: from compensation to reparation» demonstrates a certain shift of emphasis towards the most comprehensive use of the various forms of restoration of the violated rights of a wider range of victims of crime, in the European legal area the problems of determining the subjects of the right to compensation, its size (introduction of fair compensation schemes), the grounds or criteria for the emergence of the right to receive compensation from the state, terms and sources of making such payments remain relevant (and not only in connection with inability to meet the relevant requirements at the expense of direct harm causer) (Milquet, 2019).

It is noteworthy that the practical solution of these problems and the realization of tasks related to the restoration of the rights of victims of crimes and violations of international law, as well as internally displaced persons, lies predominantly in the field of civil liability and, it is possible, some related legal institutions, for the purposes of which include social protection of victims precisely by compensation for the damage they caused.

However, it is primarily a tort liability that results from the violation of absolute property and personal non-property rights – a matter only in determining the cause of the harm (it may be directly a criminal or a state whose law enforcement agencies have failed to prevent the act of a terrorism or aggressor state) or another subject (of the same state in whose territory the terrorist act occurred, certain international funds or national compensation funds – already as public law entities), which appears as an accountability though not committed any illegal actions that could cause damage, that is obliged to compensate.

So as in Art. 2.101 Principles of European Tort Law (hereinafter referred to as «PETL») emphasize the need for compensation for property and non-pecuniary damage caused by a breach of a legitimate interest (Principles of European Tort Law), and in accordance with paragraph 20 of the Basic Principles and Guidelines on the Right to a Remedy and Reparation for Victims of Gross Violations of International Human Rights Law and Serious Violations of International Humanitarian Law «compensation should be provided for any economically assessable damage, as appropriate and proportional to the gravity of the violation and the circumstances of each case, resulting from gross violations of international human rights law and serious violations of international humanitarian law, such as: (a) Physical or mental harm; (b) Lost opportunities, including employment, education and social benefits; (c) Material damages and loss of earnings, including loss of earning potential; (d) Moral damage; (e) Costs required for legal or expert assistance, medicine and medical services, and psychological and social services».

However, the customary provisions of international law concern only that «a State shall provide reparation to victims for acts or omissions which can be attributed to the State and constitute gross violations of international human rights law or serious violations of international humanitarian law» (Basic Principles, 2005).

In other words, the state as the violator of the norms of international law bears responsibility for its own unlawful acts. That is why her liability is unconditionally based on the principle of full redress.

However, actions of the state of Ukraine to repel external aggression and restoration of sovereignty over temporarily occupied territories, counteraction to terrorism, etc. are exactly legitimate actions. In these cases (again, in the absence of dishonesty or disproportionateness in the actions of the representatives of the state), the forms and the limits of compensatory protection of the victims from hostilities and terrorist acts have to be defined in special legislation. At the same time, the inadequacy of the interpretation and application of its norms in the jurisprudence may give rise to false conclusions about the violation by the state the national legal norms and provisions of the Convention on the Protection of Human Rights and Fundamental Freedoms.

It should be emphasized that the Law of Ukraine of 06.03.2003 № 638-IV «On Fight against Terrorism» does not provide for material liability of the State of Ukraine in connection with the conduct of an anti-terrorist operation as a set of legitimate actions that could cause property and moral harm. However, it seems that domestic jurisprudence does not generally regard this fact. Therefore without a proper legal assessment remains the question about the presence in the actions of a potential subject of liability, not only unlawfulness, but also another objective condition of civil liability – a causal link between the behavior of the offender and the harm caused by it. After all, causers of harm can be different persons, public-legal entities, their bodies, officials, armed formations, etc.

Separation of causations that are different from one another is an effective safeguard for the nowadays widespread mixing of hostilities, terrorist acts and emergencies in the political and legal space of Ukraine as objective circumstances, legal facts, as well as inherent to them legal regimes. Instead, due to the proposed emphasis on the certain causation, hostilities within the framework of an anti-terrorist operation will remain precisely military actions (collisions of elements of the armed organization of two states) as well in terms of determining the proper legal regime for damages and will not be interpreted as a plurality of terrorist acts or emergencies.

Most often, victims of hostilities related to the armed aggression of the Russian Federation against Ukraine as a normative basis of their claims to the State of Ukraine for compensation of property damage caused in the area of anti-terrorist operation and operations of the combined forces, refer to the norms of Art. 19 of the Law of Ukraine of 20.03.2003 № 638-IV «On Fight against Terrorism». They stipulate that: a) compensation for damage caused to citizens by a terrorist act shall be carried out at the expense of the State Budget of Ukraine in accordance with the law and with a subsequent recovery of the amount of such compensation from the persons who caused the damage in the manner prescribed by law; b) compensation for damage caused to an organization, enterprise or institution by a terrorist act shall be carried out in the manner prescribed by law.

However, the Verkhovna Rada of Ukraine has not yet adopted a special law specifying the mechanism of compensation for the damage caused by a terrorist act. After all, the provisions of Art. 19 of the Law of Ukraine of 20.03.2003 № 638-IV «On Fight against Terrorism» are not the norms of direct action, since unlike most legal norms that stipulate direct responsibility of the state or territorial communities for actions of «third parties» (state bodies and bodies local self-government, their officials), neither defines the limits of such responsibility, nor its grounds and conditions.

Given the magnitude of the losses suffered by Ukrainian residents during hostilities in the East of our country, the implementation of other approach could lead to such a heavy financial burden that such jurisprudence could turn into an independent source of threat to Ukraine's national security.

Various elements of the mechanism of civil liability are covered by international legal documents that determine the principles of compensation for harm to victims of crime, terrorist acts, significant violations of human rights and international humanitarian law. For example, the European Convention on the Compensation of Victims of Violent Crimes of 24.11.1983 (Art. 2) (European Convention, 1983) implies that the state must assume compensation for the harm caused to those victims who have sustained serious bodily injury or impairment of health directly attributable to an intentional crime of violence and the dependents of persons who have died as a result of such crime. Moreover, the corresponding obligation arises in the absence of other sources of compensation.

Thus, at the international legal level, the range of special torts or factual grounds for imposing on a State a duty to compensate victims of crime is limited. In line with B. Emmerson's conventional approach, that drawn in report to the UN Human Rights Council on the fundamental principles of protecting the human rights of victims of terrorism, it is reasonable to consider the State's obligation to fully compensate victims of that category in two specific cases: when in the context of a terrorist act or the threat of its perpetration, the representatives of the state are directly or indirectly responsible for the violation of the human right to life; in the case of death or serious injury (Emmerson, 2012).

The outlined approach seems to be a balanced and consistent fundamental provision of tort law, according to which the level of compensation for damages depends on the value of certain interests, and therefore the most intense protection should be given to such personal non-material benefits, as life, physical and mental health, human dignity and freedom are obtained (Art. 2: 102 PETL) (Principles of European Tort Law).

Against this background, the attempts to shift the burden of compensation for any property damage caused by hostilities in the area of anti-terrorist operation and the operation of the combined forces, including the destruction of property belonging to victims, appear to be unjustified.

By the way, the same European Convention for the Compensation of Victims of Violent Crimes of 24.11.1983, in the Articles 4 and 5 (European Convention, 1983),

provides for the possibility of limiting the scope of state liability – both in terms of determining the extent of property damages to be recovered and in the marginal amount of probable compensation. On the one hand, compensation should cover at least the loss of earnings, the cost of medicines and hospitalization, the burial and maintenance of the dependents of the deceased. On the other hand, the compensation regime may set upper and lower limits for compensation for all or part of the damage. In other words, we can talk about the admissibility of establishing a regime of partial liability of the state, and therefore the limitation of the principle of full compensation for the damage caused. And all these aspects should be reflected in the special law, which the legislator refers to in Art. 19 of the Law of Ukraine of 20.03.2003 № 638-IV «On Fight against Terrorism».

In addition, under the European Convention on the Compensation of Victims of Violent Crimes of 24.11.1983 (European Convention, 1983), compensation for harm may be reduced or canceled in the light of the applicant's financial situation, conduct, and cases where full or partial compensation is contrary «to a sense of justice or to public policy». It generally introduces the broadest discretionary approach, which covers, among other things, the situation of the victim's «counter-fault» in tort.

Draws attention to the fact that, in addition to the European Convention on the Compensation of Victims of Violent Crime of 24.11.1983 (European Convention, 1983), the Declaration of Basic Principles of Justice for Victims of Crime and Abuse of Power, adopted by the UN General Assembly on 29.11.1985, specifically emphasizes the recognition of victims non-pecuniary damage, thereby implicitly securing for them the right to compensation for the personal non-pecuniary loss they have suffered. Therefore, the question of the grounds and amount of compensation for non-pecuniary damage should also be addressed in special legislation, which would establish state's compensation for victims of crime, terrorist acts, as a result of violations of human rights and international humanitarian law (in particular the law that have to be adopted by the Verkhovna Rada of Ukraine to implement the provisions of Art. 19 of the Law of Ukraine of 20.03.2003 № 638-IV «On Fight against Terrorism»).

Conclusion. Based on the foregoing, we can draw the following conclusions.

1. In the context of external aggression and in terrorist acts commission, the mechanism of civil liability is subject to certain transformations, related, first of all, to the fixing of special grounds, conditions and limits of its application, circumstances leading to discharge of liability, and the possible determination of distinct from the direct causer of the damage subjects of the obligation for its compensation.

2. There are no direct-action legal rules in the system of law of Ukraine that would fix the mechanism of compensation for damage caused by a terrorist act at the expense of the state. Provisions of Art. 19 of the Law of Ukraine of 20.03.2003 № 638-IV «On Fight against Terrorism» and Art. 85 of the Code of Civil Protection of Ukraine in such legal situations cannot be applied due to the absence of special laws mentioned in their texts. At the same time, the norms of Art. 86 of the Civil Protection Code of Ukraine, as well as the Code in general, extends exclusively to the legal

relations expressly stated therein concerning the protection against emergencies caused by the consequences of terrorist acts.

3. National legislation on the compensatory protection of victims of war, crimes (terrorist acts in particular), human rights and international humanitarian law violations should provide for the overriding imposition on the State of the obligation to compensate for the damage caused by unlawful acts of other entities in the form of property and non-pecuniary damage by death or grievous damage to the health of the victims. In the special laws, reasonable restrictions on the action in the relevant field of civil relations inherent in the tort law principles of guilt and full compensation for harm should be established, as well as the peculiarities of the interaction of substantive and procedural guarantees for the protection of the victim's and the state's interests in the relationships with the direct causers of damage.

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TRADE MARK INFRINGEMENT LIABILITY ON THE INTERNET: ACTUAL PROBLEMS OF LEGAL REGULATION IN UKRAINE

In the article the author considers current issues of trademark protection on the Internet, existing types of rights violations and forms of liability for them, and identifies the existing mechanisms of protection of trademarks rights and directions of their improvement, that are actual for Ukraine.

Keywords: *sign, trademark, Internet, legal protection of trademarks, infringement of trademarks rights on the Internet.*

Рассомахіна Ольга. Захист торговельних марок в Інтернеті: актуальні проблеми правового регулювання в Україні.

У статті розглядаються актуальні проблеми захисту торговельних марок в Інтернет, існуючі види порушень прав на торговельні марки в Інтернет та форми відповідальності за них, а також визначаються існуючі механізми охорони й захисту прав на торговельні марки в Інтернет та напрями їх вдосконалення, що є актуальні для України.

Ключові слова: *торговельна марка, Інтернет, правова охорона торговельних марок, порушення прав на торговельні марки в Інтернет.*

Relevance of research topic. In the conditions of development of market relations, the proper realization of intellectual property rights on trademarks is considered as an important factor of increasing the competitiveness of products, protection against unfair competition and creates opportunities for additional profits.

The existing laws on trademark protection in Ukraine, which define legal notions, forms and types of use of trademarks, although they take into account the sphere of Internet, and are sufficient to protect against infringement on the Internet, they are not sufficiently precise and detailed in terms of its content, relevant to the field of Internet. Thus, the legislation does not define the forms and types of use of trademarks on the Internet, the concept of proper, honest, nominal and descriptive use of trademarks on the Internet, the legislation does not specify the types of trademark infringements and methods of their protection on the Internet, which makes the

procedure for the realization of trademark rights by the subjects of rights in our country more complicated. Therefore, one of the tasks of the legislative work in the field of trademark legal protection is to eliminate the deficiencies in the legal regulation and to establish the rules, defining the conditions of use and legal protection of trademarks on the Internet.

Today, Internet has become the cause of various infringements of rights and interests of trademark owners, in particular through the registration and use of them as domain names, creation of websites and use on them different designations and signs, use of trademarks as part of the meta tags, hyperlinks, spam, banners, carrying out various acts of unfair competition, through the use of trade mark as keywords and by other actions. The use of trademarks on the Internet gives rise to many conflicts, regarding the validity of the use of trademarks on the Internet in various forms and ways; by committing acts that constitute offenses, such as misrepresentation or confusion, dilution; it can be the basis for a variety of conflicts between domain name and trademark rights, including cyberpiracy, cybersquatting.

Thus, The Internet has created many problems. related to the legislation on the protection of trademarks. One of them is the problem of identifying the person, responsible for the offense. Many issues are related to the commercial use of trademarks on the Internet, such as the direct trade of goods and services on the Internet.

In general, these issues relate to the definition of how branding strategy, outside the Internet, can be extended to the sphere of Internet.

The study of legal regulation of trademarks protection on the Internet shows, that there is no special legislation for the protection of trademarks on the Internet at the international level as a whole, but in this area there are norms of soft law and the various instruments (different standards, standard contracts, legal constructions and models etc.).

It should be noted, that trademark rights are territorially restricted, while the Internet does not have such restrictions, so, the use of trademarks on the Internet is often contrary to the principle of territoriality and specialization, applicable to trademarks protection. Combating trademark infringement on the Internet is now a priority in many countries. This topic has also become relevant in Ukraine, in particular in connection with the legislative work on amending the legislation in the field of protection of intellectual property.

Problems of protection of signs on the Internet have been investigated within the WIPO framework, have been the subject of discussion in public authorities and public organizations, and have been mentioned in the scientific works of a large number of national and foreign scientists.

Formulation of the problem. However, the consideration of legislative regulation and practice of applying trademark protection mechanisms on the Internet is still relevant, due to the uncertainty as to the priority of the form of protection of

infringed rights on the Internet, as well as, the lack of a uniform mechanism of its protection at the level of legal regulation, as well as, the lack of a unified approach to solve this issue, from a management and technical side, the widespread nature of IPR infringements on the Internet, by emergence of new cases of liability, the early stage of testing and enforcement practice in this area. Today it is insufficiently precisely determined at the legislative level, as well as in the sphere of enforcement law, what is proper use of the trademark on the Internet, the concept of commercial use of a trademark on the Internet, the volume of the proper use of the sign.

Thus, problems of complex regulation of relations on the use of trademarks on the Internet, coverage of questions about the forms and types of use of signs on the Internet, forms and types of violations of rights to them, liability and ways of protection of trademark rights on the Internet, remained out of the attention of scholars of modern domestic legal science.

Analysis of recent researches and publications. In the modern science of intellectual property law there has not yet been a comprehensive study of legal regulation of trademark protection on the Internet. However, common issues, related to the existence of intellectual property and its rights on the Internet, were explored by such scientists as G. Peter Albert (Peter Albert, 1999), Babkin S.A. (Babkin, 2006), in the work of Pastukhov O.M. (Pastukhov, 2004) on copyright and related rights on the Internet. Common issues of trademark protection on the Internet have been investigated in the writings of such scholars, as Demchenko T.S. (Demchenko, 2004), Kalyatin V.O. (Kalyatin, 2010), Resenchuk V.M. (Resenchuk, 2005), Suzanne Slovakova (Zuzana Slovakova, 2008), Tishkova M.V. (Tishkova, 2010), Cherepov L.V. (Cherepov, 2007), Sheveleva T.M. (Sheveleva, 2005). The issues of legal regulation of the use of Internet domain names and problems of resolving their conflicts with trademarks have been the subject of complex research by Boyko D.V. (Boyko, 2005), Bontlab V.V. (Bontlab, 2006), Maidanyk R.A. (Maidanyk, 2009), Maidanyk N.I. (Maidanyk, 2009), Sergo A.G. (Sergo, 2005). Issues of legal protection of the means of individualization on the Internet and resolution of conflicts between them were investigated by Zhukov A.S. (Zhukov, 2009), Sergo A.G. (Sergo, 2010). Issues of evidence of trademark infringement on the Internet were raised in separate works by Vatskovsky Yu. V. (Vatskovsky, 2007), Kuzmenko T.L. (Kuzmenko, 2009).

This study identifies current approaches to the mechanism of legislative protection of trademark rights on the Internet, current issues, that can be solved through legal influence and directions of legal regulation in this field. The study of the legislation and enforcement law practice in Ukraine in the field of trademark protection on the Internet has been carried out.

Presenting main material. For the regulation the relations in the field of trademark protection on the Internet at the level of individual countries, it is applied traditional principles to determine the existence of rights, the priority of use and for the establishing the similarity and likelihood of confusion.

The most advanced in this area should be considered U.S. law, in particular the Lanham Act of 1946 with amendments (15 USC Chapter 22), which contains the following provisions that are applicable to the use of trademarks on the Internet:

- civil liability for violation of trademark rights (§ 1125 (a)),
- methods of protection in the case of dilution of trademark (§ 1125 (c)),
- measures of cybersquatting prevention (§ 1125 (d)).

The last norm was adopted by the Anticybersquatting Consumer Protection Act (ACPA) in 1999 and requires that the registration of the domain name will not infringe trademark rights, provides protection against cybersquatting.

In general, at the regional level and at the level of individual countries the use and protection of trademarks on the Internet is governed by the laws on the protection of trademarks, which are amended and supplemented in accordance with the requirements of technological development and considering requirements of international standards and norms. At this stage, in view of above stated, and as a result of study of the legislation of foreign countries and regions, including the EU and USA, and enforcement law practice, as well as a number of international initiatives, regarding the improvement of regulation on the Internet, in particular searching for ways of preventing conflicts between the owners of trademarks and the owners of domain names (Update on Trademark-Related aspects of the Expansion of the Domain Name System. Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications), we can conclude about the need to improve the Ukrainian legislation in this area.

In the case of infringement of the trademark rights on the Internet, according to the legislation of Ukraine, the main thing is to establish the owner of the content, that harms legal rights and interests. In Ukraine, there is Ukrainian network information center (UNIC), which is a domain administrator for the Ukrainian Internet segment. Within this organization, the Center of Competence Address Space of the Internet was established, whose activity is mainly aimed at protecting the rights on the Internet. Because, due to the large number of such requests and court rulings, as well as the fact that the responses to them are provided free of charge, the UNIC is not able to process them in a timely manner. In this regard, and in order to promote the protection of the rights of persons against violations on the Internet, UNIC has accredited and reaffirmed the competence of the Ukrainian Center for Support of Numbers and Addresses on the Internet, for:

- conducting the fixing and investigation of the content of web pages on the Internet with the issuance of Expert conclusions;
- issuance certificates with information about website owners or installation information.

From May 08, 2019 the Subsidiary «Center of Competence Address Space of the Internet» was started, the decision of which was made by the Ukrainian Center for Support of Numbers and Addresses (founder) on April 26, 2019 in order to further develop the project of the Center of Competence.

Ukrainian law enforcement practice states, that in resolving disputes, related to the violation of intellectual property rights, the court must determine, whether the website and the information on it, belongs to the defendant, and also establish evidences, confirming the infringement of its intellectual property rights on the Internet. The person, whose rights have been violated, may use the services of the Center of Competence Address Space of the Internet, which conducts the fixing and research of the content of web pages on the Internet with the issuance of expert opinions (<https://web-fix.org/services/certificate-about-owner-website/>).

Considering provisions of legislation and practice in the field of protection of trademarks on the Internet, that exist in the foreign countries and regions, we can offer the following recommendations for the protection of trademarks on the Internet for Ukraine.

Regarding changes into legislation. Availability of appropriate norm in the Law of Ukraine «On Protection of Rights for Sign for the Goods and Services» (Article 16, point 4), recognizing, that application of trademark on the Internet as one of the way of the use of trademark, is sufficient to provide adequate protection and filing a lawsuit.

The statement of such provision in a sufficiently general form allows us to incorporate to the infringements of trademark rights on the Internet a wide range of actions. However, it is necessary to clarify the concept of the proper use of trademarks on the Internet into Ukrainian legislation, the concept of commercial use of a trademark on the Internet, the volume of proper use of trademark, the methods and conditions of such use, the sufficiency of nominal use; the need to use it in connection with the goods and services; the concept of bona fide user and conditions of fair use; as well as conditions that exempt from liability, etc. This will improve the legal support and application of protection measures of violated rights to trademarks on the Internet by both, right holders and by judges. It would be useful to identify certain types of offenses and to delineate the types of liability for infringement of trademarks on the Internet, as well as, to provide separate provision on measures for the protection of trademark rights against cybersquatting.

For the prevention of the abusive registration of domain names as trademarks is eligible to include to *the Guidelines for the Consideration of the Application for a Certificate of Ukraine to Sign for the Goods and Services* (or to the corresponding Rules) commentary on the possibilities and conditions for registration of domain names as trademarks.

It was interesting to study the question on the feasibility of setting in The UA. Domain Policy (item 3) provision that second-level private domain name shall be delegated exclusively on condition, that the registrant submits the documents to the current registrar, confirming trademark rights, if it wholly or partly coincides with the trademark, etc. This provision was a different reading. In general, the practice of registering domain names in domain. UA is based on the requirement of registration of trademark as a condition of the delegation of domain name in this area for all cases.

The experience of foreign countries, embodied in the relevant documents: The Terms and Conditions of Domain Names Registration in domains.RU and.PΦ, approved by the decision of the Coordination Center for TLD RU from 05.10.2011 № 2011-18/81, and the Concept of registration of the second level domain in domains.PΦ from June 17, 2009 for registration in the Cyrillic segment of the Internet, the Commission Regulation (EC) № 874/2004 of 28 April 2004, laying down public policy rules concerning the implementation and functions of the.EU Top Level Domain and the principles governing registration, the U.S. experience for delegation domains in the domain.US, indicates on existence of other approaches to solving the problem, that arise in the process of delegation of ccTLDs. In addition, existing public opinion indicates, that the requirement of providing legal documents for confirmation of trademark rights, as a condition of registration of the corresponding domain in the domain. UA, does not provide proper and effective protection against infringement of trademark owners rights and is not an obstacle for other kinds of abuse in this area. For example, some administrators of domain names simplify the procedure of domain names registration, allowing registrants to only choose a domain name, enter the number of the Trademark Certificate and pay the bill, everything else, including obtaining copies of documents from State Enterprise «Ukrainian Institute of Industrial Property», is to be performed by administrators, thus these actions create the possibility of registration of domain names in the domain.UA without the knowledge of trademark owners. In general, members of domain name registration market believe, that with the abolition of binding to the trademark to sue domain name from cybersquatters will be easier (Vlasenko, electronic resource). On this bases, considering the international and foreign practice, when introduced of new top-level domains with the aim to ensure compliance with earlier rights it is advisable to introduce a phased-registration of domain names in a specified area. Owners of earlier rights should be given priority for a certain period for registration of their domain names in a specified area. Following registrations should take place in accordance with the principle of priority in time. Furthermore, to overcome potential conflicts between trademarks and domain names, it is advisable to establish Trademark Clearinghouse and introduce service, which gives a trademark owner an opportunity for a fee, to preemptively register an exact match of its mark as a domain name to those trademarks, for which current use can be demonstrated, and service, which gives a trademark owner an opportunity to make a notice to a potential domain name registrant about the existence of a potentially conflicting trademark right, the last one should be applied for trademarks, that have evidence of current use and its effect is limited to a certain period.

As to enforcement law practice of Ukraine in the sphere of dispute resolution in the case of trademarks infringement on the Internet, it develops in a special way, than foreign one, considering statement of material Ukrainian legislation about, what is deemed to be a trademark use on the Internet and violation of trademark rights. Claims

in such cases are formulated mainly in general terms – to prohibit the use of sign on the Internet, sometimes the specification is made as to the prohibition of the use in advertising on the web-site and as a part of domain names (Decision of The Supreme Arbitration Court of Ukraine № 21/71 from March 14, 2006, Decision of The Supreme Arbitration Court of Ukraine № 37/165-06 July 10, 2007, Decision of The Supreme Arbitration Court of Ukraine № 3/84 from January 18, 2011, electronic resource). Quite often, acts, that violate trademark rights on the Internet, can be classified in different ways: as a kind of violation of the right to this object or other offense. Therefore, it is necessary to continue to study domestic judicial practice in cases of trademark infringement on the Internet and to formulate doctrinal provisions on the possible types of trademark infringements on the Internet, grounds for indemnity against liability, the nominal and fair use of trademark on the Internet.

Also it can appear the necessity to address the issue of *liability of providers of online services for infringement of trademark rights on the Internet*. The peculiarities of resolving this issue is caused by the national interests of the state. It seems to be acceptable to introduce the system «takedown and notice» by operators of online-services for trademark owners use and system of filtration of unfair actions.

It should be emphasized the need to improve administrative procedures of protection of trademarks owners rights on the Internet. In general, the system of trademarks rights protection on the Internet involves self-defense, the adoption of organizational, technical and administrative measures by search engine or by operator of online-services, as well as administrative and judicial procedures.

The uniform procedures, proposed at the international level (for example, by WIPO) should be provided in Ukraine in the nearest future: the pre-delegation dispute resolution mechanism, that provides a procedure for filing objections on the basis of the legal rights; the post-delegation dispute resolution mechanism, that provides a procedure for filing complaints to the registrar on the basis of generic top-level domains; an opportunity for a trademark owner for a fee to preemptively register an exact match of its mark as a domain name; the procedure of notice to a potential domain name registrant on the existence of a potentially conflicting trademark right; expedited domain name suspension mechanism.

Conclusion. Thus, in Ukraine has not been yet adopted a Legal Act, that would envisage ways and methods of protection of intellectual property rights on the Internet. In Ukraine, as in other countries, except for organizational, technical and administrative measures and procedures, is only developing a universal mechanism of protection of IPR on the Internet, that would provide for both, administrative and judicial procedure of protection of rights in such cases. Within the framework of procedures of protection of rights and elimination of the specified type of offenses, the functions of responding and providing assistance in such cases are today delegated to the Center of Competence Address Space of the Internet (<https://web-fix.org/>), whose services usually use in the context of litigation. Empowering online service for trademark owners, that allows them to respond the misuse of their signs on the Internet and filter out the web-resource is seemed to be also very effective.

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INFORMATION RIGHTS AND WAYS OF LEGAL FIXING THEM IN UKRAINE

Having found out that the current conditions of development of the information society have led to the presence and further transformation of a large number of information rights, the article argues for the need for adequate legal regulation of such rights. Analyzing the state of normative regulation of information rights in the world, the study proposes possible ways of normative consolidation of information rights in Ukraine, namely: to implement the current international norms in national legislation, to consolidate the legal acts regulating information relations in Ukraine, to promote information relations in Ukraine.

Keywords. *Information rights, information legislation, implementation, consolidation, codification.*

Селезньова Ольга. Інформаційні права та способи їх правового закріплення в Україні.

З'ясувавши, що сучасні умови розвитку інформаційного суспільства спричинили наявність та подальшу трансформацію великої кількості інформаційних прав, у статті аргументується потреба в адекватному нормативно-правовому регулюванні таких прав. Проаналізувавши стан нормативної регламентації інформаційних прав в світі, у дослідженні пропонуються можливі шляхи нормативного закріплення інформаційних прав в Україні, а саме: провести імплементацію діючих міжнародних норм у вітчизняне законодавство, здійснити консолідацію нормативно-правових актів, що регламентують інформаційні відносини в Україні, сприяти проведенню кодифікації.

Ключові слова. *Інформаційні права, інформаційне законодавство, імплементація, консолідація, кодифікація.*

Relevance of the research topic. Scientific advances in medicine, computer science, robotics, etc., give factual reasons for scientists to identify the fourth generation rights system. Such new rights, both of individuals and of humanity as a whole, arise in connection with the rapid and continuous development of modern

society, and above all, its informational component. The position of having such a fourth generation of human rights and the structure of the complex of such rights (with a positive resolution of the first aspect) are debatable. Questions also arise as to the attribution of the set of information rights to the rights of the fourth generation, which information rights are included in the said population, and also whether they independently form the system of rights of the fourth generation, or together with somatic rights (right to donation, right to artificial insemination, right to cadaveric transplant and others). To solve these tasks is of the utmost importance and urgency today, as the information society is formed at an unpredictably fast pace, and each of the emerging rights needs to be enshrined in its legal and regulatory framework.

Formulation of the problem. Information rights can be understood as state-guaranteed opportunities for a person to satisfy his or her aspirations and requirements in the direct or indirect receipt, use, distribution and protection of a certain range of information. Taking into consideration the working hypothesis, the position that these information rights are included in the fourth generation rights system raises the problem of establishing both the information rights system itself and variants of their possible regulatory regulation.

Analysis of recent research and publications. Among the scholars who dealt with the problems of information rights in Ukraine, one should mention Bryzhko V. (Bryzhko, 2009), Kalyuzhnyj R. (Kalyuzhnyj, 2013), Kopan O., Marcenyuk O., Sukhorolskyj P. (Sukhorol's'kyj, 2013) and others. At the international level, some aspects of the problem were raised in the works of Knox J. (Knox, 2008), Jorgensen R. (Jorgensen, 2006.) and others. Appreciating their unconditionally great contribution to the science of information law, it is also necessary to point out that the issues of the information rights system and the possibilities of their legal regulation remain open and need to be addressed.

Presenting main material. The steady development of the information society has led to the emergence and further transformation of a number of rights, which we call information. Such rights form their system, which we propose to portray as follows (Seleznova, Knox, 2014):

Depending on the level of legal regulation, information rights are divided into: 1) those enshrined in international legal acts; 2) such as are enshrined in the legislation of Ukraine. The second group of information rights can be differentiated by two criteria:

– according to the criterion of the type of legal and legal source in which they get their legal regulation information rights: a) constitutional information rights – enshrined in the Constitution of Ukraine (right to free information gathering; right to free storage of information; right to free use and dissemination of information; right to free access to environmental information, right to be informed in state authorities, local self-government bodies, institutions and organizations about themselves that are not state or other protected law; secrecy; the right to freedom of thought and expression; the right to judicial protection of information rights; b) supplementary information rights – enshrined in laws and by-laws (legal regulation of such rights as

the right to freedom of press, right to information space, free from materials that threaten the physical, intellectual, moral and psychological state of the population, right to know persons during the period of gathering information, but before using it, what information about it and for what purpose is collected, how, by whom and for what purpose it is used, transmitted or disseminated, the right of the person to access information and about her, which is collected and stored, and other rights, we find in the laws of Ukraine «On the print media (press) in Ukraine», «On the protection of public morals», «On access to public information», «On scientific and technical information», Etc.).

– according to the criterion of the extent to which the subjects of a legal relationship are: 1) fundamental information rights: a) the right to information – the primary and the core of all information rights; b) establishing fundamental rights (right of access to information; right of acquaintance in state bodies, local self-governments, institutions and organizations with information about themselves, which is not a state or other protected by law secret; right to freedom of thought and speech; right to freedom of the press; the right to an information space free from materials that threaten the physical, intellectual, moral and psychological state of the population); c) court fundamental rights (the right to refute false information about oneself and their family members in court; the right to request the removal of any information; the right to compensation for material and non-pecuniary damage caused by the collection, storage, use and dissemination of false information); 2) specific information rights (the right to information about their health status; the right to secrecy about their health status; the right to personal papers; the right to see personal papers transferred to the library or archives fund; the client's right to access information on the activity of the bank; the client's right to bank secrecy; the right of the bank to provide general information that constitutes banking secrecy to other banks to the extent required when granting loans, bank guarantees; the right of trade unions, their associations, to receive free of charge and information from employers or their associations on matters relating to labor and socio-economic rights and the legitimate interests of their members, as well as information on the economic performance of enterprises, institutions or organizations, and other rights).

Such a broad classification of information rights requires its proper legal formulation.

It should be noted that in the world information legislation is developing quite intensively. It is worth noting the fact that basic information rights are found at the constitutional level. In particular, the right to freely collect information is enshrined in Article 34 of the Constitution of the Republic of Moldova, Article 20 of the Constitution of the Kingdom of Spain, Article 50 of the Constitution of the Republic of Azerbaijan; the right to free storage of information – in Article 34 of the Constitution of the Republic of Belarus; the right to free use and dissemination of information – in Article 34 of the Constitution of the Republic of Belarus, Article 20 of the Constitution of the Kingdom of Spain, Article 50 of the Constitution of the Republic of Azerbaijan; the right of free access to information on the state of the

environment – in Article 37 of the Constitution of the Republic of Moldova, Article 34 of the Constitution of the Republic of Belarus, Article 74 of the Constitution of the Republic of Poland, Article 39 of the Constitution of the Republic of Azerbaijan; the right to familiarize themselves with state information, bodies of local self-government, institutions and organizations with information about themselves that is not a state or other lawfully protected secret – in Article 25 of the Constitution of the Republic of Lithuania, Article 51 of the Constitution of the Republic of Poland; the right to freedom of thought and expression – in Article 32 of the Constitution of the Republic of Moldova, Article 37 of the Constitution of the Portuguese Republic, Article 47 of the Constitution of the Republic of Azerbaijan and others. In Ukraine, these rights are also enshrined in the Constitution of Ukraine, namely Articles 32, 34, 50, which is a positive achievement of the legislator.

In addition to the rights enshrined in the constitutions of states, there are a number of rights that reach their legal regulation through law. For example, in the United States of America, the laws governing Freedom of Information Act, Telecommunications Act, About Free National Internet Access, and About Confidential Information; in France – «About Access to Information», «About the Press»; in Germany – «Information and Communication Services», «Regulating Access to Information»; in the UK – «About freedom of information», in Belarus – «About information, informatization and information security». Ukraine also has a number of laws that, as noted above, regulate supplementary information rights.

It should also be noted that at the same time, international legal acts are in force, which also regulate a certain amount of information rights (for example, the Declaration on the Freedom of Expression and Information (1982), the Directive of the European Parliament and of the Council concerning the processing of personal data and the protection of privacy in the telecommunications sector (1997), Council of Europe Recommendation on Access to Official Documents (2002) and many others.

From the above it follows that, both in the world and in Ukraine, there is a certain set of legal acts that regulate information rights. However, as already noted, this is clearly not enough in view of the rapid and continuous development of the information society and the emergence of new (transformation of existing) information rights.

Summarizing the above situation, we can propose the following ways of possible regulatory registration of information rights.

First, to implement the current international norms in domestic legislation. In other words, to stimulate the transformation of the norms of international law into the rules of domestic law, while choosing a specific way – transformation, reception or sending. Such a path should be taken into account, because it can be used to comply with existing and new international standards of regulation of information rights, to provide global strategies for development of the world information society within the country, to support the general international tendencies of normative regulation of modern ideas for further regulation of information rights.

Second, to consolidate the legal acts regulating information relations in Ukraine. That is, to create a consolidated act by combining and externally processing the information rules governing information rights. If such an act were to take place, it would become a source of information law, which would provide for the regulation of one of the institutions of this branch of law – the information rights institute.

Third, to facilitate codification, namely: to develop and adopt the Information Code of Ukraine – a codification source of information law of Ukraine, in which structure, in addition to the section (chapters) on information rights, there will be sections (chapters) containing norms that regulate and other information law institutes.

Conclusion. Information rights are one of the most important institutions in the system of information law. The theoretical substantiation of information rights is at an early stage, but the possibility of exercising such rights is not only a manifestation of the discovery of democracy in a particular country, but must also become one of the leading segments of the states information policy. That is why full and adequate regulation of information rights today should become one of the priority tasks of the Ukrainian Parliament. And in order to best solve this problem, the legislator needs to take a comprehensive approach to solving it, while applying the methods of implementation, consolidation and codification of the rules that regulate and regulate information rights in Ukraine.

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CONSTITUTIONAL REGULATION OF ENSURING THE RIGHTS OF CONSUMERS OF UKRAINE AND FOREIGN COUNTRIES: COMPARATIVE LEGAL ANALYSIS

The article analyzes the legal regulation of consumer protection in the Constitution of Ukraine and formulates suggestions for improving the current version of this legislative act. A comparative legal analysis of the provisions of the constitutions of foreign countries on the legal provision of consumer rights and taking into account their positive experience in this field was also carried out.

Keywords: consumer rights, constitution, constitutional provision of consumer rights.

Тищенко Юлія. Конституційне регулювання забезпечення прав споживачів в Україні та інших державах: порівняльний аналіз.

У статті здійснено аналіз правового регулювання забезпечення прав споживачів в Конституції України та сформульовані пропозиції щодо вдосконалення чинної редакції цього законодавчого акту. Також проведений порівняльно-правовий аналіз положень конституцій зарубіжних країн щодо правового забезпечення прав споживачів та врахування їх позитивного досвіду в цій сфері.

Ключові слова: права споживачів, конституція, конституційне забезпечення прав споживачів.

Relevance of the research topic. The problem of ensuring consumer rights has existed since the inception of market social relations as a matter of finding and achieving a balance, harmonizing the various interests of individuals who sell goods and provide services, and those who consume them. Therefore, an integral part of a market economy is the creation of an institutional-legal mechanism for ensuring consumer rights.

Formulation of the problem. The leading role in creating this mechanism is played by the provisions of the Constitution, which enshrine the fundamental principles of building legal regulation of all public relations, including consumer

rights. Therefore, studies of constitutional norms, both in Ukraine and in foreign countries, are of great importance for determining directions for improving national legislation in this area.

Analysis of recent research and publications. An analysis of the main provisions of the legislation on ensuring the rights of consumers was carried out by Horblyans'ky V.Ya. (Horblyans'ky, 2019), Hryshko U.P. (Hryshko, 2017), Il'chenko H.O. (Il'chenko, 2017), Kotsovs'ka O.L. (Kotsovs'ka, 2014), Krehul Yu.I. (Krehul, 2018), Yanovyts'ka H.B. (Yanovyts'ka, 2018) and others. But these scientists studied this problem from the standpoint of civil, economic and administrative law.

Presenting main material. The Constitution of Ukraine was adopted on June 28, 1996 and consolidated the foundations of state policy in various areas of public life, including the provision of consumer rights (Konstytutsiya Ukrayiny, 1996). So, according to the fourth part of Article 42 of the Constitution of Ukraine, the state protects the rights of consumers, monitors the quality and safety of products and all types of services and works, promotes the activities of consumer organizations. According to the second part of Article 50 of the Constitution of Ukraine, everyone is guaranteed the right of free access to information on the quality of food products and household items, as well as the right to disseminate it. Such information cannot be classified by anyone.

Emphasizing the importance of the above constitutional provisions to ensure the rights of consumers, at the same time, we believe that they require some improvement. This, in our opinion, concerns the clarification of terminology, the expansion of the right of everyone to freely access information on the quality of food products and household items, the consolidation of provisions to ensure consumer rights in a separate article.

This applies to the fourth part of Article 42 of the Constitution of Ukraine, according to which the state protects the rights of consumers, monitors the quality and safety of products and all types of services and works, and promotes the activities of consumer organizations. A similar provision was contained in the third part of Article 47 of the draft Law of Ukraine «On Amendments to the Constitution of Ukraine» (reg. No. 4290 dated 03/31/2009) submitted to the Parliament by the President of Ukraine (on October 22, 2009 this draft was canceled by the Verkhovna Rada of Ukraine) (Proekt Zakonu Ukrayiny «Pro vnesennya zmin...», 2009).

These provisions do not use the term «goods». At the same time, in international law, products, services and work are understood as varieties of goods. In this regard, we believe it is correct in the course of further implementation of the constitutional reform to amend the fourth part of Article 42 of the Constitution of Ukraine, so that the state exercises control over the quality and safety of goods (products, services, works).

We suggest making similar changes to paragraph 1 of Article 1 of the Law of Ukraine «On the Protection of Consumer Rights» (Zakon Ukrayiny «Pro zakhyst prav spozhyvachiv», 1991) where the term «product» is defined as any product (product),

work or service that is manufactured, performed or provided to meet public needs. In this Law, services and work are understood as varieties of products, not goods.

The importance of improving the constitutional provisions on ensuring consumer rights lies in the fact that the constitution is the legal basis for current legislation.

During the improvement of constitutional requirements in this area, it seems useful to study and take into account the European experience of constitutional regulation of consumer protection.

The national program of adaptation of the legislation of Ukraine to the legislation of the European Union, approved by the Law of Ukraine of March 18, 2004, consumer protection was identified as one of the priority areas in which the adaptation of the legislation of Ukraine was carried out (Zakon Ukrayiny «Pro Zahal'noderzhavnu prohramu adaptatsiyi...», 2004). Many provisions on consumer protection have found their place in the Association Agreement between Ukraine and the European Union of March 21, 2014 (Uhoda pro asotsiatsiyu mizh Ukrayinoyu..., 2014).

At the same time, it should be noted that European Union directives establish general requirements that individual member states must comply with, and not how their national laws should be organized. Therefore, there are certain differences in the consumer legislation of individual states, including their basic laws.

The analysis showed that the constitutions of some countries of Western Europe contain norms to ensure consumer rights.

The Constitution of the Portuguese Republic of April 2, 1976 contains article 60 «Consumer Rights», according to which consumers have the right to the quality of goods and services that they consume, to receive education and information, to health care, to safety and protection of their economic interests, as well as to compensation damage. Advertising is regulated by law, while hidden or knowingly false advertising is prohibited. Consumer associations and consumer cooperatives have the right under the law to support from the state to be heard on issues related to consumer protection, while they recognize the right to participate in the process to protect their members or to protect collective interests or interests an indefinitely wide circle of persons (Konstytutsiya Respubliki Portuhaliya, 1976).

It should be said that in the Portuguese Constitution consumer rights are enshrined in a separate article. This eliminates the need to claim their inferiority, as is the case when they are mentioned in articles on other rights.

Spain and Norway are also states whose constitutions contain rules on consumer rights.

According to article 51 of the Constitution of Spain of December 27, 1978, the authorities guarantee the protection of consumers and users, providing effective means of their safety, health, as well as their legitimate economic interests. Authorities promote the dissemination of information among consumers and users, as well as their education, encourage their organization and the exercise of their right to contact the authorities on the conditions provided by law (Konstytutsiya Ispaniyi, 1978).

The above provisions deserve support that they are not talking about consumer access to information, but about its dissemination, as well as their education.

Paragraph 110c of the Constitution of the Norwegian Kingdom of May 17, 1814 states that everyone has the right to protect natural food products and their diversity (Konstytutsiya Norvez'koho Korolivstva, 1814).

Among the states – «young» members of the European Union, in the context of constitutional regulation of consumer protection, it is worth noting Poland. The Constitution of the Republic of Poland of April 2, 1997 devotes a separate article 76 to the problem of consumer rights, according to which the public authority of Poland protects consumers, users and employers from actions that threaten their health, privacy and security, as well as from unfair market practices. The scope of this protection is determined by law (Konstytutsiya Pol's'koyi Respubliki, 2018, p. 32).

Of particular interest is the fact that the Constitution of the Republic of Poland, next to consumers, recalls users and employers as independent, distinct entities from consumers. In our opinion, this is unacceptable for Ukraine, since the legislative definition of the concept of «consumer» in paragraph 22 of Article 1 of the Law of Ukraine «On Protection of Consumer Rights» covers the concepts of «user» and «employer».

According to the Constitution of the Republic of Bulgaria of July 12, 1991 (part two of Article 19), the law creates and guarantees all citizens and legal entities the same legal conditions for economic activity, as well as prevents the abuse of monopolism, unfair competition and protects the consumer (Konstytutsiya Respubliki Bolhariya, 1991).

Article 46 of the Constitution of the Republic of Lithuania of October 25, 1992 proclaims the existence of state protection of consumer interests (Konstytutsiya Lytovs'koyi Respubliki, 1992).

As for the post-Soviet states, far from all of them paid attention to the constitutional regulation of consumer rights. Analyzing the basic laws of these countries, we find a direct mention of consumers only in the constitutions of Georgia and the Republic of Uzbekistan.

According to article 30 of the Georgian Constitution of August 24, 1995, consumer rights are protected by law (Konstytutsiya Hruziyi, 1995).

In the first part of Article 53 of the Constitution of the Republic of Uzbekistan dated December 8, 1992, a state guarantee of freedom of economic activity, business and labor is fixed, taking into account the priority of consumer rights (Konstytutsiya Respubliki Uzbekistan, 1992).

Such a state guarantee of human rights as the right of access to information on the state of the environment and on products, then the universal declaration of the right to information is found in almost every constitution of the CIS states and the «new» members of the European Union.

Conclusion. It can be concluded that the constitutions of most European countries do not contain norms that would directly regulate the provision of consumer

rights. Only a few constitutions use the term «consumer» and it is a question of the state protecting its rights. In most European constitutions we find only general norms that guarantee the rights and freedoms of human and citizen, and which, through doctrinal interpretation, can be extended to consumer rights.

In this context, the presence in the Constitution of Ukraine of provisions aimed at ensuring the rights of consumers indicates the progressivity of our Constitution.

At the same time, some constitutional provisions need to be improved. Taking into account the positive experience of the constitutional regulation of ensuring the rights of consumers of some European states, as mentioned above, will contribute to the effectiveness of constitutional legislation in this area.

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LEGAL REGULATION OF DIGITAL ECONOMY RELATIONSHIP: GENERAL PRINCIPLES AND PROBLEMS

The article is devoted to the general and specific (concerning electronic registries in the field of taxation) problems of legal support for relationship emerging in the digital economy. There is given a characteristic of the system of regulatory legal acts that regulate these relations. The classification of these legal acts is carried out, which can be divided into three groups: acts that regulate modern information relationship and use of information and communication/digital technology in the main spheres of public life; acts primarily devoted to the digital economy, including e-commerce; acts that regulate various sectoral relationship and contain separate rules for the application of these technology in the relevant sphere). The problems of legal support of the digital economy are revealed both at the level of regulatory and legal framework and law enforcement.

Keywords: digital technology; digital economy/DE; e-business; electronic registers; improvement of legislation.

Вінник Оксана, Шаповалова Ольга. Правове регулювання цифрових економічних відносин: загальні принципи та проблеми.

Стаття присвячена загальним та окремим (щодо електронних реєстрів у сфері оподаткування) проблемам правового забезпечення відносин, що складаються у сфері цифрової економіки. Дається характеристика системи нормативно-правових актів, що регулюють зазначені відносини. Проведена класифікація актів законодавства, які умовно можна поділити на три групи: акти, що регулюють сучасні інформаційні відносини та використання інформаційно-комунікаційних/цифрових технологій в основних сферах суспільного життя; акти, присвячені переважно відносинам цифрової економіки, включно з електронною комерцією; акти, що регулюють різноманітні за галузевою належністю відносини і містять окремі норми щодо застосування згаданих технологій у відповідній сфері). Виявляються проблеми правового забезпечення цифрової економіки як на рівні нормативно-правового регулювання так і правозастосування.

Ключові слова: цифрові технології; цифрова економіка/ЦЕ; електронний бізнес; електронні реєстри; вдосконалення законодавства.

Relevance of the research topic. The concept of the digital economy and its components (e-services, e-money, e-payments, e-business, e-commerce, and online platforms, etc.) have powerfully and rapidly entered the everyday life of society and its members, having adjusted the form of establishing, changing and ending relationships in all major spheres of life, including economic.

In the Concept for the Development of the Digital Economy and Society of Ukraine for 2018-2020 (1), the digital economy (DE) is defined as an economy where the main factors of production are digital (electronic, virtual) data both numerical and text; an economy based on information, communication and digital technology, the rapid development and widespread of which are already affecting the traditional (physical analog) economy transforming it from a resource-consuming economy into a resource-creating economy. In such an economy, its main resource is data as it provides electronic communication for members in the DE. The key to its full development is digital skills and competences, and the main component of the DE and the determinant of economic growth, in general, is digitization of the real economy, its saturation with electronic and digital devices, facilities, systems and establishment of electronic and communicative exchange among them and entities operating in the field of economy.

The phenomena mentioned above, which have become commonplace in modern social life (but radically new to traditional social relationship), the development of civil society institutions with appropriate provision of their informative and communicative interaction with the state and the market have led to the formation of an information society and an economy of a new quality. Information services have become dominant, which, in its turn, ensures the rapid circulation of goods, work,

services, money through dissemination of information about them, their manufacturers, sellers and capabilities to order goods online without wasting time going shopping, visiting warehouses, offices of producers or sellers, and financial institutions to make a payment. The name of modern information and communication technology provided in digital format (digital technology) has ensured a new characteristic of the modern economy as *digital (DE)*. A business serving such an economy by improving the mentioned technology, ensuring their application, providing and using electronic services, producing goods/services for sale in electronic format (computer programmes, in particular) has been called electronic (e-business) so far at the theoretical level.

Formulation of the problem. Despite the considerable and undeniable benefits of the DE and e-business, the use of digital technology by fraudulent people for profit generates significant risks as the level of cyber-crime increases. This fact necessitates complex regulation of the relationship of the DE, which, on the one hand, should promote the efficient and fair use, and improvement of the mentioned technology, and on the other – create barriers to cyber crimes, fix a penalty for their commitment and the practical order of its application. Such a function is usually entrusted to the state. Still, state regulation is far behind the development of relationship of the DE, which has led to increased self-regulation, particularly by adopting relevant acts by authoritative participants in relevant markets. As an example, we can name Regulations jointly developed by public domain administrators and registrars with Hostmaster LLC (2, 3). Although the increasing role of self-regulation in today's economy is a positive phenomenon, however, the most important relationship should be regulated by the state as well as the boundaries and basic principles of self-regulation, the legal status of self-regulatory organizations. The global use of digital technology, the consequences of their use (both positive and negative – in case of misuse), the significant problems of legal regulation of quite complex DE relations, the need to solve them at the national and transnational levels determine the topicality and relevant directions of legal researches to find the most optimal ways to improve the regulatory and legal framework of the DE relations.

Analysis of recent researches and publications. Similar studies have already been initiated in Ukraine both on IT law in general (IT pravo, 2016), legal support for Internet relationship (Hetman, 2016) and the digital economy (Vinnyk, 2018), as well as on its (DE) individual elements (including e-services (Karpenko, Internet-posluha; Karpenko, Tsyvilno-pravovi), e-business (Topalevskyy, Dzyubina, Dzyubina, 2017), electronic administration of the value-added tax (Shapovalova, 2018), electronic auctions (Belyanevych, 2018), electronic money (Trubin, 2013), conflict/dispute settlement procedure, (Polatay, 2019; Vinnyk, 2019) etc. However, complexity and multiplicity of relationship in the DE field, their difference from the relationship of the analog economy (in terms of subject and object composition), features of regulation (including national and transnational, state and self-regulation, incl. contractual), the

risks of unfair or unqualified use of digital technology, and associated problems of liability and the consideration/resolution of conflicts/disputes need to be assessed in terms of the quality of legal support for these relationship identifying existing problems and working out the ways to solve them. All this provide evidence of the formation of a specific system of interconnected regulatory and legal mechanisms, which allow speaking about formation of, if not a new branch of law, but a sub-branch of business law. It includes most traditional institutions, but with an emphasis on digitalization of the regulated relations. It is likely that with the advent of digital technology and, accordingly, the dominance of virtuality in economic relationship (electronic form of communication, electronic resources, virtual enterprises, electronic means of protection, etc.) business law will regulate the whole spectrum of economic relations, regardless of the dominance of traditional (analog) form or a digital one.

Presenting main material. First, it is worth exploring the peculiarities of the DE relationship and their legal support. The traditional (analog) economy consists of business entities, entities of organizational and economic authority, and people who consume the material (usually in physical form) results of the activity of economic entities having the status of a legal entity or a natural person. The relationship between them are established through direct contacts (at fairs, in shops, when visiting the respective institution/organization, etc.) or by postal or courier communication exchanging the relevant documents that prove the signing of the contract in paper form with signatures and seals of the parties. Payment is made either in cash or through a bank (from the payer's bank account to the payee's bank account) by submitting a payment order.

The DE imposes an imprint on all components of the relationship: their subjects (one of them) may be the so-called virtual enterprises – not legally arranged (as corporate entities) group of subjects with or without entrepreneurial status, which jointly share, for example, common online store or online trading platform for selling their (self-made or purchased from a manufacturer or reseller) products. These online stores and online platforms are not entities as they are often considered, but sites that promote and sell goods, order work, or services and are often paid for using electronic payment systems. Contracts and documents exchanged by the parties when establishing a contact are usually in electronic form, although they can be printed at will. However, the electronic form of communication has its risks (in particular as regards: a) the establishment of identity of people involved in such relationship and their legal personality; b) dates and c) places of execution of agreements/contracts; d) the validity of the signatures of the parties; e) the threat of interference of unwanted and usually anonymous persons in such relationship, the consequences of such interference include leaking, distorting or destroying the information exchanged by the parties, withdrawing money by the attackers or transferring them to their account instead of bona fide party account), and ultimately, problems in resolving related conflicts/disputes, bringing to justice the perpetrators whose identification and search

can take years involving law enforcement agencies in different countries because of the transnational nature of digital relationship and the anonymity of some (usually unscrupulous) parties.

Legal support and, first of all, regulatory and legal framework plays an essential role in ensuring the efficiency and social orientation of the DE. At the same time, the rapid development of relationship in this area associated with the widespread use of information and communication (primarily digital) technology, has led to a significant gap in such regulation from the real state of relationship. Except for some other reasons, it happens due to the complexity of state regulation, including procedures for adopting legislative acts, to which business entities have responded by adopting some acts necessary for the market functioning (regarding domain registration (2; 3), in particular).

Despite the considerable difficulties of both objective and subjective nature, the legislation governing relationship in the field of the DE has nevertheless been formed in Ukraine, though with significant problems that remain to be resolved. Among them, first of all, we should mention the number of legislative acts and the scattered rules governing the relationship of the DE (they can be roughly divided into three blocks (Vinnyk, 2018, p. 38-48): the first is acts aimed at regulating modern information relations, informatization of the main spheres of public life (including economic), functioning of the information society, including Laws «On Information» (15), «On Information Protection in Information and Telecommunication Systems» of July 5, 1994 (16), «On Electronic Documents and Electronic Document Management» (17), «On Telecommunication» of November 18, 2003» (18), «On the Basic Principles of Development of the Information Society in Ukraine for 2007-2015» of January 09, 2007 (19), «On Protection of Personal Data» (20), «On Access to Public Information» (21), «On Basic Principles of Cybersecurity of Ukraine» (22) and others. The second group includes acts concerning various aspects of functioning of the DE as a component of the information society, particularly, Laws «On E-Commerce» (23), «On Electronic Confidential Services» (24), «On Payment Systems and Money Transfer in Ukraine» (25), «The Concept of Development of the Digital Economy and Society of Ukraine for 2018-2020 years» (1), and recently adopted decree «On Some Measures to Improve the Access of Individuals and Entities to E-Services» (26) and other acts. The third and the most numerous block includes the legislative acts that are not directly devoted to the DE, but some of them regulate the use of certain areas or certain entities of digital technology/electronic resources (almost all codes, laws «On State Registration of Legal Entities, Individual Entrepreneurs and Public Organizations» (27), «On the Permit System in the Field of Economic Activity» (28), «On Joint Stock Companies» (29), «On the Cabinet of Ministers of Ukraine» (30), etc.)

The multiplicity of acts and the lack of a codification act that would comprehensively regulate the relationship arising in the field of the DE, raises a number of problems, among which there is the lack of unification of the conceptual

framework; uncertainty about the content of some concepts (in particular, e-business); the lack or unreasonableness of regulation of the DE important relationship (including the legal regime of online shops and online trading platforms; systems of organizational and economic authorities in the field of the DE and a clear division of functions among them concerning regulation, management and control of relationship in this field). Researchers on the legal aspects of the DE, practitioners, subjects of the DE market, and their self-regulatory organizations also point out other disadvantages of legal regulation.

Problems of regulatory and legal framework are complemented by problems of law enforcement: frequent cases of non-compliance with laws and regulations, including the Law «On Access to Construction, Transport, Electricity for the Development of Telecommunication Networks» (31) and the by-laws adopted in accordance with it causing protests of the participants of the telecommunications market and their authoritative self-regulatory organization – Internet Association of Ukraine (32). In addition, the problem of consumer protection in the DE is also compounded by the analog economy due to the so-called digital inequality of subjects providing electronic services (while having relevant digital experts) and common consumers, many of which do not have the relevant knowledge and skills, which often results in difficult situations caused not only by the mentioned circumstances, but also by the lack of effective mechanisms for consumer protection in the field of the DE.

One of the many problems with the legal support of a certain type of the DE relationship is those related to e-administration in the field of taxation and electronic registers. This problem has already been substantiated by the inconsistency in determining the reasons for the blocking control applied to particular operations, special economic regimes, or emergencies in which economic activity is carried out. A rejection of such a high level of blocking of the self-taxation results of business entities has been proposed, as well as the need to build an effective taxation system in Ukraine as a critical task for VAT collection (Shapovalova, 2018, p. 24–29). Considering the significant negative effects and their transnational nature as a result of regulatory deficiencies, the failure to comply with international obligations and, as a result, promotion of corruption offenses not only at the national but also at the global level, the problem of ensuring the establishment of an electronic system of contacts between taxpayers and the fiscal service bodies, including maintaining proper electronic registers, requires further thorough study.

The lack of a common legal framework in Ukraine for creation, operation and information interaction of state, municipal and other registers, as well as a common terminology framework and agreed requirements for creation, exchange, storage, correction and format of registry data causes a low level of the majority of registers. It creates obstacles to the technical and semantic interoperability of the registration of information required by economic entities for their activities, as well as to the state and public authorities to exercise control.

Ukraine's progressive intention to promote transparency and prevent corruption in the business sector has become joining the Global Register of Beneficial Owners (<https://register.openownership.org/>). The registry was created as a result of the London Anti-Corruption Summit, held on May 12, 2016, in London with the participation of Ukraine, which undertook the relevant commitments. In particular, as a civilized subject of the global information space, it committed to provide the specified Register with information of the Ukrainian Unified State Register of Legal Entities, Individual Entrepreneurs, and Public Organizations about the beneficial owners of Ukrainian companies.

Joining the Global Register of Beneficiary Owners allows our country sharing the information about the ultimate beneficial owners of companies in those countries that have also joined the Register. In total, it goes about open information about nearly 2 million companies and their beneficial owners. By geography, these are companies and beneficial owners from Afghanistan, Australia, the United Kingdom, Norway, the Netherlands, France, Ireland, and other countries (33).

Such an exchange contributes to exposing and counteracting offenses committed by the use of illegal tax evasion schemes through offshore jurisdictions. Hiding information about real business owners is a factor of counteracting the disclosure of money laundering schemes. The result of such counteraction (in combination with other factors) is huge volumes of the shadow economy of Ukraine (for example, in 2018, it was 1.1 trillion UAH. (Kryshko).

Therefore, an important and timely step should be considered an amendment to the Business Code of Ukraine, namely, Article 64-1, entitled «Ultimate Beneficial Owner (Controller) of the Enterprise» that contains a rule on the obligation to regularly update and store information about it, and provide the state registrar with this information in cases and on conditions stipulated by the law. Instead, as of May 2019, these requirements are being violated by most economic entities. Thus, as of August 16, 2018, 310 339 entities out of 1 338 823 registered legal entities in the Unified State Register provided information about the ultimate beneficial owner, which is 23.2% of the total number of the registered entities (34). And the fiscal service experts expose numerous facts of misrepresentation of information about the ultimate beneficial owner (controller) even among them. It occurs by submitting incomplete, false, deliberately untrue information. The deadline for submitting information is also systematically violated.

