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ЕКОНОМІКО-ПРАВОВОМУ ПРОСТОРИ:
СТУДЕНТСЬКІ СТУДІЇ**

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UKRAINIAN UNIVERSITY GRADUATES AND THE EU INSTITUTIONS: CAREER PERSPECTIVES

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European vector of Ukraine opens up new career perspectives for our University graduates in the EU institutions. Recent achievements of Ukrainian higher education at the international arena, namely, the admittance of three Ukrainian Universities and V.N. Karazin Kharkiv National University among them to the list of 500 world top universities proves a high professional level of Ukrainian University graduates. They are quite ready to participate in the EU institutions selection procedure as candidates for permanent contracts through open competitions. What challenges do they meet?

The usual procedure includes tests and assessment exercises designed to measure candidate's professional skills and a number of core competencies. In view of the very large number of applicants, this is the fairest and most transparent selection procedure. Applicants who pass a competition are placed on a reserve list from which the institutions draw recruits when they need them. The aim of a competition, then, is not to fill a specific post, but to constitute a reserve pool for recruitment needs as they arise.

The format of these competitions varies depending on the professional profile. Each competition is announced by a competition notice, giving full details of the profile, the eligibility criteria and the selection procedure. Generally, it takes 5-9 months to complete the selection procedure, starting from the date of publication of the competition notice.

An open competition generally involves two stages – Admission and Assessment. Both stages focus on professional skills and these general competencies:

– *analysis and problem solving*: identifying critical facts in complex issues and developing creative and practical solutions;

– *communicating*: communicating clearly and precisely both orally and in writing;

– *delivering quality and results*: taking personal responsibility and initiative for delivering work to a high standard of quality within set procedures;

– *learning and development*: developing and improving personal skills and knowledge of the organisation and its environment;

– *prioritising and organizing*: prioritising the most important tasks, working flexibly and organising workload efficiently;

– *resilience*: remaining effective under a heavy workload, handling organizational frustrations positively and adapting to a changing work environment;

– *team work*: working co-operatively with others in teams and across organizational boundaries and respecting differences between people;

– *leadership* (for graduate (administrator) profiles only): managing, developing and motivating people to achieve results.

Types of tests and exercises depend on the profile the candidate applies for. Here is an example of the competition to select graduates for generalist profiles in fields such as European public administration, law, economics, audit, etc.

	<i>Where</i>	<i>Type of tests</i>	<i>Language</i>	<i>Result</i>
<i>Admission</i>	A test centre in or outside Europe	Verbal, numerical and abstract reasoning skills <hr/> Situational judgment skills	Your main language <hr/> Your second language (English, French or German)	Applicants with the highest scores move on to the second stage, provided that their application also fits the profile
<i>Assessment</i>	A test centre in or outside Europe <hr/> Brussels or Luxembourg	General competencies tested by: - case study in the relevant field <hr/> - group exercise - oral presentation - structured interview	Your second language	Applicants with the highest scores are added to a database (“the reserve list”) from which the EU Institutions recruit.

This table shows that in general our graduates are well familiar with these test types being used to them at Ukrainian universities during their time of tuition. As for their language knowledge and skills they quite satisfy the high demand of EU institutions and the articles published in this collection are its best proof. Bachelors donations to the Second Students' Scientific and Practical Conference "FOREIGN LANGUAGES IN THE WORLD ECONOMIC AND LEGAL SPHERE" demonstrate their full awareness of the challenges they have to face while choosing their career and the high level of their readiness both in professional and in linguistic competences.

HOW TO QUALIFY AS A LAWYER IN ENGLAND AND WALES

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Abramova A.V., Manzhos Y.Y. How to qualify as a lawyer in England and Wales. The article describes the stages of qualifying as a lawyer in England and Wales, including academic, vocational and professional; exams of future lawyers; differences between representatives of different legal professions – barristers and solicitors.

Key words: academic, barrister, lawyer, solicitor.

Абрамова А.В., Манжос Я.Ю. Як отримати кваліфікацію юриста в Англії та Уельсі. У статті описані ступені, необхідні для отримання кваліфікації юриста в Англії та Уельсі, включаючи академічну, практичну та професійну; екзамени, необхідні для майбутніх юристів; відмінності між представниками різних юридичних професій – баристерами та солісіторами.

Ключові слова: академічний, баристер, солісітор, юрист.

Абрамова А.В., Манжос Я.Ю. Как получить квалификацию юриста в Англии и Уэльсе. В статье описаны ступени, необходимые для получения квалификации юриста в Англии и Уэльсе, включая академическую, практическую и профессиональную; экзамены, необходимые будущим юристам; различия между представителями юридических профессий – барристерами и солиситорами.