Such a phenomenon is dangerous for the DE and the society as a whole: if the public registers of the final beneficial owner are not submitted, or distorted, no signal of a true socio-economic result of the economic activity appears; but when distorted information about the ultimate beneficial owner (controller) is transmitted to the Global Register of Beneficiary Owners, Ukraine becomes a breacher of the terms of the Memorandum (33), under which it has committed to facilitate public monitoring through the free use and analysis of data of businesses beneficial owners registered in Ukraine.

Therefore, violation of a business entity's obligation to publicly disclose the ultimate beneficial owner, along with other adverse effects, distorts the idea of the proper functioning of digital resources. Therefore, it is time to discuss the conceptual vision of a mechanism for verifying information about ultimate beneficial owners, which includes proposals for legislation and a model for developing IT solutions for aggregation and consolidation of existing services.

In July 2019, a roadmap for the introduction of a mechanism for verifying the credibility of information about the ultimate beneficial owners of «Up to 100% True» was signed. The signatories were: Ministry of Justice of Ukraine, Ministry of Finance of Ukraine, State Financial Monitoring Service of Ukraine, State Fiscal Service of Ukraine, National Bank of Ukraine, National Agency for Finding, Tracing and Management of Assets Derived from Corruption and Other Crimes, State Agency for Electronic Issues Governance of Ukraine, NGO «National Information Systems», Government Office for Coordination on European and Euro-Atlantic Integration, NGO «Together Against Corruption», Transparency International Ukraine, the Anti-Corruption Center, Advisory Fund for EU Association of Ukraine and the International Renaissance Foundation (Kryshko).

The monitoring function would optimize the existence of economic and legal liability in the mechanism of verifying information on beneficial owners.

Scientists have already substantiated the feasibility of recognizing such actions as misleading information about the ultimate beneficial owner (controller) as an offense. The ultimate beneficial owner (controller) or member of the governing body, the body performing the functions of control and/or supervision, and other authorized individuals are recognized as subjects of their implementation and, therefore, subjects of the offense (Solodchenko, 2018, p. 5).

Instead, it is the responsibility of the entity that has breached the obligation to publicly disclose the ultimate beneficial owner, and not only its beneficial owner or the authorized person to perform management functions of natural persons.

Conclusion. Given the democratic foundations of our country provided in the Constitution, its orientation on the development of civil society institutions (36), digitalization of the basic spheres of social life (1), overcoming digital inequalities (1), and the need for renewal (as noted by Mark Paul) of analog legislation in order to cope with the DE, it is advisable to optimize the system of legislation on such an economy by adopting a corresponding codified act (the DE Code, or Law) (6, p. 183), in which to establish adequate (such as to meet the mentioned tendencies of social and, above all, economic development) provisions, in particular concerning:

- definition of the basic concepts of the DE (including e-business, e-services, e-contract, e-resources, e-registers), setting features and types of e-business, general requirements to the subjects of such business, including responsibilities (primarily due to the use of digital technology), including information about: a) protecting customer information and preventing it from being distributed and misused; b) publishing

information about the implementation of customers' digital rights in the relevant field and regulations (including local ones) governing related relationships on the website of such entity, etc.;

- the legal regime of e-resources (including e-commerce, online trading platform), rights, obligations, and responsibilities of the persons using them;
- systems of bodies authorized in the field of the DE with differentiation of their assigned functions, as well as obligations (a) to publish information as for their consumers' rights (including digital ones) in the respective field and mechanisms for their protection, as well as regulatory acts governing relationship in this field on their own website; (b) to advise consumers on their rights and how to protect them in case of a breach;
- the procedures, including: (a) conclusion of e-contracts, (b) provision of e-services, (c) maintenance of e-registers, (d) prosecution;
- forms and boundaries of self-regulation in the field of the DE, criteria for self-regulatory organizations to which the state may delegate specific functions for regulation in the field of the DE, as well as the procedure for adopting and the role of the Rules of Business Ethics in the relevant areas of the DE;
- means of overcoming digital inequalities in the field of the DE, including the duty of authorities and entities in certain areas of the DE to provide advice to consumers and other recipients of e-services how to use digital resources to obtain such services and/or information about them (for example, in the form of thoughtful step-by-step instructions designed and understood by a common consumer);
- legal mechanisms of protection of the digital rights of participants in the DE relationship in case of violation and, accordingly, of the procedure of conflict/disputes settlement in the field of the DE, including various procedures: pre-trial, alternative (including online procedures (Polatay, 2019), judicial (with focus on the specifics of cases involving consumers, including the priority and shortened terms of such cases, privileges for payment of court fees);
- the peculiarities of the use of electronic resources and the status of e-business entities in certain areas of the DE.

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DISCUSSION PLATFORM 3

EUROPEAN VECTOR OF DEVELOPMENT OF PUBLIC LAW

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THE STATE OF IMPLEMENTATION OF INTERNATIONAL LABOR LAW STANDARDS IN UKRAINE

The article deals with international labor law as a set of international legal norms that set standards in the sphere of labor and employment. The state and problems of adaptation of the Ukrainian labor legislation to the system of international norms in the sphere of labor rights protection are analyzed.

Keywords: *international law, international labor law, international legal regulation of labor, international labor standards, implementation.*

Альонкін Олексій. Стан реалізації міжнародних стандартів права на працю в Україні.

У статті розглядається міжнародне трудове право як сукупність міжнародно-правових норм, що встановлюють стандарти в сфері праці й зайнятості. Проаналізовано стан та визначено проблеми адаптації Українського трудового законодавства до системи міжнародних норм в сфері забезпечення трудових прав людини.

Ключові слова: *міжнародне право, міжнародне трудове право, міжнародно-правове регулювання праці, міжнародні стандарти праці, імплементація.*

Relevance of the research topic. In the current conditions of globalization of the world and interregional integration processes, the importance of international legal norms and practice of their application is significantly increasing in order to realize the goals of economic and social progress, both of humanity as a whole and of each individual person. Last but not least, this is due to the fact that the universally recognized rights and freedoms of the individual in various spheres of life of society and the state are fundamental values of the modern world community. An important place in this process belongs to the field of ensuring the right to work.

It should be noted that the sphere of legal regulation of labor, its international legal regulation, the mechanism of ensuring fundamental human rights in this field are under constant influence of international organizations, both universal and regional, incl. European level. It is worth noting that today international labor law has emerged and has become an integral part of public international law.

Formulation of the problem. In this regard, it should be noted that Ukraine is trying to take its rightful place in the global division of labor and is actively involved in relevant integration processes. That is why further accession of our country to the world as well as to the European political, legal and economic space is possible under the condition of harmonization of normative-legal sources of national legislation to the internationally recognized international legal standards. This fully applies to the scope of employment law.

Presenting of main material. It should be noted that for today the important influence on the economic relations, social policy and development of the labor legislation of Ukraine is the regulation of relations in the sphere of labor precisely by the rules of public international law. Thus, certain provisions of the Universal Declaration of Human Rights of December 10, 1948 (1) and of the International Covenant on Economic, Social and Cultural Rights of December 16, 1966 (2) were reproduced in the text of the Constitution of Ukraine of June 28, 1996 (3). In particular, enshrined in Part 1 of Art. 43 of the Basic Law of our state the provision that «everyone has the right to work, which includes the opportunity to earn a living by work, which he freely chooses or agrees freely» (3) has in its essence the definition of Art. 23 of the Universal Declaration of Human Rights – «Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment» (1). In turn, Art. 44 of the Constitution of Ukraine states that «those who work have the right to strike for the protection of their economic and social interests» (3). This prescription, in its content is in line with the content of Art. 8 of the International Covenant on Economic, Social and Cultural Rights, which states that «States Parties to the present Covenant undertake to ensure:... (d) the right to strike, subject to the laws of each country» (2). The above examples demonstrate a distinct reception of the norms of international law in the norms of Ukrainian law.

Moreover, the above norms of universal international legal acts and a number of other relevant definitions can have direct application in the national law of Ukraine, or be included in one way or another to the texts of the Ukrainian legislation. At the same time, it is the consolidation of clear generally recognized legal standards in the Basic Law of our state that strengthens the legal guarantees of economic and social rights and freedoms of man, and also determines the conditions for their provision.

In turn, at the regional level, since the ratification of the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand, dated 16 September 2014 (4) in our the state has intensified the process of adaptation of national legislation related to the relevant integration processes at the regional level.

It should be noted that the harmonization of the labor legislation of Ukraine with the legislation of the European Union is carried out in strict accordance with the

standards of the right to work established by the Council of Europe. In particular, the above human right to work, enshrined in Part 1 of Art. 43 of the Constitution of Ukraine, correlated with paragraph 1 of Part 1 of the European Social Charter of 03 May 1996 – «everyone must have the opportunity to earn a living in the profession he or she freely chooses» (5). And this, in turn, corresponds to Part 1 of Art. 15 of the Charter of Fundamental Rights of the European Union of 07 December 2000, which states that everyone has the right to work and to pursue a profession which he freely selects or agrees freely (6). The above definitions demonstrate a clear identity of national law with international standards at regional level.

Conclusion. Thus, it must be acknowledged that the right to work is enshrined in the constitution of Ukraine in strict accordance with international standards, both universal and regional. This is a testimony to the effective activity of the Ukrainian state on the in-depth analysis and practice of implementation of international legal acts governing labor relations. At the same time, further positive results of the process of legal harmonization of the Ukrainian legislation in the sphere of economic and social rights and freedoms will depend not only on the effective activity of state bodies, but also on the establishment of effective control on them by the Ukrainian society.

Moreover, our country should not dwell on the results achieved. Cooperation with other States and international organizations, including the International Labor Organization and the European Union, in the area of legal regulation of labor, its regulation and the creation of effective mechanisms for ensuring fundamental human rights in this field should be further strengthened.

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WOMEN IN THE SYSTEM OF PARLIAMENTARISM AS A COMPONENT OF A DEMOCRATIC STATESUMMARY

The article analyzes the parliamentary experience of women's activities in Ukraine and countries at different stages of their development. National legislation on gender equality has been examined, taking into account international standards. The degree of political activity of Ukrainian womanhood in comparison with international parliamentary practice is determined and the conclusions are made taking into account the positive achievements of women's activity in world parliamentarism.

Keywords: *women's suffrage, Verkhovna Rada of Ukraine, democracy, parliamentarism.*

Бондаренко Наталія. Жінки в системі парламентаризму як складова демократичної держави.

У статті проаналізовано парламентський досвід діяльності жінок в Україні та країнах на різних етапах їх розвитку. Національне законодавство про гендерну рівність було вивчено з урахуванням міжнародних стандартів. Визначено ступінь політичної активності жіночої статі України порівняно з міжнародною парламентською практикою та зроблено висновки з урахуванням позитивних досягнень жіночої активності у світовому парламентаризмі.

Ключові слова: *виборче право жінок, Верховна Рада України, демократія, парламентаризм.*

Today, politics is becoming more and more professional and an extremely important field of activity to which more and more women are involved. The latter choose this type of activity because they have the right education, skills, ambitions and desires. In the XX–XXI centuries in different continents, in countries with different traditions, history, women became prominent in politics and achieved the highest positions of women leaders: Indira Gandhi, Golda Meir, Corazon Aquino, Margaret Thatcher, Binazir Bhutto, Angela Merkel.

Insufficient representation of women in government bodies gives rise to doubts about the effectiveness of the respective political structures and the democracy of the state system of this country, which determined the **actual** direction of our research.

Various aspects of the position of women in Ukrainian politics have been studied by the following scholars: I. Grabovskaya, L. Kormich, and E. Hansova (2), T. Martseniuk (3), T. Slabchuk (4), and L. Pylyaeva (5). Radish J. and Kozuhar O. (6) and the like. The analysis of Ukrainian gender equality policy in all spheres of life at the present stage has set one of the main **tasks** – determining the place of women in the parliamentary system in the conditions of building a democratic state.

Formulation of the problem. For 100 years, women have been fighting for their political rights, which envisage active participation in the administrative process with the right to vote and to be elected to power. Finland was the first country to grant women political rights: in 1906, women were given the right to vote, and in 1907, 10% of women represented the national parliament. The same percentage of women's representation in the European Parliaments was achieved only after the Second World War: in Sweden in 1953, in Denmark in 1966, in Norway in 1973 (Pilyaeva L., 2010, p. 503).

An important aspect of this issue was that the newest constitutions of states enshrined the principle of equality of citizens, including in the electoral process, regardless of gender, race and political views. However, in most countries, there is no de facto equality in the representation of women in parliament. For example, according to the International Parliamentary Union, as of 2018, women on average in the world occupied only 23% of seats in national parliaments. The Verkhovna Rada of Ukraine of the 8th convocation comprised 12% of women, so Ukraine ranked 144th in 193 countries (Martseniuk T., 2018, p. 43).

The experience of European countries and the USA shows that the participation of women in the work of parliaments and other representative institutions is extremely important and effective for society as a whole, because they focus on health, education of children, education, social protection of the population etc.

Today, from 37% to 45% of parliamentarians in Denmark, Finland, Norway, Sweden are women. Sweden is the leader among these countries, with 45% of women in parliament (Radish J., 2015, p. 117). Analyzing the regional aspect of this topic, it should be noted that on the American continent, the percentage of women parliamentarians – 22%, in European countries (not including Scandinavian) – 20%, countries in Asia and Africa (Sahara region) – 18%, Pacific countries – 15 %, Arab countries – 10% (Pilyaeva L., 2010, 505).

The key to high representation of women in Northern politics is the introduction of a proportional electoral system that is internationally recognized as more democratic, one that adequately represents the entire spectrum of political forces in

society and the distribution of sympathies with the electorate. Equally important is the socio-economic factor: women's representation is usually higher in countries with high levels of employment and education, where public relations allow women to combine family responsibilities and work or other social activities. In these countries, considerable attention is paid to the development and improvement of collective action by women's organizations within and outside political parties, leading to increased participation of women in politics.

In the following we will analyze the Ukrainian legislation and statistics on equality of rights of women and men.

After the collapse of the USSR and the transition to an independent state Ukraine, there was a collapse in the economic, political and social spheres. During this period women were disturbed from active participation in the political process. Subsequent state-building processes led to the legislative regulation of gender equality, but gender stereotypes continued to live in society and consciousness role-sharing types, and thus the woman has only slowly entered the field of politics.

The legal position of a woman in society is determined by the concept of her legal status, which consists of a set of rights, duties and legal guarantees of a person (Slabchuk T., 2010, p. 181). The basic legislative act defining the status of a woman became the Constitution of Ukraine, in article 24 which states: «... Equality of rights of women and men is ensured by: providing women with equal opportunities in social and political and cultural activity, in obtaining education and vocational training, in work and the reward for it...» (7).

On September 8, 2005, the Law of Ukraine «On equal rights and opportunities for women and men» was adopted, which defined such basic concepts as equal rights and opportunities for women and men, gender discrimination, affirmative action, etc. Article 3 of the Law states that «The state policy on equal rights and opportunities for women and men is aimed at promoting gender equality; non-discrimination based on sex; application of positive actions; ensuring equal participation of women and men in socially important decisions; ensuring equal opportunities for women and men in combining professional and family responsibilities» (8). Section II of the Law identifies government and institutions that are empowered to ensure equal rights and opportunities for women and men. These include, first of all, the Verkhovna Rada of Ukraine, authorized Verkhovna Rada of Ukraine on Human Rights, the Cabinet of Ministers of Ukraine. In particular, article 8 of the Law lists the following powers of the Verkhovna Rada of Ukraine:

- defining the basic principles of gender policy of the state;
- implementation of the principle of equal rights and opportunities for women and men in legislation;
- exercising parliamentary control over the implementation of legislative acts on these issues.

This law is not devoid of disadvantages in its mechanisms for implementing gender equality policy, to which T. Martseniuk rightly pointed out, pointing to the declarative nature of the document in the absence of legal responsibility for violation of its norms (Martseniuk T., 2018, p.45).

Ukraine has also made a low international commitment to equal rights and opportunities for women and men. Thus, in 1980, the Ukrainian Soviet Socialist Republic ratified the UN Convention on the elimination of all forms of discrimination against women and the optional Protocol thereto, which became part of national law (9). Ukraine has committed itself every four years to report to the Convention Committee on the fulfillment of its obligations. Article 7 of the Convention states that «States Parties shall take all appropriate measures to eliminate discrimination against women in the political and social life of the country and, in particular, shall ensure that women, on equal terms with men, have the right:... to participate in the formulation and implementation of government policy. and hold public office and perform all public functions at all levels of government».

In accordance with the Millennium Development Goals, which were set by the UN Millennium Summit in 2000 and made binding by 2015, Ukraine has identified the goal of «gender equality» (10). Under this objective Task № 1 was by 2015 «to ensure a gender ratio of at least 30 to 70 genders in representative authorities and higher levels of executive power». As you can see, Ukraine has not met this goal, because in the last parliamentary elections on July 21, 2019, 86 women deputies were elected to the Verkhovna Rada of Ukraine, which is 20% of its membership. Therefore, de jure Ukrainian women have been accorded equal status with men, and de facto, it is worth monitoring this process, because legislative recognition and harmonization of national legislation with the requirements of European law is only the first step towards solving a problem that requires the proper implementation of these acts.

The level of representation of women's participation in government characterizes their role in the political life of the country. According to I. Grabovskaya, the most striking indicator of the formation of a gender equality society is the quantitative and qualitative indicators of women's participation in the political process and their presence in the power structures of the state up to the highest level (1, 10). That is why we characterize the political activity of women in the Verkhovna Rada of Ukraine from 1990 to 2019, as it is the highest representative authority with the exclusive right to make laws and to be a model of the idea of equal rights and opportunities for women and men. According to experts, women working in the Verkhovna Rada of Ukraine face vertical and horizontal segregation and gender stereotypes (Martseniuk T., 2018, p. 43).

The development of an independent state, the processes of democratization of society did not improve the situation regarding the proportional representation of both

gems in the parliament of Ukraine. Thus, in 1990 only 3% of women were admitted to the Verkhovna Rada of Ukraine; in 1994 – 5,7% in 1998 – 8,1%, in 2002 – 5,1%, in 2006 – 8,5%, in early elections in 2007 – 7,6%, in 2012 – 10,2%, in 2014 – 12,3%, in 2019 – 19,1%. The total percentage is 8,84%. Today we can argue the fact that the level of women's representation in the Ukrainian Parliament has improved overall, however, remains unsatisfactory. This situation is not in line with the UN Millennium Development Goals, in which Ukraine has taken the obligation to increase women's representation in parliament by up to thirty percent.

The percentage of Ukrainian women's participation in parliamentary activity compared to developed democracies remains low and requires new mechanisms for overcoming gender imbalance.

The struggle for women's rights for equal rights has led to the emergence of a concept of parity democracy based on the postulates: development of tolerance in society, gender education, prevention of violence against women, development of political culture of subjects of law. Therefore, the main thesis of the concept is that men and women have equal civic dignity (Slabchuk T., 2010, p. 184).

Political experience assures that the country will develop more stably if women are represented in the power structures at the level of 30 – 40%. The most successful international practices include the establishment of a gender-based parliament through the application of: 1) positive action to implement gender quotas; 2) establishment of state institutions for monitoring the observance of equality between women and men; 3) implementation of the gender examination of bills.

Most countries with significant representation of women in the upper echelons of government use positive discrimination, i.e. the introduction of quotas in the field of electoral law. They are used as an exceptional temporary measure when, due to religious characteristics, persistent stereotypes in society, women are not able to exercise their rights on an equal basis with men, even if they are envisaged by legislation.

In Sweden, since 1994, political parties that go to the election have to include an equal number of men and women in their electoral lists, which is why the government of this country is now represented by 50% by women. In Norway, the quota law applies to women's participation in both political and public organizations and corporate governance. The legislation of France for the political parties participating in the elections stipulates a norm according to which no more than 50% of persons of the same gender should be included in the party list (Radish J., 2015, p. 117).

Generalizing international experience, we can conclude that the introduction of electoral quotas can be done in two ways: at the legislative level, when, according

to the regulations of the state, political parties are obliged to include a percentage of women in their list. The law may also provide for certain preferences in respect of women's quotas when drawing up party lists in the form of additional state funding, or the application of sanctions (reduced funding, refusal of registration) in case of their inappropriateness. Belgium, Greece, Italy, France resorted to this method of gender equality. However, there are sympathizers and opponents of such a quota policy among politicians and lawyers. The latter believe that such a policy contravenes the principles of democracy, gender equality, narrows voter opportunities, and parties themselves resort to the impossibility of the voters of their candidates (Pilyaeva L., 2010, p. 506).

In most EU countries, the issue of quotas is addressed directly by political parties, because under such condition's parties have the opportunity to demonstrate to voters their attitude to the issue of equal rights and opportunities for women and men, and the principle of equality is not violated. Gender quotas are more commonly used by parties in the humanist (greens) or social-democratic directions, as evidenced by the experience of countries such as Austria, Argentina, Brazil, the United Kingdom, Greece, Denmark, Ireland, Spain, Luxembourg, Portugal, Hungary, Sweden (Radish J., 2015, p. 117).

In some countries, individual state institutions are being set up to counteract the inequality of gender in order to control the equality of women and men. Thus, in Greece created the post of the Secretary of State on Equality, in Finland the Ombudsman's position on equality was introduced and the Council on Equal Rights Range Council, the Ministry of Equality in Portugal is considering this area. In such circumstances, the content of the policy, the political culture and the behaviour of the subjects of law change towards each other.

It is also advisable to carry out gender examination of bills. Thus, the new gender indicator of the Verkhovna Rada of Ukraine activities is based on the Action Plan of action for gender sensitive parliaments of the Inter-Parliamentary Union, which has the following components:

- increasing the number of women in parliament;
- improvement of legislation and policy of gender equality in the activities of the parliament;
- enhancing parliamentary culture;
- gender mainstreaming in all parliamentary activities;
- the distribution of responsibility for gender equality between women and men deputies;
- encouraging political parties to implement gender equality policies;
- gender sensitivity and equality of staff parliament (Martseniuk T., 2018, p. 51).

American researchers have come to the conclusion that women are the most effective lawmakers. For example, in the United States between 1984 and 2004, women received \$ 49 million more per year for their regions than their colleagues of men. Women's deputies of parliament are up to 3 more laws in Congress and support an average of 26 more laws than men, and more sponsors. All bills introduced between 1981 and 2009, which were drafted by women, have moved further in the legislative process, attracted more attention from the press, and are generally considered more meaningful (Radish J., 2015, p. 118).

Based on the above, we consider it appropriate to propose measures that, in our opinion, can enhance the status of Ukrainian women in politics: to further monitor national legislation and its adaptation to international and European standards on combating discrimination against women and eliminating domestic violence; implement national mechanisms to ensure women's representation in government at all levels, in line with the UN Millennium Development Goals; create the necessary socio-economic conditions for women's political activity; to promote the political culture of the population of Ukraine in order to overcome gender stereotypes.

Conclusion.

1) The civilized world has long ago understood and accepted the need for active participation of women in state-building, as their presence changes politics into socially oriented programs, the ideals of humanism and non-violence. The active participation of women in political life is closely linked to the economic development and democratic foundations of society. Proof of this is the UN indicators, which show that the Scandinavian countries occupy the first positions in women's power representation, leading in terms of quality of life and economic development.

2) Formally, Ukraine has legally enshrined the basics of gender equality in society, including at the level of international standards. However, as the results of the gender analysis of the Verkhovna Rada of Ukraine have shown, the situation of women's participation in political governance remains unsatisfactory, including through the low level of representation of women in the Verkhovna Rada of Ukraine, and even the last elections since July 21, 2019, which took place on a democratic basis, contributed to some gender change but did not increase women's representation to 30%.

3) An objective need has emerged in Ukrainian society to change the patriarchal type of political culture, to remove obstacles to women's entry into politics, because this is the way to democracy and the establishment of civil society.

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UKRAINE ON THE WAY TO MODERNIZATION OF PUBLIC FINANCIAL CONTROL

The article revolves around the legal and organizational aspects of public financial control in modern Ukraine. The current state of development of the national public audit system is analyzed. Its positive trends and challenges are highlighted. Based on domestic law achievements, best foreign practices, current national the oretical concepts were formulated practical recommendations, aimed on improvement of the effectiveness of public finance control. It is stated, that implementation of world auditing standards should be recognized as a strategic direction of the national finance policy.

Key words: public funds, budget, financial control, state audit.

Гуржій Тарас, Гуржій Анна. Україна на шляху модернізації державного фінансового контролю.

З поглибленням європейської інтеграції, подальшим розвитком національної системи державних фінансів та переходом до міжнародних стандартів державного аудиту набувають особливого значення питання державного фінансового контролю, як ключового інструменту забезпечення законності, правильності та ефективності діяльності накопичення та витрачання державних коштів. Розвиток цього інституту є важливим показником демократизації суспільства і, водночас, є запорукою прозорості та гласності в державній фінансовій діяльності. Незважаючи на значний прогрес у розвитку державного фінансового контролю в Україні, його загальна ефективність залишається низькою. На сучасному етапі розвитку національної системи державних

фінансів існує нагальна потреба в удосконаленні правових, організаційних, економічних та інформаційних засад державного фінансового контролю. Досягнення цієї мети вимагає оновлення існуючої законодавчої бази, створення спеціалізованих веб-ресурсів та інших кроків, спрямованих на підвищення ефективності контролю за накопиченням та витрачанням публічних коштів. Запропоновані кроки покликані сприяти імплементації міжнародних стандартів державного аудиту, розвитку механізмів державного фінансового контролю, підвищення ефективності контролю за накопиченням та витрачанням публічних коштів.

Ключові слова: державні кошти, бюджет, фінансовий контроль, державний аудит.

Relevance of research topic. Speaking about problems of filling and using of public funds, it should be mentioned that, regardless of country, their roots always lie in the field of public financial control. On public financial control depend prevention of financial violations, effectiveness of their detection, level of financial discipline, and general results of public financial activities. Effective system of public financial control guarantees effectiveness of financial responsibility. And, on the contrary, poor organization of financial control always leads to increase of financial offences and their latency.

A clear example is modern Ukraine. Not so long ago, our country had quite unsuccessful model of financial control with many disjointed elements, duplication of functions, and purely fiscal orientation. Until the last decade it consisted from a great number of separate audit entities, which functioned without good coordination and interaction. In general it was very ineffective. The number of financial offenses, as well as their level of latency, was almost the highest in Europe.

But, with time Ukraine began transition to standards of good governance and initiated complex reform in financial sphere. Over past years, Ukrainian science and practice had made a number of important steps towards the implementation of world's best audit experience.

Recent researches. A significant contribution to the articulation of of the scientific background for the function and development of Ukrainian state financial control can be found in the works of A. Gurzhii, L. Deshko, N. Novikova, V. Pikhotskii and others.

Presenting main material. In national legislation were transferred important provisions of The Lima and The Mexican Declarations on External Audit (1; 2). Main entities of state financial control were redirected from post-audit to pre-audit operations. If earlier their activity was concentrated on revealing financial violations, today their main aim is prevention. For this purpose, subjects of public financial control were given much bigger control powers at stages of budget planning and filling. More and more inspections have preventive character.

Parliamentary control body (Accounting Chamber / «Rakhunkova Palata») has finally started to control the revenue part of State Budget. Now it's hard to believe, but until recently, Ukraine was the only state among the 170 INTOSAI members, where the Main Control Body had no control over the State Budget planning. And now it has. At the same time there was introduced the system of independent control over the financial activities of the Accounting Chamber as the main external auditor. According to it, such control may be carried out by one of the most experienced audit firm or by one of the leading members of INTOSAI.

In turn, non-parliamentary branch of public financial control has been reorganized. From double (Government and Presidential) dependence, it was transferred under complete Government control.

Total number of control bodies was greatly reduced. As well was optimized their structure. In 2016 was founded The State Audit Service of Ukraine, the central executive body, responsible for formation and implementation of state policy in the field of financial control.

During last years was substantively improved tlegal regulation of financial control. In particular, were adopted: the Law «On Extension of Constitutional Powers of Accounting Chamber»; – a new Law «On the Basic Principles of State Financial Control in Ukraine»; – a new Law «On Accounting Chamber» etc.

Besides, there was greatly expanded the influence of civil society. In the structure of most audit entities were integrated Public Councils – civil bodies for monitoring transparency of audit activities.

So, as a whole, it can be stated that Ukrainian system of public financial control is developing in line with general world trends. But, despite of this, national system of public financial control is still far from perfectness. It is still difficult to call it balanced and harmonic. Its development is too slow. Its organizational, legal and methodical support is too poor comparing with leading European states.

Serious problems take place at all levels of financial control system. The most sensitive of them are the next.

Despite significant reduce of financial control entities in recent years, their system remains very complicated. Along with dozens of internal control units, it includes a large number of external control entities: the Accounting Chamber, the State Audit Service of Ukraine, the State Treasury Service of Ukraine, the State Fiscal Service of Ukraine, the National Bank of Ukraine, the State Commission on Securities and Stock Market, State Property Fund of Ukraine and others.

Most of them were established eventually, without clear plan. Their development is not agreed, their activities are not coordinated. As a result, existing system of audit entities is quite imbalanced. Their competence, functions and frames of responsibility sometimes are overlapping. Quite often, this leads to management

conflicts, duplication of audits, unreasonable waste of resources. As a whole, it should be noted that modern Ukraine faces negative situation, when, on the one hand, it has significant number of controlling entities, and on the other – there is no good interaction between them (3, p. 288).

Unlike most European countries, Ukraine has no Supreme Audit Institution, providing methodic support and coordination of all controlling entities. At present, Ukrainian system of public financial control covers two organizational subsystems: the Parliamentary (Accounting Chamber) and the Governmental – consisted from wide range of executive bodies and units.

Without central coordination link, all these bodies provide parallel activities both at the national and local levels. Often this leads to organizational «overlays», unreasonable audits, different decisions in same cases and so on. Such situation demands creation of strong coordinating center, which would solve all administrative contradictions and provide tight interaction between all audit entities (4, p. 7–8).

The best way of solving this task is giving to Accounting Chamber the status of Supreme Audit Institution with wide spectrum of coordinating, organizational and methodical functions. By the way, creation of Supreme Audit Institution follows from the provisions of Association Agreement between Ukraine and the EU (5). In the light of this, modern Ukraine has only one choice – to transform Accounting Chamber into Supreme Audit Institution as soon, as it possible.

The next problem is the absence of Basic Law on Public Audit. In modern Ukraine there is no single Law, defining status of all audit services, regulating relations between auditors and audited entities, establishing responsibility and independence of audit institutions (6). The Law of Ukraine «On Basic Principles of State Financial Control in Ukraine» defines the status of only one control institution – The State Audit Office of Ukraine (central executive body, responsible for implementation of state policy of financial control). Activities of all the rest auditors are regulated by a wide range of disparate acts, which are full of collisions and duplications (7, p. 152).

At the same time, there is no legal basis for external audit of financial activities provided by State Audit Office of Ukraine. As well, there is no legal basis for audit of EU funds and grants, state (regional) programs, investment projects, internal audit systems and many other activities, related to filling and using of public funds. Today in Parliament, there are some drafts of the Laws on Public financial control, but any of them is good enough to be accepted at nearest time (8; 9).

Despite the fact that national system of financial control generally meets the principles of Lima Declaration, still it is partly based on Soviet traditions. Today, it is generally aimed at checking legality and correctness of using public funds. Instead, social results of public financial activities are not fully analyzed (10, p. 48). According

to current legislation Ukrainian Accounting Chamber should provide not only financial audit, but also audit of efficiency. But providing it, Accounting Chamber uses only organizational and economical criteria. It does not check any social results of financial activity. So, in this case audit of efficiency is treated as audit of economical (not social!) efficiency.

And this is not surprising since in Ukraine there no clear criteria for measuring social effectiveness. As well, there are not defined legal consequences of poor social results of financial activity. In other words, auditors don't know what to do in cases where financial activity of public administration is economically productive, but socially ineffective.

In addition, if Lima Declaration spreads audit of efficiency upon entire administrative system, current Ukrainian legislation narrows it to the level of separate entities. As a result, comprehensive analysis of public financial management is not provided. And that makes impossible to define the effectiveness of national financial policy. In solving this issue can be useful Sweden experience. In this country audit of efficiency is provided at three levels: national, regional and level of separate entities. Two main efficiency indicators (economic performance and social performance) are measured on wide range of criteria. At the same time, those aspects of public financial activity, which are economically effective (profitable) but ineffective socially, can't be approved.

Despite the expansion of Accounting Chamber powers, its activities at the local level are still limited. Today in Ukraine there are only seven territorial departments of Accounting Chamber. Most of them provide audit in 2, 3, 4 and even – in 6 regions at once. At the same time, they consist of only 3 subdivisions with very small staff. In fact, they are not able to perform audit functions effectively.

The above mentioned transition from the post-audit to pre-audit proceeds too slowly. Most of Ukrainian audit entities received legal powers to carry out previous and current financial audits, but at the same time they were not supplied by necessary methodics. As a result, they still prefer post-fact audit. Preliminary and ongoing audits are carried out only occasionally, and their influence on public financial activities is very weak.

A strong factor of insufficient effectiveness of public financial control in modern Ukraine is the low level of responsibility of audited entities. For example, according to Ukrainian legislation, concealing unproductive losses, making false data to financial statements, interrupting audit inspections and other similar offenses, carry an administrative penalty of 4, 5 to 8 Euros. As it clearly seen, such penalty is miserable comparatively to possible profit from financial offences. In the light of this, some executives very easily violate the requirements of financial discipline.

Despite the fact that in recent years Ukraine has taken a number of steps on implementation world audit standards, this process is far from complete.

In particular, Ukrainian legislation don't not reflect INTOSAI directives about:
– creation of Supreme Audit Institution; – giving to it legislative initiative; – creation of coordination center for state audit entities; – improving audit of missions abroad; – independent monitoring of implementation audit recommendations etc.

An important issue of state financial control is its informational and software support. To date, Ukrainian system of public financial control has no informational link. Data exchange between different audit services is poor due to usage of various not adapted software products. Besides, they face such problems as: – non-compliance of information resources; – the lack of unified coding system; – the absence of universal software and so on.

Conclusion. Summarizing all said above, we must state the diversity and complexity of problems related to public financial control in modern Ukraine. They are conditioned by many negative factors and are given at all levels of public administration: national, sectoral, regional. So, their solving demands wide complex of legislative, organizational, informational and other measures.

First of them should be the next:

1. In the field of legislative regulation:

– constitutional entrenchment of Accounting Chamber as Supreme Audit Institution (a higher body in system of public financial control); recognition its autonomy in relations with Parliament; ensuring its independence from the authorities; granting to it the right of legislative initiative;

– adoption the Law on Public Financial Control, based on principles of INTOSAI Lima and Mexico Declarations. This Law should clearly define status of all audit entities, their powers and relations, their competence and responsibility;

– detailed revision of national legislation on state financial control for consistency, coherence and compliance with international treaties of Ukraine;

– criminalization such offenses as: non-fulfilment of audit prescriptions, giving to auditors false information, interrupting audit inspections. This step will highly increase punishment of offenders – to whom could be applied arrest, limitation of freedom, prohibition of holding the post, etc.

2. In the field of organizational support:

– reduction the number of external audit entities, strict definition of their competence and areas of responsibility, elimination of duplications in their powers;

– establishing Regional Offices of Accounting Chamber in all regions of Ukraine. Ensuring their autonomy and independence. Proving their personnel, structure and resources to indicators, defined by best world practices;

– giving to Accounting Chamber the right to audit of all national organizations abroad (now it can audit only diplomatic institutions);

– improving audit of efficiency, based on various social indicators. Such audit should be carried out at the regional and national levels, as well as at the level of separate entities;

– empowering State Audit Office of Ukraine to audit EU funds and grants, state (regional) programs, investment projects and internal control system.

3. In staffing:

– increase the licensed number of graduates in the field of financial control;

– implementation of professional and educational standards for obtaining bachelor's and master's degree son specialization «Financial Control»;

– maximum involvement of auditors-practitioners into all stages of educational process: from the development of educational programs to final certification;

– setting up regular internal courses for improving auditors' qualification.

4. In the field of methodical support:

– completing unification of audit terminology in accordance with INTOSAI standards;

– implementation best European methods of financial audit, audit of efficiency, expertise, analysis and other control measures;

– defining criteria for economic and social efficiency of public financial activity, recognizing social efficiency as a main factor of audit evaluation. All financial activities which are economically effective (profitable) but socially ineffective, shouldn't be approved.

5. In information and communication:

– development of the Information-Analytical System of State Financial Control (IASSFC), which would ensure the access of all auditors to: – regulatory framework of public financial control; – information on planned, provided and implemented control measures (incl. information about objects, subjects, terms and general results of inspections); – modern methods of financial audit and audit of efficiency;

– granting the Information-Analytical System access to all state registers and databases, connected with filling and use of public funds;

– providing automatic interaction between Information-Analytical System and existing electronic systems on public funds («Open Budget», «Public Budget», «Single Web Portal for the Use of Public Funds» etc.);

– development of unified software for audit operations;

– introduction of integrated system on informational exchange between all audit entities.

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CONTENT OF CRIMINAL LIABILITY FOR CRIMES IN THE FIELD OF LABOR PROTECTION

The article analyzes the issues of criminal liability for crimes in the field of labor protection. It has been found that the practice of investigating such crimes is still low in Ukraine, due to the high level of their latency.

The definition of the term «production safety» is given.

It is found that criminal violations of the general requirements of the legislation on labor protection are defined only in Article 271 of The Criminal Code of Ukraine. It has been established that persons with whom civil contracts have been concluded cannot be recognized as victims of the crime defined in Article 271 of The Criminal Code of Ukraine.

It is established that the actual harm to the victim's health, the fact of loss of life or the occurrence of other grave consequences and is the main criterion for the separation of criminal liability from other types of liability for violation of the requirements of the labor protection legislation.

Keywords: labor protection, criminal liability, criminal law.

Дараганова Ніна. Зміст кримінальної відповідальності за злочини у сфері охорони праці.

У статті проаналізовано питання кримінальної відповідальності за злочини у сфері охорони праці. Встановлено, що практика розслідування таких злочинів в Україні все ще низька, через високий рівень їх латентності.

Дано визначення поняття «безпека виробництва».

Установлено, що злочини за порушення загальних вимог законодавства про охорону праці визначені лише статтею 271 Кримінального кодексу України. З'ясовано, що особи, з якими укладено цивільно-правові договори, не можуть бути визнані жертвами злочину, визначеного статтею 271 Кримінального кодексу України.

Визначено, що фактична шкода здоров'ю потерпілого, факт загибелі людей або виникнення інших тяжких наслідків є основним критерієм відокремлення кримінальної відповідальності від інших видів відповідальності за порушення вимог законодавства про охорону праці.

***Ключові слова:** охорона праці, кримінальна відповідальність, кримінальне право.*

Relevance of the research topic. The rationality and efficiency of the organization of labor protection is one of the important factors of the driving and sustainable growth of the Ukrainian economy. At the same time, a sign of the present stage of development of Ukraine is the aggravation of problems related to safety. In addition, if during the inspections by the State Service of Ukraine on Labor in 2016 it was revealed 307 949 violations of the requirements of the legislation on labor protection (22), then in 2017 such violations were detected already 338 553 (13).

The problematic of this research is becoming more urgent nowadays, when it is urgent to carry out draft legislation on the harmonization of national legislation in the field of labor protection with international legal norms.

At the same time, an analysis of the state of industrial accidents over the last 10 years has shown that the number of recorded accidents in Ukraine is extremely high: 4 965 cases were registered in 2017, which is an increase of 4.2 % compared to 2016 (from 4 766 to 4 965) and an increase of 8.1 % compared to 2015 (of 4 592 to 4 965). And if in 2016, due to violations of the requirements of the legislation on labor protection, it was filed with the administrative court 726 claims for the suspension of production and works, then in 2017 for these reasons has already been suspended 2 919 production and works – that is four times more than in the previous year (Daraganova N. V., 2018, p. 1).

And considering criminal liability for crimes in the field of labor protection not only as a duty of the subject of crime to be responsible for criminal acts in this sphere, but also as a powerful mechanism aimed at helping to exercise of the citizens rights to labor protection, we believe that we have been elected the topic is topical and practically appropriate.

Formulation of the problem. Despite the obvious danger of crimes in the field of labor protection, as O. Taran rightly pointed out, the practice of investigating them is still small, due to the high level of latency of such crimes. Latency of accidents, including fatalities, is about 65 % (failure to notify law enforcement of such accidents; lack of investigations; accidents known only to the victim, etc.) (Taran O. V., 2010).

Today, it is essential to carry out scientific research on various aspects of criminal justice in the field of labor protection, which is the purpose of this publication – to investigate the nature and problems of criminal liability for crimes in the field of labor protection.

Analysis of recent research and publications. Many leading scientists of labor law, including L. Amelicheva, N. Bolotina, U. Beck, N. Hetmantseva, Y. Ivchuk, P. Izuita, O. Obushenko, G. Chanisheva and others, have paid attention to the issues of legal regulation of labor protection. However, in the science of criminal law, we are now seeing a near-vacuum in conducting research related to the field of labor protection.

In recent times, it is possible to note only the works of the above-mentioned scientist O. Taran, in which the author investigated the issues of crimes in the field of labor protection (Taran O. V., 2011).

Presenting main material. The constitutional principles of legal responsibility are defined, first of all, in The Constitution of Ukraine.

The Constitution of Ukraine establishes such norms-principles on legal responsibility as: the duty of everyone to strictly observe The Constitution of Ukraine and the laws of Ukraine, not to infringe on the rights and freedoms, honor and dignity of other people, and ignorance of the law does not absolve them from legal liability (Article 68); the individual nature of legal liability, as well as the fact that no one can be held twice liable for the same offense (Article 61); a person is presumed innocent of a crime and cannot be punished until his guilt has been duly proved and the sentence of a court has been established; no one is required to prove his innocence; the charges cannot be based on illegal evidence and assumptions (Article 62); a person is not responsible for refusing to give testimony or explanations about himself, family members or close relatives; the suspect and the accused and the defendant have the right to protection, and the convicted person enjoys all human and citizen rights, for with the exception of restrictions that are prescribed by law and imposed by a court judgment (Article 63) (8) etc.

Specification of these norms in the context of criminal liability for violation of the requirements of the labor protection legislation is set out in Section X of The Criminal Code of Ukraine and is considered by us to be a rather effective criminal legal means of effective labor protection in Ukraine.

There are five articles in this section that identify the following violations: 1) violation of the requirements of the labor protection legislation (Article 271), 2) violation of safety rules while performing high-risk work (Article 272), 3) violation breaking the rules of explosive plants or explosive plants (Article 273), 4) violations of nuclear or radiation safety rules (Article 274), 5) violations of rules concerning the safe use of industrial products or the safe operation of buildings and structures (Article 275) (10).

The public danger of these crimes is that deviations from regulations and established safety requirements at enterprises, mines, structures, agriculture, etc. may cause serious harm to the life and health of workers, outsiders, property, the environment (Dudorov O. O., 201, p. 432). All the above articles are aimed at ensuring the safety of the production process, however, only one – Article 271 of The Criminal

Code of Ukraine – defines criminal violations of the general requirements of the labor protection legislation.

The direct object of the crime under Article 271 of The Criminal Code of Ukraine is public relations to ensure safe of the labor protection. It should also be noted that in Section X of The Criminal Code of Ukraine (entitled «Crimes against production safety») the term «*production safety*» is not defined. In determining it, we should proceed from the following.

Standards of DSTU 2293: 2014 «Labor protection. Terms and definitions of basic concepts» in Section 4.10. the term «*labor protection*» is defined as the protection of employees from exceeding acceptable risk, and «*acceptable/tolerable risk*» is a risk reduced to such an extent that his industry, business combination, enterprise, institution, organization may allow (12).

The second component of the term «*production safety*» includes the term «*production*». This term defines the process by which people, connected by certain industrial relations, create the material goods necessary for society (Busel V. T., 2002, p. 108).

It should be noted that during the production activity the employees is (or may be) exposed to various dangerous or harmful production factors (mechanical, chemical, electrical, thermal, etc.). Their presence necessitates such conditions (conditions) as are necessary for protection of life, health, preservation of property, environment. This state of production is the safety of production – that is, such a technical condition, which neutralizes the possibility of a harmful impact on people, property and environment of dangerous and harmful production factors. Various legislative and regulatory acts are aimed at ensuring the safety of production, with the rules of criminal law aimed at safeguarding production safety relations from the most dangerous encroachments (9).

Therefore, the term «*production safety*» means the protection of the work process of a person from exceeding the acceptable/acceptable risk. This is a state of human labor activity in which the influence on the worker of dangerous and harmful production factors is either eliminated or it does not exceed the maximum permissible parameters (Daraganova N. V., 2013, p. 48–52).

The study of the norms of Article 271 of The Criminal Code of Ukraine shows that criminal responsibility for this article comes not simply for violation of the requirements of legislative and other normative legal acts on labor protection by an official of an enterprise, institution, organization or citizen – subject of business activity (violations of such requirements may lead to disciplinary and administrative liability). Criminal liability for violation of the requirements of the legislation on labor protection can only be in the case of: 1) violations that caused harm to the health of the victim; 2) violations that caused the death of people or the occurrence of other grave consequences.

However, unlike other articles of section X of The Criminal Code of Ukraine (for example, Article 272 of The Criminal Code of Ukraine, which defines a criminal act which, in violation of safety rules during the performance of work with high risk, created the risk of death of people or the occurrence of other grave consequences or caused harm) Article 271 of The Criminal Code of Ukraine does not provide for criminal liability for creating a threat of death or other grave consequences in violation of the requirements of legislative and other normative legal acts on labor protection – the social danger of this crime is caused by the actual harm to the employee’s health or the occurrence of other grave consequences. The perpetrator, according to the rules of this article, is an official of an enterprise, institution, organization or citizen – a business entity who not only violates the right enshrined in the Constitution of Ukraine for the proper provision of labor protection, but this violation has led to such grave consequences, as damage to the health of the employee or even to his death.

The victim of this crime is a hired employee – a person who is the subject of an employment relationship and has a permanent or temporary legal relationship with the employer (owner of the enterprise, institution, organization; owner-authorized body; citizen – the subject of business activity).

The legal definition of the term «*employee*» is provided in several pieces of legislation. In particular, Article 1 of the Law of Ukraine «On Professional Development of Workers» (from January 12, 2012) establishes that an employee is a natural person who works under an employment contract at an enterprise, institution and organization regardless of the form of ownership and type of activity or an individual, which uses hired labor in accordance with the law. Similarly, this term is defined in other legislative acts, for example, in the Law of Ukraine «On labor protection» (Article 1) (15).

In addition, part three of Article 30 of the Law of Ukraine «On labor protection» provides that schoolchildren and students who undergo labor and vocational training (industrial practice) at enterprises under the guidance of their staff are subject to the labor protection legislation in the same manner that and employees of the company. In addition, part three of Article 30 of the Law of Ukraine «On labor protection» provides that schoolchildren and students who undergo labor and vocational training (industrial practice) at enterprises under the guidance of their staff are subject to the labor protection legislation in the same manner that and employees of the company.

Persons with whom civil contracts are concluded (for example, a contract of a contract under which the contractor undertakes at his own risk to perform certain work at the client’s request and the customer agrees to accept and pay for the work performed (Article 837 of The Civil Code of Ukraine (20)), to our view, they cannot be recognized as victims of the crime defined in Article 271 of The Criminal Code of Ukraine. The above is evidenced by the analysis of the current legislation, and above all the Law of Ukraine «On Labor Protection», The Labor Code of Ukraine (7) and

The Civil Code of Ukraine. Thus, according to the norms of Article 2 of the Law of Ukraine «On Labor Protection», its effect extends only to legal and natural persons who, in accordance with the law, use hired labor (employers) and all workers (employees).

This conclusion is confirmed by the practice of industrial accident investigations (11).

The objective side of a crime, defined by Article 271 of The Criminal Code of Ukraine, provides for a mandatory set of at least the following features: 1) act to violate the requirements of legislative and other regulations on labor protection; 2) the existence of the consequences stipulated by the norms of Article 271 of The Criminal Code of Ukraine in the form of causing harm to the health of the victim, death of people, other grave consequences; 3) the causal link between the violation of these requirements of the law and the consequences that have come (Daraganova N. V., 2018, p. 322–324).

It should be noted that O. Dudorov and R. Movchan add another fourth feature – the crime scene (21, p. 438). In our opinion, this sign is a characteristic element of action in the form of violation of the requirements of legislative and other normative-legal acts on labor protection.

So, firstly, a crime under Article 271 of The Criminal Code of Ukraine is an act in the form of violation of the requirements of legislative and other normative legal acts on labor protection – non-compliance or improper observance of the requirements of safety and hygiene of work and industrial environment, which can be done both through action and inaction. At the same time to the general requirements, include rules governing labor safety issues in all spheres of production. These issues are primarily regulated by The Labor Code of Ukraine, The Civil Protection Code of Ukraine (6), the Law of Ukraine «On Labor Protection», the Law of Ukraine «On Pesticides and Agrochemicals» (16) etc. Violations of special rules of safety (they concern the performance of works with high risk and operate at explosive enterprises or in explosive workshops, violations of the rules of nuclear or radiation safety, safe use of industrial products or safe operation of buildings and structures) are not covered by Article 271 of The Criminal Code of Ukraine. As the Supreme Court of Ukraine explained, these violations require qualification under Articles 272-275 of The Criminal Code of Ukraine (17).

Secondly, the consequence of this crime is the presence of such consequences as: 1) causing harm to the health of the victim (part 1 of Article 271 of The Criminal Code of Ukraine) – this term covers cases of causing light or moderate injury to a person; 2) causing death or other grave consequences (part 2 of Article 271 of The Criminal Code of Ukraine). The term «*death of people*» means the infliction of death on one or more persons, and the concept of «*other grave consequences*» – causing grievous bodily harm to at least one person or moderate severity of bodily harm to two or more persons (2, p. 51).

The third feature of a crime under Article 271 of The Criminal Code of Ukraine is the existence of a causal link between the violation of the above requirements of the law and the consequences that have arisen. The establishment of this connection should also take into account the fact that in many cases the development of a causal connection has a complicated character – it can be mediated by the action of mechanical, physical, chemical, natural factors, the actions of the victim or third parties, etc. (if to resolve the issue the presence of causation requires scientific, technical or other specialized knowledge, then appoint an examination).

According to scientists, the peculiarities of this type of crime are that the establishment of the fact of violation of the requirements of the legislation on labor protection by a responsible official or a specific contractor does not always testify to the fact of their commission of a crime. The presence of the event and the composition of the crime in each case is established only if there is a causal link between the violation and the harmful consequences and a full and comprehensive investigation of all the circumstances of the case (Taran O. V., 2011, p. 48).

The subject of this crime is an official of an enterprise, institution, organization irrespective of the form of ownership or citizen – the subject of entrepreneurial activity, on which the legislation, in the broad sense of the term (law, order, official instruction, etc.) impose obligations to provide compliance with the requirements of labor protection legislation.

In defining the concept of an official under Article 271 of The Criminal Code of Ukraine, we consider, first of all, to proceed from the concept of an official, which was introduced in Note 1 to Article 364, paragraph 1 and paragraph 2, of The Criminal Code of Ukraine.

The subjective character of the crimes defined in Article 271 of The Criminal Code of Ukraine is manifested mainly in the form of negligence. We consider that the above conclusion can be drawn from the consideration of the general practice of consideration by the courts of criminal cases on crimes related to violation of the requirements of the legislation on labor protection (14).

Conclusion. Thus, criminal liability for violation of the requirements of legislative and other normative-legal acts on labor protection according to the requirements of Article 271 of The Criminal Code of Ukraine arises only if as a result of this violation caused harm to the health of the victim or caused death of people or the occurrence of other serious consequences. It is the actual harm to the victim's health, the fact of loss of life or the occurrence of other grave consequences and is the main criterion for the separation of criminal liability for violation of the requirements of the labor protection legislation from other types of liability, primarily administrative, for the breach of the requirements of the labor protection legislation.

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LEGAL REGULATION OF THE COMBATING ILLEGAL MIGRATION WITHIN THE EUROPEAN UNION

The article analyzes legal regulation of the combating illegal migration within the European Union on the supranational level. It gives definition and reveals the main elements of illegal migration. In the context of the European migrant crises, which started in 2015, the article analyses the main reasons of this phenomenon and differentiates the main routs of illegal migrants to the EU.

Key words: migration; combating illegal migration; EU acquit; European migrant crises.

Тарасевич Тетяна, Кортукова Тамара. Правове регулювання боротьби з нелегальною міграцією в Європейському Союзі.

У статті проаналізовано правове регулювання боротьби з нелегальною міграцією в межах Європейського Союзу на наднаціональному рівні. Подається визначення та розкриваються основні елементи нелегальної міграції. У контексті Європейських міграційних криз, які розпочалися у 2015 році, у статті проаналізовано основні причини цього явища та розмежовано основні маршрути нелегальних мігрантів до ЄС.

Ключові слова: міграція; боротьба з нелегальною міграцією; протидія ЄС; Європейська міграційна криза.

Relevance of research topic. Nowadays in the modern globalized world, the issue of the combating illegal migration is in the top priorities of the world community agenda. Military conflicts, such as the events of the Arab Spring, the low standard of living, and the economic instability of some Asian and African countries have led people to seek safety and better living conditions, particularly moving to the EU Member States.

According to Eurostat data, in 2017 in three EU countries, namely France, Germany and Greece were detected 339,000 illegally resided third-country nationals. According to UN Refugee Statistics, 362,000 refugees and migrants risked their lives crossing the Mediterranean in 2016 (7). In the first half of 2017, more than 105,000 refugees and migrants came to Europe. However, in the beginning of 2017, over 2,700 people died or disappeared during the crossing of the Mediterranean to reach Europe (12).

In addition, the problem of illegal migration has intensified the resumption of checks at EU internal borders; demonstrated the lack of solidarity and the inability of EU Member States to negotiate with each other; revealed imperfection in the legislation to regulate the problem; has in some way caused the UK's exit from the EU, the so-called Brexit; and furthermore jeopardized the functioning of the whole EU. Taking into consideration the abovementioned, it is extremely important to find comprehensive approaches to combat illegal migration in the EU.

Materials. The issue of the combating illegal migration within the European Union were analyzed by such scholars as J. Gour, C. Morehaus, M. Blomfield, D. Popescu. M. Provera made a research on the criminalisation of irregular migration in the European Union. D. Beseda analyzed migration crisis in the EU and its impact on the security situation in Ukraine.

Results. The concept of illegal migration was developed by the EU Commission and recorded in the 2006 in the Communication from the Commission on Policy priorities in the fight against illegal immigration of third-country nationals [1]. Accordingly, illegal migration means the illegal crossing of the territory of EU Member States by land, sea or air, including the transit zones of airports by third-country nationals. Such an intersection occurs through the use of forged documents or through organized criminal groups of smugglers and traffickers. Illegal immigrants also include persons who crossed the border legally with a valid visa or visa-free regime, but exceeded their stay or changed their purpose of stay without the consent of the authorities; as well as asylum seekers who did not leave the country after refusal.

In particular, K. Morehaus and M. Blomfield identify 8 conditions under which third-country nationals may be considered illegal immigrants: «1) illegal border crossing; 2) entry with invalid documents; 3) entry with forged documents; 4) stay longer than a visa or temporary residence permit; 5) loss of status due to non-renewal of temporary residence permit or violation of citizenship conditions; 6) born of illegal immigrants; 7) escape during the asylum procedure or after a negative decision on asylum has not left the country; 8) failure by the State to return for legal or practical reasons» (9, p. 4).

D. Popescu notes that «the phenomenon of illegal migration is viewed from the point of view of the destination countries, often linking illegal migration with entry, stay or illegal work in the country, which means that the migrant does not have the necessary permits or necessary documents, concerning entry, stay and/or work in the country concerned. In any case, the illegality of migration may also occur in one's

home country, for example, when a person crosses a border without a passport or valid travel document or they do not meet the requirements of leaving the country concerned» (10).

Thus, three groups of illegal migrants can be identified: persons who crossed the border illegally; persons who have exceeded their stay or changed their purpose of stay without the consent of the authorities; and asylum seekers who did not leave the country after refusing asylum.

J. Gour distinguishes between irregular migration and illegal migration, noting that EU documents use the term «irregular» as well as «illegal». However, in her opinion, the term «illegal» has a negative connotation (8). M. Provera notes that «in the context of the EU, the term illegal migration is used in the sense that the presence of a person in the territory of a Member State is contrary to law (11, p. 4)». In the article we will use the term «illegal migration», which means a violation of the law when entering or staying in the territory of an EU Member State.

Illegal migration may include the presence of an intermediary, a smuggler who organizes a border crossing. In this case, this phenomenon will be called human smuggling, but if the movement of people is entirely voluntary without assistance, it will be illegal entry.

In addition, there is the phenomenon of human trafficking as the most serious type of illegal migration. Trafficking in human beings is interrelated with other forms of organized crime and is considered a crime against a person.

O. Potemkin has identified such major ways of illegal immigration to the EU as: «1) The North and West African coasts are the most massive means of transporting illegal immigrants to the EU; from African countries they come to Italy, Malta and Spain; 2) the East Mediterranean direction; the ultimate goal on this route is Greece; Turkey and Middle Eastern countries are in transit; 3) the Balkan route passes through the Western Balkan states; further, immigrants enter the EU through Greece, Italy, Slovenia, Austria, Bulgaria, Romania and Hungary; 4) The Central and Eastern European route is transited through Russia, Ukraine, Moldova and Belarus, from here through Poland, the Czech Republic, Slovakia, Hungary, Bulgaria and Romania to the territory of the EU Central Countries; 5) Baltic route – organized illegal immigration through the Baltic countries to Scandinavia» (15).

D. Beseda distinguishes the Eastern Mediterranean Route (Turkey – Aegean Sea – Greece or from Turkey to Greece by land) among the main routes of illegal migrants heading to the EU; Central Mediterranean Route (Libya or Tunisia – Italy); Western Mediterranean Route (Morocco or Algeria – Spain). At the same time, the largest number of migrants arrived in the EU via the Central Mediterranean Route in 2017 – 119 369, which is 34% less than in 2016. The main countries of origin of migrants arriving on this route in 2017 were Nigeria (15%), Guinea (8%) and Côte d'Ivoire (8%) (14, p. 299).

There are also the land, maritime and air routes of illegal migrants. Land includes the route through Turkey to Bulgaria, as well as from Morocco to Spain, through the cities of Ceuta and Melilla. Regarding maritime routes, Greece, Spain, Italy, Malta are most often affected by illegal migrants countries. In addition, illegal migrants travel to the EU by air, falsifying documents. Thus, the countries located at the EU's external borders suffer most from illegal immigration, in particular Greece, Spain, Italy and Malta.

In order to combat illegal migration and trafficking in human beings, some legislation has been developed in the EU and provides for a series of measures to be taken to counteract illegal entry, residence of illegal migrants and their employment.

However, the negative aspects of illegal migration are still present in the EU, in particular, a threat to national security; it is a potential source of criminal activity; implies epidemiological risks; tends to exacerbate ethnic conflicts in society. In addition, illegal immigrants are excluded from the system of employment, taxation and social protection, and states can not keep records of these people.

The legal basis for combating illegal migration in the EU is:

Directive 2001/5 on the liability of carriers (2). Accordingly, carriers should ensure that third-country nationals who intend to enter the territory of EU Member States have the necessary travel documents and visas if necessary. In addition, EU Member States are required to impose financial penalties on carriers that have breached their obligations. They are obliged to ensure that: the maximum fine is at least 5,000 euros; a minimum fine of at least EUR 3,000; the maximum amount of the fine imposed as a lump sum for each violation was not less than EUR 500 thousand.

Directive 2002/90/EC (3), which provides for the promotion of unauthorized entry, transit and residence, criminalizes assistance in committing illegal immigration and residence.

Framework Decision 2002/946 (16) on the strengthening of punishment in order to prevent unauthorized entry, transit and residence establishes minimum rules on the punishment, liability of legal persons.

Council Directive 2004/81/EC (4) lays down the conditions for the granting of temporary residence permits to third-country nationals who have been victims of trafficking, and to those who assisted the smuggling of migrants as they cooperate with national authorities in identifying and prosecuting smugglers. The scope of the Directive extends to third-country nationals who have been victims of trafficking offenses, even if they have illegally entered the territory of the EU Member States and to persons who have facilitated illegal immigration. However, the Directive extends to third-country nationals who have reached the legal age of the Member State concerned, but Member States may decide to apply it to minors under the conditions laid down by their national law.

The Return Directive 2008/115/EC (5) obliges EU Member States to return illegal migrants or give them legal status.

Directive 2009/52/EC (6) lays down sanctions and measures to be applied in the Member States in respect of employers of illegal third-country nationals. The directive prohibits any employment of illegal immigrants and provides for a number of sanctions. Employers are obliged to ensure that third-country nationals who work for them are legally resident in the territory of the Member State concerned and inform the competent authorities of the employment of legal migrants; employers pay penalties depending on the number of illegal immigrants employed and also cover the cost of their travel; employers of illegal immigrants are deprived of certain rights and privileges, such as the right to receive assistance and grants from public authorities, the right to participate in public procurement procedures, etc. Member States shall carry out inspections in order to comply with the directive.

However, the directive does not regulate the liability of illegal workers. Instead, this issue is regulated by Member States independently. However, the document contains a set of rules that protect the interests of immigrants. For example, employers are required to pay them full salaries and make other payments related to their employment, that is, taxes and benefits, as if they were legally employed.

In addition, in 2016, Regulation 2016/1953 on the creation of a European travel document for the return of illegally staying third-country nationals in the EU was adopted (13). Prior to that, a standard travel document for returning third-country nationals, introduced by a Council Recommendation of 30 November 1994, was in place in the EU. However, given its low security standards and not accepted by some third countries, the European Travel Document for Return of Citizens has been improved and unified. The enhanced security features and technical specifications of a European return document should facilitate its recognition by third countries.

Conclusion. To conclude, however the legislation has been developed in the EU to combat illegal migration, but the legislation in this area is quite extensive and needs to be further refined given the challenges of today. The proper regulation of illegal migration will influence on the integrity of the whole European Union.

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EUROPEAN INTEGRATION OF UKRAINE IN NATIONAL LEGISLATION

The article is devoted to the European integration of our Ukrainian legislation into the legislation of the European Union countries, taking place in Ukraine on the way towards the EU membership.

Keywords: *European Union; European integration; Convention; NATO.*

Єгорова Валентина. Євроінтеграція України в національному законодавстві.

Стаття присвячена євроінтеграції нашого Українського законодавства до законодавства країн Європейського союзу, що відбувається в Україні на шляху до членства в ЄС.

Ключові слова: *Європейський союз; Європейська інтеграція; Конвенція; НАТО.*

Research rationale. The research in this context is particularly important for the legal analysis of achievements and developments, as well as for monitoring the next steps of the Ukrainian state in the process of accession to the EU, thus for strengthening the democratic foundations and the rule of law.

Problem definition. The European integration processes and Ukraine's membership in the European Union are the main tools for embodiment of the national interests, building the rule-of-law and democratic state, strengthening existing and introducing new mechanisms of functioning of civil society in Ukraine in accordance with the European model. Ukraine's accession to the EU is the key to further strengthening of domestic positions in the international stage.

Analysis of recent researches and publications. Analysing the speed of the historical and political changes that have taken place in the last decades in the European community, it is worth noting the need to re-evaluate ideas and positions in the Ukrainian and European relations.

Many national scientists and politicians, whose filed of scientific interest include this subject, are engaged in scientific researches concerning the stages of

Ukraine's movement towards the European community, its state policy in the field of European integration, as well as comprehensive studies of political and economic influences on Ukrainian society in connection with our country's accession to the European community.

The European integration of Ukraine is considered to be a separate element of our country's foreign policy activity, that is why the analysis of its steps in this direction becomes relevant and interesting as an object of scientific research.

Task definition. The task definition is to study the status, prospects and legal implications of Ukraine's membership in the European Union as a key to building civil society, as well as to overcome the problems encountered during the integration processes (Website of the European Court of Human Rights).

Basic material presentation. One of the next steps aimed at bringing Ukraine closer to the European standards was signing of the political part of the Association Agreement with the European Union on March 21, 2014.

Establishment of a pan-European security structure using the UN, OSCE, NATO, EU mechanism has become a priority. Ukraine has chosen a course for European and Euro-Atlantic integration, which has become a decisive factor in bringing foreign policy into practice. The Ukrainian state aims to become the leading country in the world, the centre of integration of Eastern and Western Europe. A well-elaborated ethnopolitics of an independent Ukraine contributes to a certain degree to a dialogue at all levels, including the opportunity to defend the interests of Ukrainians and the Ukrainian diaspora abroad (Association Agreement between Ukraine, of the one part, and the European Union and its Member States, of the other part).

Thus, signing of the Association Agreement with the European Union made it incumbent on Ukraine to implement the European standards in ensuring the principle of respect for human rights and freedoms, as well as the right to a fair trial as guaranteed by the Convention for the Protection of Human Rights and Fundamental Freedoms. Obviously, its implementation is not possible without effective application in the national law-making and enforcement activities of the ECHR, because it is known that «the rules of the Convention operate as interpreted by the European Court of Human Rights» (O. P. Kuchunskaya, T. I. Fyley, P. V. Barannik, 2013).

Choosing the European development vector for Ukraine means moving towards the European civilization model, which implies a complex democratic transition to a politically organized, responsible society of a new quality, which gradually increases the level of business activity and political participation of citizens, ensuring their rights and freedoms, forming a new structure of social space. All these qualitative changes in the structure and content of the civil society inevitably determine changes in the form and content of the state, especially in the system of public administration, which implies, first of all, a radical change in the format of communication between the state and its citizens. And the basis for such a new 'format' should be the formation of an effective and efficient system of public administration, adequate to Ukrainian realities

and global trends. In the Western state governing, philosophical and historical tradition, the problems of understanding and conceptualization of the issues of public administration, in spite of the relatively comprehensive development of these issues, the systemic features of modernization of the public administration system, depending on the national specificity of social transformations, had not been paid sufficient attention. That is why these issues in the science of public administration require further comprehensive study.

Conclusion. Thus, summarizing the above, we can conclude that the system of relations between the European Union and the civil society of Ukraine already gives some positive developments in the context of ensuring democratic and European development of the country.

The European Union, by its own example, demonstrates the importance of the civil society interaction with the authorities. A full-fledged civil society is possible due to development of the rule of law. Ukraine's accession to the EU will allow the Ukrainian society to move on to the next step towards promotion of the European values of functioning of civil society, namely: development and implementation of the rule of law is possible due to restructuring of the legislation, which must be mandatory for all; protection of the violated human and citizen's rights and freedoms; overcoming corruption processes in accordance with the internationally recognized regulations. The EU proposes in its foreign policy promotion of the relevant values in the field of strengthening the civil society, which is one of the important tasks on the way to its membership (Bases of cooperation of Ukraine with the European Court of Justice (official information of the Representation of Ukraine in the European Court of Justice)).

Many years of the EU experience are of great importance for Ukraine, especially in today's context, when there is an urgent need to stabilize the development of the country as a whole. Due to this, the civil society is revitalized and, as a result, a constructive dialogue between the authorities and society is established. Most Ukrainian citizens support the need for the EU integration. This is due to the relevance of the following aspects:

1) compulsory implementation of the EU-Ukraine Association Agreement is today an important tool through which it is possible to implement politically and nationally required reforms;

2) domestic society and public authorities largely understand the importance of fulfilling their commitments as proof for the European Union of a real desire for the EU integration;

3) owing to the positive results of implementation of the agreement, the EU is able to take counter-steps and optimize its own relations with Ukraine (X. Mashtalir, S. Leskiv, 2017).

Thus, without dwelling on the achievements in the field of the European integration in Ukraine, we would like to emphasize that there is a chance to carry out deep reforms in the field of building and strengthening the civil society of the European model.

For Ukraine, the European integration is a way of modernizing the economy, overcoming technological backwardness, attracting foreign investment and new technologies, creating new jobs, enhancing the competitiveness of domestic producers, entering the world markets, especially the EU market. As an integral part of Europe, Ukraine is focusing on the current model of socio-economic development in the leading European countries.

The political benefits of Ukraine's integration into the EU are linked to the creation of robust mechanisms for political stability, democracy and security. Getting closer to the EU is a guarantee and meeting its requirements is a tool for building democratic institutions in Ukraine. In addition, the EU membership will open the way to the collective structures of the common security of the European Union, will provide more effective coordination of actions with the European countries in the field of export control and non-proliferation of weapons of mass destruction, will allow to intensify cooperation in the fight against terrorism, organized crime, smuggling, smuggling drug business, etc.

The European choice of Ukraine opens up new prospects for cooperation with the developed countries of the continent, provides opportunities for economic development, strengthening Ukraine's position in the world system of international relations. This is the best way to embody the national interests.

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UPDATE OF THE STATE AUTHORITY IN UKRAINE: LYUSTRATIVE LEGISLATION AND PRACTICE OF REALIZATION

The article analyzes the lustration laws and the practice of lustration in Ukraine. Concludes that the lustration Institute in the national legal system does not «work». The low «effectiveness» of lustration laws can be explained by a number of objective and subjective factors: low level of legislative technique of lustration laws, the conflict of laws of the lustration law and the norms of the Constitution of Ukraine, protraction of the lustrating process, corruption, the corporate unity of the status of representatives of public authorities (judges, prosecutors and other officials persons).

Key words: *updating of state power, collision of legislation, political volition.*

Задорожня Галина, Задорожній Юрій. Оновлення державної влади в Україні: ілюстративне законодавство та практика реалізації.

У статті проаналізовано законодавство про люстрацію і практику люстрації в Україні. Зроблено висновок, що інститут люстрації в національній правовій системі не «працює». Низька «ефективність» законів про люстрацію зумовлена системою об'єктивних і суб'єктивних факторів: низький рівень законодавчої техніки законів про люстрацію, колізія люстраційного законодавства і норм Конституції України, тривалість люстраційного процесу, корупція, корпоративна єдність статусу представників органів державної влади (суддів, прокурорів та інших посадових осіб).

Ключові слова: *оновлення державної влади, колізія законодавства, політична воля.*

Urgency of the research. 2019 year is the period of different elections in Ukraine: presidential, parliamentary and local. Ukraine has elected a new President of Ukraine and a new parliament. In the future – local elections, the formation of a new government, the renewal of central executive bodies, etc. Will 2019 be the year of the renewal of public power in Ukraine? Will 2019 be the year of the effective development of our state, its economic growth, the end of the war in the East, the eradication of poverty and high mortality in Ukraine, increase of social protection of Ukrainian citizens?

The answer to this question depends on which political forces and personalities will come to power: young people and professional pro-European politicians who can effectively upgrade the political and economic development of the state, or corrupt politicians who have been in power for years and failed to do anything useful for the state, they can not generate new ideas.

An important guarantee of legal responsibility of corrupt politicians in Ukraine should be the judicial system and legislation on lustration. The quality of such legislation is extremely important for the renewal of state power. The need to analyze the quality of such legislation will actualize the subject of the study.

Target setting. Legislation on lustration in Ukraine was adopted in 1914, but the process of purging the state power did not finish. The provisions of the lustration law turned out to be powerless in the struggle for the purge of state power; in the state there is total impunity for senior officials; corrupt officials are again returning to positions to state authorities. The objective of this publication is to analyze the issue: why implementation of the provisions of the law on lustration in Ukraine is ineffective. Thus the topic of this publication is not only relevant, but also necessary.

Actual scientific researches and issues analysis. Scientists investigated certain theoretical-legal, constitutional and other aspects (political science) of purging the state power (M. Antonovich, I. Bezklubiy, O. Sahan, S. Shevchuk and others). The subject of their research deals with the general theoretical issues of purging the state power, certain aspects of the international law in the national legal system, but scientists have not analyzed the practical experience of using lustration law in Ukraine. In connection with this, there is a need analysis of the reasons for the ineffectiveness of lustration processes in Ukraine.

The statement of basic materials. The lustration institute is new in the national legal system. However, the lustration institute was known in ancient times. The word «lustration» means:

- a) release from something unnecessary, foreign;
- b) moral, religious, spiritual purification;
- c) deprivation of the presence of something, anyone undesirable;
- d) updating, improving, gaining a certain quality.

Lustration means the complete or partial replacement of the anti-democratic regime by the government, carried out in a legally determined manner. Lustration is an effective political and legal instrument: the «old» representatives of state power are eliminated, vacant political, judicial and other positions in state power bodies appear (1). In general, lustration provides an update of state power.

The relations regarding the purification of state power in Ukraine were settled in 1914. Parliament passed the Laws of Ukraine «On purification of power» dated 16 September 2014 № 1682-VII (2) and «On restoring confidence in the judiciary in Ukraine» dated 08 April 2014 № 1188-VII (3). We will try to analyze the results of the practical implementation of the norms of these laws, which, unfortunately, are extremely negative.

The low «effectiveness» of these laws can be explained by a number of objective and subjective factors. Objective factors are.

1. *Low level of legislative technique of lustration law.* For example, the Law of Ukraine «On purification of power» is overloaded with the norms-specifications, exceptions for its implementation. In addition, the law is not an ancillary act, but a normative legal act of general action, therefore, the law can not contain the names of concrete persons, even if it is the surname of the former President of Ukraine, etc.

2. *The conflict of laws of the lustration law and the norms of the Constitution of Ukraine.* For example, the Constitution of Ukraine (Part 6 of Article 126) identified six grounds for dismissal of judges from positions:

- 1) incapability to exercise his powers for health reasons;
- 2) violation by the judge of requirements concerning incompatibility;
- 3) committing a substantial disciplinary offense, gross or systematic non-fulfillment of duties, which is incompatible with the status of a judge or has revealed his inconsistency of occupy position;
- 4) the submission by a judge of a statement of resignation or of voluntary dismissal from the office;
- 5) disagreement with the transfer to another court in the event of the liquidation or reorganization of the court, where the judge of occupy the position;
- 6) violation of the duty to confirm the legality of the source of the property.

This list of constitutional grounds for dismissal of judges is exhaustive and can not be supplemented by another law.

However, the Law of Ukraine «On purification of power» of September 16, 2014 (Article 3) established additional grounds for the dismissal of a judge of occupy position.

There is a collision of the norms of the Constitution of Ukraine, the Law of Ukraine «On the High Council of Justice» of December 21, 2016 (4) and the norms of lustration legislation in terms of determining the grounds for dismissal of members of the High Council of Justice.

The lustration law broadens the constitutional grounds for dismissal from the positions of members of the High Qualifications Commission of Judges of Ukraine, the Central Election Commission, etc. At the same time, disciplinary cases against judges are massively closed in connection with the expiration of the three-year period for bringing judges to disciplinary action.

Thus, the Law of Ukraine «On purification of power» contains a number of provisions that contradict the norms of the Constitution of Ukraine (5).

Let's try to analyze the subjective factors of the ineffectiveness of lustration laws in Ukraine.

1. *Protraction of the lustration process.* By its legal nature lustration law is similar to the transitional provisions of the constitution, its realization must be carried out within a reasonable time, without delay. The force of this law is the determinism of its application.

2. *There is no political will in the state to hold lustration.* No law contains the definition of «political will», its components and forms of implementation. However, political will is realized within the limits of political power. However, not all political authorities are state-owned, such as: political parties that did not overcome the electoral barrier in elections, but are active in political life in society. An important aspect of political will is its legitimacy. Civil society supports lustration, while state authorities – do not support.

Political will is something that our politicians are almost always lacking. The unwillingness of politicians, officials and judges to lustration is obvious. Why? Because they themselves or their children or relatives obey the rules of lustration laws.

3. *Corruption has in fact become the next irrefutable obstacle to lustration in Ukraine.* In recent years, it only intensifies, as repeatedly point out by international experts.

4. *The corporate unity of judges, prosecutors and other status representatives of state power* is another factual obstacle in the national system of public administration, which is hindering democratic processes in the state.

Conclusion. Summarizing the results of comparative analysis of lustration laws and other constitutional laws we can come to the following conclusions:

1. Effectiveness of the lustration law is currently lost, therefore, the institution of legal responsibility in full compliance with the constitutional principle of equality of all citizens before the law must function fully to ensure the democratic development of society and the state.

2. The low «effectiveness» of lustration laws can be explained by a number of objective and subjective factors.

3. The objective factors are: low level of legislative technique of lustration law, the conflict of laws of the lustration law and the norms of the Constitution of Ukraine. The subjective factors are: protraction of the lustration process, there is no political will in the state to hold lustration, corruption, the corporate unity of judges, prosecutors and other status representatives of state power.

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DECENTRALIZATION REFORM IN UKRAINE AS AN ELEMENT OF THE EUROPEAN VECTOR OF PUBLIC LAW DEVELOPMENT

The local public authority of a modern society is functioning within the limits of a certain territory and applies to the persons not on social (family, corporate, religious, etc.), but on a territorial basis. All entities subject to the relevant spatial-geographical unit determined by the legislation of the country must obey the said authority. In addition, the implementation of legal acts taken by local public authorities is due to the territorial boundaries of their activities.

The administrative-territorial system is the territorial basis of the organization of local public authorities, and at the same time it is the basis for its decentralization. Therefore, the issues of improving the administrative-territorial system are of particular importance in today's constitutional, municipal, budgetary, financial and administrative reforms. At the same time, it must be admitted that the current administrative-territorial system no longer responds to the political and socio-economic challenges that have arisen in Ukraine. In order to form a constitutional decentralized state, the territorial basis of the organization of local public authority should be improved in the first place.

Key words: local government, local public authority, administrative-territorial system, decentralization, public power.

Калиновський Богдан, Кулик Тетяна. Реформа децентралізації в Україні, як елемент Європейського вектора розвитку державного права.

Місцева державна влада сучасного суспільства функціонує в межах певної території, і здійснюється щодо осіб не за соціальними (сімейними, корпоративними, релігійними тощо) ознаками, а на територіальній основі. Усі суб'єкти, що підпадають під відповідну просторово-географічну одиницю, визначену законодавством країни, повинні підпорядковуватися зазначеним

повноваженням. Крім того, реалізація нормативно-правових актів, прийнятих місцевими органами публічної влади, обумовлена територіальними межами їх діяльності.

Адміністративно-територіальна система є територіальною основою організації місцевих органів публічної влади і водночас є основою для її децентралізації. Тому питання вдосконалення адміністративно-територіальної системи мають особливе значення при здійсненні конституційної, муніципальної, бюджетної, фінансової та адміністративної реформ. Водночас слід визнати, що нинішня адміністративно-територіальна система вже не відповідає на політичні та соціально-економічні виклики, що виникли в Україні. Для формування конституційно-децентралізованої держави в першу чергу слід вдосконалити територіальну основу організації місцевої публічної влади.

Ключові слова: *міське самоврядування, місцева влада, адміністративно-територіальна система, децентралізація, публічна влада.*

Relevance of the research topic. Considering the territorial basis for the organization of local public authority, above all, it makes sense to note that compared to the tribal organization of power, local public authority in modern society is functioning within a given territory and apply to subordinated entities not by social (family, corporate, religious, etc.) but on a territorial basis. The said authorities must obey all entities that are within the respective spatial and geographical unit designated by the law of the country. A territorial limit of the activity of local public authorities causes validness of legal acts which they adopt in this area.

At the same time, the peculiarities of the organization of local public authority depend to a large extent not only on the political and legal characteristics or level of professional training of employees, but also on the geographical characteristics of the territory concerned. «According to historical experience, it is noted in modern theoretical literature – the land itself, the territory of the state is the strategic resource, which, in significance, may prevail over all other resources» (1).

Formulation of the problem. The territorial basis of the organization of local public authorities is an important factor in its existence; it can contribute to and slow down the development of legislative regulation and practice of functioning of both local self-government and state authorities. The success of the decentralization reform depends to a large extent on the well-thought-out and functionally capable territorial basis of local public authority.

Analysis of recent research and publications. As we can notice authors in different ways studies aspects of local government, decentralization, arrangement of administrative-territorial structure, management of territories. For example G. Liddo, C. Magazzino, F. Porcelli in their work assess the relationship among government size, decentralization and economic growth in Italian ordinary regions. The result of research provides evidence in support of the existence of an inverted U-shaped

relationship between public expenditure and economic growth, that depends on the degree of fiscal decentralization (2). Also, Rony Emmenegger dedicated research to contribute to an inherently political understanding of decentralization, development and their entanglement in local and national politics in rural African societies. Attention is paid to the fact, breaking with a centralized past, the incumbent government of the Ethiopian People's Revolutionary Democratic Front (EPRDF) committed itself to a decentralization policy in the early 1990s and has since then created a number of new sites for state–citizen interactions. But still decentralization has been interpreted as a means for the expansion of the party-state at the grass-roots level (3). This research proves that providing a decentralization policy sometimes takes long terms. Here in Ukraine we also have some challenges providing decentralization reform.

Presenting main material. The Constitution of Ukraine does not accidentally foresee Section IX «Territorial structure of Ukraine», which regulates and protects social relations in this area. Art. 132, 133 establish the rules of direct action regarding the basic principles of the formation of the internal territorial organization of the state. It is in accordance with the territorial structure of the state and the formation of state authorities and local self-government bodies, and therefore the local public authority is realized.

Researching the territorial basis of the organization of local public authority, it is also important to recall that the basic principles of the territorial structure of Ukraine are the following: the unity and integrity of the state territory; a combination of centralization and decentralization in the exercise of state power; balance and socio-economic development of the regions taking into account their historical, economic, ecological, geographical and demographic characteristics, ethnic and cultural traditions.

The administrative-territorial division of Ukraine was formed in the 20's and 30's of the 20th century without proper consideration of a set of factors, in particular the availability of resources, production potential, population density. The criterion for the formation of regions, districts, districts in the cities, among other things, was the number of members of the communist party within a certain territory. At the present stage of development of Ukraine in the reform of the administrative-territorial system must be taken into account historical, economic, ecological, geographical and demographic features, as well as ethnic and cultural traditions, which will ensure the balance and socio-economic development of communities and territories.

As already noted, the administrative-territorial system is the territorial basis of the organization of local public authority. In the context of this statement, it should be recalled that under the notion of «administrative-territorial system» is understood the system of internal territorial organization of the state due to geographical, historical, economic and other factors, which is enshrined in the law and is based on the division of the territory of the state into its constituent parts in order to ensure a balanced

development of regions and a well-defined organization of the functioning of state authorities and local governments (4, p. 101).

In scientific sources, there is a definition of the notion of the territorial basis of local public authority, which is understood as the totality of elements of the system of the administrative-territorial structure of the state, within which the local public authority is functioning. It also includes a set of legal rules that establishes and regulates the territorial organization of local public authority, namely, the formation and composition of territories at the level of which local public authority is realized, the boundaries and status of these territories, the procedure for their establishment and change (5, p. 174].

Therefore, the elements of the administrative-territorial system of the state are an integral part of the territorial basis of local public authority. We must notice here, that the notion of territorial basis is wider – it includes the legal status of the territories, those from which territory is formed, the procedure for their establishment as one of the basis of local public authority, the procedure of defining the boundaries and making changes of the territory.

From the contents of Art. 118 of the Constitution of Ukraine it is understood that local state administrations exercise executive power in the regions and districts in the cities of Kyiv and Sevastopol (6). One of the peculiarities of the implementation of local public authority in the capital of Ukraine, in accordance with the Law of Ukraine «On the Capital of Ukraine Hero-City Kyiv» of January 15, 1999, is that the Kyiv City State Administration is the executive body of the Kyiv City Council and, accordingly, the local city state administration.

From 2001 to 2010, in Kyiv, in addition to the Kyiv City Council and its executive body – the Kyiv City State Administration, – there were ten district councils in Kyiv and their executive bodies – district administrations in Kyiv. Following changes to the Law of Ukraine «On the Capital of Ukraine Hero-City Kyiv» dated January 15, 1999, in 2010, by the decision of the Kyiv City Council «On the Issues of Organization of District Governance in the City of Kyiv» of September 9, 2010 No. 7/4819 (7) the activities (from October 31, 2010) were terminated by eliminating district administrations in the city of Kyiv and district administrations in Kyiv. By the order of the executive body of the Kyiv City Council (Kyiv city state administration) «On organizational and legal measures related to the implementation of the decision of the Kyiv City Council dated September 9, 2010 No. 7/4819» On the Issues of District Management in the City of Kyiv «of September 30 In 2010, No. 787(8), since October 31, 2010, district administrations have been formed in Kyiv, which are authorized by the order of the executive body of the Kyiv City Council (Kyiv city state administration) «On the implementation of district in Kyiv, by the state administrations of certain powers «from January 31, 2011, No. 121. (9) Consequently, the territorial basis for the implementation of local state administrations their power are the regions, districts, cities of Kyiv and Sevastopol and districts in these cities.

Regarding the territorial basis of the implementation of local public authorities by the local self-government bodies, the Constitution of Ukraine states that local self-government is the right of a territorial community – residents of a village or a voluntary association of residents of several villages into one village community, residents of a settlement, and of a city – for the purposes of an independent settlement of issues of local character in compliance with the Constitution and laws of Ukraine (Art. 140 of the Constitution of Ukraine). Local governments, representing the common interests of territorial communities of villages, towns and cities, are districts and region councils. Issues of organization of district management in cities fall within the competence of city councils.

It is well-known that according to the levels of organization of local self-government, the system of administrative-territorial organization is divided into two main groups: settlements (cities, towns and villages) and territorial units (regions and districts). Settlements (cities, towns and villages) are the so-called «primary» level of local self-government, since only such territorial units form a fundamental element of the system of local self-government – a territorial community. Due to the lack of substantiation of the criteria for resettlement, a large number of settlements are rather conditionally assigned to urban or rural (10, 222).

Urban settlements in Ukraine include cities and towns of urban type, and rural include villages and towns. The basis of the division of settlements into urban and rural differences is the nature of material production, which significantly affects the size and location of settlements. If the development of urban settlements is associated with the capacity, specialization and placement of industrial enterprises, construction and transport facilities, then rural settlements with using land and location of agricultural production. For rural settlements it is also inherent a greater, compared with urban, remoteness from the places of work, close connection with the earth and the environment, etc. The main criterion for the selection of urban settlements is two features: the population (population) of the settlement and the proportion of workers, employees and members of their families in the total population. In general, the concept of «city» is understood as a populated place, significant in size, size and density of the population, employed mostly not in agrarian spheres of activity (10, p. 223).

According to state building codes «Urban planning. Planning and development of urban and rural settlements», approved by the Decree of the State Committee of Ukraine for Urban Planning and Architecture of April 17, 1992, No. 44, provides the following typology of Ukrainian cities by population: small (up to 50 thousand people); average (50–250 thousand people); large (250–500 thousand people); significant or super-large (500 thousand-1 million people); major, or millionaire cities (over 1 million people) (11).

The village as a form of settlement is inherent not only for the urban, but also for the rural population of Ukraine. The intermediate position between cities and rural settlements is occupied by urban-type settlements, which are considered as a reserve for replenishing the network of cities. Modern problems of rural settlement depend on the state's position on ways to solve peasant and land issues (12, p. 224).

Taking into account the experience of foreign countries, the content of the principle of subsidiarity and the adoption of a decentralization course by Ukraine, the city, the district in the city (with a population of more than 300 thousand people), the town, the village should be defined as the territorial basis for the implementation of local public authority by bodies of local self-government. We advocate a position according to which, if the number of inhabitants of the city is more than three hundred thousand, the city council is obliged to create areas in the city, as well as district councils in the city and their executive bodies. Therefore, we propose to make changes to Art. 5 of the Law of Ukraine «On Local Self-Government in Ukraine» dated May 21, 1997, with the provision of part 2 of Article 5 of this Law in the following wording: «In cities with a population of more than 300 thousand, the city council, by its decision in accordance with this Law, is required to form areas and district councils in the city. The number of residents in each district in the city should be at least 150 thousand inhabitants. In the formation of districts in the city and changing their boundaries, it is not allowed to establish a significant imbalance between the quality indicators for providing residents with municipal, administrative, social, cultural and other services. District councils in city councils form their executive bodies and elect the council chairman, who is also the chairman of its executive committee».

As already noted, Ukraine needs administrative and territorial reform to make sure the territorial basis of the organization of local public authority can satisfy the needs of the system of local public authorities. From the 1990s to the present, clarity and uniqueness of its implementation have not been achieved. In 1990, a draft law was proposed, in which it was intended to divide Ukraine into 13 regions which would have more powers. During 1997–1998 the work on the draft Law of Ukraine «On the administrative-territorial system of Ukraine» was actively pursued. The draft law was voted on October 16, 1997 by the Verkhovna Rada of Ukraine, but the President of Ukraine imposed a veto on him, which was not overcome (13).

It is worth mentioning also that in 2014 the parliament of Ukraine was discussed one more draft Law of Ukraine «On administrative-territorial system» registration number 319. The bill aims to eliminate shortcomings in regulation of the issues of the administrative-territorial system (14). In fact, to establish boundaries had to be implemented the principle of universality and distribution of powers of local government in the territory outside the settlement. However, the relevant changes in the draft law are not proposed, there are no deadlines, within which there should be improvement of the territorial basis of the organization of local public authority.

To date is the draft Law of Ukraine «On the Principles of the Administrative-Territorial Order of Ukraine» No. 8051 of 22.02.2018 (15), art. 4 of the draft Law determines that the system of administrative and territorial organization of Ukraine consists of the Autonomous Republic of Crimea, regions, districts, districts in the cities, cities, towns, villages, on the basis of which administrative- territorial units have to be formed.

The administrative-territorial units are regional, subregional, basic and auxiliary levels: the administrative-territorial units of the regional level (regions) are the Autonomous Republic of Crimea, the regions; the subregional level is the districts in the Autonomous Republic of Crimea and of the regions; the basic level is the communities that are formed on the basis of settlements (villages, towns, cities); auxiliary levels are the districts in cities.

Not new in the attempts to reform the administrative-territorial system, but the «new» in case of the adoption of the relevant law is the community as an administrative-territorial unit of the basic level, which includes one or several settlements. The community is a territorial basis for the implementation of local self-government by residents of settlements located within the territory of the community, the formation and activities of local self-government bodies.

Immediately it strikes that the developers of the said Project are intended to carry out an administrative-territorial reform without introducing appropriate amendments to the Constitution of Ukraine, which contradicts Part 2 of Art. 8 of the Constitution of Ukraine.

One of the options for resolving the issue of the system of administrative and territorial system of Ukraine is contained in the Draft Law on Amendments to the Constitution of Ukraine (Regarding the Decentralization of Power) of July 1, 2015, No. 2217a. It provides for three levels of administrative-territorial organization, the special status of cities Kyiv and Sevastopol, regions and cities with a special status called the regions. According to the draft, the primary unit in the system of administrative-territorial organization of Ukraine is the community, and the procedure for the establishment, liquidation, establishment and change of borders, naming and renaming of communities, districts, regions, as well as the procedure for the creation, naming and renaming and assigning of settlements (villages, towns, cities) to the appropriate category are determined by law (16).

Conclusion. Therefore, we can conclude that the current model of the administrative-territorial system and, accordingly, the organization of local public authority, creates significant problems at the local level and needs an urgent solution. It seems that this can be fixed in two ways: the union of territorial communities or the allocation of territorial communities from other territorial communities. However this cannot be solved because of the absence of the Law of Ukraine on the territorial system.

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THE EUROPEAN UNION: REALIZING THE CULTURAL FUNCTION OF THE STATE

The article is devoted to the research of normative legal and organizational and administrative mechanisms that use authorized state institutions in the process of realization of cultural functions of the state, compliance of these mechanisms with the current EU legislation and generally accepted principles of preservation of cultural heritage and progressive development of national culture.

Key words: *Culture, Cultural Heritage, European Cultural Policy, Charter of Fundamental Rights of the European Union, International Center for the Study of the Conservation and Restoration of Cultural Property.*

Корецький Сергій. Європейський Союз: реалізація культурної функції держави.

Стаття присвячена дослідженню нормативно-правових та організаційно-адміністративних механізмів, які використовують уповноважені державні установи у процесі реалізації культурних функцій держави, відповідності цих механізмів чинному законодавству ЄС та загально визнаним принципам збереження культурної спадщини та прогресивний розвиток національної культури.

Ключові слова: *культура, культурна спадщина, Європейська культурна політика, Хартія основних прав Європейського Союзу, Міжнародний центр вивчення збереження та реставрації культурних цінностей.*

Relevance of the research topic. In the context of further globalization of the world and the desire of Ukrainian society to become a full member of the world community, there is an urgent need to explore the basic principles and corresponding normative prescriptions of equal interaction of peoples in all spheres of public life, including the protection of cultural rights of the individual.

Formulation of the problem. The basis of modern European policy in the field of culture is laid down in the Treaty of the EU, signed on 7 February 1992 in Maastricht (Netherlands) between the members of the European Community and entered into force on 1 November 1993 (T. Shy'nkarenko, 2011;. A. Yu. Marty'nov, 2009).

Art. 167 of the Culture section identifies three main goals of cultural development: 1) to promote the prosperity of national cultures, while at the same time multiplying the world cultural heritage; 2) to encourage contemporary artistic creativity; 3) to deepen international cooperation in the artistic and cultural spheres. Cultural cooperation, backed up by an appropriate legal framework, is recognized as the core of EU activity, a force that serves to «bring the peoples closer together» (3).

Presenting main material. The cornerstone of safeguarding cultural rights is the Charter of Fundamental Rights of the European Union, the observance of which principles and freedoms are binding on the Union under the Treaty of Lisbon. Yes, the Charter stipulates that art and research cannot be restricted (Article 13) and that the EU must respect culture, religions and linguistic diversity (Article 22) (4) Under the Lisbon Treaty, the Union must respect its cultural and linguistic diversity and protect and further enriching Europe's cultural heritage (Article 3 of the Consolidated version of the Treaty on European Union). Article 6 of the Consolidated version of the Treaty on the Functioning of the EU defines the areas of competence of the Union in the cultural sector, in particular to take action to support, coordinate and complement the actions of the Member States in the field of culture (5). That is, cultural policy is the exclusive competence of a particular EU member state, and the EU itself reserves the right to coordinate the actions of the participating countries in the field of cultural policy.

On the path to European integration, Ukraine is successfully using its right to its own vector of cultural development, especially in international cooperation with the EU. Thus, during 2017, with the assistance of the European Commission, a number of short-term (piloting, with the possibility of further extension) and long-term projects were implemented:

EU Creative Bureau Europe Program Bureau operates in Ukraine The EU National Creative Europe Program Bureau is fully operational on the basis of the Ukrainian Center for Cultural Research. With the assistance of the Ministry of Culture, the site of the National Creative Europe Ukraine Bureau was created -<http://creativeeurope.in.ua/>.

In 2017, about 70 events were held by the National Bureau of the EU Creative Europe Program in Ukraine with the support of the Ministry of Culture; the project of web-resource database of Ukrainian cultural and creative industries was developed; work has been done to establish cooperation with partners in Ukraine. Yulia Fedov, Head of the EU's Creative Europe National Program Office in Ukraine, held more than 400 personal and remote consultations

The COMUS project has been implemented.

It is a joint project of the Council of Europe and the European Commission Urban-oriented Urban Strategies in Historic Cities. «The project involves a comprehensive interaction of authorities at all levels and local communities to improve

the existing urban environment of small historic cities, preserve the historic environment and encourage local residents to participate actively in the life of the city. In July 2017, the final project seminar in Ukraine was held in Kyiv. The project managers of three Ukrainian pilot cities – Lutsk, Zhovkva and Pryluk – presented the project implementation results and the portfolio cities created by the project cities.

Conclusion. Ukraine joins Cultural Routes On September 27–29, 2017 in Lucca, Italy, the 7th Annual Council of Europe Cultural Routes Advisory Forum took place «30 Years of the Council of Europe Cultural Routes: Establishing Dialogue and Sustainable Development through European Values and Heritage». The delegation of the Ministry of Culture took part in the event. In 2017, Ukraine acceded to the Enlarged Partial Agreement on Council of Europe Cultural Routes as an observer. A question is currently under consideration.

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ESTABLISHMENT AND LAUNCH OF HIGH ANTI-CORRUPTION COURT: NEW STAGE IN EXPERIENCE OF UKRAINE IN COMBATING TOP CORRUPTION

The article describes the peculiarities of experience of Ukraine in establishment and launching of the High Anti-Corruption Court (HACC), as well as some issues of legal regulation which this court was or will be dealing with in the near future. The peculiarities of the judicial bench formation are highlighted. The competition stages are reviewed; statistics on the candidate number at each stage is given. The role of the Public Council of International Experts and its right to veto with regard to the candidates are highlighted. The legal problems of the jurisdiction of the HACC are analysed, in particular in the cases currently pending before the courts at the stage of its establishment.

Keywords: *High Anti-Corruption Court, Ukraine, combating corruption, specialized court.*

Кравчук Олексій. Створення та запуск Вищого антикорупційного суду: новий етап досвіду України у боротьбі з топ-корупцією.

У статті описані особливості досвіду України щодо створення та діяльності Вищого антикорупційного суду (ВАС), а також деякі питання правового регулювання, якими цей суд буде займатися найближчим часом. Висвітлено особливості формування складу суду. Переглядаються етапи конкурсу; наводиться статистика щодо кількості кандидатів на кожному етапі. Підкреслюється роль Громадської ради міжнародних експертів та її право вето щодо кандидатів. Проаналізовано правові проблеми юрисдикції ВАС, зокрема у справах, які наразі розглядаються в судах на стадії його створення.

Ключові слова: *Вищий антикорупційний суд, Україна, боротьба з корупцією, спеціалізований суд.*

Relevance of research topic. The key tasks within the Objective 16 of the Agenda for Sustainable Development up to 2030, approved by the UN General Assembly (Resolution 70/1, Clause 16.5), are the significant reduction of corruption and bribery in all its forms. Explaining Objective 16, the UN notes that corruption, bribery, theft and tax evasion cost some US \$1.26 trillion for developing countries per year; this amount of money could be used to lift those who are living on less than \$1.25 a day above \$1.25 for at least six years. Among the institutions most affected by corruption are the judiciary and police (1).

Fight against corruption is identified as one of the main principles for enhancing relations between the Parties to the Association Agreement between the European Union and Ukraine (Article 3), along with the rule of law, good governance, fight against various forms of transnational organized crime and terrorism, promoting sustainable development and effective multilateralism (2).

Article 14 of the Agreement defines the way of the Parties' cooperation in the direction of justice, freedom and security, in particular to strengthen the judiciary, enhance its efficiency, guarantee its independence and impartiality and fight against corruption.

In order to increase the efficiency of consideration of criminal cases on top corruption and within the framework of fulfilment of its international obligations, the Ukrainian Parliament adopted the Law of Ukraine No. 2447 «On High Anti-Corruption Court» in June 2018 (3). This law also introduced a number of significant amendments to other laws, including the Criminal Procedure Code of Ukraine (hereinafter referred to as the «CPC») (4).

Problem statement. The High Anti-Corruption Court (hereinafter referred to as the «HACC») was established as a high specialized court for hearing the criminal cases of high profile corruption offenses (crimes) in the first instance and under the appeal procedure established by the law. The establishment of high specialized courts is envisaged by the Constitution of Ukraine (Article 125) (5).

Prior to establishment of the High Anti-Corruption Court in Ukraine, three new executive authorities were established within the framework of the anti-corruption reform. These are the National Agency for Prevention of Corruption (Prevention Authority), the National Anti-Corruption Bureau (Pre-Trial Investigation Authority), and the Specialized Anti-Corruption Prosecutor's Office (a unit of the Prosecutor General' Office). This article is intended to consider the particularities of the experience of Ukraine in establishment and launching of the High Anti-Corruption Court and some of the legal regulation issues which this court deals with or will be dealing with in the near future.

Analysis of recent researches and publications. There are 23 jurisdictions in the world that have specialized anti-corruption courts in one or another form (6). The first anti-corruption court was established in the Philippines in 1979, but more intensive establishment of such courts began since the early 2000s. Among European

countries, Croatia (2008), Slovakia (2009), Bulgaria (2012) (M. Stephenson, 2016) have these courts in one or another form. The Anti-Corruption Court was established in Albania (2018) (8). The relevant official announcements about establishment of an anti-corruption court were reported by the Moldovan Government (9).

The main criteria of establishment of the anti-corruption courts are integrity, efficiency and specialization (M. Stephenson, 2016). It was the criteria serving the basis for establishment of the HACC, to judicial bench formation of which international experts were involved. The features of the Public Counsel of International Experts (hereinafter referred to as the «PCIE») participation in the establishment of the court are analysed by I.Zabokrytskyi (I. Zabokrytskyy, 2019). Law No. 2423 and relevant amendments to the legislation on the judiciary envisaged additional guarantees of independence for the HACC. The literature emphasizes that the important role in the prosecution of high-level corruption belongs to pre-trial investigation authorities and prosecutors. Moreover, there is even an allegation based on research that has been conducted in the post-communist countries of Eastern Europe (not including Ukraine) and shows that the higher level of corruption charges could be observed in the countries with stronger democratic institutions and availability of journalistic investigations (M. Popova, 2018). It is necessary to agree with the authors who point out the high role of civil society institutions in anti-corruption policy, and in particular in the decision to establish the HACC (M. Zaloznaya, 2018).

Presenting main material. Law No. 2447 provided separate competitions for the formation of the judicial bench for the first instance of the High Anti-Corruption Court and for its Chamber of Appeal.

The competitions for the judicial bench formation were held from August 2018 to March 2019 with the participation of the Public Council of International Experts. Six prominent lawyers from the United Kingdom, Denmark, Lithuania, Slovenia, Canada and the United States were included into this Council. These lawyers have solid experience in holding top corruption cases (13).

According to Law No. 2447, the members of the PCIE (not less than 3 persons) actually had the right to veto any candidate, provided there were reasonable doubts about his/her integrity and professionalism. Such a candidate dropped out of the competition. This veto could have been overridden if the PCIE and the High Qualification Commission of Judges of Ukraine (permanent body appointing judges, hereinafter referred to as the «HQCJ») at their special joint meeting voted for it by a majority of the combined composition of these bodies. But at least half of the members of the PCIE had to vote on overriding the veto. 343 candidates submitted applications for participating in the competition to fill 39 positions of judges. 270 of them were admitted to the competition.

The competition was conducted in several successive stages. In the first two stages, the winners were the candidates in a certain number, the multiple number of vacant positions of judges (4 times in the first stage and 3 times in the second stage).

The first stage of the competition involved conducting anonymous written testing in various fields of law. 156 candidates (4 times more than the vacancies of judges) successfully passed the test. In the second stage, the candidates performed an anonymous written practical case. During such a task, it was necessary to write within a limited time a court judgement (sentence for a first instance court or the decision of the court of appeal) in a model criminal case. The second stage was successfully passed by 113 candidates (approximately 3 times more than the number of the vacant positions of judges) (14).

In the third stage, the candidates underwent anonymous psychological testing and interviews with a psychologist.

Following this stage, 49 candidates out of 113 were vetoed by the PCIE. And only 7 of them overcame veto at a joint meeting of the PCIE and HQCJ.

71 remaining candidates had interviews with the HQCJ. After the interview, the HQCJ determined the final scores of the competitors. In determining the final scores, the results of the anonymous test, anonymous practical case, psychological test and interview with the psychologist, interview at the HQCJ and materials of the candidate's file were taken into account. 39 candidates who scored the maximum points were identified as the winners of the competition. Among them, 27 are judges of the first instance and 12 are judges of the Chamber of Appeal. They were recommended for appointment as judges of the High Anti-Corruption Court. After the final interview in the High Council of Justice, one candidate to the Chamber of Appeal withdrew his candidacy.

Based on the recommendations of the High Council of Justice, the President of Ukraine appointed 38 HACC judges by Decree dated April 11, 2019 (15; 16).

After appointment of the judges, the HACC began preparatory work, during which the premises of the court and its Chamber of Appeal were allocated and equipped, the court staff was formed and draft internal court documents were prepared. Judges' meeting in May 2019 set the date for the court to commence its administration of justice to September 05, 2019.

According to Law No. 2447, the HACC and its Chamber of Appeal are separate from each other. Other enterprises or organizations cannot be located in their buildings.

In the course of the study of case law and judicial statistics, as well as the rules of the amended law, a number of issues which the court will face from the day of administration of justice has been identified. This is mainly a matter for the jurisdiction of the court, in particular transfer of the cases currently pending before other courts and new cases.

The substantive jurisdiction of the HACC, in accordance with the amendments introduced by Law No. 2447 to the CPC, will be determined in Art. 33-1 of the CPC.

A number of cases (listed in Article 33-1 of the CPC) are excluded from the jurisdiction of the general courts and fall within the jurisdiction of the HACC. Appeals in such cases will be submitted to the HACC Chamber of Appeal.

Other courts will not be able to hear the criminal proceedings with regard to the crimes falling within the jurisdiction of the HACC. The only case is when an accused or a victim is or has been a judge or employee of the HACC apparatus and when the criminal proceedings fall within the jurisdiction of this court.

Under new Article 33-1 of the CPC, the jurisdiction of the High Anti-Corruption Court will extend to first instance criminal cases upon corruption and some other crimes directly defined by the law (listed below), subject to presence of at least one of the following conditions:

1) committing the crime by a number of officials defined by the law (this is a fairly wide range of persons authorized to perform the functions of public or local authorities who, relatively speaking, can be categorized as «high ranking officials», in particular: the former President, Prime Minister, Ministers, their Deputies, Chairmen and Members of many state collegial bodies of the central executive authorities, members of Parliament, assistants to the President, Prime Minister and Chairman of Parliament, members of the municipal councils, judges, some prosecutors and senior military executives, directors of large companies (business entities) with state or municipal share in the share capital of more than 50%);

2) offer, promise or provision of undue benefit (crime scenes under Article 369 of the CC) or abuse of influence (crime scenes under Article 369-2 of the Criminal Code of Ukraine (hereinafter referred to as the «CC»)) (17) committed against such circle of the officials (specified in the first condition);

3) such corruption or other certain crimes directly defined by the law (discussed below) are committed for the amount exceeding (or if a crime subject exceeds) 500 subsistence minimums for able-bodied persons, if the crime is committed by an official of any public authority, law enforcement agency or military unit, local authority or company (business entity) with state or communal share in the share capital of more than 50%.

What list of the crimes according to Art. 33-1 of the CPC is falling within the jurisdiction of the HACC? These are the corruption offenses according to the list established by Art. 45 of CC (these are 11 Articles of the Criminal Code and another 8 Articles in case of committing crimes by abusing office). Herewith, the following crimes shall fall within the jurisdiction of the court: unlawful seizure of property of a company, organization, institution (Art. 206-2 of the CC), laundering of proceeds of crime (Art. 209 of the CC), issuance of regulatory acts that reduce budget revenues or increase budget expenditures contrary to the law (Art. 211 of the CC), declaring false information in assets and income declaration by an official (Art. 366-1 of the CC).

Together with the envisaged exclusive jurisdiction of the HACC in Art. 33-1 of the CPC, the law made a number of point amendments to other rules of the CPC relating to the jurisdiction of this court at the pre-trial stage and other stages of the criminal proceeding.

For example, the competence of the HACC investigating judges is envisaged with regard to consideration of the requests for conducting unspecified investigative actions (amendments to Chapter 21 of the CPC are introduced), measures for ensuring criminal proceedings (amendments to Art. 132 of the CPC), and preventive measures (amendments to Art. 184, 199, 199, 201 of the CPC).

As the structure of the Criminal Procedure Code has not changed, many Articles of the Code have had to be implemented with the regulations on exceptions (regarding the exclusive jurisdiction of the HACC). Some of the regulations were clearly omitted by the legislator, and as a result, certain conflicts may arise upon the start of administration of justice by the HACC.

In particular, unlike the above examples of amendments to the CPC, the legislator did not reviewed Art. 234 of the CPC, part 2 of which envisages that the search shall be conducted on the basis of the order of the investigating judge of the local general court the territorial jurisdiction of which applies to the pre-trial investigation body. As the HACC is not a local general court but a high specialized court, it is clear that pre-trial investigation bodies will have practical issues about obtaining a search warrant in criminal proceedings that may be subject to the jurisdiction of the HACC in the future.

There are also some problems with formulation of the rules on the jurisdiction of the HACC in Art. 33-1 of the CPC. The two most important points that should be emphasized are the following. The first is the lack of the rules on the jurisdiction over the criminal proceedings for committing the crimes provided for in Art. 33-1 of the CPC in complicity with several defendants.

The second is that there are no rules on the jurisdiction of the court over the accusations against one person united in one criminal proceeding for committing a number of crimes, some of which fall within the jurisdiction of the HACC, and some of which do not.

The CPC of 1960, by its structure, provided for the possibility of dealing with the first instance criminal cases in the courts of different levels; there was an Article 40, envisaging that if one person or group of persons were charged with committing several crimes, and such crimes fell within the jurisdiction of courts of different levels, then the case was heard by the superior of those courts (18). In the current CPC of 2012, given the ideology of its structure, a similar regulation (even after establishment of the HACC) had not been provided.

There is also a problem with the legal technique of formulating the regulation of Art. 33-1 of the CPC. Assuming the exclusive jurisdiction of the HACC, the Law names specific crimes (Articles of the Criminal Code) and sets out the terms under which the criminal proceedings with regard to such crimes would fall within the jurisdiction of the Court. However, the legislator decided not to name these terms but made a reference in such regulation – indicated that these terms were specified in clauses 1–3 of Part 5 of Art. 216 of the CPC. Part 5 of Art. 216 of the CPC determines the competence of detectives of the National Anti-Corruption Bureau of Ukraine (hereinafter referred to as the «NABU»). There are some problems in determining the jurisdiction of the court with regard to competence of the relevant pre-trial investigation body. For example, whether other authorities can file the cases with the HACC if these cases comply with clauses 1-3 of Part 5 of Art. 216 of the CPC, however, do not correspond to the preamble of Part 5 of Art. 216? What actions shall be taken if a prosecutor, pursuant to clause 3 of Part 5 of Art. 216, referred to the NABU’s jurisdiction some non-corruption cases? After all, according to the case law of the European Court of Human Rights, the jurisdiction of the court must be established by the law. It cannot be determined by the executive authority which is the Prosecutor’s Office (19).

Another important issue is transfer of the cases currently pending before the general district and appeal courts. According to the study of court statistics, there are about 3500 of such cases in the backlog of general courts (20). And these are all complex cases. In the HACC, the cases will only be heard by a panel of three judges. Today, there are only 7 such panels of judges. Therefore, each panel will have about 500 of such cases. In addition, the HACC will receive new cases. There is reasonable concern whether the court will be able to efficiently deal with such a large number of cases within a reasonable timeframe?

To date, the President of Ukraine has tabled a bill proposing that only the cases investigated by the NABU and submitted to the court by the Specialized Anti-Corruption Prosecutor’s Office will be transferred to the HACC or its Chamber of Appeal from the general courts backlog. The rest of the cases shall fall within the jurisdiction of the HACC only if the proceedings are opened after administration of justice in the HACC was launched (after September 05, 2019). This bill hasn’t been adopted by the Parliament by September 05, 2019. Meanwhile, the President of Ukraine has identified it as urgent (21).

Conclusion. The High Anti-Corruption Court is a new specialized court in the judicial system of Ukraine that will hear the criminal cases of high profile corruption offenses in the first instance and under the appeal procedure established by the law. The date of start of administration of justice by the Court is September 05, 2019.

The establishment of the High Anti-Corruption Court is based on three main ideas – professionalism, integrity and efficiency. This is in line with the general trends of the countries that are establishing specialized anti-corruption courts.

The legislation of Ukraine provided for a special procedure for the establishment of the HACC judicial bench. The HACC judges were appointed as a result of a separate competition with the participation of the international experts having the right to veto. They vetoed 49 candidates out of 113, and only 7 vetoes were overridden. Integrity and professionalism were the key requirements for the judicial bench formation.

The main criminal cases to be considered by the HACC shall be the cases investigated by the NABU and the Specialized Anti-Corruption Prosecutor's Office, the specialized anti-corruption authorities that were established in Ukraine in 2015.

In cassation proceedings (at the «third instance») the cases, considered by the HACC, will be reviewed according to the standard procedure. For consideration of corruption criminal cases, the Third Judicial Chamber of the Court of Cassation was formed within the Supreme Court.

There are a number of problems in the Ukrainian legislation, including inaccuracy in determining the jurisdiction of the HACC, possibility of transfer of the criminal cases from the backlog of general courts, which according to the statistics are over 3,500. Herewith, there is a bill in the Parliament that addresses some of these issues.

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INTERNATIONAL STANDARDS FOR THE PROTECTION OF THE RIGHTS OF CRIMINALS IN THE FIELD OF ENTREPRENEURIAL ACTIVITY

In the study of crimes' features in entrepreneurial activity the problem of protecting the rights of crime committers is set aside. In the context of globalization in the legal sphere, the issue of particular relevance is whether there are any international standards ensuring the enforcement of rights of special criminals, in particular in the field of entrepreneurial activity. European legal standards are embodied in national criminal law in the principles laid down in the national criminal law of states. When bringing a person guilty in one of these crimes to justice such international standards in respect for principle of respect and observance of human rights and fundamental freedoms come to the fore, it turns out in practice that the punishment should be imposed in full compliance with all principles for punishment imposition in a complex. The development of recommendations for the further consolidation of international standards at the level of national criminal law and their practical application determines the prospects for further developments in this direction. This will have a positive result for both national and international practice of criminal prosecution of people for committing crimes, including in the field of entrepreneurial activity.

Key words: *international standards, human rights and freedoms, crime committers, principles of punishment, crimes in the field of entrepreneurial activity.*

Ландіна Анна, Нікітенко Віктор. Міжнародні стандарти захисту прав суб'єктів злочинів у сфері підприємницької діяльності.

При дослідженні особливостей злочинів у підприємницькій діяльності поза увагою залишається проблема захисту прав осіб, що вчинили такі злочини, а саме суб'єктів. В умовах глобалізації у правовій сфері особливої актуальності

набуває питання, чи існують якісь міжнародні стандарти, що гарантують дотримання прав спеціальних суб'єктів злочинів, зокрема у сфері підприємницької діяльності. Європейські правові стандарти таких прав втілені у принципах, що закріплені у нормах національних кримінальних законодавств держав. При притягненні особи, винної у вчиненні одного з зазначених злочинів, на перший план виходять такі міжнародні стандарти у дотриманні прав та свобод людини, як принципи призначення покарання. На практиці виявляється, що покарання повинно призначатися у повній відповідності до загальних засад призначення покарання у комплексі. Розробка рекомендацій щодо подальшого закріплення міжнародних стандартів на рівні національного кримінального законодавства і їх практичного застосування визначає перспективність подальших розробок у даному напрямку. Це буде мати позитивний результат як для національної, так і міжнародної практики притягнення до кримінальної відповідальності осіб за вчинення злочинів, включаючи сферу підприємницької діяльності.

Ключові слова: міжнародні стандарти, права і свободи людини, суб'єкт злочину, принципи призначення покарання, злочини у сфері підприємницької діяльності.

Topicality. The issues of crime prevention in general and in particular areas, have always been of particular relevance. These crimes include crimes in the sphere of entrepreneurial activity.

Currently, crimes in this area are gaining more and more new features; crime commitment is often associated with the use of the latest technologies. In particular, this applies to business crimes committed in cyberspace: in particular, the issues of enterprise cyber security are studied, namely, the principal components of cyber security in the enterprise economic security diagnostic system are investigated (Skrynkovskyy R., Pawlowski G., Harasym P., Koropetskyi O., 2017). Moreover, the most effective is the development of a unified international strategy to ensure cyber security, including in the business sector at the international level (Saran S., 2016).

At the same time, the number of those crimes related to corruption and fraud in the field of entrepreneurship of various specializations does not decrease. So, there is an actual problem of fraud in the medical field of entrepreneurial activity which, according to the general calculation, makes up from 3 to 10% of expenses in this area (Clemente S., McGrady R., Repass R., Paul D., Coustasse A., 2017). One of the types of entrepreneurial activity, in which widespread fraud is also common, is the food sector, which makes analytical studies of the factors shaping the organization of food fraud important (Lord N., Elizondo C.J.F., Spencer J., 2017).

Regarding corruption in business, the relevance of this topic is confirmed by studies of this phenomenon of doing business in a single society, in particular the People's Republic of China (Schipani S. A., Liu Junhai, Xu Haiyan, 2016; Wedeman A., 2017), Great Britain (O'Connell D., 2015).

This issue is especially topical at the level of conducting international entrepreneurial activity from the point of view of analyzing this phenomenon and providing suggestions for overcoming it (Cuervo-Cazurra A., 2016). The problem of overcoming corruption in the field of entrepreneurial activity is especially urgent, since, as it is noted, corruption is the main problem that can restrict investments in world business, especially in emerging markets; however, enterprises operating abroad have inadequate tools to assess the risk of bribery and the possible risk of violation of various anti-corruption laws (Stanley K. D., Loredó E. N., Burger N., Miles J. N. V., Saloga C. W., 2010).

Prevention to these crimes and combating them is an urgent necessity, since the commission of crimes in the field of entrepreneurial activity is a significant blow to the national economy of individual countries (Korobeev A. I., Kuznetsov A. V., 2017.). This will further negatively affect the global economy, since negative economic impact of these crimes often goes beyond the borders of one state and causes harm to other states, which is highlighted in modern studies (Trunchevsky U. V., Osipov I. V., 2018), including the historical context of the sphere of finance and economics (Bazyuk T., 2016).

While studying the peculiarities of crimes in entrepreneurial activity, some problems are ignored, which has already been regarded. But, unfortunately, when developing certain strategies, directions, and programs to counteract these negative manifestations, in the vast majority of cases, the problem of protecting the rights of persons who committed a crime – the crime committers remains unaddressed. This also applies to special entities committing criminal offenses in the field of economic and business activities.

It should be noted that individual rules do not focus on the fact that crimes in the field of entrepreneurial activity are committed mainly by special entities.

But from the content of most criminal law norms making an offence for crimes in the field of entrepreneurial activity, it is clear that crime committer is special, that is, he is endowed with certain qualities, features and skills, without which he could not commit this crime.

But there are certain international standards guarantying the rights enforcement of the crime committers. International standard is a kind of agreement between the participating countries containing specific standard minimum transactions as for specific subject of regulation. In regards to international standards in the field of law, they are defined as a separate legal category, creating certain rights and obligations (Kiyivets O. V., 2011).

Speaking about international standards in law, the standards on human rights protection that must be also guaranteed in the entrepreneurial sphere and industry are generally understood (Baumann-Pauly D., Nolan J., van Heerden A., Samway M.). This is due to the fact that fundamental human rights and freedoms are inherent and inalienable, and, therefore, equal for each person, regardless of citizenship and

ethnicity. In addition, in democratic state the highest social value is a person, his rights, freedoms and interests. Exactly this determines the existence of international standards, which are not even advisory, but mandatory.

Problem statement. Crimes in the field of economic and entrepreneurial activity can be committed by the general criminal, that is, a person who has reached the age of criminal responsibility is an individual and criminally sane. In most cases, these illegal acts are committed by persons who have certain skills, are engaged in certain activities, without which they could not do these crimes. In the process of criminal prosecution, it is important to ensure the observance of the rights and freedoms of the crime committers, especially taken into account the presence of certain special features of these persons.

In the context of globalization in the legal sphere, the issue of particular relevance is the question of whether there are any international standards that guarantee the observance of the rights of the crime committers, in particular in the field of entrepreneurial activity. In addition, it is necessary to define how these international principles are embodied into national criminal law and with the help of which institutions they are implemented.

Analysis of recent researches. As for researches in this area, they are usually devoted to the prevention of white-collar crimes (such an unofficial name have the vast majority of crimes in the field of entrepreneurship). This is highlighted in the works devoted to the study of motives and personal correlates of the committers of specified crimes (Blickle G., Schlegel A., Fassbender P., Klein U., 2006); it can be traced in the development of proposals for the fight against crimes in this area (Akepe E., 2015), as well as the coverage of the main determinants, their main signs and circumstances of the commission, etc. (Iwasokun G. B., Akinyede R. O., Bello O. A., 2018). The motives of crimes in the sphere of economic activity are defined separately, in particular, on the example of specific countries (Sood G., Bala M., 2019).

Some scientists study issues related to the features of the committers of these crimes, but only in the context of committing individual crimes or on problematic issues related to criminal prosecution of these crimes, especially the investigation of these illegal acts, exemption from criminal liability for economic crimes in different countries (Korobeev A. I., Kuznetcov A. V., 2017) and so on. So, attention is paid to criminal liability for crimes in the field of small and medium-sized businesses (Zharylkapova G., Abdugarimova Zh., Kalkanova Zh., Karayeva A. 2017); a criminal law characterization of bankruptcy crimes is carried out (Bazyuk T., 2015); generalized crime studies in the field of economics as a destructive phenomenon are being carried out (Kalman O., 2012).

The most common crimes in the field of entrepreneurial activity, which are committed predominantly by special entities, are those that are committed in the banking and financial sectors, in the field of economic activity, in the fuel industry. This is confirmed by a sufficiently large number of studies on various aspects of these

types of crimes, it is embodied in the works of scientists from different countries. So, for example, a fairly large number of developments in recent years have been devoted to the study of problems associated with crimes in the fields of finance and economics, including problems related to specific countries (Nekrasov V.A., Melnik V.I., 2017; Ocansey Evans, 2017; Compin F., 2016; Amaefule L. I., Umeaka E.C., 2016). It proves that these crimes are among the most common in this area.

In addition, a separate aspect of crimes in the field of entrepreneurial activity is their close connection with corruption. Therefore, the issue of bringing to justice for corruption in the field of entrepreneurial activity is becoming increasingly important. (Umar H. S., Umar K., 2016; Duke Otu Offiong, Agbaji Dickson David, 2017).

But a study of namely special crime committers in the sphere of economics and entrepreneurial activity as well as the principles of guaranteeing their rights as persons who committed crimes have not been adequately covered in recent works.

The main research material presentation. Criminal prosecution should be based not only on national basic concepts, but also on certain international legal standards, which are primarily aimed at ensuring human rights enforcement at all levels of interaction (both the state and people, and people among themselves). So, for example, during criminal law relations, all rights, freedoms and interests of the parties should be ensured simultaneously and equally. But in most cases there is a situation in which the rights of the crime committers almost always remain the least protected (this is primarily a matter of fair justice and the defence of the rights of crime committers does not taken into account by a defender), although the crime committers is endowed with all human and civil rights, like other, law-abiding people (Landina A. V., 2017). Moreover, this does not depend on whether the crime committer is common or special.

Along with the fact that the main objective of the criminal law is to bring to justice the person guilty of crime, in particular in this area, this should happen within a certain legal framework set by principles of the rule of law. This principle is implemented in all, without exception, national regulatory legal acts, and it is also enshrined at the international level, which is embodied in a number of international conventions, declarations, and programs etc.

The essence of the rule of law is that it is defined as the fundamental principle of a democratic state, is an expression of the ideas of the primacy of law over the state and the priority of natural human rights in society, which is manifested in the supremacy of the Constitution and legal laws in subordination of public authorities to legal bodies (Rudniev O.), it determines that no person is also above the law. One of the most important components of this principle is respect for human rights and freedoms. Therefore, even in the case of a crime, the prosecution of the guilty person should take place in compliance with the rights and freedoms of the person – a criminal.

Regarding the protection of rights and fundamental freedoms of the criminal, including the special one, these European legal standards are enshrined in the form of

principles in the Universal Declaration of Human Rights of 1948 (hereinafter – the Declaration) and the European Convention for the Protection of Human Rights and Fundamental Freedoms of 1950 (hereinafter referred to as the Convention). These standards, like any standard in general, apply to all entities included in the scope of the relevant regulatory legal acts. Since these international regulatory legal acts apply to every person, without exception, the provisions included in these acts apply equally to people who have suffered from a crime and criminals.

The above-noted standards, enshrined in these documents from the point of view of application in relation to the crime committers, are embodied in the national criminal law and in the theory of criminal law in the form of criminal law principles and principles of assigning punishment.

Although these principles are closely related, they are not identical: the principles of punishment imposition are more special with respect to the principles of criminal law, since they relate only to the institution of punishment and the practice of its application. Since the main form of implementation of the criminal liability law is the imposition of punishment by a court, then, first of all, European legal standards are implemented in the form of imposing punishment principles, which ultimately guarantee the observance of the rights, freedoms and legitimate interests of crimes committers – the criminals.

The principles of punishment imposition include the principle of the legality; the principle of sentencing decision in the court judgment; principle of expediency of punishment; the principle of validity and mandatory motivation of punishment in the judgment; the principle of justice of punishment; principle of proportionality of punishment; the principle of humanity of punishment; the principle of individualization of punishment. Compliance with these principles provides an additional guarantee of the observance of the rights of the crime committers in the process of enforcement of criminal law when assigning punishments.

The principle of legality in punishment assigning (*nullum crimen sine lege*), which consists in the fact that the punishment of the guilty person is imposed solely in accordance with the norms of current legislation and cannot go beyond it, clearly reflects the provisions of Art. 7 of the Convention «Punishment solely on the basis of law», part 2 of article 11 of the Declaration of similar content, as well as Art. 9 of the Declaration («no one will be subjected to frivolous arrest, detention or exile»).

The principle of determining the punishment stipulates that the punishment should be clearly defined in the court verdict, for which the court must objectively examine all the circumstances of the case, the identity of the guilty person and determine the public danger. This principle is closely related to the previous one, since punishment should be imposed in accordance with the norms of criminal legislation, which is also a manifestation of the principle of legality. This principle is also a guarantee of compliance with the provisions of Art. 7 of the Convention and Part 2 of Art. 11 of the Declaration.

The principle of validity of punishment and the principle of motivation for any of the punishments originates from the need to apply the punishment specifically to the person guilty of a specific crime (the crime committer), moreover it must be motivated. Each punishment must be actually (actual circumstances of a particular case) and legally (legality) justified: all actual circumstances of the case must be clearly stated, and they must have legal force, that is, they must be enshrined at the statutory level or logically flow from their content. The need to motivate punishment is based on the unity of crime and punishment, externalizes its concrete expression in the verdict, and follows from the very structure of most sanctions. This principle also guarantees compliance with the above provisions of Art. 7 of the Convention and Part 2 of Art. 11 of the Declaration.

The principle of expediency of punishment is closely related to the previous ones, since only punishment that is legal, reasonable, fair, humane and intended taking into account the individualization of criminal punishment on the one hand and the purpose and objectives of criminal law can be appropriate. The last two principles guarantee compliance with the provisions enshrined in Art. 6 of the Convention and Art. 10 of the Declaration.

The principle of justness requires compliance with the rule that the choice of a harsher punishment should depend on the nature and degree of public danger of the crime committed and the person who committed it. Under this principle, it is assumed that the punishment should take into account all the circumstances of the case, the data on the criminal, and cannot resist moral standards and beliefs, cultural values, and areas of criminal law policy. This principle guarantees compliance with Art. 3 of the Convention, which prohibits torture, inhuman or degrading treatment or punishment, Art. 5 of the Declarations of similar content; Art. 13 of the Convention guaranteeing protection to the criminal, and Art. 14 of the Convention prohibiting discrimination. With regard to crimes that can only be committed by crime committer endowed with certain features, in the imposition of punishment for crimes in entrepreneurial activity, this principle seems to be one of the most effective.

The principle of humanism in punishment imposition provides that criminal punishment should be manifested in a minimum of criminal repression against guilty people, taking into account all circumstances of the case. This applies equally to all convicted, regardless of the type of punishment (UNO Standard Minimum Rules for Non-custodial Measures – Tokyo Rules).

This applies equally to all persons regardless of the type of punishment (United Nations Standard Minimum Rules for Non-custodial Measures – the Tokyo Rules). This principle guarantees the implementation of the provisions enshrined in Art. 3 of the Convention and Art. 5 of the Declaration; part 2 Art. 6 of the Convention and Part 1 of Art. 11. Of the Declarations which reinforce the principle of the presumption of innocence; part 3 of the Art. 6 of the Convention, which states what rights the accused has; Art. 13 of the Convention. The principle of individualization of

punishment imposition is based on the fact that the punishment is specified. This complies with the requirements of the law; legal responsibility is individual in nature and applies directly to the person who committed the crime. No one else can be responsible and liable instead of the guilty person.

There is also such a principle as the principle of proportionality (proportionality) punishment aimed at ensuring a reasonable balance of private and public interests in the legal regulation, when the goals of restricting rights must be substantial, and the means to achieve them are reasonable and minimally burdensome for the accused. This principle allows us to achieve a reasonable balance between the goals of government influence and the ways to achieve them; it is reflected in the material, and in the law of rights and in the private law (Alenin U.P., 2014). This principle guarantees compliance with Art. 18 of the Convention, Articles 2, 5-11 of the Convention and Articles 9-11 of the Declaration.

As for the indicated principles of punishment imposition specifically in the case of criminal prosecution of special crime committers in the field of entrepreneurial activity, it is in these cases that the enforcement of all rights of crime committers is very important. This is due to the fact that without a thorough study and consideration of all circumstances of the case, in accordance with the principles of punishment imposition it is practically impossible to realize criminal liability. Indeed, if it turns out that in certain cases a person does not have necessary know-how possess and skills, is not a specialist in the field of entrepreneurship (economic, banking, financial sphere), it means that he or she simply cannot commit this crime. This makes it necessary not only to assign a punishment in full compliance with the whole range of assigning punishment principles, but also to enshrine these principles in law at the level of national and international legislation.

Conclusion. So, European legal standards are embodied in the national criminal law in the principles enshrined in the criminal law of countries, including Ukraine, and ensure the enforcement of rights of crime committers while they are imposed punishment for committed crimes. This is most clearly seen in imposing punishment for such crimes in entrepreneurial activity which require the criminal to have special knowledge and skills, without which he cannot commit a specific crime in the economic, banking, and financial spheres.

When holding liable a person guilty in one of these crimes, such international standards in respect for human rights and freedoms as the principles of punishment imposition play center stage. It turns out in practice that the punishment should be imposed in full compliance with all principles of assigning punishment in a complex.

Of course, here we are talking about such an embodiment of international standards when applying the principles of imposing punishment to special crime committers in the field of entrepreneurial activity, which is the most ideal. The hard reality is that far from always the executor of law and the court take into account theoretical provisions of the criminal law. The result is that human rights are violated.

The development of recommendations for the further consolidation of international standards at the level of national criminal law and their practical application determines the prospects for further developments in this direction. Without doubt this will have a positive result for both national and international practice of bringing guilty person a prosecution, including in the field of entrepreneurial activity.

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THE PROBLEMS OF GENDER EQUALITY IN CONTEMPORARY UKRAINIAN POLITICS

The paper deals with gender aspects of politics. In particular, the authors shed light on the issues of comparing views on the policy and power of men and women; the implementation of gender policy, especially in the political sphere in Ukraine. Particular attention is paid to women participation in the political power, and to the formulation of gender policy in contemporary Ukraine.

Keywords: *gender, gender equality, gender discrimination, feminism.*

Литвин Наталія, Разіцький Віталій. Проблема гендерної рівності в українській політиці сьогодення.

В роботі розглядаються гендерні аспекти політики, а саме: співставлення поглядів на політику і владу чоловіків і жінок; впровадження гендерної політики перш за все в політичній сфері в Україні. Особлива увага приділяється участі в політичній владі жінок, а також формуванню гендерної політики в сучасній Україні.

Ключові слова: *гендер, гендерна рівність, гендерна дискримінація, фемінізм.*

Actuality of the research subject. The purpose of our scientific exploration is to highlight and study the global experience of gender policy and to compare it with Ukrainian realities, and developing practical recommendations for improving gender policy and gender democracy in Ukraine. This topic is particularly relevant in the view of Ukraine's integration into the European Union, adherence to the recommendations of international organizations (including the UN) on democracy implementation, including gender, and the elimination of all forms of discrimination, including gender discrimination.

The problem statement. The concept of gender began to take shape in the second half of the 20th century. The essence of the concept of «gender» lies in the awareness, understanding of the two principles in man – female and male, and not in the biological, but in the social dimension. Namely, gender is a social feature of a person, a certain social role in society. The concept of gender implies: understanding the social features of thinking, men and women behavior in the public life and taking into account these features; the elimination of all forms of gender discrimination, and the providing of equal rights and opportunities in all areas; developing and implementing gender policies that aim to grant equal social status for men and women. Social status means the accessibility and degree of power wielding (political, economic, etc.), the level of social welfare, prestige in society not only based on wealth, position, but also a system of values and lifestyle. The concept of gender covers all spheres of human life. One of the most important areas that need gender analysis is the political one.

Analysis of recent research and publications. In modern humanities, the value of this problem is constantly increasing. It is interdisciplinary in nature: gender aspects of various phenomena are studied in political science, sociology, psychology, history, philosophy, public administration, etc. Among Ukrainian researchers, we should name T. Melnyk, N. Grytsyak, O. Kulachek, S. Pavlychko, O. Katan, I. Mironenko, L. Shumrykova, O. Kremleva, I. Zherebkina, Y. Kovalevska, N. Shevchenko. It is also worth to note that N. Hrytsyak, O. Kulachek, Y. Korolchuk pay considerable attention to the research of the state authorities' activity in the field of gender relations, as well as the participation of women in the work of the state authorities. Ukrainian scientists have already defended PhD and doctoral theses on gender issues in Ukraine. Among them, we should also mention V. Chernyakhivska. «Gender Policy in Public Administration: Ukraine and the European Experience» (Kyiv, 2017); Strelnyk O. O «Gender Inequality and the Social Status of Women in Modern Ukrainian Society» (Kharkiv, 2017) T. Martseniuk «Institutional Foundations for Gender Relations» (Kyiv, 2015) and others. The monographs of scientists V. Halagan, N. Kovalska, O. Kozulia, L. Shumrykova and articles of N. Shevchenko are also devoted to the problems of women participation in Ukrainian history.

The topic of gender aspects of social life is very popular in Western scientific thought as well. It is worth to note, that modern understanding of feminism, and a modern gender approach to all social life initiated Simone de Beauvoir in her famous work «The Second Gender». In the 60s of the twentieth century, there was a gender revolution, which resulted in a significant increase of scientists' attention to these issues. Among the most famous authors are D. Meyer, N. Davis, P. Norris and others. In addition, among foreign researchers we can name S. Weingarten, D. Edmin, who deal with the issues of feminism.

To obtain statistics on the gender composition of civil servants of Ukraine and the strategy for the development of gender equality policy in Ukraine were used many

resolutions and orders of the Cabinet of Ministers of Ukraine and the official website of the Ministry of Social Policy, in particular, the Gender Policy Office.

The presentation of the main material. The concept of gender, as we have already stated, takes into account the difference between men and women in social life, including in the political sphere. For example, P. Hollins of England believe that a characteristic feature of the political culture of womanhood is moderation in reform and commitment to the tactics of specific small cases (Shevchenko N. V., 2016, p. 98). Scientific research shows that the representatives of both genders evaluate and understand power differently. For a man, power is foremost control over others, and for a woman – it is an influence on others (Hroshev Y. V., 2015, p. 69). A woman who possess power is more likely to compromise, to concede in something more than a man. They also perceive politics differently. Women are more likely to perceive it on an emotional and social level. They are most concerned with the issues of a social, humanitarian nature. In contrast, men perceive politics rather at the cognitive-analytical level and are interested in economic and foreign policy issues (Zhulkovska T. Ie., 2017, p. 114). Different perception also leads to differences in political behavior. Men are more eager for power and fighting harder to obtain and preserve it. Foremost, they seek work in public authorities. Women are more willing to participate in public organizations, movements, aiming to help society and save it from various troubles. Experience shows that the most active are middle-aged and upper middle-aged women with higher education and secondary or above average levels of financial well-being. According to studies results, education and income play a key role in politics (Sknar O., 2014, p. 44).

If we analyze the situation of women and men in the political sphere of life, the imbalance between the two genders is immediately apparent. Thus, in the parliaments worldwide women make up only 10%, in the governments – 6%. However, among the world's poor, women make up 70%. The best position of female representatives in Sweden and Norway. For example, in Swedish Parliament, the proportion of women reaches 40%, and they lead 43% of committees and commissions. The government has the highest proportion of women – 50%. Representatives of Sweden in the European Parliament by 45% are women (Terletska I. V., 2016, p. 91).

If we consider the participation of Ukrainian women in political life, we see a rather modest picture. Only 1.2% of women are directly in politics, 16% are simply annoyed by politics, 30% are not interested in it, and almost 50% follow policy information (Terletska I. V., 2016, p. 93). Among the highest-level politicians, we could see in recent years only a few influential and famous women. In political party involvement, women are somewhat more prominent here. However, they are less represented in the governing structures (Terletska I. V., 2016, p. 93). All these facts indicates that women do not play a significant role in the political life of the country and gender imbalance remains valid. The circumstances, mentioned above, are the evidence that an effective gender policy is needed to address this imbalance.

Ukraine, actively seeking to join the community of developed democracies, is shaping its gender policy as one of the humanitarian sphere areas. The special session of the UN General Assembly adopted the recommendations «Women in 2000: Equality between men and women, development and peace in the 21st century» (June 2000). Participating countries, including Ukraine, have pledged to develop and implement National Programs of Action on Gender Policy to promote the status of women in society (UN Convention (1979). On the Elimination of All Forms of Discrimination. Retrieved from: https://zakon.rada.gov.ua/laws/show/995_207).

The main normative acts of international law ratified by Ukraine in recently:

- Universal Declaration of Human Rights (Articles 1,2 and 7);
- International Covenant on Civil and Political Rights (Articles 2,3, 26);
- International Covenant on Economic, Social and Cultural Rights (Articles 2, 3);
- International Convention on the Elimination of All Forms of Racial Discrimination;
- United Nations Convention on the Elimination of All Forms of Discrimination against Women – 1999;
- Beijing Declaration and Platform for Action adopted at the Fourth World Conference on Women on September 15, 1995;
- Vienna Declaration of Human Rights – 1993;
- Council of Europe Convention for the Protection of Human Rights and Fundamental Freedoms (Article 14);
- European Social Charter (Article 4);
- Framework Convention for the Protection of the Rights of National Minorities (Article 4);
- ILO Convention No. 156 «On Equal Attitudes and Equal Opportunities for Working Men and Women: Workers with Family Responsibilities»;
- «UN Millennium Development Goals» – 2000.

Also, important for improving the gender policy legislation were these Resolutions of the Cabinet of Ministers of Ukraine:

- «About the National Action Plan of Improving the Status of Women and Promoting Gender Equality in Society for 2001–2005» (No. 479 of May 6, 2001);
- «About the Long-Term Program of Improving status of Women, Maternity and Childhood Care» (No.431 of 7/28/92);
- «About the Recommendations of the Parliamentary Hearings «The Situation of Women in Ukraine: Realities and Prospects» (No. 1904-4 of 29.06.04);
- «About the Declaration about General Principles of State Policy for the Family and Women» (№475-14 of 05.03.99);
- «About raising of social status of the women in Ukraine» (№ 283 / 2001 of 25.04.01);

- «About the Recommendations of the Parliamentary Hearings concerning the Implementation in Ukraine of the UN Convention about the Elimination of All Forms of Discrimination against Women» (No. 298/95 of 12/07/95);

- «About the Gender and Legal Expertise» (№ 504 dated 12.04.06);

- «Resolution of the Cabinet of Ministers of Ukraine «Issues of Anti-discrimination Examination and Public Anti-discrimination Examination of Draft Legal Acts» (No. 61 dated 30.01.13);

- «About approval of the State Program for Equal Rights and Opportunities for Women and Men for the Period up to 2016» (№ 717 of 26.09.13)

«In 2005 was adopted the Law «About Equal Rights and Opportunities for Women and Men» (Law of Ukraine (2015). «About ensuring equal opportunities for women and men». p. 561–562). The law defines general directions of the state policy for ensuring equal rights and opportunities for women and men:

- approval gender equality;

- prevention of gender discrimination;

- application of positive actions;

- ensuring equal participation of women and men in socially important decisions:

- providing equal opportunities for women and men to combine professional and family responsibilities;

- family support and the formation of responsible motherhood and parenting;

- education and promotion of gender equality culture among the population of Ukraine;

- protection of the society from the information aimed at gender discrimination.

Despite a number of resolutions and ratification of international instruments, an analysis of the gender composition of civil servants in Ukraine shows that among clerks (lower level officials), the proportion of women is 67% and of men – 33%. At the middle levels of state power (managerial staff), women are almost twice less (37%) than men (63%). At the parliamentary level, women are 8% and men – 92% (Korolchuk Yu. Gender revolution in public administration. Retrieved from: <http://www.ji.lviv.ua>). At the level of regional councils, though the situation is better, but it is also not comforting. All these facts clearly demonstrate the need for modernization of public administration in Ukraine in the field of gender equality (Lypka O. 2016. Retrieved from: <http://science.lpnu.ua>).

Today, developed countries in Europe aim to provide representation of men and women on the leading positions in the ratio of 50% to 50%. The second strategic objective is to include in the top 15 candidates of party election lists an equal number of women and men. A comparative analysis of the gender performance of the institutions of the EU countries and Ukraine has shown the need to supplement Ukrainian legislation with provisions that are in line with the standards of countries

with developed democracies. However, not everything depends solely on public authorities. Much depends also on society and its consciousness. A serious problem for Ukraine is the lack of public opinion on this issue. In addition, women themselves have not been very active in upholding their rights. The experience of developed countries, where gender democracy has become a reality, shows that having a strong women's movement is an important factor in gaining and maintaining the level of women's participation in power. Without the efforts of the public, it is problematic for women themselves to achieve significant success.

Analyzing the program of equal rights and opportunities for women and men for the period up to 2021, you can identify a number of reasons of the problems' nascence. Among them, we should note:

- absence of gender component in strategic reform programs due to the lack of civil servants' understanding of the importance of promoting gender equality as a condition for reform effectiveness;
- low effectiveness of the national mechanism for promoting gender equality;
- low ability of authorities to realize the principle of equal rights and opportunities for women and men;
- insufficiency of the existing system of collecting statistical information on the basis of gender;
- lack of a comprehensive system for responding to cases of gender discrimination;
- insufficient level of application of legislation in the field of equal rights and opportunities for women and men and lack of actual responsibility for non-compliance with the Law;
- «About Ensuring Equal Rights and Opportunities for Women and Men»;
- partial non-implementation of the recommendations and remarks of international monitoring missions and international organizations (A strategy for promoting gender equality and non-discrimination in education. Retrieved from: <https://www.msp.gov.ua/timeline/Genderna-politika.html>).

The Cabinet of Ministers of Ukraine outlined ways of solving the problem in the Concept of the Program of Equal Rights and Opportunities for Women and Men for the period up to 2021. Two options are possible:

- The first one envisages the application of the management vertical in cooperation with non-governmental organizations with a focus on the sole responsibility of a specially authorized central executive body to ensure equal rights and opportunities for women and men, and of the structural subdivisions of local state administrations responsible for the implementation of state gender policy.
- The second option envisages a comprehensive approach to solving the problem by overcoming systemic shortcomings and intensifying interaction between authorities of all levels, the Verkhovna Rada of Ukraine, the Ombudsman, public associations, trade unions and employers, the mass media, the international organizations

and businesses. The option is less costly, since much of the change should be made through political will rather than investment (About approval of the state's social program concept for equal rights and opportunities for women and men for the period up to 2021]. Retrieved from: <https://zakon.rada.gov.ua>).

What about the improvement of legislation on equal rights and opportunities for women and men, it was proposed:

- Taking steps to implement the provisions of the United Nations Millennium Declaration, in particular with regard to gender equality.

- Conducting informational explanatory work among employers on the introduction of European standards of employees' equality in the field of work.

- Implementation of measures to reduce the gender gap in the wages of women and men.

- Carrying out information campaigns to highlight issues of equal sharing of family responsibilities and responsibilities between women and men in the upbringing of the children.

- Implementation of measures aimed at developing women's leadership skills to participate in management decision-making and entrepreneurial skills.

- Increasing the level of experts' competence on equal rights and opportunities for women and men.

- Implementation of gender-based approaches to the education system on an ongoing basis.

- Conducting information campaigns with the participation of mass media, cultural institutions and educational institutions in order to overcome stereotypical perceptions of the role of women and men.

- Developing a mechanism for exercising the protection right against discrimination on grounds of gender, and taking the necessary measures as a result of consideration of the cases of such discrimination (About approval of the state's social program concept for equal rights and opportunities for women and men for the period up to 2021]. Retrieved from: <https://zakon.rada.gov.ua>).

Conclusion. Today, Ukrainian society is only beginning to become aware of the gender approach to all spheres of life, including the political one. So far, neither parties, authorities, nor society has got rid of gender stereotypes, which give a woman a secondary place in society and in politics. They perceive a woman rather as an object, but not a subject of political and economic sphere of activity. The Ukrainian women themselves are not very active and in solidarity. So far, women's solidarity has not become a trait inherent to our women. Unfortunately, the women' movement is also not effective. Regulations adopted by Ukrainian authorities are more formal in nature. Mainly civil society efforts are focused on advocacy through media, seminars, and conferences. However, this is not enough. The situation requires more decisive actions. New gender approaches require attention to the values inherent in women, their (women values) inclusion in party programs and laws. The gender approach also involves rethinking leadership practices with a gender perspective.

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TAX CONTROL AS AN ELEMENT OF TAX RELATIONSHIPS

Based on the research of individual elements of the legal mechanism of tax control found that the main form of tax control is a tax audit, which is the most effective method of identifying and ensuring payment of undeclared, not assessed and thus not included into budget taxes and is provided by comparing tax declarations (calculations) submitted by taxpayers, with actual data on their financial and economic activity. Proposals for improving the procedure for carrying out documentary checks by introducing amendments to the Tax Code of Ukraine and individual local regulations with a view to regulating tax legal relations and ensuring equality of taxpayers and state bodies in the process of verification are provided.

Key words: *tax control, Tax Code of Ukraine, tax law, legal regulation.*

Мушенюк Віктор, Ситніченко Олена. Податковий контроль як елемент податкових відносин.

На підставі дослідження окремих елементів правового механізму здійснення податкового контролю встановлено, що основною формою податкового контролю є податкова перевірка, яка є найбільш ефективним методом виявлення та забезпечення сплати не задекларованих, не нарахованих, не внесених податків до бюджету шляхом та забезпечується шляхом порівняння податкових декларацій (розрахунків), що їх подають платники податків, з фактичними даними щодо їх фінансово-господарської діяльності. Надано пропозиції щодо удосконалення процедури проведення документальних перевірок шляхом внесення змін до

Податкового кодексу України та локальних нормативних актів Державної податкової служби України з метою урегулювання податкових правовідносин та забезпечення рівності платників податків та державних органів у процесі здійснення перевіркової роботи.

***Ключові слова:** податковий контроль, Податковий кодекс України, податкове законодавство, правове регулювання.*

Relevance of the research topic. Systemic changes in financial, economic and socio-political system that have taken place in Ukraine in recent years «have resulted in a transition from a planned economy based on overall and comprehensive state governance in all its spheres to a market economy, where the main influence of the state on economic processes is mediated through government regulation» (*Illyenko P.*, 2017, p. 5). The sphere of state management of its external and internal functions with the help of finance is also subject to state regulation. Such regulation is aimed at the accumulation of funds into the state's property by means of legal mechanisms that ensure the process of taxation of individuals and legal entities. The direct mechanisms of redistribution of national income in the tax system of our state are taxes, fees, rentals and non-tax payments. Their functions determine their nature and are derived from the functions of finance. As tax payments perform similar tasks, but in a narrower range.

Formulation of the problem. The main function of taxes of any state is a fiscal function. According to this basic function, taxes fulfill their main purpose – to fill the revenue of the state budget of Ukraine and local budgets of all levels. Financial resources from tax revenues make the income of the state to meet the needs of society. Legal regulation of the tax system, that is – the tax legislation is formed in the direction of fiscal regulation of tax relations. In accordance with the principle of state fiscal sufficiency, the law establishes the procedure for administering taxes as a control over accrual, timeliness and completeness of transfers to the budget, and also the competence of state controlling bodies is determined on the same principle.

Analysis of basic research and publications. Among the domestic scientists dealing with the issues of tax legal research, analysis of the Tax Code of Ukraine and other acts of tax legislation, as well as the process of tax control, it is necessary to note the works of L. Demidenko, E. Dmitrenko, E. Krynitskii, M. Kucheryavenko, D. Lukianets, I. Ped', Y. Subbotovich, R. Usenko and others. However, constant changes in the strategic directions of domestic tax policy, as well as the adoption of a codified normative legal act of the tax legislation – the Tax Code of Ukraine in recent years, led to the lack of clear scientific regulation of the issues of definition in the mechanism for the implementation of documentary checks by state tax control bodies.

The purpose of this article is to implement a partial description of the legal mechanism for the implementation of tax control as one of the main elements of the regulation of tax relations and, based on the results of the study, to submit proposals

for improving the norms of the Tax Code of Ukraine as regards the use of the procedure for conducting documentary checks by the bodies of state tax control.

Presenting main material. In the tax system of our state the main type of state financial control – tax control is regulated by the Tax Code of Ukraine (TC of Ukraine). According to the TC of Ukraine (item 41.1), it is determined that the controlling bodies are the bodies of incomes and charges – the central executive body, which ensures the formation of a single state tax, state customs policy regarding the administration of taxes and duties, customs payments and implements state tax, state customs policy, its territorial bodies (Podatkovyy kodeks Ukrayiny, 2010FF).

It should be noted that the main function of public financial authorities is to exercise control, which is a mandatory element of any field of public administration. Organization of control is an obligatory element in the management of public financial funds, since such a management entails a responsibility to society (Demidenko, L., 2017, p. 84).

The main goal of the government control bodies is to ensure strict observance of the provisions of tax legislation by taxpayers (individuals and entities). In our opinion, the level of efficiency of control activities of such bodies directly depends on the level of budget revenues, and the control itself «serves as a guarantee of satisfaction of public property interests and an important factor in the financial security of the state, its socio-economic stability and prosperity» (Demidenko, L., 2017, p. 45).

According to the current TC of Ukraine, the main form of tax control is tax audit. It is this form of control is most effective in terms of identifying and securing the payment of undeclared, not accrued or timely not included in budget taxes. Tax audits provide direct control over the completeness and accuracy of tax calculations, which can only be realized by comparing tax returns (calculations) submitted by taxpayers with actual data on their financial and economic activity.

According to the TC of Ukraine regulatory authorities have the right to conduct desk, documentary (scheduled or unplanned, on-site or off-site) and the actual verification (item 75.1) (Podatkovyy kodeks Ukrayiny, 2010). As a result of practical application of the TC Ukraine by regulatory authorities in the process of tax administration, particularly during the unscheduled inspections becomes apparent imperfection of certain financial provisions of law and the need to improve them by amending such act of tax legislation.

The subject of documentary verification is the timeliness, authenticity, completeness of accrual and payment of taxes and fees, as well as compliance with currency and other legislation, monitoring compliance is assigned to the regulatory authorities; employer compliance with legislation on the employment contract, registration of labor relations with employees (salaried individuals) and which is based on tax declarations (calculations), financial, statistical and other reporting, tax and accounting registers, which are provided for by law; primary documents used in accounting and tax accounting and related accrual and payment of taxes and fees;

meeting the requirements of other legislation, monitoring compliance is assigned to the regulatory authorities as well as received in accordance with the procedure established by legislation by the controlling body of documents and tax information, including on the results of inspections of other taxpayers (Podatkovyy kodeks Ukrayiny, 2010).

It should be noted that the criterion for conducting documentary scheduled inspections is the risk of non-payment by taxpayers. The frequency of planned documentary checks is determined depending on the degree of risk in activities of such taxpayers. Inspections are provided in the schedule of documentary checks with such periodicity: taxpayers with a small degree of risk are included in the schedule not more than once every three calendar years, the average – no more than once every two calendar years, high – no more than one once per calendar year (Podatkovyy kodeks Ukrayiny, 2010).

Developing this wide general theoretical subject matter within the framework of financial and legal relations, it is necessary, in our opinion, to pay attention to the problematic issues of the imperfection of the legal mechanism for carrying out a documentary planned inspection of the taxpayer. In particular, in accordance with Paragraph 2, Clause 77.4, Article 77 of the TC of Ukraine, the right to carry out such verification is provided only in the case where the payer, not later than 10 calendar days before the day of the said inspection, has been handed over a receipt, or a written copy of the order on conducting the documentary planning check and written a notice indicating the date of commencement of such verification (Podatkovyy kodeks Ukrayiny, 2010).

In our opinion, the establishment of such a term significantly reduces the probability of ensuring the state control body of the control of compliance with the requirements of the rules of tax and customs legislation. The provision for advance notice to the payer of a documentary check must be deleted or the term should be reduced to three days.

This collective author's scientific position finds its confirmation of expediency in the analysis of prescriptions: Article 75 (Types of inspections), Article 78 (Procedure for carrying out non-scheduled documentary audits), Article 79 (Peculiarities of conducting documentary non-visiting checks) of the TC of Ukraine (Podatkovyy kodeks Ukrayiny, 2010).

In particular, the Tax Code of Ukraine states: 1) documentary unscheduled inspection is not provided for in the work plan of the controlling body and is conducted in case of at least one of the circumstances specified in this Code (paragraph 4, subsection 75.1.2, clause 75.1, Article 75); 2) a documentary unscheduled non-direct verification is carried out by officials of the controlling authority solely on the basis of a decision of the head of such body, issued by an order, and provided that the taxpayer is notified of such decision in written form with a registered letter with confirmed delivery to him/her personally or his/her authorized representative of a copy of the order for conducting a documentary non-scheduled

non-visiting inspection; and a written notice of the start date and place of such verification. Execution of the terms of this article gives the officials of the controlling body the right to start a documentary non-stop check (Clause 79.2, Article 79) (Podatkovyy kodeks Ukrayiny, 2010).

In our opinion, the legal mechanism of documentary off-schedule on-site verification is most effective in the implementation by the state authorities of measures to control the timeliness, reliability, completeness of accrual and payment of taxes, and also allows more expeditiously to detect violations of tax, currency and other legislation, including: the conduct of economic activity without state registration, concealment of employment relations with a hired workers, etc.

The analysis of the norms of the TC of Ukraine showed that the feasibility of carrying out the aforementioned changes in the legislation is confirmed by the information of the bodies of state tax control, which states that the most effective and operative means of detecting violations of tax legislation is precisely unscheduled inspections, which were carried out by the fiscal authorities on the basis of the fact that the results of inspections of other taxpayers or the receipt of tax information revealed facts indicating possible violations by the taxpayer of tax, currency and other legislation, the control of which is entrusted to the bodies of the bodies of state tax control (Chubarev, 2018V., p. 61).

Despite the apparent positive nature of such a legal mechanism for conducting documentary out-of-pocket checks, in our opinion, it needs some improvement. Article 78 of the TC of Ukraine, which regulates the procedure for carrying out such inspections, stipulates that a documentary off-schedule external check is carried out in case of at least one of the following circumstances: the results of inspections of other taxpayers or the receipt of tax information revealed facts indicating possible violations by the taxpayer of tax, currency and other legislation, the control of which is entrusted to bodies of the state tax service, if the taxpayer does not provide an explanation and documentary confirmation to the mandatory written request of the bodies of state tax control within 10 working days from the date of receipt of the request (Podatkovyy kodeks Ukrayiny, 2010).

From the analysis of the provision of this legal norm of the TC of Ukraine, it is obvious that the state provides the main guarantees for taxpayers when implementing tax control measures. However, in our opinion, it is necessary to remove from Article 78 of the TC of Ukraine on the rules for conducting a documentary tax audit only if the taxpayer does not provide explanations and their documentary confirmations to the mandatory written request of the state tax service body within 10 working days from the date of receipt of the request. Because under the conditions: presence of an act of verification of another taxpayer signed by officials of the body of the State Fiscal Service and by the taxpayer himself or his legal representative; obtaining tax information on possible violations by the taxpayer of the Constitution of Ukraine, the TC of Ukraine of other laws on taxation, current international treaties on taxation,

the consent of which is binding on the Verkhovna Rada of Ukraine, decisions of local governments on local taxes and fees; it is evident that an unannounced documentary check is carried out immediately.

In addition, the provision of a ten-day period for the taxpayer to prepare a reply, with explanations and their documentary evidence, to the mandatory written request of the State supervisory authority, may lead to tax evasion or minimization through the cessation of activities or the abandonment by the officials of the location of the legal entity, etc., which will lead to the avoidance of financial, administrative or criminal liability.

Conclusion. The tax system is the main source of budget revenues an important element of market relations. From this point of view, the disclosure of the essence and the most important characteristics of the functioning of the tax control mechanism in the tax policy of Ukraine is relevant. Adoption of the TC of Ukraine made it possible to bring understanding of the main ideas of the tax policy to the taxpayer, by combining in one normative legal act of the material and procedural parties the regulation of the tax system. In particular, it was clearly stated in the codified normative act competence of the controlling bodies, the powers and responsibilities of their officials during the tax control.

As a result of the application of the TC of Ukraine by the controlling bodies in the process of tax administration, in particular when conducting unscheduled on-site inspections, it becomes apparent that the requirements of certain financial-legal norms of this act and the need for their improvement are becoming imperfect. That is why it is necessary to make changes in the procedure of tax authorities to carry out documentary planning and unscheduled inspections, by removing the rules on the possibility of conducting such inspections only subject to compliance with the ten-day period. As this norm makes it difficult and sometimes impossible to carry out effective and timely tax control and bring tax law violators to legal liability.

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THE GIST AND ROLE OF LOCAL TAXES IN THE FUNCIONING OF INITED LOCAL COMMUNITIES

An analysis of local taxation is given and the ways of improving the legal regulation of filling budgets united local communities through the recovery of national and local taxes and fees are proposed.

Key words: *revenues of the local budgets, national and local taxes and fees, combined communities, government, and financial capability.*

Петлюк Юрій. *Сутність і роль місцевих податків об'єднаних територіальних громад.*

Наведено аналіз місцевого оподаткування та шляхи вдосконалення правового регулювання наповнення бюджетів об'єднаних територіальних громад шляхом стягнення національних і місцевих податків та зборів.

Ключові слова: *доходи місцевих бюджетів, національні та місцеві податки і збори, об'єднані громади, державні та фінансові можливості.*

Relevance of the research topic. Local government is one of the components of power in Ukraine and is intended to provide economic development, creating conditions for the life and welfare of the population at the local level. Nowadays, the political vector of our country is strengthening the role of local government through decentralization and the establishment of all necessary legal, social, economic, political and other conditions for the operation and the development of united communities.

Analyzing the historical experience of social development, it should be noted that the efficiency of power can be achieved only if there is interdependence of these, in our opinion, main social components as the current law to establish accountability and ensure its holding by means of state coercion, as well as provision of financial and economic capacity.

Analysis of recent research and publications. So far, the analysis of legal regulation of filling the budgets of different levels through tax and other financial mechanisms implemented in a large number of scientific articles and monographs.

Scientific and theoretical basis for relevant studies are the works of famous domestic experts in finance – E. O. Alisov, L. K. Voronova, A. P. Hetmanets, A. A. Dmytryk, I. B. Zaveruha, V. I. Kurylo, M. P. Kucheriavenko, O. A. Lukasheva, O. A. Muzyka-Stefanchyk, V. V. Mushenok, A. A. Nechay, O. P. Orlyuk, P. S. Patsurkivskyy, M. O. Perepelytsya, N. Y. Pryshva, V. D. Chernadchuk and others. However, initiated in Ukraine the reform of local government in the establishment of united local communities requires from the representatives of legal science new research in terms of building an efficient mechanism of fiscal ensure of these communities.

The purpose of this study is a comprehensive analysis of the current tax regulatory framework from the point of view of mechanisms of formation of financial capacity of local governments in the process of reforming in the current trend of decentralization and unification.

Results of the research. First of all, pay attention to the fact that the European Charter of Local Self-Government states that local authorities should have the necessary amount of own sources to carry out the powers.

Pursuant to paragraph 3 of article 9 of the Charter, at least some part of financial resources of local authorities should be received from local taxes and fees, rates of which are determined by these authorities as permitted by law.

The issue of improvement the process of formation the local budgets and search for reserves of their increasing is extremely important during the building process of independence of our country, because over the years there is a negative trend to reduce the share of own source revenues in the structure of local revenues and, consequently, increasing the number of subsidized budgets. Lack of stable own revenues significantly limits the impact of local government on socio-economic development of their areas. Expanding and optimizing sources of local budgets is an extremely important task, the solution of which will increase the level of financial independence and stability of united local communities and qualitative performance of their tasks and functions.

Based on the above specified problem and despite the fact that in the article № 142 of the Constitution of Ukraine and other normative-legal acts (Budget Code (1) the tax code of Ukraine (6), the law of Ukraine «about local government in Ukraine» (3)), the legal and financial basis of local government is enshrined we consider that one of the priority and important tasks of modern policy of decentralization of power is the reform of budget-tax system of local self-government bodies. As in the past and at present, the functioning of local self-government bodies in most local communities does not ensure the creation and maintenance of an enabling environment for the comprehensive development of human being, its fulfilment and protection of its rights.

The world practice shows that local budgets revenues are formed using the sources of financial resources and local taxes and fees constitute irremissibly a certain part in the financial capability of the local self-governance. It is clear that amid slumping amounts of central funding the problem of filling of local budget revenues

becomes most prominent. The most rational solution to this problem is to broaden the powers of local authorities and to reform the local tax system. The strive to accomplish this goal itself led to numerous attempts of altering the legal framework regulating local taxation in the years of building the financial and budgetary system of Ukraine (2, p. 15).

In order to overcome these problems in Ukraine the reform of local government is declared and its main trends are identified in the Concept of reforming the local self-government and territorial organization of power in Ukraine, which aim is to determine trends, mechanisms and timing of the formation the effective local self-government and territorial organization of power to create and maintain full living environment for citizens, establishment of institutions of direct democracy, satisfying the interests of citizens in all spheres of life in the territory, reconciling the interests of the state and local communities (7).

In our opinion, giving a right to local authorities determine tax rates without fixing their upper limit is not reasonable, because above all things it makes orienting in tax rates of different territorial communities difficult for a taxpayer which noticeably influences his activity and tax planning in particular. At the same time, such a system has certain advantages, which the USA's experience proves rather persuasively. In this country some tax rates for each level are determined by the legislation, other are determined by municipalities or states, in particular, real estate, sales tax rates. The tax level influences noticeably the business activity in territorial communities, ensuring the establishment of an attractive investment climate. But market mechanisms even rates of such taxes on different territories in the conditions of the stable economy. And, what is really important, in circumstances when risks of deterioration or destabilisation of the economic situation arise and when special aims appear local authorities can easily correct elements of the taxation system. Therefore, local taxes can and have to be used as an efficient instrument of regulation.

Analysis of socio-economic, organizational and managerial realities in the system of local government shows that the main cause improper situation is the lack of effective funding sources of local communities. Therefore, first of all, system of local taxes, fees and boards should be reformed as major excipients of local budgets are tax payments. Before you give your own suggestions of improving the legal framework of the tax system, in our opinion, it will be appropriate to analyze the tax payments credited to local budgets over the past two decades (4, p. 147).

Coming into being and development of local taxes and fees began with Ukraine becoming independent, even before the ratification of the European Charter of Local Self-Government. In 1990, the law of Ukraine «On councils of people's deputies and local and regional self-governance» had been passed, giving the power for imposing taxes and fees to the competence of the basic level councils (rural, village and town councils). This broadened financial capabilities of local councils in terms of ensuring economic the self-dependence in the respective administrative-territorial entities.

The passing of the law of Ukraine «On taxation system» and the decree of the Cabinet of Ministries of Ukraine «On local taxes and fees may be considered a key moment in the legal establishing of the institute of local taxes and fees. These documents defined the legal principles of exercising the fiscal powers by local authorities» (5, p. 129).

Starting from 2011, the system of local taxation was reorganized by adopting the tax code and amendments to the list of local taxes and fees (6). Innovations in the mechanism of local taxation have led to both positive and negative changes in this part of the revenues of local budgets.

There are the following achievements of the Tax code of Ukraine:

- abolishing a number of fiscally inefficient tax payments;
- simplifying the administration system of local taxes;
- putting in order powers of local authorities in terms of imposing and administrating local taxes and fees by limiting unrestricted interpretation of their administration procedure by local authorities;
- regulation of the interaction between local and controlling authorities;
- imposing the real estate tax considered in the majority of the European countries the most effective one;
- granting the status of a local tax to the single tax allowing to broaden the financial independence of local budget.

Starting from 01.01.2015, according to the article 10 of the tax code of Ukraine, local taxes include a tax on property and a flat tax and local fees – charges for parking vehicles; tourist tax. Local councils establish a tax on property in the part of the vehicle tax and land tax on real property, other than lot of land. Establishment of local taxes and fees not stipulated by the tax code of Ukraine is forbidden. Enrollment of local taxes and charges made to the relevant local budget (3).

However, the local taxation system, as one of the main sources of formation of the financial base of local self-government, is not covered by the necessary changes, in particular, in the creation of appropriate material, financial and organizational conditions for full-fledged self-government. Government and delegated authority through the use of local taxes and fees. The concept of reform of local governments and territorial authorities only suggested: ensuring the right of such bodies to regulate rates of local taxes and fees, and also proclaimed the right to establish benefits only to the local government whose budget included such payments (4, p. 148).

In our opinion, only such changes will not lead to increase the financial base of local budgets to the required level of expenditures, and the strategy of reforming the current system in the country today, local taxes and fees in the first place, should comply with the principles of the European Charter. In particular, the serious problem is that embodied in the tax code of Ukraine, local taxes and fees and rates do not take into account the real possibilities of taxpayers, and therefore do not perform the

enabling functions. Such shortcomings affect the observance of the principles of unity, completeness, authenticity, openness, clarity of the budget structure of local communities and the country as a whole.

It is possible to radically improve the local taxation system, which is part of the state's tax system and at the same time a necessary financial feature of local self-government, provided that a number of systemic shortcomings are overcome, including: author:

- the small fiscal role of local taxes and fees and, as a result, their low share in local budget revenues;
- lack of an effective legal framework that would meet current economic conditions;
- lack of rights of local authorities to exercise their own taxes and fees on their territory;
- inferiority of local taxes and fees compared to general ones;
- a short list of local taxes and fees compared to other countries.

To solve the problems in the formation of local budgets in Ukraine one should propose their solutions are:

- to improve the existing normative-legislative framework with the goal of more effective regulation of the process of formation and use of financial resources in local budgets combined territorial communities;
- to make a gradual transition for decentralization of the management of local budgets which will give an opportunity for local finance to become more independent institute;
- to reform of local taxation in the transfer of some of the taxes from the category of national local and install a more fair distribution of interregional share of taxes;
- to implement exercise control over formation and the local budgets of the community.

Conclusion. Thus, the successful development the process of formation the local finance as an effective tool in guiding the work of the united local communities in Ukraine is possible only under the condition of the general administrative and financial reforms, the result of which should be the formation of a new, modern organization of state power and local self-government, restructuring inefficient financial and fiscal and tax systems in the country.

To reform the native system of local taxation one needs to ascertain which from the above-mentioned model is the most effective in the modern conditions. The question concerning the right of local authorities to impose taxes and fees as they deem appropriate needs further scientific investigation. In our opinion, it is rational to give that right to bodies of power of consolidate territorial communities since the local finance system cannot be independent if local authorities do not have a tax autonomy,

if separate objects of taxation for local taxation are not distinguished from the array of objects of taxation. That is why it is necessary to give to bodies of power of consolidate territorial communities the right to impose own taxes and fees and to autonomously determine tax rates (provided it is controlled by the national bodies of the general taxation level).

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THE SUBJECTS OF STATE FINANCIAL CONTROL OF UKRAINE IN THE CONTEXT OF EUROPEAN INTEGRATION

The article deals with highlighting the essence of key and derived concepts of state financial control; the system of state financial control subjects in Ukraine is studied in the context of European integration. The article substantiates the fact that the clearly defined and legally established organizational structure of state financial control subjects in the country will provide an opportunity to enhance the quality of state financial control which is one of the urgent tasks for the establishment of an effective state control system in Ukraine. Much attention is paid to the fact that in normative-legal acts, namely, in Law of Ukraine «On Fundamental Principles of State Financial Control in Ukraine» the ambiguous concept of «state financial control bodies in Ukraine», main tasks of state financial control bodies, and the functions of state control bodies are consolidated giving an opportunity to the researchers to use various approaches to the concepts mentioned.

Key words: *Financial control, state financial control, central executive power bodies, state financial control subjects, the system of state financial control bodies.*

Пустовіт Юлія, Заптоцька Олена, Тімашов Віктор. Суб'єкти державного фінансового контролю України в умовах Євроінтеграції.

Стаття присвячена висвітленню сутності ключових і похідних понять державного фінансового контролю, досліджено систему суб'єктів державного фінансового контролю в Україні в умовах євроінтеграції. У статті обґрунтовано той факт, що чітко визначена і нормативно закріплена організаційна структура суб'єктів державного фінансового контролю в країні дадуть змогу підвищити якість державного фінансового контролю, яке є одним із актуальних завдань для побудови дієвої системи державного фінансового контролю в Україні. Особливу увагу у статті приділено тому факту, що в нормативно-правових актах, а саме: в Законі України «Про основні засади здійснення державного фінансового контролю в Україні» закріплено не чітке поняття «орган державного фінансового контролю в Україні» та головні завдання органу державного фінансового контролю, функції органу державного фінансового контролю, що дає змогу науковцям використовувати різні підходи до зазначених вище визначень.

Ключові слова: Фінансовий контроль, державний фінансовий контроль, центральні органи виконавчої влади, суб'єкти державного фінансового контролю, система органів державного фінансового контролю.

Urgency of the research. Today in Ukraine there is an urgent problem of normative-legal, organizational and technical regulation of organization and activity of state financial control bodies leading jointly to the decrease in efficiency and impartiality of state financial control, the inefficient management of public property and use of budget resources. One of the urgent problems is not established hierarchically-structured legal basis regulating the state financial control. It represents a set of multi-level legal regulations not included in an organized system. There are many normative-legal acts in the state regulating the control function of executive power bodies. However, these norms do not often clarify and simplify relations between controlling bodies of various branches of power, control subjects and objects, but they also introduce the elements of disorganization as well as they do not cover all branches of economic activity leaving them without any control on the side of power.

Problem statement. Finances constitute a fundamental base of civilization. Just like the state, religion, property, market, and money, it is an effective tool of state policy aimed at society life preservation, first of all, at the processes of allocation and reallocation of gross domestic product among various population layers, certain business structures and territories.

The state governs a financial activity through its state bodies and they are vested with special competence for that purpose. All state bodies can be conditionally classified into two groups: one group of bodies, carrying out financial activity, belongs to the bodies of general competence. The other group includes the bodies of special competence established by the state and vested with powers solely for financial activity.

State financial control has a central place in the implementation of financial and budget policy of the state as well as in the provision of its financial stability. The type of control mentioned is a system of control measures, organization of internal audit, and inspection to ensure optimal management of budget resources and state property. In the leading countries of the world, state financial control is a priority area for the development of financial and budget relations. The conditions of the state financial system depend largely on the effectiveness of the instrument existence.

The amount of budget legislation violations (illegal, including for unauthorized purpose) and inefficient use of budget resources by state power and local self-government bodies, detected by the controlling bodies, is extremely large and increasing every year. Therefore, it is essential to strengthen the institutional basis for preliminary and ongoing control over the management of income and expenditure of budgets at all levels. In particular, the long-lasting focus of the state financial control on elimination of violations and punishment of responsible people has not contributed to improving the efficiency of management and use of financial resources by managers of state budget and local budget funds, their recipients (1).

In the context of budget decentralization, the need for external control over the work of power bodies at different levels is increasing significantly, including during the planning and executing the budgets by them as well as managing and using the financial resources.

Recent research and publication analysis. Many leading researchers have given their attention to the issues of the organization and functioning of the system of state financial control bodies in Ukraine with all its problems and shortcomings. Among the scientific research of national scientists, highlighting the issues of organization and functioning of the system of state financial control bodies, the works of O. Baranovsky, M. Bilukha, F. Butynets, O. Vasylyk, I. Vashchenko, I. Drozd, V. Mamyshev, V. Melnychuk, N. Ruban, L. Savchenko, V. Symonenko, I. Stefaniuk, V. Shevchuk and others deserve attention. However, it should be noted that in their publications, these researchers mostly consider certain practical aspects of the organization and functioning of state financial control.

That is why the **aim** of the article is to study the existing system of state financial control bodies in Ukraine and substantiate the most reasonable ways of improving the system of state financial control bodies in Ukraine, taking into account the present state of implementation of financial and budget relations at the state and international level.

Presentation of basic material. State financial activity is the regular process of management of public centralized and decentralized funds based on the legal norms and necessary for carrying out the tasks and functions of the state, self-government bodies and other public establishments allowed by the state stipulated by the Constitution of Ukraine.

The Government of Ukraine is still committed to European values and is taking the necessary steps to further provision of Ukraine integration into the European political, economic and legal space.

The medium-term plan defines the main goals, areas of the Government activity during 2017-2020, the goal of which must be achieved in the system of state financial control of Ukraine at the central, regional and local level, namely: ensuring effective state financial control over the activity of state power bodies and local self-government bodies during management and use of budget resources, including directing state financial control to the increase of the level of effective, legal, goal-oriented, reasonable, efficient use and preservation of financial (material) resources of the state, fixed assets and other assets, achieving growth of budget funds by their managers and recipients, eliminating the detected violations, shortcomings and their further preventing in the course of the activity, increasing the responsibility of heads of public sector bodies for efficiency of activities (1).

The state can function and develop properly only with a clearly organized system of control over the production, distribution and redistribution of the social product and other areas of public life in the state.

In accordance with current legislation, three independent branches of financial control have been established and developed in most countries of the world, containing all their elements, namely:

- The state field where the system of state financial control operates;
- The municipal field where the system of financial control of local self-government operates;
- The field of civil society with an independent system of financial control.

The central place among these financial control systems belongs to the system of state financial control, determined by the role of the state in the market transformation processes. That is why, in our study, special attention will be given to state financial control in Ukraine.

In view of this, strengthening and improving the system of state financial control is essential. The subjects of state financial control are the bodies of state power, which, according to constitutional provisions, is divided into legislative, executive and judicial. The subjects mentioned constitute the controlling bodies of Ukraine, the combination of which is the infrastructure of state financial control of the country.

According to Article 1 of the Law of Ukraine «On Fundamental Principles of State Financial Control in Ukraine» amended, the implementation of state financial control in Ukraine is ensured by a central executive power bodies authorized by the Cabinet of Ministers of Ukraine to implement state policy in the field of state financial control (state financial control bodies) (2).

Article 1 of the Law of Ukraine «On Central Executive Power Bodies» amended, stipulates the definition and system of central executive power bodies of Ukraine, namely: the system of central executive power bodies consists of ministries of Ukraine and other central executive power bodies. The system of central executive power bodies is a component of the system of executive power bodies, the supreme body of which is the Cabinet of Ministers of Ukraine. Ministries provide for the

development and implementation of state policy in one or more domains, other central executive bodies perform separate functions for the implementation of state policy (3).

Therefore, a central executive power body ensures the exercise of state financial control authorized by the Cabinet of Ministers of Ukraine to implement state policy in the field of state financial control. At present, there are nineteen Ministries in Ukraine providing for the development and implementation of state policy in one or more domains.

In turn, other central executive power bodies are created in the form of services, agencies, and inspections, to perform certain functions for the state policy implementation.

The activities of the central executive power bodies of Ukraine is directed and coordinated by the Cabinet of Ministers of Ukraine through the respective ministries in accordance with the legislation.

There are certain tasks for each central executive power body in Ukraine. The main tasks of central executive power bodies are as follows:

- 1) Provision of administrative services;
- 2) State supervision (control);
- 3) Management of state property objects;
- 4) Submission of proposals to ensure the development of state policy for ministers' consideration directing and coordinating their activities;
- 5) Implementation of other tasks provided by the laws of Ukraine (4).

Central executive power bodies can execute one or several tasks mentioned above.

If most of the functions of the central executive power body are functions of providing administrative services to natural persons and legal entities, the central executive power body in Ukraine is formed as a service.

If most of the functions of the central executive power body are functions of managing state-owned objects belonging to the field of its management, the central executive power body is formed as an agency.

If most of the functions of the central executive power body are control and monitoring functions for the compliance of state bodies, local self-government bodies, their officials, legal entities and natural persons with legislative acts, the central executive power body is formed as an inspection.

Today there are twenty four services, fourteen agencies, four inspections, seven central executive power bodies with special status, four collegial bodies and three central executive power bodies belonging to others in Ukraine (the last three organizational types are not mentioned in the Law of Ukraine «On Central Executive Power Bodies»). To sum up, in Ukraine, in general, the system of central executive power bodies consists of seventy six central executive power bodies, the supreme body of which is the Cabinet of Ministers of Ukraine.

Conclusion. Therefore, in our study of state financial control subjects in the context of European integration, we have found out that there is no single system of subjects exercising state financial control in Ukraine. In Ukraine parliamentary control

is exercised exclusively by the Accounts Chamber, governmental control is exercised by the State Audit Service of Ukraine as well as the Ministry of Finance of Ukraine, and in turn the Ministry of Finance of Ukraine governs other central executive power bodies, performing certain functions for the implementation of state policy in the field of state financial control and other central executive power bodies performing certain functions for the implementation of state policy in the field of state financial control.

Ukraine also requires to address the issues of normative-legal, organizational and technical regulation of organization and activity of state financial control bodies leading jointly to the decrease in efficiency and impartiality of state financial control, the inefficient management of public property and use of budget resources. One of the urgent problems is not established hierarchically-structured legal basis regulating the state financial control. It represents a set of multi-level legal regulations not included in an organized system. There are many normative-legal acts in the state regulating the control function of executive power bodies. However, these norms do not often clarify and simplify relations between controlling bodies of various branches of power, control subjects and objects, but they also introduce the elements of disorganization as well as they do not cover all branches of economic activity leaving them without any control on the side of power. First of all, it appears in inconsistency of normative-legal acts, vagueness of definitions, and lack of specific mechanisms of interaction. It is obvious that current legal documents in the field of state financial control of Ukraine must be harmonized and systematized.

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STATE IS A REQUIRED SUBJECT OF FINANCIAL LEGAL AFFAIRS

A systematic structural analysis of the participation of the state as a subject of financial law and a subject of financial relations is carried out. The legal relationships in which the state acts as the subject of financial legal relations are determined.

Key words: *subject of law, subject of legal relation, state as the subject of financial law, state as the subject of financial legal relations.*

Сударенко Олена, Сенченко Людмила. Держава – неодмінний суб'єкт фінансових відносин.

Проводиться систематичний структурний аналіз участі держави як суб'єкта фінансового права та суб'єкта фінансових відносин. Визначаються правовідносини, в яких держава виступає суб'єктом фінансових правовідносин.

Ключові слова: *суб'єкт права, суб'єкт правовідносин, держава як суб'єкт фінансового права, держава як суб'єкт фінансових правовідносин.*

Relevance of the research. The state is an indispensable subject of law. Representatives of the scientific community of each national branch of law make appropriate statements in their scientific work. New theories are emerging, such as the theory of human-centrism, the theory of legal anthropology, etc., which provide new approaches to the study of relevant issues. At the same time, in recent years, there have been scientific works that state that the subject of law is a party to certain legal relationships, but does not belong to the subjects of legal relations in which it is participates (12, p. 13, 211–212). Codes contain articles that identify the participants in the relationship, including in the field of business, participants in the budget

process, etc. (L.K. Voronova, N.P. Kucheryavenko, 2003; 6). However, the state is not specified as a party of these legal relationships in the codes.

Formulation of the problem. The purpose of the research is to investigate the issue of state involvement in financial relationships as a subject of financial law and a subject of financial relations, to determine relationships in which the state acts as a subject of financial relations directly, and in which through authorized bodies.

Analysis of recent research and publications. Questions about the relationship between the concepts of «subject of law» and «subject of legal relations» were the subject of study not only representatives of science of theory of state and law, but also financial and other branches of law. Important in scientific terms for the authors were works: Aljeksjejev S.S., Voronova L.K., Dmytryk O.O., Isajeva N.K., Komarov S.O., Kucherjavenko M.P., Pryshva N.Ju., Rovinsjkyj Ju.A., Khalfina R.O., Khaustova M.Gh. and others. At the same time, questions about the relation between the concepts of «subject of law» and «subject of legal relations» do not remain relevant today. So, Manukh O.V. in her doctoral thesis determined that the state is a subject of law, is a party to certain legal relation, but does not belong to subject of legal relationship. Also in scientific papers it is noted that the state is a direct subject of legal relations only in international financial relations (if we talk about financial law). All this leads to the need to study the issue of state participation in financial relations as a subject of law and a subject of financial relations.

Presenting of main material. In the concept of «subject of law», scientists distinguish two main characteristics: the potential for participation in legal relationships; real participation in them (S.S. Alekseev, 1981, p. 140; N.P. Kucheryavenko, 2004, p. 313; M.Gh. Khaustova, 2009; R.O. Khalfina, 1974, p. 114). «Subject of law (legal personality)» is a broader concept, somewhat different from the concept of «subject of legal relations» (R.O. Khalfina, 1974, p. 115–116). The subject of law is transformed into a participant of legal relations, which is subject of legal relations (M.Gh. Khaustova, 2009, p. 34). The authors of the textbook «Financial Law» state that the concept of «subject of financial law» should be regarded as primary and general, and the concept of «subject of financial relations» as secondary and specific. Subjects of financial law are legal and natural persons endowed with financial personality, through which they are potentially capable of participating in financial relations. Subjects of financial legal relations are real, actual participants (legal and natural persons) of specific financial legal relations, which are holders of subjective rights and legal obligations. (N.Ju. Pryshva, 2018, p. 57).

Therefore, the subject of legal relations is a real participant of legal relations. Also classic is the composition of the legal relationship: the object, the subject (not the participant) and the content of the legal relationship. The science of financial law has determined the peculiarities of financial legal relationships: their emergence, change and termination occurs in the sphere of financial activity of the state and local self-government bodies; this activity is related to the planned mobilization, distribution and

use of centralized and decentralized public funds; their occurrence, change and termination are related to a financial act – they are based on the law or decision of the respective local authority; lack of equality between parties to financial relationships; one of the indispensable subjects of financial legal relations is the state or local self-government body or their authorized bodies (O.A. Dmitrik, 2004, p. 16–34; Ye.A. Rovinskiy, 1960, p. 134–138; I.V. Rukavishnikova, 2006, p. 168–169; O.V. Sudarenko, 2010, p. 213). The subjects of financial legal relations are: 1) the state (in relations with other states or international organizations); 2) territorial community; 3) public authorities; 4) local self-government bodies; 5) National Bank of Ukraine; 6) business entities; 7) budgetary institutions and other non-profit organizations; 8) nationals (including foreign nationals and stateless persons) (19, p. 57–58). The state acts, as a rule, and represented by it: the Verkhovna Rada, the President, the Cabinet of Ministers, the Ministry of Finance, the National Bank (and in international financial relations the state acts as the subject of relations) (L.K. Voronova, 2003, p. 76–77). The state issues power orders, obliging subjects to execute them, so a party to a legal relationship opposite to the state is always given, above all, a duty for the legitimate, effective exercise of which it is granted certain rights. (S.S. Alekseev, 1995, p. 226, 231; N.Ju. Pryshva, 2004, p. 24–25; I.V. Rukavishnikova, 2006, p. 8, 58–64, 97–100, 162, 165–169, 174).

Given the scientifically developed peculiarities of financial legal relationships, it is of scientific interest to identify those legal relationships in which the state acts as the subject of the legal relationship directly, and in which through its authorized bodies. Public authority is embodied (organized, «materialized») in the apparatus of power (state apparatus). The most important feature of the state is sovereignty, which means independence and autonomy in defined and implemented policies both inside and outside the state (S.A. Komarov, 1998, p. 27). The supremacy of the state lies first and foremost in the legal subordination to it of all subjects within the state territory. The decision of the basic questions of the organization of society belongs exclusively to the state itself. The legal definition of competence of public authorities is not a restriction of power, but a way of exercising sovereignty (Ju.S. Shemshuchenko, 1998, p. 684–685).

In our opinion, the state is a direct subject of financial relations not only in international financial relations. So, when founding of each state, there is necessarily a question about the shape of the territorial system: unitary state or federal. The form of the territorial structure of the state is inevitably linked to the budgetary system and structure of the state's tax system. So, for unitary states it is a two-tier budgetary system and the presence of state and local taxes, for federal states – a three-tier budgetary system, and the presence of state, federal and local taxes. A well-constructed tax system allows to identify all the positive features through the state's tax policy. Each state is endowed with sovereignty and is entitled to a national currency. Of course, the issue of the currency is carried out by the main bank of the

state in Ukraine – the National Bank of Ukraine. However, the hryvnia is the national currency of Ukraine, not the National Bank. When we talking about the national currency, we always associate it with the state – the currency of Ukraine, the currency of China and so on. Are the issues related to the issue of the monetary unit of the country related to international legal relations (foreign sovereignty)? No. The only legal payment unit on the territory of Ukraine is the ghryvnja. Ensuring the stability of the currency of Ukraine is the main constitutional obligation of the National Bank, not the state.

Therefore, the direct subject of financial legal relations in the sphere of establishment of the budgetary system, establishment of taxes and the tax system, in the sphere of currency issue is the state itself. The state exercises these rights during its creation. At the same time, changes in the state's tax system occur throughout its existence, and the system of state (namely state, not parliamentary, as parliament passes laws) changes taxes and fees. If the state exercised its «one-off» rights, can it be said that it does not belong to the subjects of financial legal relations? In our opinion, no.

The sovereign financial powers of the state include: the right to adopt financial laws, set taxes, conclude contracts on government borrowing, apply compulsory measures to violators or executors of financial norms (N.Ju. Pryshva, 2018, p. 58). One of the parties to a financial relationship is the entity that has the power to issue authority (state or its authorized body) (O.O. Gholovashevych, 2018, p. 16). The state as a direct participant of the tax relationship takes part in the relations that arise in the process of establishing, introducing taxes and fees, as well as changing and abolishing them. The state itself is the owner of the funds paid in the form of taxes that come to the revenue part of the state budget, moreover the state is the subject of responsibility in case of illegal tax collection (N.P. Kucheryavenko, 2004, p. 315). On the one hand, the state empowers the competent authorities with powers and controls the flow of funds into the budgets. On the other hand, tax revenue is one of the main channels of formation of state ownership, although initially in a specific monetary form (10, p. 14). In case the taxpayer fails to perform or improperly perform the constitutional duty to pay the taxes, the state will use all its means and techniques to enforce that obligation. The funds that we pay in the form of taxes are directed by the state and local self-government bodies to fulfill their tasks and functions and to satisfy the public interest. Thus, in the tax as well as in the financial legal relations, the organizational role of the state and local self-government is manifested, so they are power and property in nature. (L.K.Voronova, 2003, p. 35; L.K.Voronova, 2006, p. 34-35, 216; O.O Gholovashevych, 2018, p. 14; N.Ju. Pryshva, 2004, p. 75)

The state and administrative-territorial entities act in budgetary relations, because they are given the right for budget by the Constitution of Ukraine, and hence their right to receive income and finance the expenses related to the exercise of functions entrusted to them by the Constitution. These subjects are also involved in government credit related legal relationships as they are granted the right to issue

government local loans (L.K. Voronova, 2003, p. 76–77). The Constitution of Ukraine has granted the right to its own budget as a material financial basis for the functioning of the state and local self-government bodies of all levels. An important provision of the Constitution of Ukraine is the statement that the state participates in the formation of revenues of local government budgets, financially supports it. This item is in line with the World Declaration of Local Self-Government and the European Charter of Local Self-Government, which provide for strong guarantees of financial and material autonomy of local self-government bodies in the exercise of their budgetary powers. (L.K. Voronova, 2003, p. 131; N.K. Isajeva, 2001, p. 274) There is also no question that the state is the owner of the state budget. The powers of Ukraine as a sovereign state in the area of the budget are wide. Voronova L.K. in accordance with the norms of the articles of the Constitution of Ukraine and the Budget Code of Ukraine, divides them into two groups of powers: which belong to Ukraine as a state on the territory of which a single fiscal policy is developed and implemented; which are connected with the fact that the State budget plays the main role in the budgetary system of Ukraine (L.K. Voronova, 2003, p. 134–137).

The state as a whole is the subject of law in state-legal and some property relations (in particular, the realization of property rights, circulation of bonds, etc.) (Ju.S. Shemshuchenko, 1998, p. 680). The role and place of the state in financial activity is characterized by a certain duality: on the one hand, the state acts as an economic entity, which combines the status of the owner of funds and the organizer of economic activity, on the other – the state acts as the bearer of the authorities, which is realized in the sphere of financial activities (L.K. Voronova, 2003, p. 13). However, recent scientific publications state that the state is a party to legal relations only when it comes to international relations. The state does not participate in financial relations within the state. «For example, the responsibility for the public debt is borne by Ukraine as a state subject to financial law.» (L.K. Voronova, 2003, p. 33; N.Ju. Pryshva, 2018, p. 57). Therefore, the state owns tort. And then the question arises: Can a subject that is not a subject of legal relations to be tortuous? Since legal obligations are decisive in characterizing financial personality, only a person who is able to take responsibility for their actions in the field of financial activity is capable of realizing them. (L.K. Voronova, 2003, p. 57).

If one holds that the state is the subject of financial relations only in the sphere of international financial law, then in the relations of state borrowings and state guarantees there is a «double situation»: in the international legal relations on the state debt the subject of responsibility is the state, and in the relations of the state the internal debt is not the state, but the body that issued the bonds (we do not focus now on the fact that it is financed from the state budget). Is this possible? With regard to international legal relations, the answer here is one – the subject of these legal relationships is the state, but it is also represented by government bodies. In addition, part 2 p. 1 art. 16 of the Budget Code, states that the right to carry out government

borrowing belongs to the state in the person of... the Minister of Finance of Ukraine, on behalf of the Cabinet of Ministers of Ukraine. In this case, government borrowing is carried out within the limits set by the law on the state budget of Ukraine. Therefore, the legal structure (set of legal facts) is required, the definition of the right by the parliament in the law on the state budget for the respective year, the adoption of a specific decision by the government, and the direct actions of the Minister of Finance. In these legal relationships, the decision of the Minister of Finance or the government alone is not sufficient, in this case there must be a decision of both the representative body and the executive authority – «the totality of decisions of the bodies of more than one branch of government» involved in the said legal relations. The situation is similar with regard to the provision of the foreign exchange reserve of Ukraine, which is under the supervision of the National Bank of Ukraine and the Government. Court fees and proceeds from the pledge to the state income are the source of formation of the special fund of the State Budget (L.K. Voronova, 2003).

New types of financial relationships include government lending, only in 2010, they acquired the legitimate name of «budgeting». Budgeting – refunding, payment and maturity transactions that cause budget commitments (budgetary credits) and budgeting operations (budgetary repayments) (3). A prime example of government lending is government housing lending programs. And here again the question arises who exactly lends the following: State, Parliament, Government or State Fund for Youth Housing Assistance? The logical answer is the state. However, if you follow the latest scientific developments – then the State Fund for Youth Housing Assistance. And where did this Fund get funds to lend? From the state budget (the vast majority). In these legal relations, again, «the totality of decisions of bodies of more than one branch of government» (representative bodies and executive authorities) is required – therefore the subject of legal relations is the state. This conclusion is confirmed by the fact that the individual has an obligation to pay interest and the principal amount for the use of credit funds to the State (State Budget), and not to the State Youth Housing Assistance Fund. The same situation will be the case when it comes to state aid to economic entities at the expense of state and local resources. (13)

Conclusion. The state is an indispensable subject of financial legal relations, which acts in them directly or through its authorized bodies. The state is a direct subject of financial relations not only in international financial relations. There are rights that the state exercises in its creation – the rights associated with sovereignty (the right to budget and budget system; the right to taxes and the tax system; the right to the currency of the state; the right to issue financial laws). The state is also a direct subject of financial legal relations if the legal structure of such legal relations is characterized by «the totality of decisions of bodies of more than one branch of government.» In particular, we are talking about the relationship between government borrowing and government guarantees (internal and external), government lending (budgeting), and public financing of relevant sectors of the economy.

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CORRUPTION AND HUMAN TRAFFICKING – A THREAT TO THE ECONOMIC SECURITY OF THE STATE

The most effective means of corruption's prevention as a threatening phenomenon for the development of any democratic state were identified. The phenomenon of corruption as a factor in dissemination of human trafficking was researched. It's includes civil-control institutes, the upbringing of social culture towards the formation of an ideology of anti-corruption behavior in society based on the principles of the cultural concept of counteraction to crime.

Key words: corruption, human trafficking, prevention, social culture.

Шведова Ганна. Корупція і торгівля людьми – загроза економічній безпеці держави.

Визначено найефективніший засіб запобігання корупції як загрозове явище для розвитку будь-якої демократичної держави. Досліджено явище корупції як чинник розповсюдження торгівлі людьми. Він включає інститути цивільного контролю, виховання соціальної культури до формування ідеології антикорупційної поведінки в суспільстві на основі принципів культурної концепції протидії злочинності.

Ключові слова: корупція, торгівля людьми, запобігання, соціальна культура.

Relevance of research topic. Human trafficking is a crime that violates the rights to freedom, to human honor and dignity. Every year about 4 million people become victims of human trafficking. Only in the Western Europe about 500 thousand women are being sold each year. According to unofficial data in a sphere of sex industry of the recipient countries, from 100 to 600 thousand Ukrainian women are exploited. The substantial spreading of this crime in Ukraine had prompted national legislators to take decisive actions against human trafficking.

The prevalence of human trafficking, the imperfection of criminal legislation on liability for it, are predetermine the relevance of the research of this disgraceful phenomenon, which was appeared in ancient times and till nowadays is actual, being

modified in more modern forms. The introduction of international agreements, which were directed to counteraction of human trafficking, made it possible to conclude that human trafficking was first internationally condemned only at the beginning of the 19th century. Since then, more than 20 international agreements have been concluded (1, p. 302).

Despite the growing efforts to investigate criminal proceedings, prosecute and condemn people which are involved in human trafficking, the most convicted traffickers in Ukraine are sentenced to imprisonment by the high level of corruption in the country.

Several significant factors, such as Russian aggression, corruption and ineffective measures are prevent the full implementation of laws (2). Consequently, the problem of counteraction of human trafficking is multidimensional. The reducing corruption in state agencies, where the victims of trafficking are taken out, and in other areas, is of paramount importance. Such acts will contribute to reducing the level of criminality concerning the illegal exploitation of vulnerable populations, and will make the process of illegal migration more manageable in the world and in individual countries. So, corruption and human trafficking is a serious treat to the economic security of the state, which is too relevant in Ukraine and in a world at all.

Aim of paper.

The purpose of the work is to analyze the phenomenon of corruption as a factor of the dissemination of human trafficking, to reveal it's interconnection and interdependence, and to find out the most effective means of corruption's prevention as a threatening phenomenon for the development of any democratic state.

Analysis of latest research and publication. Different scientists analyzed criminological and criminal-legal aspects of prevention of corruption and human trafficking in their scientific works. They are: Yu. V. Baulin, V. V Golina, V. M. Kutc, A. A. Musica, A. M Orlean, V. M. Podgorodinsky, E. L. Streltsov, M. I. Havronyuk, S. D. Shapchenko and other scholars. However, the research of corruption as a factor in the dissemination of human trafficking did not founded it's detailed analysis in these works.

Exposition of main material of research. According to the report of the American State Department «Human trafficking 2017» Ukraine does not fully responsible to the minimum standards for the elimination of human trafficking. Such report consists information concerning our country about that. Ukraine does not apply all possible measures to put an end to human trafficking. Although marked, that Ukraine makes some progress in this sphere. In this regard, Ukraine during the last four years is on the second level in the ranking of countries in a sphere of the counteraction of human trafficking (the third level – is the lowest indicators in this sphere).

The significantly influence to this situation are extended such factors as Russian aggression, corruption and ineffective implementation of laws (3). For many countries,

this problem is also actual. Public Advocate of the Freedom Network USA Martin Vandenberg works with victims of human trafficking in the United States noted such posts. Unlike the other criminal organizations, human traffickers often work independently, much smaller of the number of participants and therefore they are more difficult to detect. Sometimes these groups consist of family members and therefore very stable. Vandenberg also pay attention to fact, that human traffickers «fueled» by corruption and often the law enforcement authorities by themselves are contribute to organized crime in poor countries.

Victims do not inform about the trafficking cases, because they think that at the homeland law-enforcement bodies are corrupted. They are afraid of police and judges, who are related to criminals. «They are afraid to be simply detained by the police, for them it is more terrible than slavery. Human traffickers use this situation», – notes Vandenberg. The research of the problem of human trafficking proves, that it is necessary to pay more attention to problem of corruption in a state institutions of those countries from where the victims of human trafficking are taken out. Because usually the main accessories of crimes could become law enforcement, customs officers and even diplomats who use their immunity.

Also it was proved, that illegal human trafficking, which is promoted by corruption, is a threat to the national security of the states. Corruption and trade are the sources of instability in many countries around the world. In particular, in Syria and Iraq, in some African countries life becomes more difficult. However the impact of illegal human trafficking and corruption are feel all members of society. Corruption promotes the dissemination of illegal trade both in the real world and in a virtual world, making goods and services of the illegal economy more widely available.

It is proved, that all this illegal business, which is promoted by corrupt officials, exists today for transportation or human trafficking. People are selling the latest goods for pay to smugglers who can deliver their families to a safe place. Often they are become victims of human traffickers and often forced to work in slavery in Europe. Moreover, the massive movement of migrants in desperation to neighboring countries and Europe has created serious political and economic crises in destination countries, that were not ready to receive millions of displaced persons.

The analysis of the overview about the human trafficking situation in the world shows, that solving this problem is requires the removal of existing preconditions of it's emergence and spreading. First of all, we are talking about corruption as a catalyst for the human trafficking. In national practice for the tangible results in the process of counteracting corruption, firstly, it is necessary to change the existing approaches that have emerged in the public consciousness of the perception of corruption as a habitual phenomenon.

Introduction the public education in all spheres of state activity will promote the formation of the proper level of social culture. It will also raise people in the direction of adherence to the norms of law. Ideology, based on the upbringing of a sense of

public duty, the desire to be useful to society and the awareness of the value of personal material welfare as a derivative of the public welfare, will provide an opportunity to form the necessary level of social culture of society. Often an obstacle to implementation the anti-corruption strategies is a factor of mentality in Ukrainian society, in particular, the indifference to bureaucratic abuses, the justification of corruption behavior by the circumstances of life, which is primarily due to the tendency of Ukrainians to individualism (4).

In the social political sense corruption has long been perceived as a criterion for maturity, for the activity of the modern public society. Public control can be realized through the parliaments, bodies of self-government, mass media, public organizations. With it's help control could set over the activity of state administrative structures and the credibility of trust could increase as for the government and parliament.

The level of interest of the political elite in cooperation with public society organizations is negligible. Although the role of public organizations in anti-corruption activity is admitted.

The development of democratic countries is always accompanied by the strengthening of the institutions of public control over the activities of the public service. This fact helps to increase the trust for the government and parliament. Despite the particular flaws (excessive emotionality of public relations), it is believed that public institutions could be the main chain in the process of prevention of corruption in democratic organizations. There are several reasons. Firstly, the involvement of the public sector into the corruption relations. Also public sector includes more kinds of legal relations than the state sphere. It has more powerful potential in counteraction of corruption. But, on the other hand, it is necessary to unite of state and public forces in this process. The last have to create appropriate normative practice for the development of the public initiatives.

Areas of counteraction of corruption and human trafficking are most in need of involvement of public society institutions. Consequently, to eradicate corruption so quickly will be too difficult task. Because it laid the «strong roots» in all spheres of life in Ukrainian society (5).

The nature of the phenomenon of corruption in a modern society of Ukraine, which determines the existence of a special mechanism for corruption relations, the nature of corruption criminality and forms the crisis type corruption in the country. Such type of it is extending the crisis in all other spheres of public life and requiring the special advanced anti-corruption strategies.

Corruption is considered to be a system of negative attitudes, social disease in society, and basically has a psychological setting to use the public service for the corrupt purposes. Such change of mentality in the direction of improving the social, including political culture of all participants of corrupt relations, should become the effective direction of anti-corruption activity. The corruption of «type of crisis» generates the citizens, who have not the proper level of social culture. The

counteraction of such type of corruption needs the corresponding technology with the involvement of international experience.

It is important to know, that it is impossible to solve the problem of corruption only by the criminal legal repression. Therefore, to use the new progressive strategies with a variety of social technologies can be productive way. Thereby the institute of prevention of the «conflict of interests» in the public service requires the special attention. The legislation of those countries, which have achieved the success in the anti-corruption activity, already contains the norms for the regulation of such institute. It can be done by the establishing the corresponding control, prohibited, restricted means, which have to play an important role in counteraction of corruption in general. The application of such experience will create a good practice in this sphere for other states.

There are special bodies in some countries, which control the situation to eliminate such conflict. The Nolan's Committee regulates such «conflict of interests» in Great Britain. Besides, a contender for the ministerial post has to submit a list of all his financial interests, but not just the income declaration. Than, all information has to be analyzed in details. After that a person can be offered to change the location of his assets or to cease the cooperation with some companies. In the Netherlands there are internal security services in all organizations. They detect the blunders of officials. In Germany the official has to obtain the prior permission from the highest official authority for extra work. Besides the new job after the termination of official duties will be prohibited if it harms the interests of the service (6).

Also it is worth paying attention to the principle of transparency in the activity of public officials, because having the full information about it the general public can actively participate in this sphere. Therefore it will facilitate the ruling of democracy in the country. It is proposed to minimize the number of licenses, permits, to simplify the procedure of its receiving. At once it should be reduced the registration of a new private enterprise to a single action for minimizing the degree of dependence in these procedures from the officials. Besides, it should be embed the modern information technologies by introducing the electronic forms of documents, automated control systems for receive and review the documents. It will contribute to the practice of correct realization the public services and will minimize the personal contacts of officials with citizens and will increase the transparency of such processes.

It is known that corruption is a destructive factor in the mechanism of state power. It is increases the degradation processes in the country. To stop it is necessary to stabilize the political situation. One of the way of stabilization is to choose the formation of public opinion in the corresponding direction.

Conclusion. Fact is, that human trafficking is a crime that violates the rights to freedom, to human honor and dignity, that enshrined and guaranteed by the Constitution of Ukraine. Despite the growing efforts to investigate criminal proceedings, prosecute and condemn people which are involved in human trafficking,

the most convicted traffickers in Ukraine are sentenced to imprisonment by the high level of corruption in the country. The analysis of the problem of human trafficking give us such conclusion, that it is necessary to pay more attention to corruption in state institutions of those countries from where the victims of human trafficking are taken out. Because usually the main accessories of crimes could become law enforcement, customs officers and even diplomats who use their immunity.

Human traffickers «fueled» by corruption and often the law enforcement authorities by themselves are contribute to organized crime in poor countries. It is necessary to change the existing approaches that have emerged in the public consciousness of the perception of corruption as a habitual phenomenon. It will help to get real results in a counteraction of corruption. Indeed, according to some researchers in countries where public organizations are actively involved into the implementation of community programs, corruption is less widespread. Areas of counteraction of corruption and human trafficking are most in need of involvement of public society institution.

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LEGAL BASE DEVELOPMENT OF BUILDING INDUSTRY IN INDEPENDENT UKRAINE

The article covers the issues related to the genesis of the legal framework of the building industry within formation of independent Ukraine until today. It was carried out the analysis of the legislation that used to regulate and regulates building activity in the relevant periods of building industry development. There are investigated and revealed the contents of these periods and their peculiarities. The basic tendencies of genesis of the building legislation in the modern period are researched.

Key words: building industry, development, legislation, building activity.

Ніколаєва Людмила, Гарат Михайло. Розвиток правової бази будівельної галузі в Незалежній Україні.

У статті висвітлюються питання генезису законодавчої бази будівельної галузі в умовах становлення незалежної України до наших днів. Був проведений аналіз законодавства, яке застосовувалося для регулювання та регулювання будівельної діяльності у відповідні періоди розвитку будівельної галузі. Визначено і розкрито зміст цих періодів та їх особливості. Досліджено основні тенденції вдосконалення будівельного законодавства в сучасний період.

Ключові слова: будівельна галузь, розвиток, законодавство, будівельна діяльність.

Relevance of research topic. The genesis of the legal regulation of the building industry is a complex and important process which should be considered both in legal and historical terms. Building legislation is constantly dynamic and has being improved. Within the period of independence of Ukraine the evolution of social, political and economic processes led to the emergence and formation of new forms of legal regulation in the building sphere.

A critical study of the historical experience of regulatory regulation in the area of planning and development of territories contributes to the better understanding of the positive and negative aspects of modern construction legislation. The genesis of the administrative and legal regulation of the planning and development of territories within independence of Ukraine is still underdeveloped in the administrative doctrine.

When independence of Ukraine was declared, legal regulation of the building industry was carried out on the basis of a large number of technical norms of the Soviet Union. In general, as of 1991, the state had a complex system of standardization and regulation in the building industry, and the young state was tasked with updating morally outdated regulations.

Analysis of recent research and publications. Considering its relevance, the topic of development of the building industry legal framework became the object of scientific research of N. Gushtik, O. Kvasnitska, T.Kolomoets, N. Mel'nka, M. Lavrentyev, V. Olyukh, V. Revenko, I. Tarasenko, V. Cherep, O. Yankovska and others. However, a thorough study of the development of the building industry legal framework in independent Ukraine was not conducted, which makes the relevance of such research.

The purpose of the article is to determine the periodization of the building legislation development, to identify the characteristic features in each individual period, to analyze the current state of the construction legislation and to formulate proposals for its improvement.

Presenting main material. The first stage in the development of administrative regulation of the building industry in independent Ukraine is the 16-year period from 1991 to 2007 which is characterized by the formation of fundamental legal documents that have determined the genesis of the legal regulation in the future.

Law of Ukraine «On the Basics of Urban Planning is one of the first significant legal act of independent Ukraine» (7), which was adopted in 1992 and regulates the construction industry. It defined the legal, economic, social and organizational principles of urban development. The Law establishes basic requirements for urban development and regulates land relations in urban development. One of the main provisions of this Law was definition of the main directions of building activity regulation and the competence of the authorities in the sphere of urban development.

Another important legislative act on regulation of building industry was the Law of Ukraine «On the Responsibility of Enterprises, their Associations, Institutions and Organizations for Offenses in the Sphere of Urban Development» (10) dated 14.10.1994. According to the Law, the officials of the State Architectural and Construction Control Inspectorates were entitled to provide relevant authorities by proposals for cancellation or suspension of licenses for certain works on design and construction and to suspend construction works.

A major step forward was the adoption of the Law of Ukraine «On Planning and Development of Territories dated» (8) 20.04.2000. The Law obliged the

developers to obtain the necessary permission for the construction of urban development objects and the permission for construction works, which testified their right to take appropriate actions, connection of the construction object to utilities and structures, issue of warrants for land works.

The adoption of the Law of Ukraine «On the General Scheme of Planning of the Territory of Ukraine» (6) dated 07.02.2002 has made a significant impact on the sphere of administrative regulation of building activity as the Law defines priorities and conceptual decisions of planning and use of the territories of the country. According to the Law, the General Scheme of Planning of Territories of Ukraine is the basis for the development of all further urban planning documentation.

The logical conclusion of the first stage was the Decree of the Cabinet of Ministers of Ukraine № 536-r on July 18, 2007, which adopted the Concept of the Urban Planning Code of Ukraine (2). However, the Code was not adopted. In our view, this situation demonstrates that the legislator has the lack of a clear line and understanding in what way construction activity regulation in our country should be developed, since the main task is to systematize a large number of scattered provisions of urban planning legislation, which was failed to realize.

The second stage (2008–2010) was marked by the global financial crisis of 2008-2009, which significantly influenced the development of the construction industry. In this regard, the Verkhovna Rada of Ukraine adopted the Law of Ukraine «On Preventing the Impact of the Global Financial Crisis on the Development of the Construction Industry and Housing» (14). This Law defined possible ways of solving crisis situations in the building sphere and organizational actions to solve urgent problems in the sphere of housing construction. Its adoption became one of the factors that allowed the construction industry to reach the pre-crisis level of housing construction.

An important milestone in the development of legislation on construction activity was the adoption of the Law of Ukraine «On Amendments to Some Legislative Acts of Ukraine on Promoting Construction» dated 16.09.2008 (12), which didn't have its own importance but introduced a wide range of amendments to the basic legislative acts that regulated the complicated procedure of capital construction. Specifically, clear standards were set to determine the main constituents of the output for the design of an urban development object, and the acceptance for completion of construction works was envisaged on the basis of a conformity certificate.

The legislator did not ignore the problems associated with the technical regulation of construction activities. Thus, in 2009, the Verkhovna Rada adopted the Law of Ukraine «On Building Regulations» (5), which established the legal and organizational principles for the development, approval, registration and application of building provisions, and defined the building provisions as subordinate regulation of technical nature.

In 2010, the Cabinet of Ministers of Ukraine approved the Concept of Implementation of the State Policy for Regulatory Support of Construction in Ukraine for the period up to 2015 (4) with the aim to develop a regulatory framework adapted to international requirements. In the following years, the revision of state standards in the sphere of construction, building provisions and rules of the former Soviet Union took place, and the number of standards harmonized with the standards of the European Union was succeeded.

The third stage (2011 – present) became a kind of «revolution» in the construction industry because its main purpose was to introduce changes that would allow the regulatory framework of the building industry to reach the level of the developed western countries. The first step was the adoption of the Law of Ukraine «On Regulation of Urban Development» (11), which came into force on February 23, 2011. The Law introduced significant changes to the permitting procedure in the implementation of construction, established the division of construction objects by categories of complexity.

This stage was characterized not only by the adoption of conceptually new regulations (though they are necessary), but by the improvement of existing ones. This, on the one hand, indicates that the established regulatory framework was imperfect, and on the other – it makes possible to state the readiness of the legislator to take further large-scale steps towards creating effective legal mechanisms for regulating the construction industry.

Some of the first changes occurred after the adoption of the Law of Ukraine «On Amendments to Certain Legislative Acts of Ukraine on Strengthening Accountability and Improvement of State Regulation in the Area of Urban Development» (12) dated 22.12.2011. According to these amendments the Law of Ukraine On Liability for Offenses in the Sphere of Urban Development expanded the range of entities that can be brought to responsibility and what is most important – there is a clear differentiation of responsibility of the customer, the entity carrying out the design, performer of building activity.

The Cabinet of Ministers of Ukraine issued the Decree on 02.10.2013 «On Amendments to the Procedure for Imposing Fines for Offenses in the Sphere of Urban Planning» (3) to improve the efficiency of the state architectural and construction control and to make the process of imposing fines for offenses in the sphere of urban planning more accurate. An important innovation is the regulation of actions of the State Construction Inspectorate in case of refusal of the entity to receive documents confirming the violation of the law, since such cases were numerous, and due to the lack of their legislative regulation, the very procedure of imposing a fine was delayed.

In accordance with the Law of Ukraine «On Amendments to Certain Legislative Acts of Ukraine on Improvement of Urban Planning Activity» dated 17.01.2017 (13),

another significant changes were made to the Law of Ukraine On Regulation of Urban Planning Activity. They canceled the assessment of the construction object by difficulty categories. Instead, according to the Law, a new concept was introduced – the class of consequences of buildings and structures. The class of consequences is determined for each object – houses, buildings, structures of any purpose, their parts, linear objects of engineering and transport infrastructure.

In the third stage, new state building codes (DBN B. 2.2-12: 2018 «Territory Planning and Development») (1) came into force. It regulate the development of all urban and project documentation in Ukraine. Among the key points of the new DBN are following innovations: limiting the height of buildings in cities; building restrictions in green areas («green lines») which define the boundaries of landscaped and recreational areas where construction is prohibited.

Conclusion. Since declaration of independence, Ukraine has come a long way in its development, during which a number of important acts have been adopted. This allowed to form the legal basis for regulating building activity. At the same time, due to the integration and adaptation of the Ukrainian legislation to the European standards, the building legislation has been substantially changed, and the process of harmonization of regulations has not been completed. The main directions of development of the legal provision of building in Ukraine have been defined by the Concept of Realization of the State Policy on the Legal Support in Ukraine for the period until 2015, but the action plan has not been fully implemented and the new Concept has not yet been developed.

In our view, with the purpose to solve these problems, there should: 1) focus on the systematization of a large number of scattered provisions of urban planning legislation by developing and adopting a single codified act in the sphere of construction; 2) ensure acceleration of harmonization of Ukrainian regulations with European standards 3) to develop and adopt the Concept of Realization of the State Policy on Legal Support of Building in Ukraine.

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PRINCIPLE OF THE RULE OF LAW AND ITS FORMATION IN ACCORDANCE WITH THE PRACTICE OF THE EUROPEAN COURT OF HUMAN RIGHTS

The rule of law as a common factor in European states influences the development of international relations. The recognition of the principle of the rule of law and the enjoyment of human rights and fundamental freedoms can be traced in international instruments, in particular the interpretation and application of the provisions of the Convention for the Protection of Rights and Fundamental Freedoms.

The interpretation of the «rule of law» in the Decision of the Constitutional Court of Ukraine created the conditions for its implementation in law-making and law-enforcement activities, in particular in the laws of Ukraine. Important manifestations of the application of the principle of the rule of law have been the creation of national mechanisms for the enforcement of judgments of the European Court of Human Rights, in particular the use of decisions of this court by courts of all levels, taking into account the necessary level of independence, as well as the use of social regulators, including norms of morals and traditions. All the elements of the rule of law are closely linked. And if legal uncertainty is allowed, it will contribute to the violation of law and arbitrariness, in particular by public service bodies. At the same time, many decisions of the European Court of Human Rights contain interpretations of certain elements of the principle of the rule of law, which must certainly be reflected in the legislation of Ukraine, since, in accordance with the latter, the principle of the rule of law is applied in the light of the case law of the European Court of Human Rights.

Key words: *principle, rule of law, practice, European Court of Human Rights.*

Галай Вікторія. Формування принципу верховенства права з урахуванням практики Європейського суду з прав людини.

Верховенство права як спільний чинник європейських держав впливає на розвиток міжнародних відносин. Визнання принципу верховенства права та здійснення прав людини і основних свобод можна прослідкувати у міжнародних документах, зокрема це стосується тлумачення та застосування положень Конвенції про захист прав і основоположних свобод.

Тлумачення «верховенства права» у Рішенні Конституційного Суду України створило у подальшому умови для втілення його у правотворчу та правозастосовну діяльність, зокрема у закони України. Важливими проявами застосування принципу верховенства права стало створено національні механізми виконання рішень Європейського суду з прав людини, зокрема використання рішень цього суду судами усіх рівнів, з урахуванням необхідного рівня незалежності, а також використання соціальних регуляторів, зокрема норм моралі, традицій. Усі елементи верховенства права тісно пов'язані між собою. І якщо допустити юридичну не визначеність це сприятиме і порушенню законності, і свавіллю, зокрема органами публічної служби. Водночас, чимало рішень Європейського суду з прав людини вміщує тлумачення окремих елементів принципу верховенства права, що безумовно має мати відображення і в законодавстві України, оскільки, відповідно до останнього принцип верховенства права застосовується з урахуванням практики Європейського суду з прав людини.

Ключові слова: *принцип, верховенство права, практика, Європейський суд з прав людини.*

Relevance of the research topic. The principle of the rule of law in a democratic society must, at the level of national law, guarantee everyone the right to defend and to complain of wrongdoing by the public service. The practical implementation of the rule of law by state and local government representatives is impossible without the use of international human rights experience.

Formulation of the problem. An important step in the formation of the rule of law and its practical implementation is the application of the case law of the European Court of Human Rights.

The case law of the European Court of Human Rights for the formation and definition of the rule of law is important because it helps to form a practical basis for its application by the state and society. Thus, there must be a remedy in national law against arbitrary interference by public authorities. The law should contain fairly clear and precise wording that would give citizens a fair idea of the circumstances and conditions under which public authorities are empowered to take action.

Analysis of recent research and publications. The doctrine of the rule of law, certain historical prerequisites for the emergence of the principle of the rule of law and its application in the practice of the European Court of Human Rights have been studied by such scholars as S. Golovaty, K. Gubarev, A. Daisi, M. Denisyuk, A. Karas, O. Krizhov, L. Makarenko, R. Padalka, A. Pukhtetska V. Shilling and many other scientists.

Setting objectives. The purpose of the study is to analyze the case law of the European Court of Human Rights for the formation of the rule of law and its practical implementation.

Presenting main material. The current legislation of Ukraine states that the principle of the rule of law is applied in the light of the case law of the European Court of Human Rights, let us consider in more detail some cases of such practice.

In general, the rule of law has a long history. Yes, it was formed by adherents of the theory of natural law in the seventeenth and nineteenth centuries, and the term, according to researchers, was introduced into the legal field by English scientist and politician D. Harrington in 1656. In addition, the classic rationale for this concept is described in In 1885, Professor Albert Daisy, a professor at the University of Oxford, in «Introduction to the Study of the Law of the Constitution,» in which he outlined three main components that express the internal «spirit» of the rule of law and which give rise to this concept: a. free government; b) equality before the law; c) constitutional law, which is a consequence of the rights of a person, not their source (K.S. Gubarev, 2006; V. Shillingov, 2009; O. Krizova, 544–549).

As noted by S.P. Headed, there is a three-level normalization of the principle of the rule of law in the system of law, in particular, this principle is present in international treaties – as a norm of international law, which has been implemented in national law (S.P. Golovaty, 2008).

Thus, under Article 3 of the Charter of the Council of Europe, every member of the Council of Europe must necessarily recognize the principles of the rule of law and the enjoyment of human rights and fundamental freedoms by all persons within its jurisdiction, and must cooperate openly and effectively in pursuit of the aim of the Council in Chapter I of the Council of Europe Charter (5).

Also, according to the preamble to the Convention for the Protection of Human Rights and Fundamental Freedoms, the governments of the European states share a common heritage of political traditions, ideals, freedom and the rule of law (6).

As the current legislation of Ukraine states that the rule of law is applied in the light of the case-law of the European Court of Human Rights, let us consider in more detail some cases of such practice.

Thus, the judgment of the European Court of Human Rights in the case of *Krusslen v. France*, dated 24 April 1990, Series A, No. 176-A, stated that the predictability of the law, that is, the content and nature of the applicable measures, was one of the requirements which included the notion of «in accordance with the law» creates certain problems within this case. As the Court noted in its judgment in the *Malone* case of 2 August 1984, paragraph 2 of Art. 8 of the Convention contains not only a reference to national law, but also concerns the quality of the law, requiring its conformity with the principle of the rule of law. This means that there must be a remedy in national law against arbitrary interference by public authorities in the rights guaranteed by paragraph 1... The danger of arbitrariness is particularly apparent when the executive is exercising its functions in secret. Undoubtedly, in such a special issue as the interception of communications by means of communications for the purpose of police investigation or judicial investigation, the requirements of the Convention,

especially as to the predictability of the law, cannot be as they are when the purpose of the relevant law is to create certain restrictions on the actions of individuals. In particular, the requirement of foreseeability cannot mean that a person should be able to anticipate when authorities may intercept his message in order to adjust his actions accordingly. On the other hand, the law should contain sufficiently clear and precise wording that would give citizens a proper understanding of the circumstances and conditions under which public authorities are empowered to resort to this secret and potentially dangerous interference with the right to respect for privacy and correspondence (7; O. Krizova, 544–549).

This makes it possible to understand that all the elements of the rule of law are closely linked. And if legal uncertainty is allowed, it will contribute to the violation of law and arbitrariness, in particular by public service bodies, etc.

Professor S. Holovaty analyzing the decision of the European Court of Human Rights in *Bellet v. France*, which stated in particular: «In view of the principle of the rule of law in a democratic society, the measure afforded by national law must also be sufficient to ensure that provide the person with a «right to a court». In order for the right of access to be effective (effective), a person must have an unequivocal, real opportunity to challenge an action that interferes with his or her right» (8), notes that in this the ECtHR has developed one of its conclusions, enshrined in one of its previous decisions., stating that a person «should have an unequivocal, real and effective opportunity to challenge an administrative act which was a direct violation of his or her right» (9). In another judgment of the European Court of Human Rights, he emphasized: «based on the rule of law in a democratic society, then the degree of access afforded by national law must also be sufficient to provide a person with a «right to a court» (10; 11).

Also among the judgments of the European Court of Human Rights which contain interpretations of the rule of law: *Streletz, Kessler and Krenz v. Germany*; *Salov v. Ukraine*; *Naumenko v. Ukraine*; *Sovtransavto-holding against Ukraine and the like*.

According to the Law of Ukraine «On Enforcement of Decisions and Application of the Practice of the European Court of Human Rights» (12), the courts of our country apply the practice of the European Court of Human Rights.

In accordance with the resolution of the Cabinet of Ministers of Ukraine «On measures to implement the Law of Ukraine» On Enforcement of Decisions and Application of the Practice of the European Court of Human Rights «of May 31, 2006, No. 784 approved the Regulation on the Government Ombudsman of the European Court of Human Rights (13).

Therefore, as an example, the decision of the Supreme Administrative Court of Ukraine of 11.04.2016 in case No. K / 800/6092/16, in which the court, revealing the principle of the rule of law, refers to the decision of the European Court of Human Rights in the case of *Brumarescu v. Romania* «dated November 28, 1999. According

to this decision, the right to a fair trial guaranteed by Article 6 § 1 of the Convention should be interpreted in the context of the Preamble to the Convention, which in particular proclaims the rule of law as an integral part of the common heritage of the Contracting States.

One of the fundamental aspects of the rule of law is the principle of legal certainty, according to which, in the event of a final settlement of a dispute by a court, their decision, which has entered into force, cannot be called into question. The principle of legal certainty requires respect for the principle of *res judicata*, that is, respect for the final judgment. According to this principle, neither party has the right to request that the final and binding decision of the court be reviewed for one purpose only – to seek reconsideration and adjudication of the case (*Ryabykh v. Russia*, July 24, 2003) (14).

Such an interpretation is certainly fair, but only if an independent court operates, whose activity is based primarily on the rule of law.

It should be noted that in our opinion the interpretation of the «rule of law» in the Judgment of the Constitutional Court of Ukraine No. 15-rp of November 2, 2004, as a rule of law in the society, was stated quite precisely, and specified that the rule of law requires the state to translate it into law-making and law enforcement activities, in particular the laws that, in their content, must be permeated above all by the ideas of social justice, freedom, equality, etc. One of the manifestations of the rule of law is that law is not limited to legislation as one of its forms, but also includes other social regulators, such as norms of morality, traditions, customs, etc., which are legitimized by society and predetermined by the historically attained cultural level of society. All these elements of law are combined by a quality that is consistent with the ideology of justice, the idea of law, which has largely been reflected in the Constitution of Ukraine (15).

Conclusion. Thus, many decisions of the European Court of Human Rights contain interpretations of certain elements of the principle of the rule of law, which must certainly be reflected in the legislation of Ukraine, since, in accordance with the latter, the rule of law is applied in the light of the case law of the European Court of Human Rights.

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DISCUSSION PLATFORM 4

LANGUAGE COMPETENCES OF A SPECIALIST IN CONDITIONS OF GLOBALIZATION

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SMART EDUCATION IN THE GLOBAL WORLD

The author considers smart education and its basic principles in the global world. The author shows that smart education is a learning process in which technology innovations and Internet resources are used in the global world. After all, it gives students the opportunity to gain professional competence on the basis of a systematic multivariate vision and study of disciplines, taking into account their multidimensional and continuous updating of content. The author also notes that education which based on three educational activities, namely, arithmetic, reading, writing, transforms into education, which improves the following seven skills as creativity and innovation; communication; cross-cultural understanding; collaboration and leadership; critical thinking and problem solving; ICT literacy; career and life skills.

Keywords: *smart education, eLearning, technology, student, teacher.*

Нежива Ольга. Smart-освіта у глобальному світі.

Автор розглядає smart-освіту та її основні принципи у глобальному світі. Також автор показує, що smart-освіта являє собою навчальний процес у якому використовуються технологічні інновації та Інтернет-ресурси. Адже це дає можливість слухачам досягнути професійні компетенції на основі системного багатовимірного бачення і вивчення дисциплін, з урахуванням їх багатоаспектності і безперервного оновлення змісту. Також автор відзначає, що освіта, яка базується на трьох навчальних діяннях, тобто на арифметиці, читанні, письмі, переходить до освіти, що удосконалює такі сім вмінь як: творчість та інно-

вації; комунікацію; міжкультурне взаєморозуміння; співпрацю та лідерство; грамотність у сфері ІКТ; кар'єру та життєві навички, критичне мислення та розв'язання проблем.

***Ключові слова:** smart-освіта, електронне навчання, технологія, студент, викладач.*

Formulation of the problem. A man is an association with the mass computerization in the 21st century. After all, he creates an incredible amount of advanced computer technologies which have greatly facilitated his life. More and more material and technical values have gained distinction and affected an educational process. Of course, the appearance of the World Wide Web has made its own adjustments to change of the learning concept.

In such a way, smart education was set up in the 21st century. The word smart has English origin and translates as intelligent or technological. However, the scientific leader of the School «Education in the Information Society» of the Moscow Economics and Statistics Institute, V.P. Tikhomirov explains this term as a new property which characterizes the Internet integration in this object of two or more elements which were not previously combined (Tikhomirov, 2014). Since the term smart is an abbreviation of words such as self-directed, motivated, adaptive, resource-enriched, technology.

Therefore, smart education is an educational process which uses technological innovations and Internet resources. It allows students to gain professional competence on the basis of a systematic multidimensional vision and study of disciplines, taking into account their multidimensional and continuous updating of content.

The analysis of recent studies and publications. The necessity for the introduction of innovative technologies in the educational process was studied by many scientists. The starting points of this topic we can find in the works of classical scholars such as M. Heidegger «Questions about technology», K. Jaspers «Modern technique», O. Spengler «Man and technique» and others. Today they have been further developed in the researches of Ukrainian and foreign scientists. The relevance of the problem is also proved by a large number of publications and studies on the topic of both domestic and foreign scientists, including V. Bezrukov, I. Zverev, V. Krayevsky, N. Loshkareva, R. Martynova, A. Petrovsky, N. Talyzina, Yu. Tyunnikov, A. Usova, G. Fedorets, D. Grace & A. Picard, J. Kirtland & P. Hoh, M. Matthews & J. Rainer, M. Shore & J. Shore et al.

The objective of this paper is to implement a comprehensive analysis of smart education and its basic principles nowadays.

Presenting main material. Education becomes more accessible with the development of technologies such as YouTube, Cloud technologies, distance learning forms, Facebook, Twitter, blogging, Google, etc. You can study through the Internet all over in the world and at any time. You are able to choose the field of knowledge,

including on-professional, and immerse yourself in it as much as you are interested. A very important factor is free-of-charge basis of many resources.

What do we mean by the term smart education and how much do we implement it in the process of teaching students? Of course, smart education is the application for educational purposes of smart phones, tablets, interactive whiteboards – smart boards, other devices with access to the Internet, as well as various training programs and applications. However, the creation of an integrated intellectual virtual environment is more important for all participants of the learning process.

The introduction of information and communication technologies in the educational process, the creation and use of multimedia facilities is transformed into the virtual plane. E-learning and multimedia technologies activate the cognitive process and provide the opportunity for visualization of the educational materials.

In classes, we use such technologies as collaborative student work, joint work of students, etc. Working with Google forms allows teachers to conduct not only surveys but also develop tests. In addition, students use electronic libraries to share educational materials both in the classroom and at home. New opportunities for our students are opened with the use of distance learning forms.

The learning process becomes interesting and modern when teachers continuously update educational content and attract the students to the development.

Each of us is surrounded by «smart home» every day, we build «smart cities» which need to be adapted to the needs of people and make our lives better and more comfortable. So the transition to smart education is a requirement of the time, simultaneously condition and opportunity of society development.

Smart education is a study based on the use of an interactive educational environment. The goal of smart education is to provide future professionals with the necessary skills to implement successful professional activities in a digital society and a well-developed economy. It provides an opportunity for students to learn using electronic education complex (learning, teaching, professional development, educational leading, etc.) which contains lecture and laboratory materials, materials for testing, references for the course of study, tasks for the final examination, the ability to view the work of students who have completed course for previous years.

The concept of smart education is to create an intellectual environment for the continuous development of the competencies of the participants in the educational process, including formal and informal learning processes based on advanced technology.

Smart education opens up new challenges for teachers. They should be not only professionals in their professional field, but also have smart innovations in educational and scientific activities. Teachers should have the widest variety of multimedia (audio, video) and the ability to use different technologies for working with students (Ovcharuk O. and Soroko N., 2016).

Smart education opens up new opportunities for teachers. These are:

- to share experiences and ideas;
- to do more research activities;
- to personalize the course of study depending on its tasks and the competence of the listener and to save time.

A teacher of smart education is a person who is represented on the Internet through presentation of courses; check of tasks; holding of correspondence; video and web conferencing; video-lectures; distance learning; virtualization of scientific research, etc.

Thus, the key to understanding smart education is the wide availability of knowledge. As a result of the introduction of smart education, students will be able to freely receive the necessary information and increase the level of using innovative technologies, which in turn will be able to meet the growing demands of students as much as possible, create a stable motivation for gaining knowledge, point out the importance of learning and further self-education for a successful future and growth.

Within the framework of smart education, a new discipline will acquire new qualities, which must simultaneously provide both the quality of training and motivate the student to study, including both multimedia fragments and external electronic resources. At the same time reading the textbook should take no more than 20–30% of the time (Kovalchuk V. & Vorotnykova I., 2017). The same requirements should be met by the smart textbook, which should be developed on the basis of the use of technological innovations and Internet resources. Technological requirements for the creation of a smart textbook include the use of cloud technologies, the expansion of multimedia tools, and the interactivity of educational tools, automatic filtering by level of material development (knowledge rating), group work of collaborators and readers in the Internet, creating content through the student's personal cabinet.

As a result, the concept of smart education is a key component of the future education, i.e. the expansion of time, space, teaching methods and teaching materials for a large number of sources and, of course, a huge variety of multimedia materials such as audio, video, graphics and with that, which can be easily arranged in accordance with the requirements and levels of listeners. All this means that there is a transition from education focused on three educational activities, namely arithmetic, reading, writing, to education which improves the following seven skills (7 C's) in the 21st century such as:

- creativity and innovation;
- communication;
- cross-cultural understanding;
- collaboration and leadership;
- critical thinking and problem solving;
- ICT literacy;
- career and life skills.

In addition, smart education for its development contains certain tasks. These are such tasks as the development and implementation of electronic textbooks, strengthening of education in the field of ICT ethics for solving ICT-related social problems, foundation of educational services, improving the skills of teachers in order to widely apply smart education. For the reason that the transition to smart technologies will form new requirements for teachers who must be not only well-informed in their professional field, but also have a wide worldview. Furthermore, the teachers should use different technologies to work with their students and create online classes or electronic evaluation system of knowledge. In addition, the teachers should widely use educational resources for public purposes, etc.

Besides, smart education is considered to be easy to manage. It can be managed by the educational institution through the flexibility of the educational process. This is an internal management. Furthermore, there is an external management. That is, it is constantly fed by external sources. It goes without saying, that smart approaches must not provide ready-made knowledge. They should create conditions which will enable students to acquire skills and personal experience.

Therefore, these strategies help every student of the century to gain the basic knowledge and professional skills which he needs. Moreover, students gain them at anytime and anywhere to further use in the future. Furthermore, they will become competitive in their field of activity.

However, Ukraine does not yet have enough research and organizational work to adapt specialists to the rapidly changing requirements of the 21st century to achieve world standards.

In our opinion, Ukraine needs to consider today the implementation and implementation of electronic «distance learning forms» as one of the types of smart education which is already extensively used by progressive country in the world. It stands to mention the main advantages of this education such as:

- personification;
- the ability to combine learning content to form a variety of training programs;
- the opportunity to get much more information necessary for assessing the knowledge, skills and abilities received as a result of the training;
- much cheaper in comparison with traditional full-time education;
- use a wide range of different learning tools;
- the provision of access to quality education to people who, for one reason or another, have no opportunity to study in a traditional way.

Taking into account a number of positive aspects of eLearning, it can be said that the introduction of this type of training is a mutually beneficial agreement between the applicants of education and the educational institution.

Today, eLearning of Ukraine can be proper developed upon the availability of:

- regulatory framework;
- students population;

- qualified teachers;
- training programs and courses;
- appropriate material and technical base;
- financial support, etc.

Conclusion. Smart education provides new opportunities for teachers, professionals, students, as well as anyone who is interested in learning. Interactive technologies help the student, who collaborates with the software system, selects and analyzes the information which he needs.

The main characteristics of such a study are:

- student studies at a convenient time and in a convenient place;
- training can be carried out simultaneously with professional activity or with training in another direction;
- student has an opportunity to receive education in educational institutions of foreign countries, without leaving his country and provide educational services to foreign citizens and compatriots living abroad;
- student receives the necessary information regardless of time and location;
- there is an opportunity to start learning any issues in the program depending on the level of training.

In addition to the above, social equality is ensured i.e. equal access to education regardless of place of residence, health condition and social status.

Smart education expands and updates the role of the teacher. Smart education also makes the teacher as a mentor-counselor, who should coordinate the cognitive process, constantly improve the material being taught, and enhance creativity and qualifications. Moreover, teachers have new opportunities such as:

- teachers have an on-line connection with students and use innovative teaching materials;
- teachers can make the most of different types of multimedia;
- teachers use new educational technologies;
- teachers personalize the program of discipline depending on the tasks and competences of the students;
- teachers create information exchange networks and establish cooperation between higher education institutions;
- teachers form a combined real and virtual space.

Thus, the introduction of smart technologies in education will lead to the transition from the old system of reproductive knowledge to a new creative form of learning using innovative methods and will provide the necessary knowledge and skills which will be crucial for the student in the future.

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LANGUAGE COMPETENCES OF A SPECIALIST IN THE CONDITIONS OF GLOBALIZATION

This article aims to analyse the importance of language skills in the era of globalization, which has distinguished the economic and social system in recent years with frequent and rapid changes, influence the world of work and life at different levels. In this new scenario, in it is necessary for everyone to continuously update their skills and acquire new ones, in order to adapt to change and provide the responses expected from the labour market.

Keywords: *Language competence, language training, globalization, business.*

Рицо Розальда, Фрагомені Фабіо. Мовні компетенції спеціаліста в умовах глобалізації.

Ця стаття має на меті проаналізувати значення мовних навичок в епоху глобалізації, яка останніми роками вирізняє економічну та соціальну систему частими та швидкими змінами, впливає на праці та життя на різних рівнях. У цьому новому сценарії необхідно, щоб кожен постійно оновлював свої навички та здобував нові, щоб адаптуватися до змін та забезпечити виклики ринку праці.

Ключові слова: *мовна компетентність, мовна підготовка, глобалізація, бізнес.*

1. Relevance of research topic

Since 2000, the development of the knowledge-based society has led to a growing demand for both personal and professional skills to meet the complex new challenges. Here too, skills are not acquired once and for all, but skills to be constantly updated and rapidly evolving, in order to live and work successfully in society.

The new context also requires reviewing the organization of education at school (Morin, 2000), the methodological and didactic choices and, above all, the training of workers. Today, there is an increasing demand that schools promote the

development of skills that are visible, verifiable and in line with the needs of society. It is therefore necessary for the school to promote the development of general skills in the main cultural, linguistic, mathematical, scientific and technological axes in its learners, starting from the school of infancy, historical and social, as well as key competences for lifelong learning (Risoluzione UE, 2006).

This need for renewal, substantial and comprehensive of our education system, is also supported by reading the OECD 2010 Report which highlights the critical aspects of Italian education system, starting with the high rates of early school leaving, setting out the priorities for action. It is also necessary to give a strategic role to guidance throughout life because of its central role in combating early school leaving and educational failure for two reasons in particular:

- for the pathological consequences that a bad or wrong orientation has on the education system and for the negative consequences on the economic-productive system;

- for problematic effects on the evolution of individual stories referring to the training, work, social aspect.

The new social and economic emergencies and new educational frontiers requires actions at all levels of education in order to support each young person in taking on a coherent choice and decision. This vision completely changes the mission of the education compared to the traditional model.

Formulation of the problem. As can be seen, the different social, economic and cultural scenarios give special attention to the term «competence» and to the place it occupies in the new training model.

But what do we mean by «competence»? Actually, different meanings are attributed to this term by scholars. Competence can be understood, for example, in the sense of «potentiality» inherent in a subject, but it can also be understood as «performance», which an entity must provide in relation to a task to be performed.

The meaning to which we prefer to refer is that of «ability of the subject/person to fully use own resources to cope with situations and tasks», that is, how «ability to perform a task or solve a problem», in any context, or as an exercise of «autonomy, responsibility, ability to decide and to complete something» connected and the challenges it poses.

Then, this vision of competence distorts the traditional model of teacher education, based on the teaching of discipline, on the transmission of knowledge, often only disciplinary, and on the mnemonic exercise of the same to introduce a system of mastery of knowledge and competences, which implies the deep involvement and protagonism of the person learning and the motivations for which he learns. This vision, moreover, implies the opening of the school to any level in the world, to the real context that surrounds the learner, with the related problems that it involves and that personally involve the person.

Today, therefore, a renewed effort is needed, systematic and unique, to train teachers of every order and grade of school, which transforms them from «transmitters

of knowledge» to «knowledge builders» through the development of a vertical curriculum for competences. The future of entire generations of young people is at stake, and they must learn at school to act and intervene in an increasingly complex and changing society with a wealth of skills.

It is necessary, therefore, to set up training plans that bring knowledge closer to competence, in terms of significance, that favour the approach to reality tasks and that make the solution of reality problems experiment. To better understand the term of competence and its function in the training intervention, we can say that skills are a set of knowledge and skills, supported by motivations consistent with the context of reference, necessary to accomplish or solve complex tasks and problems.

In the structure of the competence, as Pellerey (2000, 2004, 2007) appropriately emphasizes, there are three components:

- *cognitive nature*, relating to the understanding of concepts;
- *operational nature*, involving the ability to apply knowledge;
- *affective-motivational nature*, involving the attitudes and motivations of the subject.

If this is true, it follows that, in order to set up an effective educational action, which wants to produce learning and competence in the subject/person, it is appropriate to act on all three components. It is necessary that, whatever is the training activity and the age group, the teacher has to act adequately in order to exercise skills related to a given competence, acquire the theoretical contents underlying it, encourage the understanding of the meaning and usefulness of related knowledge and skills, so that the person involved feels motivated to exercise it whenever the context so requires.

The result is that there is no competence without knowledge and that knowledge is the basis for building a conscious and meaningful competence. If, therefore, the teacher constantly encourages learners to reflect on the structural aspects of each task, to exercise comparison by looking for similarities and differences, to transfer as much as possible of what he has learned in new contexts, this model of work and learning will become a «habitus» and it will facilitate the acquisition of new skills and the transfer of these skills to other contexts.

Analysis of recent research and publications. The studies about language competences focus, first of all, on the role of the teacher who has essentially a role of mediation, support, and, if necessary, an advisory role in the formation of the person, the citizen and the worker. This role must be played by the teacher from the school of childhood, because it is by observing the teacher that the child learns to relate with others, to feel accepted and valued for what he/she is and what he/she can give. Then, the teacher has a great responsibility for the future formation of the learners and for their present and future attitude towards formation.

In fact, it can be said that much of the future of training and the success or failure of each person is already being determined in the early years of training, at the level of children's and primary education, that is, when the concept of self is structured

and consolidated, which is based on the estimation of its SELF-EFFECTIVENESS, which since childhood is accompanied by success/failure experiences with reference to significant figures (Bandura, 2000, 1996).

The teacher who consciously designs and works by skills implies that any experience/training situation, in order to be truly metabolized, transformed into competence and become usable, must involve *mind, heart, body* and be re-read according to categories of meaning that consider both the external and the internal world and their mutual interconnections (Gardner, 2007, 1999, 1989). Many studies and research, in fact, have shown that «skills» and «motivation to learn» develop and consolidate in primary education, that is the role of basic training, as a prerequisite for further and higher education, is essential and irreplaceable, because acting in the choices and modes of learning of students at upper secondary level can be late and with uncertain results.

What are the main competences that we could define for the life that every teacher, whatever the discipline of teaching, must learn how to promote in his students? First of all, the development of *transversal competences* for life, which are:

- to know oneself;
- to manage emotions;
- to control tensions;
- to analyse/evaluate situations;
- to take decisions;
- to solve problems;
- to deal with every situation with adequate motivation;
- to express itself effectively;
- to understand the others;
- to interact positively.

In order to promote and support the development of skills in learners, the teacher must learn to identify the demand and training needs of each one, working to strengthen choice skills, decision making and self-assessment of the person (empowerment), be able to design training paths that respond to the demand and needs strengthening formal, informal and non-formal models of learning, with respect with the emotional states of each.

This implies a planning that develops through educational and training activities coherent with the subjects, in order to develop a personal and autonomous way of thinking and acting and a method that has a formative value for the acquisition of new skills (Cotton et al. 2007).

Presenting main material. Companies operating internationally have to interact with customers in many different countries, whose mother tongue will often not be the same. Language training is obviously useful in these situations: should it be compulsory in companies (Crystal, 1989)?

Essentially, in today's globalized economy, every company is international. Companies that have organized and structured language training plans have a

competitive advantage over those that have training in the specific language of their employees. Although many companies today encourage their employees to learn foreign languages, of course, those companies that invest in language training through diversified solutions and projects have a return on tangible investment: the result can be seen in the end of the year in the greater entrances regarding companies that hope that the single employee «deepens the language and studies for its facts» (Hulstrand, 2008).

Language training has a «Return of Investment» (*ROI*) for companies, but it also increases earnings for the self-employed. Some surveys show that employers offering language courses see a sharp increase in revenue. This is particularly important in today's economy, where businesses are often run in multiple languages. Since a large majority of companies need to communicate in at least two languages, training of employees is not only useful, but becomes a duty to do continuing training in order not to lose the competitive advantage. If companies need advanced language skills, but they do not provide the workforce with the appropriate means to acquire the language skills needed to communicate (and sell your services or products), it will be almost obvious that these firms will be very disadvantaged compared to their competitors in the market (Hulstrand, 2008).

Recent studies have shown that the employees who are part of organizations with plans of development and business formation want to remain in a company organized from a point of view of the training compared to others without structured plans. Companies can capitalize on training, increasing their commitment to providing training and development programmes for employees. Companies must, of course, make financial investments.

A trained workforce has the skills necessary to be effective and efficient in its work. Competent employees determine the company growth. However, many essential skills for different roles and tasks need to be developed within the company itself because the secondary education does not prepare for specific fields. Having an in-house training program at your company, it will help build critical skills in your staff, and ensure that daily operations are carried out smoothly. Corporate recruiters are well aware that an in-house business training plans becomes a key element to make their companies truly appealing to talent. Therefore, companies that offer these growth and development opportunities become very attractive to the potential workforce of tomorrow.

It is now imperative that employees are able to communicate effectively with their international clients and partners. Mastering a second language could lead to new leadership opportunities in international organizations (Hulstrand, 2008).

Access to an effective structured language training programme is an incentive for potential future corporate talent. It provides a concrete reason to choose one company rather than another in finding a new job.

Conclusion. In summary, the key points for an effective training are:

- The personalization of the formation and the formative participations;
- Active involvement;
- Design for skills;
- The development of a vertical curriculum;
- The conscious role of intermediation and support for trainee;
- The connection with reality and the world of work;
- Active training.

These are the prerequisites for a well-founded and lasting learning for the development of skills and attitudes, as well as for reflection and awareness.

The centrality of the person in the formative action means that the trainer with his individuality and diversity (age, gender, social and cultural belonging, values, aspirations, attitudes, etc.) is at the core of educational act and represents the core of training action as a whole.

The person, in a formative process, must be enabled to build and acquire skills that can accompany him/her in the various moments of his/her life and facilitate him/her in making reasoned and conscious choices. The development of a vertical curriculum implies the overcoming of fragmentation and segregation of orders and grades of school according to a unitary formation which develops for degrees and levels and which uses disciplines in the instrumental, functional to formative learning. Therefore, discipline is not the purpose of training but the instrument at the service of training intervention.

Active and laboratory training means a teaching that is attractive and close to the needs of the learners, focussed on the operativity of the learning situations, the organization of learning pathways centred on the task, and using the classroom as a «laboratory», both as a well equipped physical place and as a moment where students design, construct artifacts and manipulate materials, predict, experiment, compare and discuss alongside the teacher mediator and guide.

This method, applicable to any discipline or field, starts from the data of the experience and the context that surrounds the learner who, in the laboratory, may be the class or the firm, where one learns to investigate, analyze, problematize, grasp cause and effect connections, compare, select, deduce, hypothesize, communicate, decide obtaining information, knowledge, but also procedures and cognitive models (Goleman, 1999, 1996). The workshop, where the trainee is an actor and protagonist, has a strong formative value and, therefore, also an orientation for his conjugating together knowledge and know-how, as well as for making concrete, real and effective learning.

A new model of initial and in-service training is necessary and no longer deferred, but it must be a vertical formation that includes some common modules for all levels and should be attentive to the development of the cognitive area and, no less important, to the emotional-relational and technological area. Today the technology, strongly advanced, offers opportunities and facilities in every field of learning, however flexible and adaptable to any need and training modality.

Special attention should be given to the training of secondary school teachers at first grade. The junior high school is, in fact, an important junction for the choice of all the school and formative paths. It lays the foundations for the development of basic skills of a general nature, which should be acquired by the age of sixteen. The present moment requires a major investment in the training of teachers of all levels of education. It is not a question of acting with sporadic and piecemeal action of updating, but of acting with a systematic plan of training. It is a need and no longer deferrable investment, if we want our kids, future citizens and workers, be able to live in contexts of increasing complexity with a solid and amplified range of skills consistent with social, economic and labour changes.

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SELF-REGULATORY STRATEGIES IN THE LANGUAGE CLASSROOM: PEDAGOGICAL PERSPECTIVE

The article discusses metacognitive awareness considered one of the key factors to foster language learners' performance in the language classroom in the English for Specific Purposes (ESP) field and to help shape students' attitudes, beliefs, motivation, while boosting their confidence in the academic context. The author elaborates on the core elements of metacognition, their relation to language learning and teaching, highlighting the necessity to develop language learners' self-regulatory skills in and outside the classroom. Self-regulation, viewed as an indispensable component of the learning process, aims at enhancing students' reflection on their studies to ensure meaningful language instruction and conscientious beneficial cooperation in language learning.

Key words: *metacognition, metacognitive awareness, self-regulation, self-regulatory skills, language performance.*

Чугу Світлана. Педагогічні перспективи використання саморегулятивних стратегій у навчанні мові.

У статті доводиться важливість урахування чинника метакогнітивності у процесі вивчення англійської мови спеціального вжитку для формування саморефлексії студентів, підвищення мотивації та усвідомлення принципів навчання у академічному контексті. Автор розглядає базові компоненти метакогнітивності у викладанні і вивченні мови, підкреслюючи необхідність формування само-регулятивних навчальних навичок у ході аудиторної та самостійної роботи студентів. Саморегуляція трактується як невід'ємний елемент процесу навчання, спрямований на усвідомлення студентами важливості критичного осмислення результатів власної навчальної діяльності, що забезпечує ефективність і творчу співпрацю у процесі вивчення мови.

Ключові слова: *метакогнітивність, метакогнітивна обізнаність, саморегуляція, навички саморегуляції, володіння мовою.*

Relevance of research topic. Over the last decades, metacognition or ‘thinking about thinking’ has gained a significant role in the learning process, being described as a key guiding factor of successful learning as it is used to help students realize how to learn effectively. Thus the necessity to study metacognitive activities and develop metacognitive skills to help language learners apply their cognitive resources through conscientious metacognitive control is of great importance in the academic context (Bruen, 2001; Cohen & Macaro, 2007; Lam, 2009; Plonsky, 2011).

Due to numerous researches in the educational field metacognition is considered to be a complex phenomenon dealing with cognition, knowledge and regulation of the information processing in the learning environment through a number of conscientious mental activities related to thinking, knowing, and remembering. The objectives of the article are as follows: to critically revise a relevant number of currently written articles on metacognition to summarize research findings that might have an educational potential; to provide accurate definitions of the fundamental notions to further conceptualize the metacognitive model used in the ESP field; to give insights into the prospective area of self-regulatory skills development with the utmost aim to enhance language learning in the academic and professional settings. Metacognitive processes have been studied in cognitive psychology that dealt with the determinants and consequences of monitoring knowledge. The radical shift in developmental psychology led to extensive researches in education. The concept of metacognition in pedagogical sciences in general and in language teaching in particular has been studied deeply in recent decades. At present, metacognition is believed to refer to higher-order thinking which implies executing active control over cognitive activities in the learning process.

Formulation of the problem. Traditionally, it is believed that metacognition comprises metacognitive knowledge and metacognitive experiences (or regulation). Metacognitive knowledge refers to acquired knowledge about cognitive processes, knowledge that can be used to control cognitive processes. In other words metacognitive knowledge means knowledge about the factors that affect the course and outcome of cognitive enterprises. In other paradigms, there are two groups of skills involved in the learning process: a) cognitive skills required to complete certain tasks, b) metacognitive skills that help to choose how to do the tasks (Schraw, 2009).

Further conceptualization of metacognition resulted in a number of terms including self-management, metamentation, meta-learning, metacomponents, used to represent the idea. Still, all of the definitions refer to learners’ awareness and management of their learning. Currently, metacognition is believed to compose two basic components: metacognitive awareness and metacognitive strategies. Metacognitive awareness is the learners’ knowledge about their learning, while metacognitive strategies refer to learners’ regulation and management of their learning through a variety of activities: selecting the most useful strategies for a particular task; planning, monitoring, regulation and evaluation of learning (Schraw, 2009).

Studies of metacognition over the last decades focused on the role of self-regulation in the development of different language skills due to the direct influence of metacognitive intervention on learners' language performance. The findings have proved that metacognitive training helps language learners to improve their performance (Spada & Tomita, 2010). Moreover, metacognitive instruction enhances language learners' metacognitive knowledge and self-regulatory strategies that results in more successful completion of learning tasks.

Self-regulated learning (self-regulation) is the process which learners personally activate and in which they sustain cognitions, affects, and behaviors that aim at the attainment of learning goals. On the other hand, self-regulation is an important aspect of learning and performance with its fundamental notions, instructional issues, methodological applications, and individual differences that calls for incorporating research findings in cognitive, educational, social, and psychological fields.

Metacognitive instruction appears to be an effective way to develop learner-centeredness and learner autonomy. Numerous studies have demonstrated that the instruction of metacognitive strategies helps learners to become more self-regulated, self-directed and successful in their learning (Nguyen & Gu, 2013). In this respect, another important factor to consider is the issue of metacognitive awareness and learning strategies (Plonsky, 2011; Zenotz, 2012) to have a better understanding of the correlation between metacognitive awareness, metacognitive skills and strategies.

Presenting main material. Originally, metacognition was viewed as the knowledge about and the regulation of one's cognitive activities in learning processes. Throughout the last decades both components have been specified in a more detailed way to include three groups of skills (strategies): planning, monitoring and evaluation. Accordingly, planning involves selection of proper strategies and the use of resources that affect performance. These primarily include making predictions, strategy sequencing and allocating time before starting doing a task. Monitoring refers to a learner's awareness of comprehension and task performance that is mainly comprehension checking while learning. Evaluation means appraising the learning outcomes and regulatory processes of learning mostly through reevaluating learners' goals and conclusions (Schellings, van Hout-Wolters, Veenman & Meijer 2013).

The core components of metacognition are metacognitive knowledge, experiences and processes. Metacognitive knowledge is divided into three categories: a) knowledge (knowledge of person variables); b) task knowledge (task variables); c) strategic knowledge (strategy variables). Proper understanding of these areas leads to a more thorough metacognition instruction in the ESP classroom. Moreover, metacognitive knowledge has a significant role in many cognitive activities concerning language use, such as oral communication of information, oral persuasion, oral comprehension, reading comprehension, writing; language acquisition; different types of self-instruction.

Apart from that, metacognitive knowledge ensures metacognitive awareness and correct application of metacognitive strategies while doing a task as the learner selects the most appropriate strategies from their repertoire of strategies to successfully complete the task. So metacognitive strategies are general skills through which learners manage, direct, regulate, and guide their learning. This way, metacognitive strategies ensure that a cognitive objective is reached. In its turn, metacognitive experience (or regulation) is the conscious cognitive experience that accompanies learning as an intellectual activity. Millis, following conventional assumptions, claims, which metacognitive experience involves conscientious use of metacognitive strategies that stimulate a lot of careful, highly conscious thinking. The other theoretical framework distinguishes four main categories of metacognitive skills: 1) orientation and planning activities; b) execution activities; c) monitoring activities; d) elaboration and evaluation activities. Activities such as concluding, connecting by reasoning and summarizing are considered to be elaborative. Metacognitive learning can be divided into five components: preparing and planning for learning; selecting and using learning strategies; monitoring strategy use; orchestrating various strategies; evaluating strategy use and learning (Millis, 2016).

Effective use of metacognitive skills empowers learners, making them more skilled in metacognitive self-awareness are more strategic and perform better. It is evident that metacognitive knowledge characterizes the approach of expert learners to learning, that enhances learning outcomes, facilitates recall, comprehension and completion of new types of learning tasks, improves progress in learning as well as the quality and speed of learners' cognitive engagement. Metacognitive knowledge shapes learning attitudes that affect motivation, direct behaviors, and result in better outcomes. Undoubtedly, understanding of the main principles of metacognition allows teachers to design and conduct lessons that meet students' needs more effectively ensuring meaningful learning experiences.

At present, researchers discuss the advantages of measuring metacognitive activities during the learner's learning (online) or apart from it (offline, which is when the learner is not learning). As teaching and assessing metacognitive activities are looked upon as important educational objectives teachers are calling for efficient instruments (Schellings, van Hout-Wolters, Veenman, & Meijer, 2013).

Nguyen & Gu highlight the main objectives of self-regulation and motivation in terms of measuring self-regulated learning to predict and assess students' academic outcomes as self-regulated learning is a growing pedagogical field (Nguyen & Gu, 2013). The assessing tools are traditionally divided in two major groups: offline and online measures. Offline methods usually include assessing self-regulatory processes before or after the learning activity, with the help of self-report questionnaire or interviews. But it is advisable to complete the offline measures by online ones to capture the learning processes when they occur (Chamot, 2005; Meijer, Veenman, & van Hout-Wolters, 2011).

Learning strategies play an important role in the success of language learning. Since research of language learning strategies has focused on successful learners it is logical to attempt to investigate the ways how different strategies for different tasks from a wide variety of effective techniques and tactics are selected to perform learning tasks in a given learning setting. Different taxonomies of learning strategies have received ample attention recently with Oxford's (Oxford, 2011) strategy framework which encompasses six categories (cognitive, metacognitive, memory, compensatory, social, and affective strategies) being one of the most influential ones (Plonsky, 2011; Greene, Costa & Dellinger, 2011). Still, despite numerous researches on learning strategies metacognition, language strategy instruction and language learners' self-regulatory skills still need deeper study as research reveals that systematic strategy instruction is an effective way to enhance learners' awareness in the EFL and ESP classrooms.

Continual exposure to the use of metacognitive strategies reinforces learners' self-regulatory skills, forms appropriate learning attitudes, causes better motivation and behaviors, and results in improved performance as students are able to manage their learning experiences as they are involved in cooperative learning tasks as well as in independent, reflective experiences on a regular basis.

Conclusion. Recent research on metacognition has shown that metacognitive knowledge leads to success in language learning. Learners who use metacognitive strategies conscientiously and are aware of their learning have the required skills and employ the most relevant strategies to accomplish given tasks effectively as they are able to plan their learning, monitor it during the task performance, and evaluate their learning after the task accomplishment. Moreover, learners equipped with metacognitive skills in their learning prove to be more self-regulated learners. The paper emphasizes the role of metacognition in shaping self-directed, autonomous learners and pedagogical implications on successful language learning and teaching. Considering the role of metacognition and self-regulation in education, teachers should design learning environments that incorporate such insights.

Learners' metacognition can be developed through pedagogical interventions, when learners are involved in the activities and process-based lessons designed to develop their metacognitive knowledge in language learning. To enhance students' metacognitive knowledge, language teachers should aim at teaching language content as well as shaping self-regulatory strategies through developing metacognitive strategies in the process of learning.

It is also important to consider metacognitive strategies in relation to individual differences such as personality traits, intelligence, gender, self-efficacy.

Due to the global rise in metacognitive and self-regulatory awareness further studies in the field are to address implications for educational practices, motivational sources and performance outcomes of self-regulated learning, self-regulatory training, use of hypermedia in self-regulated learning, developing self-regulated learners in different educational contexts and the like.

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ACTIVE AND PASSIVE VOICE CONSTRUCTIONS IN UKRAINIAN

The refinement of the idea presentation, clarity and logic of the text can be achieved by adhering to syntactic norms in different styles of modern Ukrainian. Syntactic rules in professional language are consistent with their rules. This research deals with definitions of active and passive voice constructions in Ukrainian language, introducing the qualification of direct and indirect subject, as well as examining the formations of indirect subject, indicating its belonging to the class of animate/inanimate objects.

Keywords: active construction, passive construction, direct subject, indirect subject, impersonal forms ending -no, -to, passive participle, verbs ending -sia, indefinite-personal sentence.

Януш Олег, Тесленко Наталія, Шашенко Світлана. Активні і пасивні синтаксичні конструкції в українській мові.

Стрункість викладу думки, чіткість і логічність тексту досягається дотриманням синтаксичних норм у різних стилях сучасної української мови. У професійному мовленні синтаксичні норми відповідають своїм правилам. У роботі дано визначення активним і пасивним конструкціям української мови, введено кваліфікацію прямого і непрямого суб'єкта, розглянуто утворення з непрямым суб'єктом із зазначенням його приналежності до класу істот/неістот.

Ключові слова: активна конструкція, пасивна конструкція, прямий суб'єкт, непрямий суб'єкт, безособова форма на -но, -то, пасивний дієприкметник, дієслово на -ся, неозначено-особове речення.

Relevance of the researched topic. In order to express ideas correctly and for their adequate perception of extra-linguistic reality is an important way of reflection of the process, which may occur when using active and passive voice constructions. The Ukrainian language has a long tradition of influencing the Russian-speaking environment on the processes of the Ukrainian as it is. The syntactic special features of the Ukrainian are based on the historical traditions of the language, which are related to the way the linguistic reality is represented by lexical, grammatical and syntactic means of Ukrainian language. Active and passive constructions of the Ukrainian, and more precisely, the way the subject is put into the text, becomes important to preserve the identification features of Ukrainian language that is to distinguish it from Russian.

Formulation of the problem. The nature of the text construction in business speech has its own peculiarities. One of the basic requirements for sentences of any type in business speech is to «clearly and meaningfully express great volume and complex content. The sentence should be holistic and is to convey information in all the complexity of dependencies and relationships» (Matsiuk & Stankevych, 2005, p. 211–214). Professional language texts reflect the links between subjects and concepts of professional activity. Different types of semantic connections require the usage of different constructions to avoid tautological and template formations. Template formations lead to the occurrence of chancellery and the active use of the latter is allowed only in limited written forms of official business style, and serving them in unusual contexts virtually impossible to create meaningfully accurate tests that may convey all the complexity of the depicted objects and phenomena. Professional language is based on combination of different styles. In addition to the official business style there are non-fiction, scientific, and epistolary business ones. The mentioned styles require a variety of forms of expression being the characteristic feature of the culture of speech, the richness and development of a particular language, which is the main means of written and oral professional speech.

Analysis of recent researches and publications. The question on syntax of active and passive constructions in Ukrainian language has been studied in linguistics on the example of different styles of language. In Ukrainian linguistics active study of verb usage began in the late twentieth century. The comprehension of the verbal resultant semantics in the system of aspectological classification was presented in the paper «Theoretical grammar of the Ukrainian language. Morphology» by Anatoliy Zagnitko (Zagnitko, 1996). Lydia Tsymbalista characterized main types of passive constructions in the texts of belletrist style, determined the lexical load on each of the syntactic constructions and compared them with the passive constructions in German, having noted that in German and in Ukrainian these constructions «differ by formal categories, however, they have common semantic features» (Tsymbalista, 2018, p. 164), also she comparatively disclosed separate participle and impersonal passive constructions with German parallels (Tsymbalista, 2016, p. 2). Recently scholars have begun to research different styles of professional speech. The question of active and

passive voice constructions in professional speech was under consideration of Michael Ginsburg (Ginsburg, 2014). The author, basing upon the research of linguists of the early twentieth century, observed in particular the usage of two-part and three-part passive structures, submitted criteria for the distinguishing of active and passive constructions in the Ukrainian, and took up to the study formations with verbs ending -no, -to and provided recommendations for the use of different syntax constructions (Ginsburg, 2018, p. 13). As for recommendations on the use of transitive and intransitive verbs in professional speech or constructions we can find in works by Zoriana Matsiuk and Nina Stankevich (Matsiuk & Stankevych, 2005), Anzelika Popovych, and Lyudmila Marchuk (Popovych & Marchuk, 2017). Elena Lavrinets worked out a comparison of the transformational link of different types of active and passive voice (Lavrinets, 2010).

Presentaton of the main material. Formation and usage of different constructions should be appropriate, consistent with grammatical, syntactic and semantic structure of the text, as well as with the norms of the Ukrainian language in general. In professional speech various constructions are often used interchangeably: personal and impersonal sentences, active and passive voices of language, adjective phrase and subordinate signifier of the clause, adverbial turn of speech and subordinate adverbial clauses, etc. (Lavrinets, 2010). These constructions have grammatical difference, but lexico-semantic similarity too, so it is possible to use one or another phrase as interchangeable. In their application consideration should be paid to the context, form and/or type of document, the meaning of the opinion presented, etc. For example, impersonal clauses are often used in reports, messages, and instructions, where it is important to emphasize on the actions: *measures taken*. Regarding the usage of active and passive syntactic structures the following is common to be under consideration: Passive voice is used when the fact of the action is more important than the indication on the person who made the action (*payment is guaranteed*), Active voice is to be used when the indication on the person is important and it is necessary to specify expression of the idea. The question of the use of these structures is debatable today; linguists are developing recommendations for the use of active and passive phrases in different styles of the Ukrainian language.

Active and passive constructions are two different ways of transmitting the idea by means of a particular language bearing in mind the same transient extra linguistic reality. There must be two participants in the process: the subject and the object. Thus, the semantic (in-depth) structure of a sentence that reflects transient process has three terms: subject, predicate, and object. In professional texts subjects there may be animate creatures (including persons) and inanimate objects (natural, technical or social). In order to formulate the idea by linguistic means, the semantic structure of the sentence must be conveyed by a certain syntactic (superficial) structure: the predicate is defined by the verb and by the actants or doers of the action (subject and object) are represented by the other articles of sentence: as subject and object. Between the

semantic and syntactic structures of sentence there is the same dialectical relation as between the content and the form, that is one semantic structure can be represented by several syntactic structures in particular language. The two basic options relate to which certain article of semantic structure performs syntactic function of the subject: the subject or object, and the two options reflect different views of the linguistic reality situation and thus differ not so much in the content determined by the sum of meanings of the tokens and the relation between words, but by many other factors that focus on a particular action, phenomenon, or object. In addition, each of these two options can be implemented by different language means. When choosing language means, the speaker takes into account the constraints caused by the particular language and the circumstances of communication. To compare these two main variants and their sub-variants, let us consider basic constructions that encompass main articles of the clause and objects (Ginsburg, 2014, p. 4).

A triple part active construction is the way of the clause composition implemented in most languages of the world in which the subject performs its main syntax function, predicate is a transitive verb, the meaning of which is implemented by a direct object being the name of the object, for example: *бізнес створює робочі місця* (*business creates job positions*). Therefore, active constructions are characterized by the coincidence of semantic subject with grammatical subject, and thus they are as natural as «living speech, where the subject together with its action formulate the center of the message» (Nepiyvoda, 1997, p. 259). Also, they are used to describe such processes in professional texts where it is essential to specify the subject for a specific action or process. In the case where an object and its attribute are important, the use of a passive construction becomes motivated, where the subject takes on to the position of the indirect object and the object itself is implemented in the syntax function of the subject. According to V. Grechko, due to this transformation the syntactic rank of the subject decreases and the object increases (Grechko, 1984, p. 76). In traditional grammar, a three-part passive construction is the way of constructing a sentence in which the subject, expressed in the form of the plural pronoun, performs the syntactic function of the indirect object, and the object, expressed in the form of the nominative case being the subject in this clause. Passive constructions are derived from active ones, for example: *An entrepreneur concluded a contract* – an active construction, *credit conditions are defined by the contract* – a passive construction.

From the formal point of view, both structures are constructed correctly in terms of subordination and control. The semantic view of these clauses emphasizes precisely the reflected processes of extra-linguistic reality. The subject of active construction is the person, and the object is the thing that is influenced by the person. In passive voice we can observe an indirect subject that denotes inanimate entity bearing formal construction effect.

Let us take into consideration some clauses of the Ukrainian language that do not name the subject directly, that is one may be passive or may not be formally represented at all. We distinguish sentences without specifying the direct subject.

1. Sentences with verbs ending on -sia. In contemporary Ukrainian language we observe the uncertainty of the status of verbs with the postfix -sia. Historically, this postfix indicates an action done over the subject. With the development of the use of reverse verbs different semantic connotations become their features, which unequally characterize the relationship between the subject and the object of action, which allows to distinguish the following: a) reverse action verbs; b) reciprocal verbs; c) indirect-reverse verbs; d) common-verse verbs; e) active-objectless verbs; e) passive-qualitative verbs (Pliusch, 2005, p. 232). N. Shcherbiy uses much broader classification of reflexive constructs based on the reflection index. Passive reflexive verbs were identified as so-called reflexive passive voice (Scherbiy, 2014, p. 186). Some linguists point out that in modern Ukrainian, there are almost no passive verbal forms with postfix -sia to indicate the present and other meanings of time (tense). After all, the personal verbal forms with the postfix -sia indicate the pre-result state, which is not observed in the Ukrainian language. Kateryna Horodenska believes that those from the Ukrainian passive constructions should be removed those, «which include verbs of imperfect aspect with postfix -sia, which have traditionally been considered a typical means of forming passive forms for transitive verbs of the imperfect aspect. It is stipulated by the fact that in the syntactic system of the Ukrainian language mentioned passive constructions, as opposed to other Slavic languages, occurred on the extreme periphery» (Horodenska, 2001, p. 13).

The triple-part passive construction, which we may confirm, is beyond regulatory norms of use. «Impersonality» (Tsymbalista, 2014, p. 163) or «neutral passivity» (Pliusch, 2005, p. 122) is understood as article not requiring the definition of doer of action (Pliusch, 2005, p. 112). Consequently, the correct implementation of syntactic forms with verbs ending -sia is that of a construction with missing subject. In some cases, one may assume that passive subject is used to detalize certain specifications or a quality of the subject, rather than the subject as it is: *Економічні терміни не однозначно розуміються фахівцями-економістами і представниками інших галузей (Economic terms are not clearly understood by experts-economists and representatives of other industries)*. Linguists recommend avoiding such constructions in Ukrainian, but they can be used where it is necessary to focus on the qualities or functions of the passive subject (as for the above-mentioned clause, it is «specialist-economists and representatives»), which is most often expressed in comparison clauses.

In Ukrainian texts, «the passive correlate is the predicatively used passive participle of perfect or imperfect aspects, which is qualifies as an analytical syntactic verb with the meaning of the result state, which is the consequence of the performed action. For example: *the system is created by experts – system created by experts*.

2. **Indefinite-personal clauses** are predominant in the syntax of professional speech: *The main essential subsystems of the world economy on the second level are usually **considered** as...* Such sentences do not contradict the recommendations of the language culture, and precisely in the uncertainty of the subject of action is the advantage of the uniqueness of the indefinite-personal sentences, which are used with almost the same frequency and stylistic function in all styles and genres of language being interstyle constructions. These sentences do not need to specify the subject, and its indication is often unnecessary, which is just to complicate both the nomination and perception, as well as to encumber the construction. For comparison: ***Scientists/experts / practitioners** generally consider the following essential subsystems of the world economy on the second level like...*

3. **Clauses with passive participles.** E.g.: *Ukrainian hryvnia **was recognized** as one of the most beautiful and harmonious currencies in the world by the International Financial Bank's Aesthetics Commission in 2008.* The above example shows that there is passive subject called «aesthetics commission», which today is defined by linguists as a non-normative entity (Ginzburg, 2018). Passive participle sentences that serve as the grammatical basis of sentence should be used without specifying indirect subject. In that case, when the subject information is important, it is necessary to use active construction, compare: *The International Financial Bank's Aesthetics Commission in 2008 recognized the Ukrainian hryvnia as one of the most beautiful and harmonious currencies in the world. / Ukrainian Hryvnia in 2008 **was recognized** as one of the most beautiful and harmonious currencies in the world. This was the conclusion of the International Financial Bank's Aesthetics Commission.*

4. **The verbs ending -yo, -to(ukr)** in modern Ukrainian linguistics are qualified by unalterable forms that have semantic and syntactic differences. The unchanging forms ending -no, -to, which are formed from passive participles, are intended to communicate the effect communicatively, its result. They also form the grammatical center of a single-part sentence, being always subjectless predicates. Semantically, these forms do not require the presence of the action doer; syntactically, they become the main part of monosyllabic sentence. Today, these verbs are regarded as resultative (Holotsukova, 2016, p. 76), in semantics of which there is a «message about the completed effective action» (Grechko, 1984, p. 76), «efficiency» (Horodenskaya, 2001, p. 13). For example: *Для механізації цієї теорії розроблено алгоритм добору даних і підрахунків (To mechanize this theory, an algorithm for selecting data and calculations was developed).*

Predictive forms ending -no, to are known to have a long-standing tradition of usage and constitute specific feature of Ukrainian syntax. The views of Ukrainian linguists on the functioning of constructions with predicative forms ending -no, -to have opposite nature in Ukrainian language. In condition of using passive construction in the form of future tense as a predicative, the passive participle should be replaced with verbal link, or it is to replace these passive constructions with indefinite-personal

sentences. Forexample: *зауваження будуть враховані* або *зауваження врахують* (замість *зауваження буде враховано*), *робота буде завершена* або *роботу завершать* (замість *роботу буде завершено*). (*Comments will be taken into account (instead of A comments will be taken into account)*, *work will be completed (instead of work to complete)*). Other linguists observe within predicative forms ending -no, -to «decline of temporality» and assume to use verb-like «primitive-type» connections like *work is completed*, but their presence is compulsory in more structurally complex sentences, which goes about a few events that is necessary to relate with the past or future tenses. For example: *An experimental study has been conducted to develop methods for solving this problem – Therefore, an experimental study will be conducted to develop methods for solving this problem*. The majority of modern linguists support the second position. Accordingly, sentences with predicative forms ending -no, -to without verbal links have the meaning of present performance (*something has already happened at the time that concerns the expression*). Zagnitko A. P. developed semantic classification of verbs, where he individually defined the verb with the meaning of result (Zagnitko, 1996, p. 221–222), Holotsukova and Dievlova define them as the final stage of the resultativeness (Holotsukova, 2016, p. 171). For example: *An experimental study has been conducted to develop methods for solving this problem*. The following constructions are quite common in scientific texts today: *The main method for comparative analysis of enterprises was the method of strategic analysis* (Lavrinet 2012, p. 3–4).

It is worth paying attention on the absence of the subject in such tenseless and non-personal constructions. Verbs ending -no, -to indicate the effectiveness (e. i. resultativeness) of the action and is not related to the doer of the action.

The common tradition of using in Ukrainian language is that the action is taken into context without the subject being indicated. Moreover, the subject must neither be active nor passive. The development of the use of different tokens in Ukrainian professional language forms somewhat different view on the implementation of passive constructions. The historical closeness of the Ukrainian language to the active implementation of subject-object relations in expression has led to the avoidance of the use of the indirect subject in passive constructions, especially in constructions when this indirect subject is a person. However, usage of passive voice can be often observed in sentences where the indirect subject is inanimate one: such a sequence is defined by instruction; its validity is determined by conference approval.

Conclusion. Moving the subject to a minor position in the sentence is characteristic feature of belles-lettres language. It is common in many European literary languages. Three-part active and passive constructions contain the same information, but differ only in their view of the transient process for linguistic reality caused by the syntactic functions performed by subject and object. The content of Ukrainian passive constructs is the condition of an object caused by the influence of the subject. As the Ukrainian literary language is much closer to the national

(people's) language, where the doer of the action is in the center, the passive triple-part constructions are not peculiar to it, and usually submits the state impersonally. Thus, when the speaker wants to emphasize on the subject and the process he is performing, he uses triple-part active constructions, and when he wants to focus on the process (actions/events) and its result or on the object and its features (state), it generally omits the subject from the sentence (Holotsukova, 2016, p. 1–3). In many cases it is not necessary to name the subject at all: it is known to the reader from the preceding sentences, or it inaccurately identified or not known at all. Without naming it, the speaker provides a sentence of generality. Such impersonality is peculiar to professional texts. For this reason, the most common in modern Ukrainian literary language are incomplete two-part active and passive structures, which can be easily formed with three-part ones omitting of the subject. These constructions consist of two parts (predicate and object), which are required to maintain the readability of the expression. Binomial active constructions are the nucleus of indefinite-personal sentences. In two-part passive constructions, the question of the naturalness/unnaturalness of instrumental case for the Ukrainian language is not to be raised at all.

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PROFESSIONAL TERMINOLOGY IN THE LINGUISTIC TRAINING OF LAWSTUDENTS

The article deals with the issues of studying Latin by law students in non-linguistic universities for special purposes. Lexical-morphological groups that create legal terms and were borrowed from the Latin language into Ukrainian, which have become a significant part of the professional language in the field of jurisprudence, are listed and reviewed. The article is illustrated by a number of Latin terms that provide substantial assistance to students in mastering special knowledge from a range of professional disciplines, facilitate the learning of a professional foreign language and contribute to enhancing the professional motivation of students and their 'early' professionalization.

Keywords: *Latin, jurisprudence, Latin for lawyers, the value of the Latin language, professional-oriented approach.*

Нипадимка Алла. Професійна термінологія у лінгвістичній підготовці студентів-юристів.

У статті розглядаються питання навчання студентів юридичних факультетів немовних вузів латинської мови для спеціальних цілей. Проаналізовано лексико-морфологічні групи, що створюють юридичні терміни, які перейшли з латинської мови до української, та стали значною частиною професійної мови в області юриспруденції, а також способи словотворення. Стаття ілюстрована рядом латинських термінів, які надають істотну допомогу студентам в освоєнні дисциплін професійного циклу, полегшують вивчення іноземної мови професії, сприяють підвищенню професійної мотивації студентів і ранньої професіоналізації.

Ключові слова: *латинська мова, юриспруденція, латинська мова для юристів, значення латинської мови, професійно-орієнтований підхід.*

Relevance of the research topic. In the context of intensive intercultural communication, comparative studies of philological units of different languages – in our case Latin and Ukrainian – are becoming increasingly relevant, because the presence of phraseologisms in the language is a testimony of the embodiment and reflection in the linguistic form of peoples' creative work, their outlook, and history. Therefore, it is extremely important to have a professionally oriented approach to teaching foreign languages to students because it provides advanced training and early professionalization. After all, the study of Latin in the first year of the university curriculum is preceded by the study of special disciplines, and the substantive content of such training enriches the future specialist with new knowledge.

Moreover, «Today, it is often not enough for lawyers to be familiar only with their own language. They need to cooperate with foreign colleagues. If they come from the smaller linguistic zones, they have to use a foreign language for legal purposes. This requires a long training process. General familiarity with foreign legal languages can accelerate and promote this process. Lawyers with an overall picture of the history, structure, and basic vocabulary of a foreign legal language are better placed to learn more easily and rapidly the particular terminology and style of this language in the field of their specialism (e.g., royalties, consumer law)» (Heikki E.S. Mattila, 2016: 22).

Analysis of recent research and publications. The importance of learning Latin and using it in the process of professionally oriented foreign language communication is being explored by scientists from around the world. In particular, it was studied in the United States by Robert G. Natelson, Steven L. Emanuel, J. Russell VerSteeg, Peter R. Marcleod, in Russia by Sidakova N. V., Kachalkin A. A., Marshaliuk N. V., Ulyanova I. L. In Ukraine the importance of Latin in the process of intercultural communication was explored by Vorona I. I.; the general cultural importance of Latin and the importance of introducing it in the context of modernization of general secondary education system in Ukraine were explored by Sutula O.V.; the importance of Latin as an integral part of the training system for lawyers – by Rybachok S. M.; features of teaching Latin for students who study agro-biological sciences were investigated by S. P. Shevchenko. All researchers point out the importance of studying Latin for modern students of various professional fields and point out its impact on the English language.» Today the basics of Latin grammar, special vocabulary and the basics of Greek and Latin word formation contributes to professional terminological competence of a specialist as well as raises his or her professional prestige» (Vorona, 2015: 78).

At the same time «many of today lawyers lack the necessary qualifications for a linguistic grasp of Latin expressions and maxims: they do not read ordinary Latin. This means that they are unprepared to understand an expression or a maxim written in a

form that even slightly differs from one learned by heart. If, for example, a lawyer with no command of ordinary Latin has only learned the expression *nudum pactum* by heart, then he is not capable of recognizing the form *nudopacto*. Understanding legal Latin is also made more difficult by the fact that it is often used as a sort of code, impossible to decode by purely language means. This use as a code is especially typical of common-law Latin. Very often, the first word (or the first two or three words) of an old Latin sentence may be used to express a legal notion» (Heikki E.S. Mattila, 2016: 192).

In the light of previous research, it is recognized that knowledge and qualification are becoming priority values in the age of globalization. Therefore, we illustrate our research with a number of Latin terms that provide significant assistance to students in the development of professional disciplines, facilitate the learning of a foreign language for professional purposes, enhance students' professional motivation and early professionalization.

Statement of problem. In recent years there has been a tendency for particular languages in educational institutions that train highly qualified lawyers. Therefore, in order to prepare for changes in the demand for multi-language skills from modern companies, education will need to keep pace and keep up with the times. The ability to study languages from around the world will become increasingly important for future lawyers entering the field of law and for those having access to continuing professional development related to linguistic elements. Language skills will soon become as valuable and necessary as legal skills. Learning Latin for law students is a great preparation for learning and becoming fluent in one or more Romance languages. Thus, learning Latin is the starting point for learning six languages at the same time.

This article aims to show a high degree of phonetic, morphological affinity and similarity of lexical phenomena in the Ukrainian and Latin languages, which not only facilitates the study of Latin in particular, but also facilitates the process of its study by law students.

The theoretical backgrounds. According to the linguistic qualification, the Latin language belongs to the Romance group of the Indo-European family, which along with other language groups includes Slavic languages, including Ukrainian. Many phenomena of phonetics, morphology, syntax and vocabulary in the Ukrainian language become clearer when learning Latin as a related language, which had a parent language with the Slavic languages. The relationship between languages is particularly noticeable in vocabulary and phraseology. If we examine the historical path of the development of literary Latin, it becomes quite clear why the Latin language, which is called «dead language», maintains the status of an international language in jurisprudence, medicine, philology and other sciences and why the word-forming elements of Latin and ancient Greek are still widely used in the formation of new scientific terminology. The words «a term» and «terminology» become the key to understanding this phenomenon.

A term (Latin: *Terminus* – boundary, limit, end) – a word or phrase that means a well-defined special concept of any branch of science, technology, art, social life, etc. (Ukrainian Dictionary: 11 volumes, 1979. Vol. 10: p. 88).

Terminology is the body of terms used with a particular technical application in a subject of study, profession, technology, art, or all terms of a given language, etc (Ukrainian Dictionary: 11 volumes, 1979. Vol. 10: p. 88).

As a rule, the formed words in legal scientific terminology, borrowed from Latin, are nouns. But they also have their source in other parts of speech, which in the process of word formation through affixation have become the basis for other significant parts of speech forming lexico-morphological groups of words.

First of all, it is necessary to mention Latin nouns in the nominative singular, which have passed into the Ukrainian language without changing the form and loss of generic endings, and have created set legal terms.

These are Latin nouns that denote a feminine and sometimes, masculine person or subject (in the names of professions) ending in -a and that retain the same characteristics and the same ending in -a.

Charta, ae f /*carta*/ – (sheet) letter or papyrus, book, document, map; legal – charter, agreement.

Camera, ae f – vault, vaulted, arched room, roof or ceiling, small boat roofed over with timber; legal – Investigator's office, camera investigation.

Nota, ae f – sign, letter, brand; legal – note, diplomatic correspondence.

Sentetia, ae f – judgment, opinion; legal – judgment, sentence.

Persona, aem,f – mask, character, personality; legal – person, legal person.

Curia, ae f – senate, meeting house, curia or division of Roman people, royal court; legal – law, legality.

The second group consists of masculine nouns ending in -us, -er, and neuter nouns in -um with an active unchanged noun ending, having lost zero ending and received the masculine category in the Ukrainian language.

Argumentum, i n – proof, evidence, fact, argument, conclusion, reason, basis; legal – the same meaning.

Apparatus, im – preparation, instruments, equipment, supplies, stock, splendour, pomp, trappings; legal – cadre, personnel.

Codicillus, i m – notepad, small log, writing tablets, patent, petition to Emperor, will or codicil; legal – addition to a will.

Compromissum, in – arbitration agreement, court, a deal between different parties where each party gives up part of their demand; legal – the same meaning.

Magistratus, im – magistracy, civil office, government official; legal – government, power.

Nuntius, im – messenger, courier; legal – agent, intermediary.

The third group consists of singular masculine and singular neuter Latin nouns in -us, -um in the nominative case of different declension (2 and 4), which have not lost their original endings and in Ukrainian have received the meaning of the masculine gender:

Versus,usm – line, verse; legal – confrontation of the parties (verso).

Casus,usm – fall, overthrow; legal – accident, chance, contingency, emergency, fatality, fortuity, happening, hazard, incident, occurrence.

Collegium,i n – (priests) college or board, orporation, brotherhood, fraternity, guild, colleagueship; legal – a group of officials with equal rank and power, the Supreme Court Collegium.

Consilium,in – debate, discussion, counsel, suggestion, diplomacy or strategy; legal – debate, discussion, deliberation, consultation, advice, decision, resolution, state council, senate.

Modus, us m – manner, mode, way, method, rule, rhythm; legal – means, way, kind, method, rule.

Socius,im – associate, companion, ally; legal – associate, consort, partner.

The fourth group of nouns is the third declension masculine ending in -er, -or, which mean a person. They came into the Ukrainian language with the Latin endings in the nominative case and also denote a male person (in some circumstances it might be a feminine noun) or a subject:

Auditor,orism – listener, pupil, student; legal – a person qualified to audit accounts; law firm engaged in such business (audit company).

Orator,oris m – speaker; legal – speaker; obsolete the claimant in a cause of action in chancery; in chancery, the party who files a bill calls himself in those pleadings your orator. Among the Romans, advocates were called orators.

Carcer,erism – prison, jail; legal – Prisoner Isolation Cell.

Censor, oris m – censor, magistrate for registration or census, censorer, critic, legal – mentor, judge.

A separate large group of legal terms consists of the third declension feminine nouns ending in -io, which have come into the Ukrainian language as feminine nouns, but have changed the ending to -i. These nouns are derived from verbs (supine form) and indicate the process of action:

Appellatio,onisf – name, term, legal – timely resort to an appropriate superior court, appeal to higher authority.

Compensation, onisf – compensation, to pay a full cost; legal – mutual repayment.

Relation, onisf – attribution, transference; legal – the report which the judges made of the proceedings in certain suits to the prince were so called; type of process, charges against plaintiff (counterclaim).

Remissio, onisf – sending back, sending away, returning, releasing, forgiveness, remiss; legal – waiver, cancellation (terms).

Stipulation, onisf – stipulation, condition, agreement; legal – oral contract, consensual contract, the most important type of agreement.

Transgression, onisf – transition, reorder; legal – violation of law.

Analyzing these groups of nouns, we see: 1) feminine and masculine nouns of the first declension in -a, which came to the Ukrainian language with the preservation of the original form (note, person); 2) masculine and neuter nouns ending in -us, -er, -um of the second declension, that did not lose their original endings, acquired in Ukrainian the meaning of masculine gender (forum, consensus); 3) masculine nouns in -or, -er of the third declension with unchanged stem have in Ukrainian language the category of masculine (corpus, punishment cell); 4) feminine nouns in -or, -er of the third declension, that changed in Ukrainian their endings in -іа, retained the feminine gender in the Ukrainian language.

A considerable number of nouns were formed in the Ukrainian language from Latin adjectives. Let us consider two varieties of nominalization of Latin adjectives. The first group includes adjectives of the first and second declensions ending in -us, -a, -um, that having lost the adjective endings, have come into the Ukrainian language as masculine or feminine nouns.

Absurdus, a, um – out of tune, discordant, absurd, nonsensical, out of place; legal – absurdity, nonsense.

Vacuum, in – empty space, unoccupied, lonely; legal – legal vacuum, absence of legal norms.

Defectus, a, um – weak, powerless; legal – bad debt.

Duplicates, a, um – double, duplicate; legal – the second copy of the document having the same validity as the original.

Expertus, a, um – well-proved, tested, shown to be true; legal – the expert who carries out the examination.

The second group includes nominalized adjectives of the second class ending in -al, -ar that lost their generic endings.

Electoralis, e – elective; legal – set of voters.

Singularis, e – alone, unique, single, one by one, singular, remarkable, unusual; legal – an exclusive right, a special rule for a special exception.

Criminalis, e – criminal (as opposite to civil), of, pertaining to crime, crime-police; legal – criminal, criminal offense.

Liberalis, e – gracious, polite, generous, free; legal – a supporter of liberalism, a member of the liberal party, a supporter of the socio-political current, an essential feature of which is to advocate a peaceful reformist path of social transformation.

The analyzed Latin adjectives are used in scientific terminology not only as nouns, but also as adjectives (liberal, public, electoral, nominal) with typical Ukrainian suffixes and endings.

The nominal parts of speech are not the only ones subject to nominalizing. Let us consider the Finite Forms of the latin verbs: 'credo' and 'veto' that are neuter nouns, don't have inflections (changes in the endings of words) and were formed from the verbs credere (to believe) and vetare (to forbid).

Credo, credidi, creditum, credere 3 – to believe, to borrow, to trust, to give credit, to think, to accept as true, to be sure; legal– belief, doctrine, dogma, main principle.

Veto, vetui, vetitum, vetare 1 – to forbid, to prohibit, to reject, to veto, to be an obstacle to, to prevent; modern meaning – veto rights of countries that are members of the UN Security Council. These nouns were formed from the form of the singular first person of the present tense.

Analysis of the above legal terms suggests an extremely high degree of affinity of phonetic, morphological and lexical phenomena in the Ukrainian and Latin languages. Therefore, constant analysis of lexical and grammatical structures, focus on the affinity of languages will greatly facilitate the conscious mastery of professional terminology and comprehension of complex material in Latin grammar and will enrich the vocabulary of the future specialist. It should be remembered that «different mono-linguistic, bilingual and explanatory dictionaries of legal terms interpret differently certain concepts, and only the context and creative approach to the translation of the text result in adequate and correct translation» (Antoniuk, 2009:225).

Conclusions and prospects for further research. «For one not fortunate enough to study Latin while young, rectifying the deficiency is not easily accomplished. Acquiring Latin competency requires thousands of hours of hard work, rendered harder the older one becomes. For those who wish to be accurate constitutional analysts, I see no remedy over the short term other than laboring at the task for as long as it takes. One long-term solution should be obvious: Institutions of higher learning, including law schools, should insist on at least modest Latin competency among faculty teaching constitutional subjects or offering constitutional commentary. Trying to do a job without the proper tools can be ineffective, and may promulgate or perpetuate mistakes as to what the Constitution really means» (Robert G. Natelson, 2018:78).

Thus, the practical purpose of mastering professional terminology is the conscious ability to speak a scientific language, to confidently use the most commonly used and relatively simple language tools in all kinds of linguistic activity – speech, hearing, reading and writing.

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MEANS OF ELECTRONIC EDUCATIONAL ENVIRONMENTS IN THE CONTEXT OF GLOBALIZATION

The article discusses the use of electronic educational environments and their role in the formation of foreign language broadcasting in the classroom. The use of new information technologies in education is one of means for preparing students in modern conditions, taking into account the tasks of the future. Modern Internet resources contribute to the formation of such communication skills as reading, writing, speaking, perception of a foreign language by ear. Electronic educational environments are a powerful motivator for students to learn a foreign language.

Keywords: *electronic educational environments, distance education, case technologies, synchronous method, computer-aided education*

Михайлова Неля. *Засоби електронних навчальних середовищ у контексті глобалізації.*

У статті обговорюються основні характеристики та використання електронних освітніх середовищ, а також їх роль у формуванні інішомовного мовлення на занятті. Наголошується, що використання нових інформаційних технологій в освіті є одним із засобів підготовки студентів до сучасних умов з урахуванням завдань майбутнього. У статті також проаналізовано як комп'ютерні технології сприяють розв'язанню проблем у процесі навчання.

Особливу увагу приділено впровадженню інноваційних комп'ютерно-орієнтованих технологій у процесі вивчення іноземних мов.

Ключові слова: *електронне освітнє середовище, дистанційне навчання, кейс-технології, синхронний метод, комп'ютерне навчання*

Relevance of research topic. Ukraine's integration into the international economic and information space necessitates the search for new approaches to the training of future foreign language specialists in accordance with international standards of linguistic competence. The use of electronic educational environments,

Internet technologies in learning is becoming more relevant as the economic and social development of the country is gradually making the Internet a daily reality for students and teachers, and electronic educational environments are creating a new global environment. In this environment, the future generation should not only communicate but also build professional and personal relationships, position their interests and present themselves. And how well they succeed will depend on their personal well-being and professional success. That is why in recent years, great importance has been placed on informatization of the education system. Due to this, in the process of learning a foreign language, the purpose of education, apart from the development of foreign language communication competence, is the development of information competence. Today, a methodology for learning foreign languages with using the Internet resources is being developed. There are supporters of the idea of learning a foreign language only through the specified network, without traditional work with the textbook. However, most teachers prefer using the Internet in parallel with traditional learning tools, integrating it into the learning process. The current model of the educational process allows for the realization of new pedagogical tasks that determine the prospects of educational development, and significantly improve the effectiveness of learning in any field. These factors determine the relevance of the research topic.

Formulation of the problem. The growth of information flow in a significant expansion of business, professional and cultural ties of Ukraine with EU countries requires a graduate with a level of foreign language proficiency of at least B2 (an independent user), which meets modern European standards (Dudeney G., 2007). This situation necessitates the development of new approaches to teaching a foreign language as a compulsory discipline in a higher education institution, the introduction of innovative learning technologies and techniques in the educational process, which will contribute to the formation of skills and competencies for vocational orientation (Allur E., 2014).

Analysis of recent researches and publications. Problems with the use of Internet technologies in the teaching of foreign languages were studied by such scientists as E.G. Azimov, P.G. Asoyants, T.I. Koval, O.M. Kuzhel, V.M. Kukharenko, N.I. Mulina, E.L. Nosenko, P.I. Serdiukov, V.P. Sviridiuk, O.B. Tarnapolsky, G.S. Chekal, N.M. Chemeris, T. Upton, P. Bracamonte, K.H. Briucher, M.P. Collins, P. Dankel, K. Richardvords, M. Simonson, A. Thompson et al. According to researchers, in recent years the use of computers has become an integral part of the foreign language learning process, while the advent of the Internet has dramatically changed the process. The enormous amount of information and the speed of work with them make it possible to transform language education into a qualitatively new learning. However, the use of Internet technologies in foreign language classes as a prerequisite for organizing students' academic autonomy remains underdeveloped.

Presenting main material. Analyzing and summarizing the results of recent scientific studies suggests that scientists are identifying certain areas in which

computer-aided technologies are widely used because they have advantages over human capabilities in terms of their technical characteristics: communication (electronic communication is divided into synchronous and asynchronous); creation of training exercises (all types of speech activity are trained and refined through computer repetition); creation of test exercises (speed and efficiency of conducting and checking of tests helps the teacher to determine the students' knowledge level).

The widespread use of Internet technologies over the last decade has led to the introduction of a new form of education – distance education. The relevance of distance learning is explained by the availability of education, and therefore the opportunity to increase their competitiveness in the educational market. Distance learning attracted attention to one of the most important problems in learning – maintaining the quality of education. The learning process is accomplished through computer-aided technology of distance learning, which are conditionally divided into 3 groups:

1. Case technologies are the learning technologies with the help of which a student sends a package of study materials or a so-called self-study case. Teacher performs the student's fulfillment of tasks in-class (classroom, consultations) or an extramural (via email) form.

2. Television and satellite technology is the learning technology by which it is used lectures or seminars are broadcast simultaneously to several audiences.

3. Network technologies – Internet technologies that provide the opportunity territorially distant students with educational and methodological material, to carry out «virtual communication» between the teacher and students, set the individual pace of learning and development of educational material.

In the process of distance learning an important aspect is the communication between the participants of the educational process. Computer-aided technologies used in foreign learning languages, can be roughly divided into 2 groups: synchronous and asynchronous means of communication. As a rule, synchronous communications allow the teacher to communicate with the student in the mode of real time using the Internet. Asynchronous Communication Tools – these are Internet technologies which allow sharing information with time delay. About synchronous and asynchronous remote control techniques trainings are spoken from the point of view of various methods' application for increase of the teaching efficiency. The synchronous method of distance learning involves the active interaction of the teacher and the student. In asynchronous distance learning, self-study comes to the fore, individual pace of study. Most experts have recently come to the conclusion that the greatest effectiveness in distance learning can be achieved by using mixed methods of distance learning. There is a term «mixed distance learning», which assumes that the training program is built as an element of synchronous methodology distance learning and elements of asynchronous distance learning methodology. Synchronized methods of computer-based communication are being actively implemented in the process of teaching

a foreign language in order to empower students to study it through real-time communication. The main synchronous means of communication include text chats, audio and video conferencing.

Chat technology is a way of organizing ground-based distance learning using network technology to create a virtual learning environment for communication of two or more partners in real-time communication. Teaching of students in a synchronous mode that creates a virtual learning environment helps to develop of reading and writing skills in the form of unprepared dialogues. Such communication can be created through chat technology, and one of the tools is a chatroom.

Videoconferencing is one of the priority areas of contemporary education development, as it contributes to the globalization of research, and it is expanding boundaries of scientific knowledge, promotes interactive communication and individualized approach to study. O.M. Samoilenko distinguishes the following types of videoconferences (Samoilenko O.M., 2008): 1. Personal or individual – direct communication of two people (teacher and student) from a video call. Such conferences are most often used during distance learning and are intended for mutual discussion of problematic questions and unclear issues on the topic. The undeniable advantage of personal conferences is the «whiteboard» through which you can not only view and edit, but also create text and image files, being in the main conference window.

The following equipment is required for individual video conferencing: personal computer with audio and video support encoder, camcorder, microphone, high-speed modem, and network connection or ISDN line.

1. Group Communication of medium and large groups of participants with one another with the help of video-connection. Group conferences allow to have discussions, seminars, to discuss specific problems in real time, even though participants are located hundreds of kilometers apart. For group video conferencing the following equipment is required: view screen, ISDN connection, and specialized equipment.

2. Studios Communication of the lecturer with the audience via video communication.

Next method is scaffolding, the essence of which is necessary to create working groups consisting of two people: a beginner student and a language student expert. Working groups are invited to work out certain tasks (both lexical and grammatical) within a specific conversation topic. Synchronous communication facilitates the development of fluency and mastering grammar correctly. This view is confirmed by linguists, emphasizing that grammatical accuracy and the growth of the student's lexical stock should be equally important to him in the process of mastering a foreign language, in other words, to develop a student's language competence. The help of language expert should be provided to the student instantly when correcting various errors as focusing on form while correcting a mistake in a communicative context

process is of great importance for mastering his language. This is how students collaborating with language experts, solve linguistic problems. For efficiency of scaffolding appropriate training should be conducted, thereby enhancing the potential contribution of the corrective feedback through computer-assisted communication. Use of native language as a mediating tool can be necessary for cognitive tasks while foreign language is used as a means of communication. Along with traditional learning tools, podcasting technology has a special place. It has a number of advantages: it allows you to choose the theme and style of your choice; create your own podcasts independently; download authentic podcasts automatically using special programs; listen to downloaded files at a convenient time and the required number of times; develop skills in understanding authentic English texts. The main prerequisite of learning is the choice of authentic texts, where the degree of the texts complexity depends on the level of language proficiency. Use of authentic texts in teaching of elementary or intermediate students is compulsive because it allows you to become familiar with lexical material and grammatical constructions.

Conclusion. Computer-aided educational technologies have significant potential for improvement of mastering all kinds of speech activity; intensive use of the technology increases time and motivation factors of language learning; the latest technologies expand the educational space, opening access to the educational material and communication beyond the reach of the teaching audience. Computer technology has become the most powerful and affordable means of a foreign language learning in recent decades.

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FOREIGN LANGUAGE LEARNING BASED ON ICTs

The article discusses the use of information and communication technologies (ICTs) and their achievements in the foreign language learning. Using ICT in a foreign language lesson provides an imitation of a foreign language environment, creates the conditions for authentic communication, increases motivation to learn a foreign language and intensifies the development of such skills as reading, writing, speaking, perception of a foreign language. The article analyzes and presents links to resources for teaching and learning English and other foreign languages. The author also notes the effectiveness of software applications for independent learning of a foreign language.

Keywords: *information and communication technology (ICT), social media, interactive teaching, blogs, language-learning apps.*

Кохан Олена. Вивчення іноземної мови на основі ІКТ.

У статті розглядається питання використання інформаційно-комунікаційних технологій (ІКТ) та їх результативність при вивченні іноземних мов. Використання ІКТ на занятті з іноземної мови забезпечує імітацію іноземного середовища, створює умови для автентичного спілкування, підвищує мотивацію до вивчення іноземної мови та активізує розвиток таких навичок як читання, письмо, говоріння, сприйняття іноземної мови. У статті проаналізовано та подано посилання на ресурси для викладання та вивчення англійської та інших іноземних мов. Автор також зазначає ефективність програмних додатків для самостійного вивчення іноземної мови.

Ключові слова: *інформаційно-комунікаційні технології (ІКТ), соціальні медіа, інтерактивне навчання, блоги, програмні додатки для вивчення мов.*

Relevance of research topic. The rapid entry of Ukraine into the world market and the European space, the informatization and computerization of society require a person with new knowledge, skills that will be adapted to the conditions of the

information society. The processes taking place in connection with the informatization of society contribute not only to the acceleration of scientific and technological progress, but also to the creation of a qualitatively new information environment of the society, which ensures the development of the individual's creative potential. One of the priorities of the modern society is the informatization of education, which is to use of a rational combination of traditional educational technologies and modern ICT. Since knowledge of a foreign language has become practical necessity for a modern educated person, it is the introduction of innovative teaching methods that will help future specialists to improve the quality of their foreign language skills.

Formulation of the problem. Traditional pedagogical technologies for teaching foreign languages are limited in the ability to simulate a foreign language environment, take into account the individual differences of students and create conditions for genuine communication in the language being studied. Therefore, pedagogy includes computer and telecommunication equipment in the educational process and develops methods for its application. Using ICT in a foreign language lesson provides an imitation of a foreign language environment, creates the conditions for authentic communication, increases motivation to learn a foreign language and intensifies the development of specific skills.

Analysis of recent researches and publications. Recently, there has been a significant increase in the number of studies focusing on the use of ICT in the educational process. In Ukraine this topic is highlighted in the researches of such scientists as V. Bykov, Ya. Bulakhova, O. Bondarenko, V. Zabolotny, G. Kozlakova, O. Mishchenko, O. Pinchuk and others. E. Polat, E. Dmitryeva, S. Novikov, T. Polilov, L. Tsvetkova are actively engaged in the development and implementation of new ICTs in the educational process. P.Sysoev, M. Evstigneev have contributed to creation of author's Internet resources in a foreign language.

Presenting main material. Information and communication technology, usually abbreviated as ICT, is often used as an extended synonym for information technology (IT), but is usually a more general term that stresses the role of unified communications and the integration of telecommunications (telephone lines and wireless signals), computers, middleware as well as necessary software, storage- and audio-visual systems, which enable users to create, access, store, transmit, and manipulate information. ICT refers to technologies that provide access to information through telecommunications. It is similar to Information Technology (IT), but focuses primarily on communication technologies. This includes the internet, wireless networks, cell phones, and other communication mediums. (Bykov V., 2012)

In the past few decades, information and communication technologies have provided society with a vast array of new communication capabilities. For example, people can communicate in real-time with others in different countries using technologies such as instant messaging, voice over IP (VoIP), and video-conferencing. Social networking websites like Facebook allow users from all over the world to

remain in contact and communicate on a regular basis. Modern information and communication technologies have created a «global village», in which people can communicate with others across the world as if they were living next door. For this reason, ICT is often studied in the context of how modern communication technologies affect society. Nowadays the role of ICT, especially the Internet in the education sector plays an important role, especially in the process of empowering the technology into the educational activities. Technology (internet) can be the most effective way to increase the student's knowledge. ICT is not just the bloom of the educational activities, but also it will be the secondary option to improve the effective and meaningful educational process. The main purpose of the Strategy for Information and Communication Technology Implementation in Education is to provide the prospects and trends of integrating ICT into the general educational activities. Researchers show that the most important achievements of ICT are the following :

- enhance learning opportunities through access to a range of resources, stimulus materials and learning tools;
- provide increased opportunities for student engagement and motivation;
- equip students with the necessary knowledge and skills to use ICT to support 21st-century learning;
- support the development of effective student research and evaluation skills;
- promote critical and creative thinking skills;
- increase teacher and student efficiency;
- develop awareness of the public nature of online activity and related responsibilities;
- increase opportunities to work collaboratively, locally, nationally and globally. (Houcine S., 2011)

Use of information technology significantly improves quality of visual and audio information, it becomes brighter, more dynamic, that is, lighter to be remembered. Classes using information technology designed for practicing practical skills and self-employed skills, control and self-control. The main and crucial advantage of IT compared to all other learning aids is the possibility of creating a language training environment that is authentic and the intensity of language communication close to real communication, what could not be reached earlier. The next most important point on the benefit of using informational technologies in the study of foreign languages can be considered constructive conditioned individualized nature of learning that is especially important with presence of listeners with different initial levels of language proficiency, varying degrees of motivation and level of skills.

Using ICT gives the learners real-life contact with the culture of people and countries where the new language is spoken, provides access to the information worldwide. ICT, in particular email, blogs and video conferencing, facilitates interaction and communication with native speakers and other communities by enabling students to use language for real purposes and in real contexts. ICT both

supports and integrates literacy skills. It enhances interactive teaching and learning styles and provides many opportunities for creativity. When used imaginatively it can stimulate curiosity about how languages work, raise the level of cognitive challenge, and extend students' ability to be independent in their use of the new language. ICT offers a powerful way to be fully engaged in its own language learning process. Tasks done at home, at university or on a trip abroad can be uploaded to a learning platform, enabling teachers, students to make comments and celebrate achievements. Through the use of a learning platform, ICT can supplement training programmes to help ensure that support is maintained over the coming years as increasing numbers of teachers are trained to teach a new language at primary level. Interactive whiteboards, DVDs and the use of digital projectors can provide stimulating visual aids as a valuable strategy to support understanding and recall in the new language. ICT has the potential to increase the percentage of learning that involves the traditionally more difficult literacy skills by maximizing exposure to the written word.

The sites of the British Council and BBC services provide a wide range of practical resources for teachers and learners. All activities, as well as ideas for using songs, poems and stories help learners improve their English in engaging, motivating and enjoyable ways:

- learnenglish.britishcouncil.org/en;
- www.bbc.co.uk/worldservice/learningenglish.

From reference books to a pronunciation guide teachers and students will get a lot of use out of these links. Dictionary.com also offers translation, a word of the day, games, quotes. Thesaurus.com: goes beyond simple reference, bringing inspiration and fun in the form of synonyms, fun word facts, and even search trends. Idiom Site: with the help of this site English language learners can make sense of common idioms. Fonetiks: direct students to useful pronunciation guide with instant sound and samples by native speakers. (Spivakovs'ka Ye.O., 2012)

The Internet supplies very popular dictionaries which are freely available for users from all over the world. They located on the following sites: www.ldoceonline.com (online version Longman Dictionary of Contemporary English); www.dictionary.cambridge.org (online version of the Cambridge Dictionary).

Exercises for mastering vocabulary and grammar, training programs, various projects as well as forums for teachers where there is an opportunity to exchange experiences are located at: www.globalschoolnet.org; www.onestopenglish.com; www.foreign-languages.com.

Those who want to test their knowledge can turn their attention to sites:

www.TestYourEnglish.net; www.English-test.net; www.toefl.org; www.ielts.org.

Social media is a way to write about ourselves and interact with others. There are lots of different types of social media: social networking sites, online forums, sharing photos and videos, writing reviews, blogs. Social media is basically a structure

that consists of individuals, communities, companies or organizations with similar interests, attitudes, values, lifestyles, visions and friendships and in the field of eLearning this structure can be used in various ways and through a number of tools. The most popular ones:

Facebook. The instructor can effortlessly create a closed or an open group, to share information, ideas, quizzes, questionnaires, materials, pictures, or even an entire page on a specific course or module. Students can freely talk about various course-related issues, questions they might have, post mutually interesting information and generally things they want to share. The Cambridge Assessment English Facebook page is updated every day, giving regular opportunities to practice English.

Twitter. In eLearning it can be used as a backchannel to connect learning communities or smaller classrooms over a specific topic or event, to share highlights, make statements, upload pictures, etc.

LinkedIn. This is a purely professional, yet still social network, which has proven to be extremely useful in eLearning. Currently there are thousands of discussions and groups in various languages, where instructors, educators and influencers share views, problems, developments and how-to tips. Students/participants can see everyone's professional profile and accomplishments, something that usually determines the status of the discussion leader, organizer, or expert.

Communities and blogs provide help and regular feedback for ELL : Learning the Language; Englishtown; ESL Podcast: ESL Resource Center; Teacher Talk; Pain in the English; TEFL tastic with Alex Case; The English Blog.

In addition to a wide variety of the Internet resources, there are a large number of computer programs for learning English. Language learning apps help ELL learn and study languages at their own pace. You can work through lessons from the comfort of your home or during your commute on a mobile app. Some programs focus on helping you understand and speak a new language, while others are better for reading and writing. Some help you build a foundation for a lifetime of learning, some just teach travel phrases. (Brian T., Whittaker C., 2013)

The best free language-learning app is Duolingo. It is available as both a web app and mobile app, and it works well whether you're a total beginner or already have some experience. Users can take a placement test to find the right place to start. Among paid language-learning apps, Rosetta Stone is the best. It's reliable, accurate, and it offers programs for 28 languages (excluding English). Each lesson takes around 30 minutes to complete, and even if you do one lesson per day, there's enough content to keep you busy for months.

Language-learning software programs are self-paced and sometimes even self-directed. Not everyone thrives in such an independent learning environment, however. If you like to have a teacher who explains the language to you, Fluenz is a wonderful option.

Conclusion. Without a doubt, ICT is a valuable and an innovative teaching tool enhancing EFL learning. The rapid growth of ICT has naturally influenced the every aspects of language teaching process. Using technology has positive effects on teaching and learning English. Technology can be applied to teaching practices to enhance and facilitate foreign language learning. Computer, Internet, smart boards, cell phones, video games, music players are used in the target language learning process to raise students' motivation and language awareness. ICT makes English language environment interactive, flexible and innovative. The application of computer technologies in language instruction provides a student-centred learning environment.

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SOCIO-CULTURAL AND PROFESSIONAL-PRACTICAL APPROACHES IN TEACHING COMMUNICATION IN FOREIGN LANGUAGES

The paper deals with socio-cultural and professional-practical approaches in teaching foreign languages. The importance of extra-linguistic knowledge is stated, including non-verbal communication. Socio-cultural approach makes prominent the knowledge of polite forms of communication and professional idioms. The emphasis is made on students' broad outlook, critical thinking and encouraging for scientific research and planning their own future professional activities. Reading biographies and autobiographies of famous specialists may be of motivational value. Professional-practical approach in teaching is based on organizing students' discussions and round tables with specialists and experts, which will enable the students to better understand professional activities. Making presentations with the following analysis, discussion and recommendations are also effective methods of developing communication skills.

Key words: *teaching foreign communication, interactive methods of studies, non-verbal communication, round table, discussion*

Бобчинець Любов, Шафір Оксана. Соціокультурний і професійно-практичний підходи у викладанні спілкування іноземними мовами.

Статтю присвячено соціокультурному і професійно-практичному підходам у викладанні іноземних мов. Визначено важливість екстралінгвістичних знань, включаючи невербальну комунікацію. Соціокультурний підхід пов'язаний зі знанням ввічливих форм спілкування та фразеологізмів з фаху. Значну увагу приділено широкому кругозору та критичному мисленню студентів, заохоченню до наукових пошуків і планування майбутньої професійної діяльності. Читання біографій та автобіографій відомих фахівців має мотиваційний потенціал. Професійно-практичний підхід у викладанні оснований на організації дискусій

і круглих столів між студентами та спеціалістами, експертами, що дозволяє глибшому розумінню майбутньої професійної діяльності. Підготовка студентами презентацій, їх аналіз, дискусії та рекомендації є також ефективними методами розвитку комунікативних вмінь.

Ключові слова: навчання іношомовного спілкування, інтерактивні методи навчання, невербальна комунікація, круглий стіл, дискусія

Relevance of research topic. Successful communication in the world of globalization is of primary importance in business, economy, law, social life and personal interaction. To improve soft skills in professional communication is one of the main aims of modern education. Globalized world requires communication at all levels of life, active collaboration between different countries. Teaching English or other foreign languages should be based not only on supplying students with the necessary knowledge of grammar and vocabulary but also developing communication skills, critical thinking and creative approach in professional activities. **The aim of our research** is to suggest and describe teaching approaches and methods of improving students' communication skills in professional sphere.

Formulation of the problem. Recent researches in teaching foreign languages devoted to communicational skills are attempts of description of what communicative skills mean, but in our opinion each scientist analyzes only teaching communication skills on a basis of a particular specialization: teaching communicative skills to students of tax services (Sukalenko, 2015), economics (Kuznetsova, Miakisheva, 2014), medicine (Miskhodzheyeva, 2018), tourism (Panagiotidou, 2015), etc. We consider that global vision and general approaches should be elaborated to deal with communication skills in teaching foreign languages to students of different specializations. We suggest concentrating on socio-cultural and professional-practical approaches in teaching languages.

Socio-cultural approach in teaching foreign languages is based on a special attention to cultural aspects of communication: non-verbal communication, polite formulas, idioms and set expressions. S. Martinelli defines such external characteristics of culture as values and aesthetics (Martinelli, 2000, p. 16). Cultural values are revealed in language and speech.

Today, a modern educational institution requires introducing new approaches to learning that ensure the development of communicative, creative, professional competences and stimulate the need of the future specialist in self-education which is based on the content and organization of the educational process. The main aim of foreign language teaching in educational institutions is to develop vocational competences for the learners by improving all types of speech activity: reading, speaking, writing and listening.

Analysis of recent researches and publications. Communicative skills depend on personal communicative culture. Communicative culture comprises a system of

knowledge, values and behavior patterns accepted in society and the ability to naturally realize them in business and emotional communication (Vynoslavskaya, 2005, p. 68). Developing communication skills means enriching cultural and social knowledge about the countries of the language of studies. Another important component of teaching a foreign language is non-verbal communication which is culturally specific.

L. Volkova emphasizes the importance of sociolinguistic competencies which include knowledge of national language etiquette, non-verbal behavior and the ability to communicate according to the social norms of behavior and social status of the interlocutors (Volkova, 2015, p. 18). Thus, the same sign may have different meaning depending on the language. There exists general non-verbal or body language signs characteristic of many cultures. At the same time there are specific body movements and gestures proper of some cultures. To avoid misunderstanding or conflicts in professional communication the students should have knowledge of non-verbal characteristics of the native speakers of the language they are studying. The components of non-verbal communication include mimics (facial expression), gestures (movements of different parts of the body) and proxemics (the distance between interlocutors). Eye contact, vivid movements of hands, shorter or longer distance between the speakers may depend on the cultural peculiarities.

The exercises of speaking practice should include the information about non-verbal communication as well as polite forms of verbal communication proper of the business partner's culture. Successful communication is based on understanding culturally-based behavior. Thus linguistic knowledge is not considered to be enough to speak well. Extra-linguistic knowledge is a significant part of communicational skills. There is no doubt that the knowledge of special vocabulary is a must. Many textbooks are full of vocabulary and grammar exercises and this reflects formal way of teaching foreign languages. Additional attention should be paid to culturally-based peculiarities of interaction and non-verbal characteristics of speech if we consider oral communication. For example, the distance between the speakers may be different depending on the national perception of space, thus in Ukraine the space between the speakers is 90 cm, whereas in the United States it may reach up to 120 cm. Students should be aware that written communication includes polite forms of speech proper of the language and depending on the culture.

Teaching special terms and professional vocabulary could be more effective if included in role play games and discussions according to the models of real situations of professional communication. Set expressions and professional idioms are important source of cultural information. Idioms will enrich the students' vocabulary and are easy to memorize due to vivid image they represent. Analyzing foreign idioms of professional origin (*cash cow*, *software bug*, *tiger team*) and comparing them with the idioms in native language will enable students to understand the cultural differences in the perception of the same concepts. Reading texts in professional field may

significantly enrich students' vocabulary. As T. Sukalenko states, reading special professional texts develops students' critical thinking, the ability to analyze information and make their own conclusions about future professional activities (Sukalenko, 2015, p. 264).

Presenting main material. Nowadays is not enough being a good specialist in a particular field of activities. Soft skills or skills of effective interaction are one of the main targets of globalized world. To be an interesting interlocutor with a broad outlook and knowledge of the culture of the potential business partners will contribute to the development of long-term professional contacts and can be of great help in creating stable business relations.

Interdisciplinary approach in teaching foreign languages is one of the main tasks of modern educational programs, which could be successfully solved by introducing methods of teaching, motivating the students to make their own project works in foreign languages, making presentations, conducting discussions, reading literature in the original on the topics which could be of great help in creating their own companies in future, for example, reading interviews, autobiographies of famous economists, lawyers or businessmen or businesswomen (Henry Ford, Coco Chanel, Bill Gates, etc.). During presentations students will have a good opportunity to practise their communication skills in public: eye contact, open body position, smiles, making brief and specific speech. The ability to ask and answer questions also serves as an effective exercise during presentations. Every presentation should be analyzed and discussed in group on the possible way of its improvement. Teachers are not recommended to interrupt the presenters correcting their mistakes. All the corrections and advice should be made after the presentation. Giving presentations students train to be persuasive and positively perceived by the interlocutors. Communication skills include the ability of being good listeners, self-confident and polite speakers which can be developed in tasks of presentations and group discussions.

One of the obstacles to successful mastering a foreign language in educational institution is language learners' low motivation. That is why interactive technologies are of particular interest, the purpose of which is to create comfortable learning conditions for everyone to feel intellectual capacity. The basis of such educational process is cooperation and productive communication, aimed at team problem solving, developing the ability to allocate the main thing, set up goals, plan activities, distribute responsibilities, think critically, achieve significant results. Therefore, it is necessary to intensify the learning process using the appropriate interactive technologies.

The essence of interactive learning in educational process means the implementation of active group teaching methods to solve didactic problems. The teacher thus performs the functions of assistant in the work, consultant, organizer, becomes one of the sources of information. However, the teacher acts as equal actor in the educational process. Interaction excludes the dominance of any participant, opinion, point of view over others and must take into account specific experience and

practical application. During such dialogues students learn to think critically, solve complex problems by analyzing circumstances and relevant information, considering alternative thoughts and making informed decisions, engaging in discussions, communicating with others.

The organization of the multilateral communication process is facilitated by the use of appropriate interactive teaching methods, which are aimed at the development of creative abilities, focus on activities that stimulate ingenuity. These include the following: brainstorming, project method, role-playing and business games, discussions, debates, round tables. Thus, the use of role-playing games, in which the learners communicate in pairs or in groups, allows not only to make the classes more diverse, but also gives the opportunity to demonstrate speech autonomy, to realize communication skills. They can help each other successfully to adjust their interlocutors' statements, even if the teacher does not give such a task. In project work students are involved in the search engine-created educational activity organized by the teacher. The use of project technologies makes it possible to form and develop research, communication, technological, information competencies, generates creativity, stimulates intellectual activity, develops communication skills, helps to form inter-subject links, teaches using information and telecommunication technologies in learning teamwork skills, develops social mobility.

In addition, all this increases the motivation of learners, since in this case language learning is not a goal, but a means of creating the end product of the activity. Even the weakest ones can prove themselves here to the fullest extent possible by fulfilling their mission, and as a result, every student contributes to the creation of the project.

Thus, the modern teaching of foreign languages involves the use of different approaches, the development of exercises that would contribute not only to the development of communicative skills in a foreign language, but to thinking, tolerance, polite communication, creative approach to solving students' professional problems, as well as scientific and professional search.

A multi-disciplinary approach in teaching foreign languages will allow teachers to apply knowledge of special subjects in foreign classes, to work out situations of professional communication, facilitates the communicative training of future specialists (Dudley-Evans, St John, 1998, p. 64).

In order to motivate students to study a foreign language (particularly English), a pedagogical experiment was conducted at Kyiv National University of Trade and Economics. While studying the topic «Financial centres» which contains professional terminology (including such notions as stock market, foreign exchange market, commodity market, securities market, bond market, bull market, bear market), first-year students were suggested a comparative study of European market and securities market in Ukraine and the students had to compare their research with the expert opinions of specialists. For this purpose contacts with the elite international law

company «Dentons» were established, and its experts were invited to hold a round table with students to discuss the research topic. The round table was held in the conference hall of the company, the leading lawyer Oleg Batyuk made a presentation, in which he described the work of the company, its main strategies and goals. The students were able to get acquainted with the requirements to the work of an international lawyer at the beginning of the round table and ask questions to the employees of the company. As a result of the creative discussion, the students and the specialists of the company came to a common conclusion that the securities market in Ukraine is not developed yet. «Dentons» partner and leading lawyer Volodymyr Monastyrsky stressed that today's students should contribute in future to the development of securities market in Ukraine and provide legal support to foreign investors in the state's economy.

Thus, in this experiment, English became a means of research and acquisition of new language competences. The round table with the use of different speech modes, helped to overcome the language barrier, familiarize with corporate language etiquette, develop communication skills, make a rapid acquisition of in-depth information and expand outlook. Thus, the introduction of non-standard and innovative forms of teaching in the educational process encourages students to develop communication skills, motivates to learn new information and use it in practice, encourages research in the professional field, and helps to use professional terminology during conversations. Such non-standard and innovative forms of teaching should be used by teachers to encourage students to pursue creative and scientific work for their professional development. It is of great value in teaching when the students are involved in professional practical activities during the lessons (Melnyk, 2019, p. 63).

Before organizing a round table, the following preparations should be made: choosing the topic and the aims of the round table, deciding the experts, consulting the participants of the round table, discussing of the problem, making conclusions about the ways of solving the discussed problems (Interactyvni metody vykladanny, 2017, p. 52). The principle of equality and polite atmosphere should be followed during round tables and group discussions.

Conclusion. Teaching foreign languages for students of non-linguistic specialization should obligatorily include socio-cultural and professional-practical approaches. Socio-cultural approach is based on the knowledge of non-verbal characteristics of communication, idioms, polite forms of communication which are culturally specific and depend on religion and traditions of the society. Reading special journals, biographies and autobiographies of famous specialists in the original may represent an interesting and motivating task for students. Professional-practical approach suggests interdisciplinary forms and methods of teaching which comprise discussions and round tables in foreign languages organized among the students and also with specialists of the students' specialization: lawyers, economists, managers and others. During such discussions and round tables the students will be able to ask

questions, to better understand practical aims and in future to plan their own professional activities. Preparing presentations with the following discussion and recommendations are also effective methods of improving communication skills. Teachers should also encourage students to take part in scientific conferences and conduct their own research on the topics the students are interested in, thus creating the atmosphere of constant search for improving communication skills and critical thinking.

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FOREIGN LANGUAGE PROFICIENCY OF UKRAINIAN STUDENTS: PROBLEMS AND SOLUTIONS

The article presents the current tendencies and condition of foreign language proficiency of Ukrainian higher education graduates and analyzes problems which arise in teaching English for Specific Purposes (ESP) as well as English as Medium of Instruction (EMI) in contemporary universities. Unfavorable curriculum policy, shortage of academic hours, big discrepancy in language competence of contemporary enrollees are considered as main drawbacks and factors that obstruct the Ukrainian breakthrough in ESP and EMI teaching. A compulsory B1 level of language proficiency for all entrants into higher educational establishments; increase of academic hours for foreign language learning at the expense of elective subjects; introduction of voluntary as well as compulsory (for particular students) foreign language courses during all years of study; aversion from EGP to ESP focus for EIT master's degree exam are viewed as possible solutions for improving ESP as well as EMI learning and teaching conditions in Ukraine and means to enhance the level of foreign language proficiency of Ukrainian citizens.

Key words: *foreign language proficiency, English for Specific Purposes (ESP), English as Medium of Instruction (EMI), External Independent Testing (EIT), B1 (B2) level of language competence.*

Хільдебрандт Катерина. Іншомовні компетенції українського фахівця: проблеми та вирішення.

У статті розглянуто сучасні тенденції та стан володіння іноземною мовою випускниками українських закладів вищої освіти та проаналізовано проблеми, які виникають у навчанні англійської мови професійного спрямування (АМПС) та у викладанні фахових дисциплін англійською мовою в сучасних університетах. Несприятлива політика навчальних програм, дефіцит навчальних годин, велика розбіжність у мовній підготовці сучасних студентів вважаються основними недоліками та чинниками, що перешкоджають прориву України

у навчанні АМПС. Обов'язковий рівень володіння мовою В1 для всіх вступників у ЗВО; збільшення навчальних годин для вивчення іноземних мов за рахунок факультативних предметів; впровадження добровільних, а також обов'язкових (для окремих студентів) курсів іноземних мов протягом усіх років навчання; зміна концепції змісту ЄВІ для вступу у магістратуру (розробка детальної специфікації тестів та зосередженість на АМПС) розглядаються як можливі методи підвищення рівня володіння іноземною мовою професійного спрямування випускниками українських ЗВО, а також як засоби покращення умов викладання фахових дисциплін англійською мовою в Україні.

***Ключові слова:** володіння іноземною мовою, англійська мова для конкретних цілей (ESP), англійська мова як носій навчання (EMI), зовнішнє незалежне тестування (EIT), В1 (В2) рівень мовної компетентності.*

Relevance of the research topic. Political and socio-economic changes that are taking place in Ukraine nowadays cause the formation of new economic and cultural relations with other countries, transform every person's involvement into the social production system. A major factor that underlies the changing social conditions, a prerequisite for economic, scientific and technological transformations in the country is higher education and related human resources training. Higher education and qualification is a guarantee of social well-being, a driving force for scientific investigations and innovations, as well as primary factor that estimates competitiveness of a specialist in the world labor market. Thus, the development of our country in the 21st century is associated with the improvement of foreign languages proficiency of specialists, which will contribute to the successful integration of Ukraine into the European cultural and communicative domain.

Formulation of the problem. Significant increase in the interest towards learning a foreign language, English in particular, is caused by the expansion of international contacts and the growing integration of the country into the world community, enhanced by rapid informatization and computerization of all areas of social life: production, science, education and culture. Thus a constant search for ways to improve the system of EFL teaching has caused the necessity for implementation of innovative technologies and organization of educational activities in accordance with the targeted enhancement of students' foreign language proficiency.

Analysis of recent researches and publications. Development of foreign language competence as the formation of practical skills of oral and written communication, listening, understanding and reading; as well as the ability to apply these skills to solve communicative tasks has been investigated by miscellaneous scientists and researchers. Most of them focus on the communicative character of skills and abilities associated with the formation of foreign language competence and mention «communicative competence» as the ultimate goal for preparing competitive

specialists (I. I. Barakhovich, N. O. Makoyed, I. A. Megalova, S. V. Kozak, A. P. Petrova, etc.). In terms of teaching English for Specific Purposes (ESP) and developing communicative competence in the sphere of professional needs, introduction of communicative approach was meant to trigger language practice in typical communicative topics relevant to a specific profession or business field (see I. Boichevska, N. Grytsiuk, T. Y. Maleeva, L. Ovcharenko, etc.). Others offer the advances of cognitive linguistics as methods to enhance Ukrainian students' language proficiency and compliment the communicative approach by means of vocabulary concept maps formation (W. Croft, S. A. Zhabotinska, M. V. Tsehelska). Strategies to augment EFL proficiency in Ukrainian higher education have been investigated by the British Council in 2017, providing the Ministry of Education and Science as well as higher educational establishments with important data and recommendations.

Setting objectives. However there still exist some serious hardships that a foreign language teacher is currently facing which should be taken into consideration when choosing improvement of foreign language proficiency as a national educational vector. In the article we'll try to analyze the current state of language proficiency and the drawbacks which don't let our country to reach the required and much desired level of language fluency.

Presenting main material. At present, English retains its dominant position in the world in business and technology spheres, and its status as a major lingua franca will hardly alter in the near future. Despite the fact that it comes third in the ranking of most spoken languages in the world after Chinese and Spanish, it's value cannot be underestimated and is expected to be further raised with the advent of new generations of technical innovations, growing Internet influence, Massive Open Online Courses (MOOCs), etc. English language as lingua franca for many businessmen becomes a medium for obtaining information and data, accessing recent achievements in different scholarly fields, maintaining international communication and building business relations. Globalization of communication in personal, academic, scholarly, economic and other areas, which will further evolve in the 21st century, stresses the necessity to rethink the importance of improving and raising the level of language proficiency, which needs necessary reforms and innovations on the governmental level.

Despite all the enthusiasm and interest as well as understanding of foreign language proficiency significance, the results of TEFL are far from being favorable, as the outcomes of foreign language education in Ukraine differ from expectations. According to The EF English Proficiency Index dating from October, 2018, Ukraine ranked 43rd out of 88 world countries that participated in the survey, belonging to countries with moderate proficiency level, but very close to low proficiency countries, which start with the 45th position in the ranking. If we compare Ukraine to its neighboring countries, we'll see that Poland (13th), Romania (16th) and Hungary (21st) are ranked as high proficiency countries, Belarus (38th) and Russia (42nd) share

our moderate proficiency level, but still have better positions. Despite the fact, that Ukraine's index improved in comparison with the previous 2017th year, when it showed a low level of language proficiency, ranking 47th out of 80 countries (EF English Proficiency Index, 2018), the prospects for considerable improvement are still rather vague. Thus, a question arises: where and at what level do we go wrong, despite the fact that education has always been important and highly appreciated in our country?

English is chosen as primary foreign language in the majority of Ukrainian secondary schools. However it is not mandatory (there are schools with German and French as primary foreign languages), many pupils and students nowadays opt for English, taking into consideration its growing power in business cooperation and international communication. Partially to raise the expected level of language competence of Ukrainian school-leavers and to assess their knowledge, Ukrainian system of secondary education employs the External Independent Testing (EIT), analogous to ACT or SAT in the US and GSCE in the UK. Independent testing in English, as a constituent part of External Independent Testing, was developed on the basis of International English Language tests, particularly the First Certificate in English (FCE) Cambridge test (level B2 in the Common European Framework). Due to technical difficulties, Ukrainian EIT contains only the reading, writing and use of English sections as well as listening (from 2017) and omits the speaking component.

The first test, conducted in 2009, showed great discrepancy between the level of English learned at school and English required by the EIT. The low performance level of Ukrainian school graduates can partly be explained by outdated textbooks focused on the initial acquisition of English through reading texts which provide the vocabulary and grammar and not on the communicative approach, and partly on the low motivation of pupils to master a difficult discipline. These factors make teachers of English feel the necessity for updating their educational tools, so as the latter should be compatible with the new challenges of today's life.

Nevertheless, the results of EIT in English are still not so encouraging as only 0,05 per cent of the 79,594 school graduates achieved the maximum score and 12.7% did not pass it at all in 2019 as indicated by testportal.gov.ua (Rozpodil, 2019). Such poor results show that far not all of the enrollees into higher educational establishments will have the much desired B1 level of language proficiency. Thus, higher education, which is mostly focused on teaching English for Specific Purposes (ESP) and English as Medium of Instruction (EMI) to enable students to master a foreign language in accordance with the requirements of their professional field, might also fail to achieve its goals, which are rather multifarious.

The purpose of ESP for Ukrainian students is based on enabling them to make practical use of a foreign language for future professional and business needs. This TEFL activity is a training which, within the limits of the curriculum, is aimed at

mastering a foreign language in accordance with the requirements of a certain professional field. Thus students must speak a foreign language not only as a medium of cultural interaction, but also as a means of communication within their chosen major or subject of study (to read and translate professional literature, to operate the necessary terminology, to formulate verbally business sphere exchanges). Students must reach a level of professional communication competence that allows them to actively participate in vocationally-oriented communication, confidently use a foreign language in their further professionally oriented behavior. It is aimed at gradually improving their level of professional linguistic competence, which will further help to raise their professional awareness as they start to turn to the foreign language texts not only in the course of preparation for foreign language lessons, but also to improve their professional knowledge and skills when using original business data from magazines, monographs, texts on the Internet, in the course of professional preparation.

As we can see, ESP in Ukrainian higher educational establishments pursues an ambitious and proper goal, which could have resulted in competent, highly educated and well-prepared specialists able to apply state-of-the-art solutions to contemporary challenges. But in reality, as a large number of enrollees, especially from rural areas, do not reach the level of B1 language competence, it is not uncomplicated. As students with different levels of language proficiency make up one academic group, this leads to the fact that weaker students are unable to acquire the compulsory level of language training, which ESP presupposes. They have difficulty using English in oral and written communication, experience embarrassment reading and analyzing original resources; they are unable to study professional subjects in English. At the same time, students with high foreign language proficiency levels, due to those mixed academic groups and the orientation of teaching onto the weaker student, lose their initial English language skills and, upon completion of their bachelor degree, have a lower than their entry level of foreign language competence.

Another important aspect is the curriculum policy, which, unfortunately, is far from being favorable nowadays. Despite the common idea of increased importance of language competence of Ukrainian specialists, the proportion of academic hours for ESP is declining steadily. For example, students majoring in Tourism studied ESP during three educational years in 2015, nowadays study the same discipline for only one and a half years. Thus, as the number of hours appointed to this discipline in the curriculum decreases, so does the level of professional foreign language competence of students.

Poor results of ESP competence are even more vivid, when students want to apply for the master's degree. Since 2018 Ukrainian higher educational establishments apply External Independent Testing of language proficiency for master's enrollees, which however simplified (containing just the reading and use of foreign language

sections), shows students' low performance. This year 32% out of 55,186 applicants were unable to score the required number of points and were not admitted to the master's degree courses (Rezultaty, 2019). Such results can also be explained by some curriculum faults as students mostly finish learning a foreign language at the end of their second year, but have to pass the language proficiency test at the end of their fourth year. Besides, after the course of ESP they have to pass the EIT in English for General Purposes, which makes it even a more difficult and challenging task.

The recently published Project of the Ministry of Education and Science of Ukraine «Conceptual Foundations of Public Policy for the Development of English in Higher Education» stresses the necessity to increase the level of English language proficiency among graduates of higher educational institutions. Thus, graduates of Ukrainian universities should have a level of English, which allows them to fully and adequately participate in educational and professional life, both nationally and internationally (graduates of all levels must have a level of English not lower than B2). English is recognized as a key competency of a modern professional, a key tool for international communication in academic and professional life, a means to access knowledge, a condition for effective world integration and a factor of economic growth of the country. In a word, English is assumed a key tool for international communication, and a high level of English proficiency among graduates is considered to enable them to fully and effectively participate in professional and academic life (MES Project, 2019).

To ensure the effectiveness of higher education and to reach the target B2 level of English proficiency among graduates, the government offers to implement a compulsory B1 level of English (German or French) proficiency for all entrants into Ukrainian higher educational establishments. Those applicants who do not correspond to the requirements will not be denied the right to participate in the higher education admission competition, but will have to complete the intensive language course to improve their proficiency level at the expense of the state budget on the basis of a higher educational establishment or by means of a distance course, developed at the request of the state, before the beginning of the school year (September 1 or October 1) to reach B1.

Such actions will solve lots of problems of contemporary foreign language education. First of all, they will help to fight the «language inequality» after secondary education, in particular between urban and rural entrants, and will provide access to higher education for academically capable young people who have not been able to obtain proper language education due to financial reasons. Second, these measures will enable ESP teachers to focus mostly on professional communication competence as well as required terminology and fully achieve the goals of ESP courses rather than first improving compulsory elementary grammatical or lexical awareness of poor students.

Addressing the above mentioned curriculum problems and shortage of academic hours for ESP learning, authors of the Project recommend universities to provide additional hours for English, using 25% of credits assigned to elective subjects. These steps will help the students to improve their level of language proficiency as the more they practice, the better the expected results will be. Besides it is suggested to include compulsory English courses into each year of the program, allocating at least 10% of the total number of hours / credits to them. Regular English courses are meant to focus on ESP rather than general English (EGP), however should be complimented by EGP courses as well. Such courses will help to overcome the «language inequality» after secondary education, besides they might fill in the gap of language training present nowadays between the times students finish their ESP course and when they have to pass the EIT exam, which will allow them to reach the desired B2 language proficiency level after graduation.

To maximize the quality of learning, it is recommended that group sizes for ESP classes do not exceed 15 students. To influence the English language content and competencies taught at the bachelor's level, the government plans to change the concept of EIT exam for master's degree, transforming it from EGP focus towards professional foreign language studied during the ESP course. This is also a good and logical initiative, however having some drawbacks, as this test will have to be adapted to different professional fields and sets of terminologies for every occupation (in the same way as ESP for law students is absolutely different from ESP for economists). Thus, the EIT exam will cease being universal and unified, but will correspond to the essence of ESP for every particular profession.

Conclusion. To sum up it is necessary to say that improving learning and teaching conditions in Ukraine at all educational levels is not an easy task to be achieved and should be viewed as a long-term challenge in the coming years. The importance of English awareness and competence is recognized at all levels and in every social sphere of life. Its value and status as lingua franca and basis for international communication has made its proficiency level improvement a nationally-focused strategy. Thus, despite the fact that the present foreign language competence of Ukrainian students does not meet expectations according to the statistic data cited, with the help of government initiatives and their successful implementation there are good chances for positive outcomes and encouraging prospects in the future. Hopefully, Ukraine will reach the level of high foreign language proficiency countries in the coming years and will soon become a powerful member of international communication space.

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CRITERIA, INDICATORS AND LEVELS OF COMMUNICATIVE COMPETENCE OF RESTAURANT AND HOTEL BUSINESS FUTURE SPECIALISTS

The subject of authors' study of the article is the definition and characteristics of components, criteria and indicators of communicative competence among students of economic universities, future specialists in the field of hospitality. Different points of view of scholars on the definition of the concepts of «competence» and «communicative competence» in higher education are presented. Requirements for the communicative competence of restaurant and hotel business specialists are presented.

The structure of communicative competence of future specialists in the field of hospitality, which consists of the following components: value-motivational, content-operational, value-reflexive. During the investigation, it was found out that criteria and indicators of the expression of the indicated components are subject-oriented (motivation for achievement of high results in communication, goal-setting (purposefulness, comprehension of the value relation to communication in future professional activities)).

Information-practical (ability to establish contacts, understand the inner world of another person, ability to cooperate, achieve compromises, communicative

flexibility); operational-behavioural (the formation of a positive «I-concept», the ability to understand and comprehend their own actions during communication). In addition, according to the defined criteria and indicators, the level of communicative competence of the future specialist in the sphere of hotel and restaurant business is defined: reproductive, technological, and creative.

Key words: *communicative competence, structure, criteria, indicators and levels of communicative competence.*

Тонконог Ірина, Прима Вікторія, Ювковецька Юлія. Критерії, показники та рівні компетентності майбутніх спеціалістів в сфері ресторанно-готельного бізнесу.

Предмет дослідження автора статті – визначення та характеристика компонентів, критеріїв та показників комунікативної компетентності у студентів економічного ВНЗ, майбутніх спеціалістів у сфері гостинності. Представлено різні точки зору науковців на дефініції понять «компетентність» та «комунікативна компетентність» у вищій школі. Наведено вимоги до комунікативної компетентності спеціалістів ресторанно-готельного бізнесу. Подано структуру комунікативної компетентності майбутніх фахівців в сфері гостинності, яка складається з таких компонентів: ціннісно-мотиваційний, змістово-операційний, ціннісно-рефлексивний. Під час дослідження з'ясовано, що критеріями і показниками вияву означених компонентів є суб'єктно орієнтований (мотиви на досягнення високих результатів в спілкуванні, цілепокладання (цілеспрямованість, осмислення ціннісного ставлення до спілкування у майбутній професійній діяльності)); інформаційно-практичний (здатність встановлювати контакти, розуміти внутрішній світ іншої людини, здатність до співпраці, досягнення компромісів, комунікативна гнучкість); операційно-поведінковий (сформованість позитивної «Я-концепції», вміння усвідомлювати і осмислювати власні дії під час спілкування). Окрім того згідно з означеними критеріями і показниками визначено рівні комунікативної компетентності майбутнього фахівця в сфері готельно-ресторанного бізнесу: репродуктивний, технологічний, творчий.

Ключові слова: *комунікативна компетентність, майбутніх фахівці в сфері ресторанно-готельного бізнесу, сфера гостинності, структура комунікативної компетентності, критерії, показники та рівні комунікативної компетентності.*

Relevance of research topic. Trends in economy globalization, the entry of Ukraine into the international educational space need to address the quality problems of vocational training of graduates of vocational education institutions, the development of readiness for effective functioning in developing countries in socio-economic conditions in the labour market.

An important task in the area of professional education today is the creation of mechanisms that ensure the quality of educational services from the standpoint of the

requirements of professional activity – the preparation of a competitive specialist with a complex of competencies which meet the requirements of the modern labour market.

One of the sectors of the economy, which is developing dynamically today, is the food and hospitality industry, which has a shortage of professionally trained staff of restaurateurs, hoteliers, and restaurant and hotel business managers. Hotel and restaurant complexes, created in the country, require a constantly growing number of skilled workers with a high level of professional competence, able to work effectively in a specialty at the international standards level.

As Zarembi research shows, the average annual rate of growth of the restaurant business in Ukraine today is 121.5%, which is due to the attractiveness of investing in this business. As in recent years, our country has become the focal point of many different international forums, has become interested in tourism, recreation and treatment, then demand and demands on the structure and quality of restaurant services of our country's citizens have changed, which seeks not only to receive quality food from restaurants, but also to feel the comfort, the culture of service, aesthetic pleasure, understanding of own preferences (Primuk, 2016).

The training of highly skilled personnel can be achieved on the basis of a competent approach in vocational education, which allows the graduate of an economic educational institution to successfully apply the acquired knowledge, skills, skills to solve practical production tasks, to effectively conduct business communications, to be prepared for life-long learning because of changes in the requirements of professional activity.

A specialist in the field of service should be not only professional, but also well know the principles of communication have a thorough knowledge of various types of speech activity, be able to skillfully negotiate with clients. Especially it is necessary to highlight communicative qualities, precisely, communicative competence that provides an effective interaction with people.

The formation of communicative competence is a topical problem, the solution of which is important both for each individual person and for society as a whole. Person carries out both his professional and personal plans in the field of communication, moreover the specialist of the hospitality sphere.

An expert in the field of restaurant and hotel business must be a philologist, regardless of the clients' communicate level, where the most important working tool is his word. To the specialists of the sphere of service the society demands high requirements, including dialogical openness and ability to be a communicative leader.

It is these skills that adapt to more successful socialization in the professional field. This is holding of rhetoric service, which results in client's reaction that allows you to build a trajectory and tactics of future long-term cooperation, as well as outline, possible network marketing for the promotion and implementation of a service or product.

Purposeful systematic formation of future specialists in speech competence services is one of the ways of solving this problem as a factor of successful professional socialization.

The education of such specialists is possible only with a radical rethinking of the ultimate goals of professional training in the direction of forming incoherent knowledge, skills and abilities, and an integrated set of basic and professional-oriented competences of specialists, among which the important role is played by the communication competence of hotel and restaurant business personnel.

Formation of the problem. The concept of the development of economic education in Ukraine emphasizes on the importance of the content of vocational and economic education, which is determined by the requirements for its final result – the formation of a harmonious, many-sided person, for which professional knowledge, skills, and skills and their constant updating form the basis of self-realization in the economic sphere of society (Dragunova, 2005).

Analysis of recent researches and publications. The analysis of scientific methodological and special pedagogical literature gives reasons to claim that the issues of preparation of future specialists for the hotel-restaurant industry is substantiated in the works of such specialists as V. Lozovetska, N. Nichkalo, V. Oobozny, M. Skrypnyk, G. Tsekhmistrova, V. Fedorchenko and others. Theoretical and methodological approaches of structure grounding and principles of forming of tourist's education forming are described in works of such researches as: Ye. Aliluyko, I. Zorina, M. Kabushkina, V. Kvartalnova, V. Oobozny, V. Fedorchenko. Communicative competence of personality was studied by a number of researchers; V. Hazaeva (Gvazava, 2011), O. Zhuravleva, N. Kozelova (Kozelova 2010), N. Komohorova (Kolmogorova, (2004), O. Muravyova (Muraveva, 2012), Ye. Mutachvili (Mutachvili, 2016), and others.

Analysis of research and experience of practical training of hotel and restaurant business experts has allowed distinguishing between:

- modern requirements of the labour market of specialists in the sphere of hospitality and service and the limited possibilities of their satisfaction with the modern system of professional education;

- the necessity to improve the quality of professional education of service professionals and the lack of development of methodology, theory and technology of its achievement – the needs of individual in intellectual, cultural and professional development, ensuring its competitiveness in the labour market and the limited ability to meet them under the conditions of higher education.

The revealed contradictions allowed formulating the research problem: the substantiation of the criteria and levels of communicative competence of future specialists in the sphere of hotel and restaurant business in the conditions of higher educational establishments.

The purpose of the article is to determine the criteria, indicators, levels of the formation of communicative competence of future professionals in the field of hospitality.

Presenting main material. In the scientific context, the combination of terms «communicative competence» was firstly used in social psychology (from Lat. *competens* – «capable») and was interpreted as the ability to establish and maintain effective contacts with other people in the presence of internal resources (knowledge and skills). In the explanatory dictionary, by S. Ozhegov, the notion of «competence» as an independent semantic linguistic unit is used more often in the sense of «level of knowledge of a certain branch of knowledge» or «knowledge and experience in a particular industry» (Ozhegov, Shvedova, 1999).

The term «competence» receives a broad scope and functions in a semantic space, where there is no obvious distinction between the concept of «competence» and concepts such as «competence», «qualification», «professional preparedness», «knowledge, skills, and abilities» (G. Kolshansky, S. Kulnevich, S. Kucher, O. Lebedev, L. Cherepanov and others). In this case, the concept of «competence» in some sources is defined as a given norm, and «competence» – as the personal qualities (set of qualities) of the subject in relation to any of its activities, as a certain characteristic of the person, which is guided by the topic.

In the analysis of the approaches to the concept of «competence», we will adhere to the definition, which was substantiated by M. Kholodna: «Competence is a special type of organization of subject-specific knowledge, which allows making effective decisions in the relevant field of activity» (Kholdnaya, 2002).

The authors of the psychological dictionary A. Petrovsky, M. Yaroshevsky determine the essence of the concept of «communication» in the sense, first of all, the communication of people and their generalization of knowledge (*Psyhologichesky slovar*, 1990).

Despite a significant number of pedagogical studies (A. Markova, V. Slastonin, etc.) and psychological (E. Zeer, E. Klimov, N. Kuzmin, L. Mitina, E. Rogov, A. Fonarev, etc.) of research in the humanities there is no clear understanding as well as generally accepted interpretation of the very concept of «communicative competence,» including a specialist in the sphere of hospitality. There is no complete picture of its structure and content.

Some scholars understand the communicative competence of knowledge, skills and abilities that allow you to understand someone's speech behaviour and reproduce your own in the light of the situation, goals, conditions of communication, as well as the speaker's experience (R. Bell). Others, in the communicative competence, see two competencies that are related to the processes of creation (competence of production) and speech reception processes (competence of perception) (M. Vyatutnev (Vyatutnev, 1984)).

The notion of «communicative competence» is determined differently by different researchers:

- As a system of internal resources that are necessary for building an effective communicative action in a certain range of situations of interpersonal interaction (Petrovskaya, 1989);

- this level of interpersonal experience, that is, the training of interacting with others that is required by the individual, so that within the framework of abilities and social status to operate successfully in a given society (Borozdina, 2002);

- as a system of internal resources of an individual that is necessary for it to carry out effective communicative actions in a wide range of situations of interpersonal interaction (Rudensky, 1999);

- the ability to solve effectively communication problems, which determines the individual psychological characteristics of the individual and ensures the effectiveness of its communication and interaction with other people (Emelyanov, 1995);

- the ability to communicate effectively and to develop communicative skills (Leont'yev, 1975);

- how to possess complex communicative skills and abilities, knowledge of cultural norms and restrictions in communication, knowledge of customs, traditions, etiquette in the field of communication, adherence to rules of decency, politeness (Kunitsyna, Kazarinova, Pogol'sha, 2001).

Conclusion. Despite the different interpretations of the concept of communicative competence by scholars, all authors believe that this phenomenon is associated with the ability to establish and maintain the necessary contacts with other people.

From our point of view, «communicative competence» is a holistic, integrative, multicomponental mental entity that determines the effectiveness of communication. It is established that the structure of communicative competence of future specialists in the field of hospitality consists of the following components: value-motivational, content-operational, value-reflexive, criteria and indicators of the expression of the indicated components is subject-oriented (motives for achieving high results in communication, goal-setting (purposefulness, comprehension complete communication in relation to future professional activity)); information-practical (ability to establish contacts, understand the inner world of another, ability to cooperate, achievement of compromises, communicative flexibility); operational-behavioural (the formation of a positive «I-concept», the ability to understand and reflect on my own actions).

According to the mentioned criteria and indicators, the levels of communicative competence of the future specialist in the sphere of hotel and restaurant business are defined: reproductive, technological, creative.

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SIMULATION AS A WAY TO IMPROVE COMMUNICATIVE COMPETENCE

The article is devoted to language –learning simulations. It explains the essence of simulations as a problem-driven activity. The article briefly covers some of the main issues by answering a series of questions. It describes what a language-learning simulation is, looks at some of the problems, and suggest how teachers might overcome them. In particular, it shows how a simulation is organized, how to prepare students for a simulation and how a simulation is run. It also states the principal advantage of the simulation technique for language learning.

Keywords: *simulation, communication, interactive learning, discussion, simulated environment.*

Латигіна Алла, Латигіна Наталія. Симуляція як засіб покращення комунікативної компетенції.

Статтю присвячено методу симуляції, як інтеракції при вивченні іноземних мов. Проаналізовано сутність симуляції як активатора для вирішення проблемних ситуацій. Розкрито багатоаспектний характер симуляції. Запропоновано рекомендації для викладачів щодо подолання складнощів при виконанні стимуляційних завдань. Надано приклади організації та проведення симуляцій. Виокремлено головній переваги методу симуляцій для вивчення мови.

Ключові слова: *симуляція, комунікація, інтерактивне навчання, дискусія, середовище симуляції.*

Relevance of research topic. Most teachers realise that the best strategy to encourage communication in a classroom is to remove the classroom. By creating learning situations that interest students we weaken the constraints of the classroom and encourage the development of communicative language use. This is the basic principle of language-learning simulations.

While teachers often use roleplays, some may feel that simulations will be too difficult to organise or too demanding for their students. This reluctance is understandable but ill-founded. While simulations require thought and planning, they come in all shapes, sizes, and levels of complexity and can be tailored to match the individual circumstances of a particular group (1, Allwright R.L., 2014).

Formulation of the Problem. Basically, a simulation is a problem-driven activity that occurs in a clearly described realistic setting. In a simulation students are given a task to perform or problem to solve together with the necessary background information and environment in which to do it. The learner responds to the task and acts within the constraints of the environment to complete it.

Most teachers are familiar with roleplays, and simulations share a lot in common with this technique. Both are interactive learning events, but generally roleplays involve learners taking on characters that are not their own, while participants in a simulation behave as themselves. They therefore apply their own background and first-language experiences to a situation. In addition, roleplays are often set up to practice particular language functions in a highly controlled context and are relatively simple and short (2, Bullard N., 2016).

Simulations, on the other hand, provide a realistic setting for more extensive interaction in which students can get more personally involved.

All simulations centre on an explicit structure of information and require participants to assess and respond to a specified task. Students act as themselves and use their own judgements and linguistic resources while engaging in a variety of activities such as resourcing, discussing, and analysing over a period of time.

Analysis of the Latest Researches and Publications. The comprehensive research of the problem of simulation was done by Ken Hyland, head of the Department of English as an International Language at the International Pacific College in New Zealand.

Publications of such researchers as Allwright R.L., Bullard N., Crookall D. and R., Nunan D., Sturtridge J. are devoted to some aspects of language-learning simulations as well.

Presenting main material. The essential elements of a simulation are summarised in Figure 1.

A simulated environment – the action takes place within a self-contained world with no contact with the outside.

A structure based on explicit «facts» – these are given to participants and do not allow invention or change.

A reality of function – participants have to accept the duties and responsibilities of their roles as if they were their own

Figure 1. Elements of a Simulation

There seem to be five main advantages to language-learning simulations:

1. Motivation. Simulations encourage motivation because they ensure that communication is purposeful rather than artificial. Participants are involved as they identify with their roles and have the freedom to choose the meanings they want to express. Because students can bring their background experiences into class and make their own decisions, more interest and excitement is created in learning.

2. Fluency development. Fluency is encouraged in simulations because learners are immersed in a language-rich environment where language use is centred on immediate communicative needs. The context requires that language is subordinate to an activity, and so attention is focused on the situation rather than form – the communication of meaning taking precedence over the practice of language elements such as grammar and pronunciation. In a simulation, language use is an aspect of the communication necessary to perform tasks and not a test of correctness.

3. Integration of skills. Simulations provide the opportunity to learn the pragmatic skills of using language appropriately, to develop the nonverbal components of language, and to acquire intercultural and interpersonal competence in a second language.

4. Active participation. Simulations provide a unique means of encouraging learners to respond actively and to participate with their fellows. Learning is more effective the more it engages the learner and simulations seek achieve this.

5. Reduced anxiety. Simulations reduce the stress associated with learning and using new language. This is due partly to the shift in classroom roles and partly to the low cost of making errors compared with error consequences in the real world. Not only do simulations offer a relatively safe environment for making mistakes, but they also promote an egalitarian atmosphere because there is no error correction to undermine confidence and divert attention to utterance form. Students are not judged, corrected, or evaluated, and this reduces their anxieties about linguistic performance, with a consequent improvement in achievement. Moreover, there is less stress involved in playing the role of someone else (3, Crookall D. and R., 2015).

In sum, simulations motivate learners, encourage interaction, and provide opportunities for purposeful communication. In doing so, they encourage active participation in learning, assist retention, and give students a better understanding of communicative choice and linguistic complexity. In addition, the familiar focus on linguistic elements is replaced by an integration of linguistic and reasoning abilities.

Simulations have a four-part structure: preparation, introduction, activity, and debriefing.

Preparation involves the teacher in assessing both student needs and abilities to ensure a suitable scenario and organising materials to provide authenticity. The second stage consists of information input. The participants are told what the task is, their roles, the nature of the situation, and any constraints. Part three is the activity itself. The key activities are decision-making, problem solving, and, interacting, and these are the participants' responsibility. The teacher observes student performances and manages the activity as a «controller.» Stage four, optional when working with elementary learners, consists of a debriefing where the activity is evaluated and the interaction discussed. The teacher helps students understand the exercise, review the language used, and build on weaknesses.

Perhaps the most difficult step is to determine a general objective and the concrete objectives that form the basis of the simulation. An overall objective might be to enable students to perform well in a job interview, develop discussion skills, practise offering and taking advice, write formal reports, or order food in a restaurant. In the simplest terms, simulation design involves answering 13 questions, an approach that can also be used to help students write a simulation. The steps are given in Figure 2 (4, Nunan D., 2010).

1. What do I want my students to know, to do, or to learn?
2. What is the event to be simulated?
3. What is the problem to be resolved?
4. What are the participants' roles and how are they grouped?
5. What goals do the participants have? How do they relate to each other?
6. What information does each participant have? (Often there needs to be an information gap.)
7. How is the event conducted, by whom, and for how long?
8. What background information do the participants need?
9. What particular lexis, structures, or language skills are needed, if any, to make the simulation successful?
10. What materials or props are required, if any?
11. What tasks can be given to early finishers?
12. What questions should be asked in the debriefing?
13. What follow-up work or future simulations are suggested?

Figure 2. Aspects of Writing a Simulation

Students are often nervous or shy when first asked to participate in a simulation, and it is worthwhile considering this problem before it occurs. This kind of reticence can be due to the individual personalities of the students, but is often the result of student expectations about learning and what they consider to be «proper» classroom behaviour. The problem may be addressed in three ways.

1. Discussion and explanation. Proficient students can be convinced by an explanation of the benefits of simulations, particularly in the fields of pilot instruction, and management training. With intermediate-level students a presentation and discussion can have positive effects on participation.

2. Familiarity with interactive learning. Perhaps the best way to minimize nervousness is for students to be at ease with interactive learning methods. A learning environment in which pair work, information-gap activities, cooperative tasks, and discussions play an important part is one that easily accommodates a simulation.

3. Integration. A third way of overcoming the reticence of learners is to encourage them to see simulations as an essential and integral part of their language syllabus. In this way students can prepare for a simulation directly as an ongoing part of their course (1, Allwright R.L., 2014).

Teachers are often more anxious about running a simulation for the first time than students are about participating.

It is true that simulations, like any other interactive learning method, need careful planning and classroom management.

The most important point in running a simulation is to believe that it is going to work! A number of suggestions to assist this are given below.

1. Setting up. The simulation should be carefully planned and chosen on the basis of issues that are likely to maximise motivation and language use. The emphasis is on creating believable situations that emphasise reality of context over language.

2. Getting going. Once the simulation has been selected or written, the students can be introduced to the central ideas of the activity and encouraged to discuss them. Participants must understand the nature of the task and their roles.

Information should be kept as brief and simple as possible to avoid confusion, but can be given as homework texts or in the native language to help speed understanding of what is involved. Assimilation can also be assisted by active involvement. If learners can research the background of the issue in a library, or conduct small opinion polls among the local population, then so much the better. A variety of listening and reading exercises will reinforce the transfer of information and generate motivation, particularly if learners recognise they are developing useful skills. Any specialist vocabulary and expressions should be introduced at this stage.

3. Managing the activity. Fluency work demands that the teacher disengage from the governing role and allow learners to produce and interpret language on their own. Once the simulation is underway, the teacher becomes an activity manager, advising and monitoring the learning environment.

During the simulation the teacher becomes an observer, intervening when requested to act as an informant on the language or scenario, but otherwise simply collecting data to share in the debriefing. Error correction should be avoided and mistakes noted for discussion later.

4. Winding down. The observer role puts the teacher in a good position to provide a systematic review of events at the end of the simulation.

The main contributors to the debriefing should be the participants, with the teacher providing a structure for this. Students can clarify their own parts in the simulation, their perception of the task, and their contributions, reflecting on their actions and mistakes. Who participated? Who didn't? Who performed well? Why did a group make a particular choice rather than another? How could the event be improved? It is important not to allow the negative to predominate. This is another communicative language opportunity for students and should be approached positively rather than critically. During the language debriefing the teacher takes a more directive and teaching role, as this explores what was said and what was not said because the students did not have appropriate language skills.

5. Assessing students. Students can be assessed in a variety of ways, depending on the purpose of the activity. Generally, however, assessment will be based on how students have performed on individual tasks and on their participation, and contribution to the group effort (5, Sturtridge J., 2017).

Where the simulation results in a product, such as a diary, report, oral presentation, news bulletin, etc., students can be allocated marks for this. If this product is a joint effort, a group mark can be allocated to each member, or the group itself can be asked to fairly share an allocated mark among its members.

Conclusion. The principal advantage of the simulation technique for language learning is that it provides students with a realistic environment in which they can develop a range of communicative and interactive skills. Learners need to use the linguistic system creatively and appropriately if they are to obtain proficiency in English, and as a result simulations are particularly useful in contexts where students have few opportunities for contact with native speakers.

Realistic, high-output communication practice in the classroom is essential for all students, however, because it represents a pedagogically necessary stage in the learners' ability to transfer formal classroom learning to the real world.

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ASSESSMENT OF THE SCOPE OF RHETORIC COMPETENCE POSSESSED BY PROSPECTIVE PRIMARY SCHOOL TEACHERS

The article outlines the results of the verification experiment aimed at determining the level of rhetoric competence of the masters trained at Mykola Hohol State University of Nizhyn and primary school teachers in Chernihiv region. The article highlights the conclusions of empirical analysis dealing with the students and teachers' rhetoric, linguistic and communicative awareness, rhetoric competency levels, genre-based thinking strategies, speaking competencies, engagement in rhetoric performance, motivation for rhetoric-based self-improvement, reflection competencies relevant to rhetoric and pedagogical activity and self-evaluation skills regarding communicative abilities.

Keywords: *rhetoric competence, prospective primary school teachers, communication, pedagogical activity.*

Киричок Інна, Тонконог Ірина, Мегела Катерина. Діагностика сформованості риторичної компетентності майбутніх вчителів початкових класів.

Стаття узагальнює результати проведеного констатувального експерименту, що мав на меті визначити рівень риторичної компетентності магістрів

Ніжинського університету імені Миколи Гоголя та учителів початкових шкіл Чернігівської області. У статті представлено результати емпіричного аналізу риторичної, мовознавчої та комунікативної обізнаності, сформованості риторичних умінь, рівня розвитку жанрового мислення, мовленнєвих умінь; позитивно-активного ставлення до риторичної діяльності, позитивної мотивованості до риторичного самовдосконалення, рефлексивних умінь щодо здатності виконувати риторико-педагогічну діяльність, самооцінки комунікативних здібностей майбутніх учителів та класоводів шкіл.

Ключові слова: *риторична компетентність, майбутні вчителі початкових класів, спілкування, педагогічна діяльність.*

Relevance of research topic. Remarkable changes occurring in social, economic and cultural spheres at the beginning of the 21st century in Ukraine requires the management of higher education institutions to meet new demands for language education and speech training of future primary school teachers.

Significant acceleration of communication processes influenced by informatization and globalization is considerably intensifying information and business environment. It is not surprising that the teacher's communicative skills (such as an ability to hold a private conversation with pupils and their parents, to speak to a large audience of colleagues and in mass media) are currently gaining a particular importance.

The choice of the research topic is accounted, on the one hand, for the objective necessity to address the problem of forming rhetoric competence of prospective teachers enrolled in the master's training programme, and, on the other hand, for the lack of research to consider this issue integrally.

Formulation of the Problem. An ability to speak confidently and persuasively in front of other people is a compulsory skill for every public person, especially a teacher who wants to succeed in the professional activity.

Consequently, the value of rhetoric competence of the future primary school teacher is increasing, since the teacher's efficient professional performance is subject to mastering comprehensive rhetoric knowledge and skills as well as accomplishing a competent pedagogically-oriented resolution of various learning, teaching and educational tasks.

Analysis of the Latest Researches and Publications. The overview of current scientific publications by national and foreign experts in rhetoric, rhetoric education and communicative competence reveals the fact of insufficient coverage of the issue of rhetoric competence development possessed by prospective teachers enrolled in the master's training programme. The works by Annushkin V. (2015), Vishneva L. (2015), Ladyizhenskaya T. (2018), Martyinenko S., Belkina Yu. (2015), Simakova E., Han O. (2015), Tukmacheva L., Nischeta V., Gorobets L., Golub N. and others have provided significant insights for our study, in particular, their findings enabled us to

determine the criteria and scale indicators of the rhetoric competence of the future primary school teachers.

Presenting main material. Rhetoric competence of prospective primary school teachers is regarded as a complex integral unit, a basic component of professional and pedagogical competence, which involves comprehensive rhetoric, speech and language knowledge (cognitive component), a matrix of professionally-bound rhetoric competencies and skills, the language personality's strengths (efficiency and performance component), coupled with the willingness and ability of the graduate student to successfully carry out rhetoric and pedagogical activity and perform follow-up self-assessment (reflective and motivational component).

In order to test the underpinning conceptual ideas a verification experiment has been conducted at Mykola Hohol State University of Nizhyn. The sample group comprised 45 masters majoring in the programme 013 «Primary Education» and 45 primary school teachers of Nizhyn and Chernihiv region, who completed the course in 2017–2018.

In view of the subject matter of rhetoric competence possessed by prospective teachers, and specified criteria of the cognitive, efficiency, performance, reflective and motivational components, three development scales have been identified: unconscious incompetence, conscious incompetence and unconscious competence level.

The unconscious competence development level is described in terms of a high degree of motivation and willingness to perform a top-grade rhetoric activity, a rewarding motivation for rhetoric-based self-improvement; developed self-reflection and self-evaluation skills; profound knowledge of the principles of effective communication, peculiarities of communication in the area of linguistic performance, rules of cooperative communication, linguistic and rhetoric concepts and notions. The individual creatively uses professional rhetoric competencies and skills in all situations of business communication, manages genre-based thinking strategies and possesses well-developed speaking competencies.

At the conscious incompetence development level individuals have a situational motivation relative to rhetoric-based self-improvement, low-developed self-assessment skills regarding communicative abilities. The individual has basic knowledge of the principles of effective communication, peculiarities of communication in the area of linguistic performance, rules of cooperative communication, linguistic and rhetoric concepts and notions. The individual faces difficulties to carry out rhetoric analysis of a particular pedagogical communication situation and to use appropriate speech means and rhetorical techniques. The genre-based thinking strategies are poor.

The unconscious incompetence development level is marked by ignoring the value to acquire rhetoric competence. The cognitive interest is occasional and feeble. The individuals lack motivation for rhetoric-based self-improvement. They possess low level of self-assessment skills regarding communicative abilities. The individuals have elementary and fragmentary knowledge of the principles of effective

communication, peculiarities of communication in the area of linguistic performance, rules of cooperative communication, linguistic and rhetoric concepts and notions. They are unable to perform rhetoric analysis of a particular pedagogical communication situation and to use relevant speech means and rhetoric techniques. The genre-based thinking strategies are unsatisfactory.

On account of the subject matter of the cognitive component, its criterion is appropriately referred to as perceptive and informational. In order to identify the indicators of this component a uniquely designed test «Awareness scale in areas of rhetoric, communication and linguistics» has been used.

The consolidated results obtained by this indicator are displayed in Table 1. (See Table 1).

Table 1

Distribution of rhetoric competence levels based on cognitive component

Indicators	Levels in %					
	Unconscious competence		Conscious incompetence		Unconscious incompetence	
	Masters	Teachers	Masters	Teachers	Masters	Teachers
Awareness of the principles of effective communication; peculiarities of communication in the area of linguistic performance; rules of cooperative communication; key linguistic and rhetoric concepts and notions	11.5	11	45	47	43.5	42

As shown in Table 1, the indicators of the rhetoric competence development relative to the cognitive component of informational and perceptive criterion at the verification stage of the experiment have referred mostly to the conscious incompetence level, with approximately equal quantitative indicators manifested by the prospective teachers and primary school teachers: 11.5% of the surveyed masters and 11% of the teachers have reported the unconscious competence level; 45% of the students and 47% of the class teachers have demonstrated the conscious incompetence level, 43.5% of the masters and 42% of the teachers have recorded an unconscious incompetence level.

The scope of the rhetoric competence possessed by the prospective primary school teachers in terms of the efficiency and performance component has been

determined by inspecting the distinguished indicators of activity and behavior-based criterion.

A uniquely designed test «The scope of rhetoric skills» has been applied in order to identify the development level of rhetoric skills possessed by the prospective teachers. A questionnaire «Features of the teacher’s genre thinking» has been used to investigate the development level of the teachers’ genre-based thinking strategies. The scales of speech skills have been examined by observation and peer review methods.

The consolidated results obtained by this indicator are displayed in Table 2 (See Table 2).

Table 2

Distribution of rhetoric competence levels based on efficiency and performance component

Indicators	Levels in %					
	Unconscious competence		Conscious incompetence		Unconscious incompetence	
	Masters	Teachers	Masters	Teachers	Masters	Teachers
Rhetoric competencies	9	10	43	45	48	45
Genre-based thinking strategies	10	11	42	43	48	46
Speaking competencies	20	21	51	53	29	26
Total	13	14	45.3	47	41.6	39

As shown in table 2, the indicators of the rhetoric competence development possessed by the prospective primary school teachers in terms of the efficiency and performance component of the activity and behavior-based criterion at the verification stage of the experiment has referred mostly to the conscious incompetence level, with approximately equal quantitative indicators manifested by the prospective teachers and primary school teachers: 13% of the surveyed masters and 14% of the teachers have reported the unconscious competence level; 45.3% of the students and 47% of the class teachers have demonstrated the conscious incompetence level, 41.6% of the masters and 39% of the teachers have recorded the unconscious incompetence level.

The scales of rhetoric competence development possessed by the prospective primary school teachers relative to the reflective and motivational component have been determined by inspecting the specified indicators of the subject-oriented criterion.

The indicators of the specified criterion have been identified by the following diagnostic tools: a uniquely designed questionnaire «My attitude to rhetoric activity»

has been used to verify a rewarding motivation for rhetoric-based self-improvement. A test involving the methodology proposed by V. Sinyavsky, B. Fedoryshyn has been employed to check self-reflection and self-evaluation skills regarding communicative abilities. A questionnaire «What type of speaker are you?» (Annushkin, p. 46) has been used to test reflection competency to perform rhetoric and pedagogical activity.

The consolidated results obtained by this indicator are displayed in Table 3 (See Table 3).

Table 3

Distribution of rhetoric competence levels based on reflective and motivational component

Indicators	Levels in %					
	Unconscious competence		Conscious incompetence		Unconscious incompetence	
	Masters	Teachers	Masters	Teachers	Masters	Teachers
Reflection competencies to perform rhetoric and pedagogical activity	21	22	52	54	27	24
Self-assessment skills regarding communicative abilities	26	24	56	54	18	22
Willingness, rewarding motivation for rhetoric-based self-improvement	25	28	55	58	20	14
Total	24	24.6	54.3	55.3	21.6	20

As shown in table 3, the indicators of the rhetoric competence development possessed by the prospective primary school teachers regarding the reflective and motivational component of the subject-oriented criterion at the verification stage of the experiment have referred mostly to the conscious incompetence and unconscious incompetence level, with approximately equal quantitative indicators manifested by the prospective teachers and primary school teachers: 24% of the surveyed masters and 24.6% of the teachers have reported the unconscious competence level; 54.3% of the students and 55.3% of the class teachers have demonstrated the conscious incompetence level, 21.6% of the masters and 20% of the teachers have recorded the unconscious incompetence level.

The consolidated results on the scope of rhetoric competence possessed by the prospective primary school teachers at the verification stage of the experiment are shown in Table 4 (See Table 4).

Table 4

Distribution of the scope of the rhetoric competence

Indicators	Levels %					
	Unconscious competence		Conscious incompetence		Unconscious incompetence	
	Masters	Class teachers	Masters	Class teachers	Masters	Class teachers
Cognitive component	11	11.5	45	47	43.5	42
Efficiency and performance component	13	14	45.3	47	41.6	39
Reflective and motivational component	24	24.6	54.3	55.3	21.6	20
Total	16	16.7	48.2	49.7	35.5	33.6

According to the figures presented in Table 4, the quantitative data manifested by the prospective teachers and class teachers slightly differ and fluctuate around 2%; the respondents have mostly referred to the reflective and motivational component of rhetoric competence, since the highest indicators shown by the prospective teachers with the rhetoric unconscious competence at the verification stage of the experiment have been respectively represented by 24% of the masters and 24.6% of the class teachers, the least formed referred to the cognitive component; the unconscious competence level has been recorded by 11% of the masters and 11.5% the class teachers respectively.

The study of the components of the acquired rhetoric competence at the verification stage of the experiment has enabled us to determine that the masters' scope of competence refers mostly to the conscious incompetence level of the rhetoric competence, manifested by 48.2% of the prospective teachers and 49.7% of the teachers. 16% of the masters and 16.7% of the teachers have showed the unconscious competence level; the unconscious incompetence level has been recorded by 35.5% of the prospective teachers and 33.6% of the class teachers.

Conclusion. The most essential prerequisite for the development of rhetoric competence is the acquisition of rhetorical knowledge, rhetoric competencies and particular personal strengths (advanced genre-based thinking strategies, enriched and developed cohesive speech), willingness and ability of the graduate student to

successfully carry out rhetoric and pedagogical activity and perform follow-up self-assessment, embraced by reflection efforts and managed by the teacher of the higher education institution.

The results of the experiment have highlighted actual poor development of the cognitive, efficiency and performance components of the rhetoric competence possessed by the prospective teachers, as it occurred that only one fifth of the respondents have manifested the unconscious competence level of rhetoric competence. The requirement for the development of the cognitive, efficiency and performance components of rhetoric competence is crucial in the higher educational process. It is assumed that the course «Pedagogical Rhetoric» introduced into the training program of prospective primary school teachers shall ensure comprehensive formation of rhetoric competence of future teachers.

Further research prospects are regarded in designing the pedagogical tool box intent to develop rhetoric competence of prospective teachers.

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PROBLEMATIC ISSUES OF STATE COMMUNICATION IN UKRAINE

Every year new information reality is becoming more and more evident, which is manifested in wide access to various information, knowledge, messages and so on. Along with the information space, an important aspect of globalization is presented by the communicative space, in which an important role is attributed to political communication as a dialogue between states and as an interstate communication interactions that influence the global political process. Searching for effective ways of communication policy implementing and consistent actions in systematic implementation of constructive decisions of state communication implementation, development of legislative acts of communication and state policy will give an opportunity to effectively move towards positive changes. Thus, the most important things are: systematic implementation of changes starting from the state constitution in the field of communication management; verbal image of the government official, his linguistic communication to gain the trust of the society; clear explanation of the decisions and reforms that will lead to overall well-being and global recognition.

Key words: communication, political communication, state communication, public communication.

Дубовик Наталія, Кирилюк Наталія. Проблемні питання державної комунікації в Україні.

З кожним роком все більш стає відчутною нова інформаційна реальність, що проявляється у широкому доступі до різноманітної інформації, знань, повідомлень тощо. Поряд з інформаційним простором, важливим аспектом глобалізації є комунікативний простір, у якому важливу роль відіграє політична комунікація, як діалог між державами, так і внутрішньодержавні комунікативні взаємодії, що чинять вплив на світовий політичний процес. Пошук ефективних шляхів здійснення комунікаційної політики та послідовних дій у системному впровадженні конструктивних рішень здійснення державної

комунікації, розробка законодавчих актів комунікаційної і державної політики надасть можливість ефективно рухатись у напрямку позитивних зрушень. Найголовнішим повинно стати системне впровадження змін починаючи з конституції держави у питанні управління комунікаціями; вербального іміджу державного управління, його мовної комунікації для отримання довіри суспільства; чіткого роз'яснення рішень та реформ, які призведуть до загального добробуту і світового визнання.

Ключові слова: *комунікація, політична комунікація, державна комунікація, політична комунікація.*

Relevance of the research topic. The changes that are taking place in the modern world are dependent on the practices of global information exchanges and are linked to the globalization trends. Every year new information reality is becoming more and more evident, which is manifested in wide access to various information, knowledge, messages and so on. Even though the combinations of information and telecommunication space dissolve boundaries between states and creates a sense of a single global community, globalization is a contradictory process in political, socio-economic and cultural life.

Formulation of the problem. Along with the information space, an important aspect of globalization is presented by the communicative space, in which an important role is attributed to political communication as a dialogue between states and as interstate communication interactions that influence the global political process. In general, «communication is a necessary element of interaction between people, groups, nations, states in the transmission of information» (Pryluts'ka et al., 2016, P. 73).

Political communication in Ukraine is sluggish in the absence of a strategy, namely a communication state strategy. Therefore, the issues of identifying and elimination the weaknesses of communication policy, seeking an understanding of the authorities' actions, confidence in them and active communication interaction are relevant, but at the same time are insufficiently studied.

Analysis of recent studies and publications. The concept of communication began to develop in the early twentieth century. Beginning with the development of the researches of Z. Freud, K. Jung, E. Bern, K. Rogers, Y. Moskovichi, further gaining importance in various concepts, in particular by R. Jacobson, Y. Lotman, U. Ecu, T. Newcom, Marshall McLunan, Daniel Bell, Neil Postman, Tom Stonier, John Broadus Watson, Edward Lee Thorndike. The basis of modern communication policy rests upon the teachings of P. Lazerfeld, G. Alport, W. Schramm, G. Lasswell. The theory of communicative action by J. Habermas and system theory by N. Lumanare considered as unsurpassed in the development of modern theory of communication.

Among Ukrainian researchers of various aspects the following scientists – V. Bebik, V. Bortnikov, M. Vlasenko, N. Gritsyak, L. Degtyareva, O. Zaslavska, S. Zelinsky, S. Zorko, B. Kalinichenko, I. Kolosovska, A. Kudryachenko, Y. Padafet, O. Porfimovich, G. Pocheptsov, M. Sirotich, P. Unguryan, O. Shvets, and others consider in their works the issues of communication, communicative space and communicative politics in general.

Presenting main material. The main objective is to cover the problematic aspects of state communication: lack of systematic approach, linguistic competence of government officials, issues of trust in the authorities and so on. Searching for effective ways of communication policy implementing and consistent actions in systematic implementation of constructive decisions of state communication implementation, development of legislative acts of communication and state policy will give an opportunity to effectively move towards positive changes.

Communication should be understood as means of transmitting information from one person to another, as a social information exchange and, in the broadest sense, as means of connecting all spheres of society.

Communication, as the transmission of information from one person to another, and information as social interchange, consists, in the first place, of a verbal component. When communicating, we exchange ideas, learn, and at the same time, we can bring something new.

However, at the state level, there is no real awareness of the importance of the role of communication in achieving overall well-being and success. Recent political developments in Ukraine (presidential and parliamentary elections) have stirred up the political elite, attracted the attention of the general population, and demonstrated the results of communication policies that are diametrically oppositely evaluated both in the field of professionals and in the society at large.

Political communication is a broader concept of state communication. In terms of understanding the essence of categories, the opinion of modern researcher T. Lomakina is quite correct.

Political communication is first and foremost a governance process in which organizations or individuals, through targeted communication and action, seek to influence citizens for the sake of their good reputation and support, through purposeful communication and action (Lomakina, 2019, 146).

Public communication is the systematic activity of all public sector institutions (president, parliament, government, territorial representations of authorities, courts, attorney general's office, etc.) to pass on to citizens and their associations information on the interpretation of public decisions and reforms, protection and promotion of public rights and values, support for institutional design and social connections, positioning the state for audiences abroad (Lomakina, 2019, P. 146).

The positive effectiveness of communications must be consistent and systematic. Without a systematic approach, systemic success cannot be achieved. This

should not be a one day event or one single event, but a logical interconnection of communication actions towards positive developments in Ukraine. It is important for most institutions to draw conclusions and transfer the experience of communications and their importance to further management.

Every time we can see the government communications fail, because political communication must be an integral part of government communication. It is crucial to determine the ideology and values we follow, the direction of development and the paths of achievement that will determine the essence of political communication. As for the state communications, it must be a systematic work with the population to clarify, for example, tariffs for housing and communal services, to explain why some issues are considered by the state as a priority at the moment, and why these issues are put into the forefront, why something is happening in a certain way, and not otherwise, it is also a call for the population to join and act as the state considers it necessary.

At present, there is no clear distinction between those responsible for political communications and those responsible for state communications. This is neither at the level of understanding nor at the level of embodiment. However, the functions of political and state communications are quite different. And if the functions of political communication are constant and steady-going, then the functions of state communication change depending on the ruling political elite.

In Ukrainian political realities the question about the role of communication in the system of government raises serious concern. All managers' actions should be explained. The explanations should be designed for the target audience, and even more, they should be based on the opinion of that target audience. That is, any civilized society builds its own policy based on opinion polls to understand what is important for the population at the moment, and then it is necessary to prioritize the issues that need to be addressed first. These should not be issues determined by the interests of the President, but if the issue is proclaimed, then it is necessary to clarify why these issues are in priority and what are the ways to solve them, what are the deadlines, costs, etc. This is the essence of the managerial role of communications: every management decision and its implementation process must be explained.

The problem is that the issues are not resolved, are not clarified and there is no liability for the consequences. That is, mass explanations to the population about certain reforms are not provided, and this, incidentally, is the reason of the defeat of the previous elite, which failed to «sell» the reforms to the population, in other words could not explain them. The new political elite sets itself up differently than its predecessors, but also does not explain its activities. In addition, another aspect of political communication is currently arising – the linguistic competence of the politician, as the manager's purely linguistic abilities, which influence his oratorical skills, his ability to persuade and inspire the public's confidence.

It is only through knowledge, understanding, acceptance and trust that one can convince the population and win its recognition.

Last, most important. Trust, as a scientific category, has many approaches to consideration, long-established theories and doctrines. German sociologist G. Zimmel, one of the founders of researches on this phenomenon, noted that trust is «one of the most important synthetic forces in society» (Simmel, 1950, P. 326). G. Zimmel also defined trust as «the mean state between knowledge and ignorance» (Simmel, 1968, P. 263).

The approach of N. Luman, who chose the system-theoretical approach to clarify the essence of the concept of «trust», was also interesting. In this approach, trust can be seen as a mechanism that contributes to reducing social complexity or taking a risky step forward.

Political scientist and economist F. Fukuyama defined trust as «an expectation that arises in a community of regular, truthful and collective behavior based on social norms on the part of other members of that community»(Fukuyama, 1996).

Researchers have never come to a united understanding of the universal definition of trust (Mühl, 2014). However, first you need to know what is happening, secondly to understand why everything is happening, thirdly to accept for yourself that it is really needed. To believe that everything that is going to happen will have positive changes for me personally, and only then, it will be possible to gradually build trust in the authorities.

But modern Ukrainian society has no institution that would pass through these stages. «We need to work to ensure that there is a better communication in the country, that our opinion of ourselves is no worse than opinion about us abroad, and that we learn to communicate what we have managed to do» (Bidenko A., 2018) noted Mariana Kaganyak, Ukrainian expert in international economic relations. The majority of the population is not aware of what the European integration will entail for the country, what will entail joining the EU, NATO and others. We've seen only slogans claiming that European integration and NATO are good. Only political communication in the system of country management and its ability to be influential (through linguistic and communication skills, ability to expression's own thoughts) are capable to promote avoiding misunderstandings and conflicts. Therefore, until communication takes a prominent place in the system of country management, further constructive and effective shifts become impossible.

Conclusion. Although communication takes a lot of place in a large number of legislative acts, the word «communication» is not constitutionally mentioned anywhere, but instead there is only information and coverage. Therefore, it is impossible to put into practice something that appears to be nonexistent, that is, what is not in the constitution. For example, it is impossible to create a communication budget because there is no single mechanism that would manage all communications. The country needs to create an institution that deals with the communication of state programs to change the view of those communication reforms that are being implemented.

Thus, the most important things are: systematic implementation of changes starting from the state constitution in the field of communication management; verbal image of the government official, his linguistic communication to gain the trust of the society; clear explanation of the decisions and reforms that will lead to overall well-being and global recognition.

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LANGUAGE TRAINING IMPROVEMENT OF LAW STUDENTS AT UKRAINIAN HIGHER EDUCATIONAL INSTITUTIONS

In the article language, speech and communicative competences of the most common legal professions, such as judges, prosecutors, lawyers, notaries have been described. The authors have proved the importance and necessity of language training improvement of law students. The proposal to specify the requirements for speech activity in the profesiograms of legal professionals has been made, because their formation level of language, speech and communicative competences is an indicator of their readiness for future professional activity.

Keywords: *language competence, speech competence, communicative competence, professional competence, the profesiogram of a lawyer.*

Федорова Людмила, Зайцева Ірина, Гопанчук Ірина. Удосконалення мовної підготовки юристів у вищих навчальних закладах України.

У статті здійснено опис мовних, мовленнєвих і комунікативних компетентностей найбільш поширених юридичних професій, зокрема судді, прокурора, адвоката, нотаріуса. Доведено важливість і необхідність удосконалення мовної підготовки студентів, які навчаються за спеціальністю «Право». Зроблено пропозицію конкретизувати вимоги до мовленнєвої діяльності у професіограмах спеціалістів юридичного профілю, адже рівень сформованості в них мовних, мовленнєвих і комунікативних компетентностей є показником їх готовності до майбутньої професійної діяльності.

Ключові слова: *мовна компетентність, мовленнєва компетентність, комунікативна компетентність, професійна компетентність, професіограма юриста.*

Relevance of the research topic. Due to the updating of content and forms of higher legal science and education in Ukraine, the approval of the state status of the Ukrainian language, especially after the Law of Ukraine «On ensuring the functioning of the Ukrainian language as a state language» was adopted by the Verkhovna Rada on 25.04.2019, the research topic is of high relevance. Taking into account the increasing role of the Ukrainian language in comprehension of nation-building and nation-wide processes, there is an urgent need to improve the linguistic training of law students in higher education.

Modern professional training of law students in higher educational institutions should be aimed at future professional needs. Moreover, it should form such a level of professional and general culture that will allow graduates to maintain high professionalism in any field of legal activity (legislative, executive, judicial, notary, operative-investigative, scientific-educational, etc.). One of the important components of a lawyer's professional competence is language, speech and communicative competence, the lack of which significantly lowers a lawyer's rating, depriving him of his professional perspective.

The problem of forming professional speech competence of prospective lawyers in the context of Ukraine's integration into the European educational area is extremely urgent today. Due to the importance of the following issue, the author has chosen the topic of the scientific paper. The purpose of the article is to draw attention to the problem of increasing linguistic and speech competence of legal specialty students in higher educational establishments of Ukraine and to make clear requirements for the language and speech in the profesiograms of lawyers.

Formulation of the problem. The system of higher legal science and education in Ukraine is currently facing dynamic changes related to updating the content and forms of professional training of prospective lawyers, the search for new promising models of their professional training in accordance with European requirements and professional standards. As a result the project «Concepts for reforming legal education», prepared by the Ministry of Justice of Ukraine and the Ministry of Education and Science of Ukraine on March 25, 2019, was presented for public discussion. The main aim of the new Concept is to create the conditions for modernizing the content of legal education. This project has several disadvantages, including the lack of a definition «quality legal education», lack of explanations of its educational programs' content, and uncertainty about general and professional competence of lawyers. But the most striking thing is that such key concepts as language competence, as well as the level of the command of the state language, were not mentioned in the document. Moreover, it should be noted, that it is urgent due to the Resolution of the Cabinet of Ministers of Ukraine dated April 26, 2017 No. 301» On the organization of certification of persons applying for admission to the civil service regarding the fluency in the state language» and the Law of Ukraine «On Ensuring the Functioning of Ukrainian as a state language» adopted by the Verkhovna

Rada of Ukraine on 25.04.2019. In Article 14, paragraph 1 it is stated: «Courts shall use the official language in the course of the judicial proceedings» (the Law of Ukraine).

Analysis of recent researches and publications. The ways of improving the professional speech of future lawyers have been the main problem for the researchers (N. Artykutsa, A. Bilonozhko, A. Kochubey, E. Tyagniryadno, M. Kryskiv, N. Chaban, T. Mozharova, O. Semenog, L. Nasilenko, O. Oliynyk, L. Fedorova, G. Onufrienko, Y. Pradid, L. Chernikov, and others. All of them emphasize the importance and necessity of compulsory study of the discipline «The Ukrainian language (for professional use)» at higher education institutions of Ukraine in legal specialties, in order to train highly qualified specialists in the field of law, who are fluent in the state language in speaking and writing. Some scholars express their opinions about the necessity to review the language training of lawyers and propose to introduce specialized language courses into the curricula of the law faculties of higher education institutions (Artikutsa, 1997; Semenog, Nasilenko 2015). So, in particular such disciplines as «Legal terms», «Legal language», «Editing and translation of legal texts», «Scientific style of legal language», «Legal journalism», «Judicial rhetoric» have been introduced at the National University «Kyiv-Mohyla Academy». At National Pedagogical University named after M.P. Drahomanov at the educational and qualification levels of «Master» there are such special educational disciplines as «Language of law and methods of its study», «Legal terms». These subjects are integrated because they synthesize the achievements of modern science in the legal and linguistic fields and help to increase students' communicative and professional competence.

Presenting main material. Lawyer's professional language is based on the laws of the modern Ukrainian language, its orthoepic, spelling, lexical, stylistic, morphological, syntactic and punctuation norms. Language is the first element of law. The language forms regulatory acts, texts of laws, etc. The language of a lawyer is closely connected not only with the generally accepted lexical and grammatical rules, but also with the requirements of legislative technique, needs and specifics of jurisprudence. The profession of a lawyer requires the use of accurate verbal expressions, legal notions, terms associated with the preparation and processing of various documents, with giving and getting information in oral and written form. According to N. V. Artikutsy's (1997), hardly in any other kind of written (and also oral) speech the external form of expression has such great and sometimes fatal value (in the life of the individual and the state as a whole), as well as in jurisprudence (Artikutsa, 1997). Even the incorrect punctuation mark can radically change the content of the text of the law. In turn grammatical errors in the documents lead to negative legal consequences. The inability of a lawyer to prepare a courtroom speech correctly, with clear intonation, and give a speech confidently and convincingly to pronounce is the reason for the failure during the court session. Consequently, all

mentioned above causes the inability of a lawyer to fulfill his professional duties in protecting the interests of the defendant properly, etc.

It should be noted that legal professions are very diverse and each of them is related to speech, with its specific aspects. Such characteristics as correct speech and accuracy of speech are of high importance. In order to follow them we need, on the one hand, legal terms, and, on the other, specialized vocabulary of those areas that we need to deal with and also data used by lawyers due to the certain court proceedings. So, there is no doubt that the requirements for speech should have been represented in the professionograms of lawyers. Unfortunately, it doesn't take place.

Let's define and analyze the linguistic and communicative competence of the most common legal professions, such as a judge, a prosecutor, a lawyer, a notary. In the monograph «Professional Communication Training of Future Lawyers: Theory and Practice», written by O. M. Semenog, L. A. Nasilenko (Semenog, Nasilenko, 2015) the authors describe communicative and linguistic competence.

A judge should know the peculiarities of communication with his colleagues, clients, be able to listen to witnesses, experts carefully, be able to ask questions, answer clearly and comprehensively, convey and express the content of verbal messages, speak publicly at court sessions, justify and make decisions in law regulatory and enforcement proceedings. The speech and written language of a judge (protocol, sentence) should be marked by conciseness, clarity of statements (Semenog, 2015, p. 28).

A prosecutor participates in court proceedings, prepares the indictment, gives evidence and proves them in the course of the defense controversy. So, he should have logical thinking, the ability to analyze the facts deeply. Besides he is supposed to conduct a qualified analysis of the evidence, convince other court session participants of the truth of the evidence, make sound legal decisions. In the course of the court proceedings, a prosecutor communicates with lawyers, experts, defendants, victims, witnesses, and he should find an appropriate approach, an appropriate word to each of them (Semenog, 2015, p. 29).

A lawyer, also called an attorney, counseling clients about legal options and representing them in criminal or civil court proceedings, should be able to provide the legal advice; advance the interests of a client, make complaints and other legal documents on behalf of his clients; perform legal services and represent a client in a court in the inquiry and preliminary investigation. An important component of a lawyer's professional activity is his explanations in the court of cassation. He should be able to state his view point in a qualified manner, to justify his conclusions. Moreover his communication style with clients and defendants should promote mutual trust (Semenog, 2015, p. 29–30).

A notary is an official who writes his official signature and stamps or seals various legal documents according to the state law (contracts, wills, letters of attorney, warrants, marriage contracts, etc.). Work with legal documents requires advanced

writing skills, professional knowledge of Documentation. The ability to conduct professional dialogue is an important ability for him: he should consult, explain, ask questions and answer them in a qualified manner (Semenog, 2015, p. 30).

Thus, the professional competences' review of the most widespread legal professions shows that lawyers of all specialties should have language, speech and communication skills and abilities, interpret and analyze facts and circumstances, various legal texts (laws, regulations, etc.) properly; make agreements and legal documents; to give qualified legal advice; to carry out legal actions in exact accordance with the law (accusatory, defensive speech, participation in court debates, speech situation of interrogation), etc.

It is extremely important for first year students to be aware of the linguistic peculiarities of law, the text of the law, the skills of a careful attitude toward the linguistic expression of legal norms (Artikutsa, 1995). The process of teaching the first-year law students of KNTEU as well as the results of the entry rectorial control show poor communication skills.

The students often, neglect the Ukrainian standard language, preferring mixed Russian-Ukrainian dialect. They do not feel confident in class and take a long of time searching for the suitable Ukrainian word in a particular communicative situation. This can be explained by the students' narrow vocabulary. Legal specialty students are afraid of participating in discussions, expressing their opinions. Serious drawbacks of students' speech are such as parasite words, monotony, lack of expression, fear of audience, and inability to speak in public. Consequently, it is so important for prospective lawyers to prepare themselves for professional activity during their studies at the university not only by mastering the compulsory disciplines that form the basis of professional training, but also to develop oral and written professional language skills and to form speech competence.

To improve the linguistic training of future lawyers in the curricula of Kyiv National University of Trade and Economics, the students need to study the discipline «the Ukrainian language (for professional use)», which aims to form a high level of communicative culture in the sphere of professional communication in its oral and written forms; to develop skills of practical command of the language in different types of speech activity due to professional needs.

As a result of studying the discipline «the Ukrainian language (for professional use)» students of law specialties should develop the following necessary abilities and skills:

1) **oral speech**: to monitor the purity and correctness of speech (absence of parasites, profanity); to express one's opinion accurately; to choose words from a synonymic chain which convey the meaning of the utterance as well as relate to the communicative situation; to use various language means to persuade the interlocutors; to use the right word stress, to pronounce words correctly, to follow the expressiveness of the diction; to be able and appropriate to use pauses, different intonation types and speech tempo to highlight important information; to build phrases and sentences

in different professional texts correctly; to make presentations with minimum use of notes confidently; to participate in discussions; to ask questions, answer clearly and comprehensively, give convincing arguments, etc. It is appropriate to use linguistic etiquette formulas depending on the communication situation (patterns of appeal to the familiar or unfamiliar, courtesy, apology, agreement, disagreement, etc.), aphorisms, quotes, proverbs, etc.

2) **written language**: draft and edit professional documents of various types: applications (a letter of application, memorandum, statement of claim); orders and instructions (one-off, special, general); protocols, decisions, acts, complaints, wills, agreements, contracts, etc.); texts of legislative and legal normative acts; different types of court speech texts; justify and formulate the texts of legislative and legal normative acts.

Conclusion. Thus, the formation level of linguistic, speech and communicative competence of future lawyers is an indicator of their readiness for professional activity, as well as a necessary precondition and a means of their professional self-realization. Therefore, we consider the study of the discipline «the Ukrainian language (for professional use)» to be compulsory in their professional training. Moreover the requirements for language and speech should be included in the professiograms of legal specialists.

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**APPROACHES TO THE FORMATION OF STUDENTS' LINGUISTICS
PROFESSIONALISM AT THE HIGHER LEARNING INSTITUTIONS
OF THE USA (foreign experience)**

This article deals with the pedagogical approaches to the formation of the US students' linguistics professionalism, highlights the approaches to the formation of students' linguistics professionalism of Guy Strickland and Janell Cox; each approach to the formation of the students' linguistics professionalism at Higher Learning Institutions of the United States is analyzed and the subject teaching of American professor Raym M. Jones, who worked with students in Ukraine is highlighted. Following to the principle of historicism, we briefly analyzed the facts that were the impetus to the formation of the students' linguistics professionalism in the United States. In historical consideration, higher education in the United States has certain characteristics, namely, that the type of higher education in the United States has become a general higher education, which had a long path of formation.

The most important is the necessity to diversify teaching skills, combining knowledge and experience. In order to meet the requirements of the third millennium, the teacher has to master the new important skills which are necessary to the teacher in the process of the subject teaching, in particular, the following skills: tolerate, use the latest technologies, creativity, team play, management of on-line technologies, communication, searching the necessary resources on the Internet network, continuous education, the pace sense of studying the discipline, adaptation to new students and their abilities for studying the new subject materials.

Keywords: *Higher Learning Institution, pedagogical approaches, formation the students' linguistics professionalism, modern development, motivation and skills.*

Зварич Ірина. *Підходи до формування професіоналізму з лінгвістики студентів у вищих закладах освіти США (зарубіжний досвід).*

У цій статті розглянуто педагогічні підходи до формування професіоналізму американських студентів, висвітлено підходи до формування професіоналізму студентів Гая Стрікленда та Джейнлл Кокс; проаналізовано кожен підхід до формування професіоналізму студентів у вищих навчальних закладах США та висвітлено викладання навчальної дисципліни американського професора Рейма Джонса, який працював зі студентами в Україні. Дотримуючись методу історизму та компоративного аналізу, ми коротко проаналізували факти, що стали поштовхом до формування професіоналізму студентів США. В історичному плані вища освіта в США має певні характеристики, а саме те, що тип вищої освіти в США став загальною вищою освітою, яка мала довгий шлях становлення. Зокрема метод компоративного аналізу використовувався для дослідження підходів до формування професіоналізму студентів США і з'ясування спільних та відмінних підходів до формування професіоналізму студентів у вищих закладах освіти України і США.

Ключові слова: *вищий навчальний заклад, педагогічні підходи, формування, професіоналізм студентів, розвиток освіти, мотивація, вміння, викладач.*

Introduction. The new millennium is marked not only by the outlook of the world community in the future, the reform of higher education, the modernization of higher education institutions, but also by the qualitative level of students' preparation for useful further work, the formation of skills. It is important to build up-to-date education in the context of requirements and opportunities that meet international standards and have a qualitative approach to the learning process, including pedagogical approaches to the students' language training, in particular to the formation of the US students' linguistics professionalism. In order to successfully solve the problem of students' language training, especially to form the students' linguistics professionalism at higher learning institutions in Ukraine, it is necessary to study foreign practice and introduce better experience in the educational process.

Aim and purpose of research. This exploration is devoted to the study of the pedagogical approaches to the formation of the US students' linguistics professionalism and language skills, so the purpose of this article is to explore the approaches to the formation of students' linguistics professionalism of Guy Strickland and Janell Cox; the coverage each approach to the students' language training at US higher learning institutions. Therefore, the purpose of the article is to highlight the pedagogical approaches to the formation of students' language training skills at US higher learning institution

Analysis of the basic research and publications. American scientists Guy Strickland (1998) and Janelle Cox prefer (2019) to highlight approaches to the skills developing of the US students. Guy Strickland (1998) highlights the learning process,

including its positive and negative effects to gain the subject knowledge, and Genell Cox (2019) offers new approaches to the language training which are required to the formation of students' linguistics professionalism as in the US higher learning institutions and Ukrainian ones as well.

Karabulut-Ilgu, Cherrez and Jahren (2018) suggest the analysis of studies published in the period from 2000 to May 2015 on the use of inverted engineering education. The authors came to conclusion that inverted learning is very effective.

The research done by Chao, Chen and Chuang (2015) was also aimed at exploring the benefits of the inverted approach to learning for students. The researchers shared the results of the use of inverted learning to the study of projecting computers using high school bridges.

Summary of the main ideas. The development of pedagogical approaches to study the subject, in particular the students' language training and improving the quality of the education process at US higher learning institutions is due to a rethinking the teaching traditional forms and methods, an increase in the complex of new technologies, the widespread use of new, non-traditional forms of learning.

There is much progress has been done in the system of higher education in the United States. Due to the reforms in the American society, education is becoming more open and diverse. The process of meaningful study the learning subject is very important, in particular the formation of students' linguistics professionalism and the language training of students, because the programs in American institutions of higher education are aimed at obtaining a profession of narrow specialization.

The very important scientific work has been investigated by Guy Strickland's «Bad Teachers» (1998) where he points out that the success of a student's skills depends on the quality of the education process because it is a kind of mirror that impartially and accurately reflects a certain step of learning, provides an opportunity to reflect on whether time was spent effectively in the learning process and whether the state goals were being achieve. The American researcher rightly points out that if teachers unprofessionally carry out the education process and are light-hearted in determining the students 'knowledge level quality, in particular, do not check the written assignments, so they do not know how to do it, they do not have professional skills to correct mistakes, make adjustments in students' written works.

Despite the complexity of the US education system, Guy Strickland (1998) notes that the quality of education process, which is carried out in the classroom by the lecturer, depends on the success of US students' learning as a whole, because the level of studying material and skills are formed and the students' linguistics professionalism is formed as well. In his opinion, if students do not have time to complete the proposed tasks in the allotted time, it indicates that: they have not mastered the past educational

material and are not ready to perceive the new ones; the offered studying tasks do not correspond to the level of requirements for the program of higher education institution, faculty, course; the teaching process had disadvantages and miscalculations in the lecturer's work during the subject learning; pedagogical process of determining the quality of students' knowledge level does not meet the modern standards, because a lot of allotted time is spent establishing discipline in the audience, explaining the proposed studying tasks, etc.

Nowadays, there is being paid the great attention to the latest technology in the US, the ability and skills of using the Internet resources, reproaches to the formation of students' linguistics professionalism, in particular highlighted ten important skills which are necessary to the teacher in the process of subject learning, including language training.

Janelle Cox (2019) notes that lecturers should diversify their teaching approaches, combining them with their knowledge and experience. In order to keep up with the requirements of the third millennium, the teacher must master the new important skills which are needed to the teacher in the process of subject teaching, in particular, the ability: to tolerate, use the latest technology, creativity, team play, managing online technologies, communication skills, resourcefulness on the Internet, continuous learning, a sense of the pace of study of the discipline, adaptation to new students and their ability to study the subject.

Ability to endure. The patience of the teacher, the ability to withstand the pranks of students, and sometimes to the indecent behavior and student response, then to understand and find common approaches to mastering the subject, in particular to the formation of students' linguistics professionalism. Due to the teacher's patience, his/her ability to wait, students do not embrace unnecessary emotions and he/she is in no hurry to do irritable actions. If the teacher has patience, then he/she is able to see, but not notice, hear, but not to listen. A such lecturer can hear a lot, but listen only that what he/she chooses. It is the wisdom to endure and see but not to look, to hear, but not to listen. If the teacher possesses this wisdom that comes through patience, then he/she is automatically able to use his/her intellect as a filter that leaves only what is necessary inside and cleans everything unnecessarily.

The ability to use the latest technologies is a necessity for modern teaching the learning subject – it is a requirement of the new millennium to keep up with the new technologies. The teacher must not only be able to use modern technologies, but also to know which digital device is suitable for students. State-of-the-art technologies help students to better develop their own cognitive abilities, enrich their own experience, help to know themselves, self-define and self-actualize, and form own professionalism that is needed for further employment. Thus, for shaping professional competences of

future specialists it is necessary to apply innovative technologies: information computer technologies, project method, role games, etc. As experience shows, application of the above-mentioned technologies will enable improvement of methodological and other competences of teachers (O. Ustymenko, N. Maiier, 2018).

Creativity is the constant searching the original solutions for the solving the tasks, creativity of thinking and fantasy, the ability to see the sequence of actions and the final result. Janelle Cox (2019) notes that the most effective tool which a lecturer should use is his/her imagination. Because the Common Core State Standards (CCSS) are implemented in educational institutions, teachers think that they need to use their imagination more than ever, which is why lecturers should use creativity in the learning process and come up with unique ways to get interested students in the study the necessary materials for forming the students' linguistic professionalism.

Team play is the play when the teacher is involved to the work as part of team and he/she is the member of this team. Janelle Cox calls it the «team training» when the lecturer does the task together with students, and this gives to the students the better grasp of knowledge and gaining skills for their professional employment. As team play is a test, endurance, activity and preparation for future useful occupation, it is very important to introduce game moments in the course of studying the learning subject (I. Zvarych, S. Ralaur, N. Prymachenko, I. Romashchenko, I. Romanyshyna, 2019).

In the course of team play, students focus and strive to accomplish tasks for the other team, thus developing attention and creativity of thinking, and they do not notice that they are learning under the guidance of the teacher. As a rule, team games with elements of competition are fun and non-coercive. If such teamwork courses take place in the system of subject study, then this type of work brings tangible results in the development of students' linguistics professionalism, in particular to gain knowledge for further occupation.

Ability to manage on-line technologies. With the development of modern technologies, most teachers are online. Modern lecturers need to know how to manage their online technologies, as online activities are done in real time.

The development of on-line technologies, in particular information, promotes the development of students' intellectual abilities to study the learning subject, predict the results of their activities, develop a strategy for finding ways and methods for solving problems – both as educational and practical. The ability to manage online technology provides quick feedback between the teacher and students, and of course, the timely and successful completion the assignments of learning subject and forming the students' linguistic professionalism.

Communicativeness. Lecturers' ability to communicate with students, colleagues, teachers, parents is a teacher's skill to talk and maintain dialogue during the interview process.

V. Kahn-Kalyk (1987) highlights the most effective communication skills, in particular, to communicate with students through a properly established communication system, to organize creative activities with students, the ability to purposefully organize and manage communication. The teacher can communicate only if he/she possesses certain communicative abilities, including emotions, a desire to share thoughts, feelings, sympathy emotions, such as likeness, dislike, respect to the students in the process of communication with them, etc. It is only the presence of these emotions and the need to realize them, which testify the teacher's inclination to communicate, his willingness to present the subject learning material.

Karabulut-Ilgu, Cherrez and Jahren (2018) suggest the communication in the process of learning subject, especially the inverted learning in education. He underlines that is the effective approach of education.

Finding the Internet resources underlines, the teacher's ability to use the online resources, including the ability to find creative tasks and engaging resources that will help to interest students in learning subject; search the new applications to use and browse the web-sites for carefully study the learning subject and improve your professional skills. The Internet offers great opportunities to use educational resources in the teacher's work, including access to resources as a tool for finding the necessary additional material for studying the learning subject, improving communication and intellectual experience, providing the existing world experience, etc.

For professional training of future specialists, it is very important to find the Internet resources which will enable the introduction of new methods into the educational process (O. Stavytskyi, M. Urazgaliyeva, 2018).

Scientists I. Ghritchenko, I. Nesterenko in their study prove the positive result of using Internet resources in the educational process to improve the efficiency and quality of training (Ghritchenko, I., & Nesterenko, I., 2016).

Continuous learning is a prerequisite to improve the teachers' professionalism, as they aware that they should search the learning material and to be constantly searching for the truth and they are sure that too much knowledge could never be enough in their professional activity, so teachers try to attend seminars, master classes, and undergo advanced training, which will make them better in the course of teaching. It should be noted that there are many factors in the information society that make it necessary to constantly update the education received in order to provide up-to-date material for mastering the learning subject in a timely manner. That's why a teacher cannot carry out the learning process unless he/she possesses meaningful and in-depth knowledge of the subject being taught. Guy Strickland believes that a teacher cannot teach students mathematical actions, if he/she cannot add, the teacher cannot teach students to read or write, if he/she does not know the literature or makes mistakes in writing (G. Strickland, 1998).

The approach of continuous learning is very important for students' interest in acquiring knowledge, skills, experience, motivating the participant in the learning process to continue education and forms the satisfaction from what has been achieved (D. Dicheva, C. Dichev, G. Agre, & G. Angela, 2015).

Pace feeling the study of learning subject, the teachers should feel the pace of study the learning subject, in particular the students' willingness to determine the quality level of their knowledge. If the training program is exhausted, then the time for reviewing the learning material is taken, so the teachers slow down the rate of submission the new material in the process of teaching. In our humble mind, it's not necessary to be slow in studying, because it should better to review the learning material and aware it thoughtfully.

Adapting to the new students and their ability to study the learning subject, these skills must be shared by each teacher, as he/she needs to adapt to the new students in group before they start quickly master the learning subject and study the new material; to students' behavior of their requirements; lessons' plans and more. Knowing the material and be adapted to the new students, the lecturers are ready to communicate with students and discuss the learning topics professionally including students' interests and improving their professionalism, in particular the approaches to the formation of students' linguistics professionalism.

In the course of studying the learning material and mastering the subject, US lecturers tactfully remind their students that gaining meaningful knowledge in mastering the learning subject and gaining professional skills is necessary for the employment of future specialists, because higher American learning institutions do not guarantee their employment. To gain meaningful subject knowledge, students are offered compulsory curricula and additional courses for advanced subject study and to acquire the skills of professionalism. The best US institutions of higher learning give their students the opportunity to take courses that meet their individual needs and which are not in their university's plan, that's why they have the opportunity to increase their knowledge level, skills and acquirements needed for further occupation. That's why in the US, there is an agreement between universities to send their students from one institution of higher education to another one in order to study the additional courses of learning subjects, which are interesting to students for developing their skills and formation the linguistic professionalism, improving the quality of students' knowledge level. This exchange of students significantly influences the acquisition of informative knowledge in the process of study the learning subject, and the acquisition of appropriate skills and acquirements in forming professionalism, in particular the linguistic one for future employment.

The inter-university training organization in the USA is one of the most interesting, attracting European experts. Its main appeal is mobility. In addition to the

basic theoretical learning subjects which are the cornerstone of studying, the curriculum includes comparing short specialized courses that can be quickly refined to reflect new developments in science and technology, and, if necessary, new cross-curricular courses can easily be developed to help training specialists in new areas which are dictated by scientific and technological progress.

Conclusion. The modernization of new forms and methods of teaching, in particular pedagogical approaches to the formation of students' linguistics professionalism, is an important means of improving the students' knowledge level and the quality of education as well. The analyzed approaches to the formation of US students' skills and acquirments can be used for formation the professionalism of students at higher learning institutions in Ukraine. First of all, the following pedagogical approaches to the formation of the students' professionalism, in particular the linguistic professionalism should be used in the process of studying the learning subjects: *ability to endure, the ability to use the latest technologies, creativity, team play, ability to manage on-line technologies, communicativeness, finding the Internet resources, continuous learning, pace feeling the study of learning subject, adapting to the new students and their ability to study the learning subject.* Preparing students from both Ukraine and the United States for future occupation involves certain personality traits: the ability to acquire knowledge independently; to improve skills and acquirments and bring them to automatism; the ability to think and process a large amount of information creatively and critically; communicativeness; ability to use the latest learning technologies.

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SOCIAL MEDIA: IMPACT ON LANGUAGE TRAINING

In the globalized world, when people who have grown up with personal computers are often called digital generation, understating of foreign languages is a prerequisite for successful employment in the labor market and effective business collaboration. The use of various social networking tools has influenced students' everyday life, and language learning is no exception. Popular social media, such as Facebook, Pinterest and YouTube, offer educators the ways to reinvigorate the classroom climate in higher education institution. Without any doubt, social media provide opportunities for students to develop digital skills, multiliteracy practices, to interact in and through the target language, to improve their pragmatic and linguistic proficiency.

Keywords: *social media, language training, higher education.*

Шумейко Наталія. Соціальні ЗМІ: вплив на мовне навчання.

У глобалізованому світі, коли людей, які виростили за допомогою персональних комп'ютерів, часто називають цифровим поколінням, знання іноземних мов є необхідною умовою успішного працевлаштування на ринку праці та ефективного ділового співробітництва. Використання різних інструментів соціальних мереж вплинуло на повсякденне життя учнів, і вивчення мови не є винятком. Популярні соціальні медіа, такі як Facebook, Pinterest та YouTube, пропонують викладачам способи активізувати клімат групи у вищому навчальному закладі. Без будь-якого сумніву, соціальні медіа надають студентам можливість розвивати цифрові навички, практики багатомовної грамотності, взаємодіяти на цільовій мові та через неї, вдосконалювати свою прагматичну та лінгвістичну майстерність.

Ключові слова: *соціальні медіа, мовна підготовка, вища освіта.*

Relevance of research topic. Learning tools, intended to improve students' language skills in the process of language training, may refer to computer-based educational resources. Accordingly, social media provide immediate motivation for

representatives of digital era and encourage learners to improve current level of proficiency in foreign language.

Formulation of the problem. Nowadays, the issue of bringing social media resources into foreign language learning process is relevant, as social media offer new prospects for students, involving learners in online learning trajectory, expanding the boundaries of the process of learning, improving indispensable language skills.

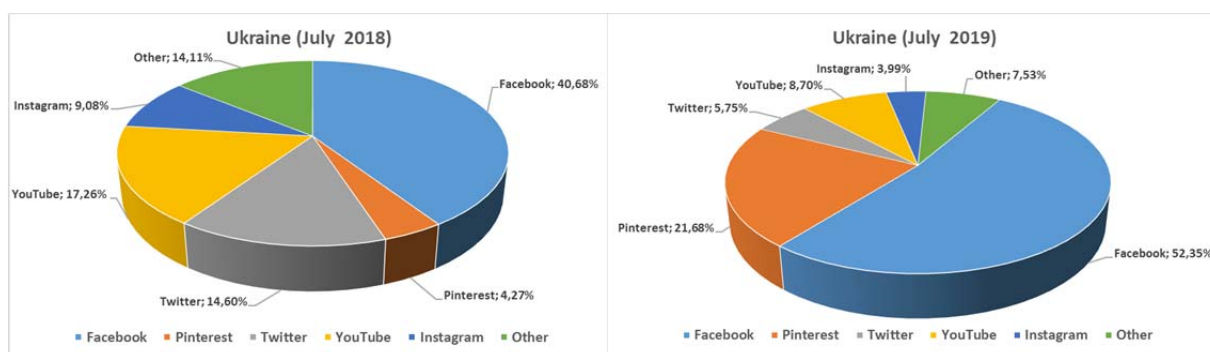
Analysis of recent researches and publications. Higher education space is definitely linked to the wide-ranging effects of globalization. In particular, the explosive growth of using social media in contemporary society has spurred a great increase of scientists' interest to language learning and training, involving appropriate Internet-based resources. Furthermore, the large-scale study, presented in Bologna Process Implementation Report in 2018, indicates: «digital technologies potentially may broaden access to higher education and to lifelong learning. They give learners the opportunity to participate in education in a more flexible way – both in time and in space» (The European Higher Education Area, 2018, 74). The scholars (G. Dettori, M. Hafedh, L. Lomicka, G. Lord, V. Li, H. Slim, S. Torsani, etc.) in modern scientific papers elucidated a wide array of the themes related to social networking and language learning. Researchers clarified the problems concerning the academic usage of social media, the use of social media for collaborative learning, the role of social media in teaching-learning process (M. Ali, W. Al-rahimi, M. Othman, M. Musa, K. Devi, E. Gouthami, V. Lakshmi, etc.). Moreover, contemporary pedagogical explorations are linked to social media use in higher education (I. Anagnostopoulos, E.-A. Paraskevopoulou-Kollia, G. Zachos, etc.).

Social media as a tool for communication is an effective means of interaction (Ali, 2017, 553–561; Al-rahimi, 2013, 90–95). In the modern world, students know the tenet of working in social networking websites, such as Facebook, YouTube, Pinterest, Instagram, Twitter, and others. It is rather relevant to indicate that in order to maintain motivation the higher education lecturer acts as a guide and controls students' activities. At the same time, students regulate their own learning. Furthermore, collaborative learning helps students to decide one shared objective together, as the lecturer is no longer in full control. So, a lecturer and a student may be seen as both a trainee and a trainer. University students find communication with the lecturer inspiring and useful (Devi, 2019, 96–103). Moreover, the combination of formal and informal learning is recommended as the way to enhance official language learning (Li, 2017, 148–153; Dettori&Torsani, 2013, 93–100).

Setting objectives. The current research is aimed at investigating the social media prevalence in Ukraine and distinguishing the theoretical considerations concerning the impact of social media on student's foreign language proficiency.

Presenting main material. The rapid development of computer technologies, globalization and socioeconomic progress has led to an increase in the quantity of people who prefer Facebook as the most effective social networking site. This

situation is also typical for Ukraine. This can be evidenced by the ‘Stat counter Global Stats data relating to the use of social media in Ukraine in 2018 and 2019 (Stat counter Global Stats, 2019). The author systematized the results of the analysis, based on ‘Stat counter Global Stats’, and offered consequences in the drawings1 and 2. So, it was exposed that in July 2019 Ukrainian people chose the following social media: 52,35% of people in Ukraine preferred Facebook; 21,68% – Pinterest; 8,70% – YouTube; 5,75% – Twitter; 3,99% – Instagram; 7,53% – other social media. In July 2018 Ukrainian people preferred the following social media: 40,68% – Facebook; 4,27% – Pinterest, 14,60% – Twitter, 17,26% – YouTube, 9,08% – Instagram, 14,11% – other social networking sites (Drawing1 and Drawing2).



Drawing 1. The use of Social Media in Ukraine in July 2018

Drawing 2. The use of Social Media in Ukraine in July 2019

As a result of conducted comparative analysis relating to popularity of using social media in Ukraine in July 2018 and July 2019 it was revealed that Ukrainians prefer Facebook rather than other social media, it’s worth noting that the number of Facebook users has increased in 2019, YouTube is very popular social networking site in Ukraine. Pinterest’s fame in Ukraine is considerable. It is confirmed by increasing number of Ukrainians who chose Pinterest in July 2019 comparing with July 2018. The conducted analysis indicates that social media has already integrated into Ukrainians’ daily life. Ukrainians use social networking sites to connect with each other, to share ideas, opinions and other contents, to stay in touch with friends.

Social media sites have become influential communication spaces among university students. Therefore incorporating of social media into language classes at the universities of Ukraine is compelling, as a great number of students in Ukraine use social media at least once per day. We address key considerations to adding Facebook, YouTube and Pinterest tools in the language classroom. Therefore, we focus on the conversation concerning three types of social media platforms: Facebook as prominently widespread social media site (Slim &Hafedh, 2019, 56–71); YouTube – popular social media site that is an outstanding option for watching videos; Pinterest – a tool that allows users to share images online.

According to certain scholars, Facebook can be a valuable tool for improving language skills for instance reading and writing. In reading – learners may gain experience in consequences of reading messages, in writing – through composing messages (Slim & Hafedh, 2019, 60). Moreover, YouTube is one of the most popular websites in Ukraine. In this regard, it is worth mentioning that YouTube is the vast resource for enriching content in the language classroom. Furthermore, Pinterest is a «visual discovery tool that people use to collect ideas for their different projects and interests». Students can make and share so called «boards» of visual bookmarks («Pins») that are used to do projects, save articles, etc. (Lomicka & Lord, 2016, 255–268).

Conclusion. Today the higher education institutions are gradually taking social media resources in the foreign language course curriculum. Progressively, social media tools are integrating into Ukrainian higher education institutions. Social networking sites, predominantly Facebook and Pinterest, are becoming increasingly widespread in modern Ukrainian realities by means of vastly growing number of Internet users. Social media have generated a tactic that brings individuals together, influencing both lecturers and learners, encouraging students to study and develop their foreign language skills, having in mind the veracity that social media unlock the path to education worldwide.

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Наукове електронне видання

**ГЛОБАЛЬНІ ІМПЕРАТИВИ РОЗВИТКУ БІЗНЕСУ
ТА ПРАВА**

**МАТЕРІАЛИ ІІ МІЖНАРОДНОЇ НАУКОВО-ПРАКТИЧНОЇ
КОНФЕРЕНЦІЇ**

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