Ключевые слова: академический, барристер, солиситор, юрист.

The subject of the article is peculiarities of receiving legal education in England and Wales, the aim is to understand why embarking on a legal career is, as with other jurisdictions, a lengthy and complicated process. There are many stages, spanning a period of several years, which need to be completed in order to become a qualified lawyer.

The legal system of England and Wales is comprised of both common law and statutory law. The common law is created through decisions in the courts made by judges, who are obliged to follow previous decisions under the principle of *stare decisis* – legal precedent. The highest court is the UK Supreme Court, and its decisions are binding on all other courts. Statute is created via Acts of Parliament; the doctrine of parliamentary sovereignty stipulates that no institution is more powerful than Parliament.

Lawyers in England and Wales can practice as either solicitors or barristers. The top solicitors are often Partners or Senior Partners in successful law firms, while the leading Barristers become QCs (Queen's Counsel), and Judges [2].

The difference between solicitors and barristers is the following. Barristers are self-employed, solicitors are not (they are employed or partners). Barristers aren't allowed to form partnerships or companies, they trade as sole traders, but group together for economy and marketing under one roof which is called a 'chamber'. Because barristers within chambers are all independent from one another they can act on different sides in the same dispute, but solicitors in the same firm can't because they aren't independent and would have a conflict of interests.

Barristers are specialist advocates or specialists in a particular area of law (or both). Solicitors do also specialize, and some do their own advocacy, but most solicitors are primarily litigators. This means meeting the client, working out what the case is, sorting out the paperwork, communicating with the other sides' solicitors and where necessary instructing a barrister to advise about the law or to go to court and represent the client on their behalf.

Barristers spend a lot of their time in court, talking to other barristers, dealing with witnesses giving evidence and addressing the Judge. Solicitors often come to court to support a barrister by taking a note or having the files to hand in the case the barrister needs. Increasingly often a barrister attends court without a solicitor, as this is often more effective.

A barrister is often paid by the piece of work, i.e. to attend for the hearing and to draft the document. A solicitor usually bills by the hour. Barristers are usually sent to court because it is cheaper than sending a solicitor who bills by the hour or because the barrister is more experienced at dealing with the court side of the process (or both) [3].

Educational process to become a lawyer is very complicated. In order to become a lawyer in England and Wales, there are no specific subject requirements at high school. Despite the lack of specific requirements, it is highly recommended that candidates choose subjects which show an aptitude for writing, researching and logical thought. It is expected that candidates achieve formidable A-Level results, but the requirements depend on the institution. A small group of prestigious universities also require applicants to sit the National Admissions Test for Law (LNAT). This is an aptitude test based on reasoning and essay skills.

There are three key stages to becoming a lawyer in England and Wales:

1. Academic stage. This can be met by obtaining a qualifying law degree as the first degree (any of the routes on the undergraduate degrees including the LLB or the LLB Law and Property Valuation will fulfil this), or if a person has a first degree in a different subject, by taking either the Graduate Diploma In Law, or the two year Graduate Entry LLB at City. So, the first stage gives an undergraduate degree in law (LLB), or an undergraduate degree in any other subject followed by the conversion course.

A standard LLB undergraduate law course takes three years to complete. To qualify as a barrister or solicitor students are required to obtain a 'qualifying law degree'. For an LLB to meet the requirements of a 'qualifying law degree' the course must cover legal research skills and the seven foundation subjects:

- Obligations I (Contract Law)
- Obligations II (Tort Law)
- Foundations of Criminal Law
- Foundations of Equity & the Law of Trusts
- Foundations of the Law of the European Union
- Foundations of Property Law
- Foundations of Public Law [2]

2. Vocational stage. Once a person has satisfied the academic requirements, he needs to undertake a programme which provides the required legal skills training. This is met by taking the Bar Professional Training Course for intending barristers, or the Legal Practice Course for intending solicitors.

3. Professional stage. In order to be registered as a fully qualified barrister or solicitor, a further stage of training in practice is required. For barristers, this involves twelve months of pupillage, while for solicitors a two year training contract must be undertaken [6].

On completion of the Legal Practice Course (LPC), trainees in England and Wales must undertake practice-based training, known as a training contract. Training is usually undertaken full time over two years or part time over a longer period.

The practice-based training allows trainees to apply the skills and knowledge they have gained in a real work setting. Trainees carry out many of the activities undertaken by solicitors, including seeing clients and handling cases. Work is closely supervised and regularly reviewed during this time.

Although most trainees carry out their training contract in a private practice, it is also possible to undertake practice-based training with a range of other approved organisations, for example within local government, commerce and

industry, Government Legal Service (GLS), Crown Prosecution Service (CPS), HM Courts & Tribunals Service.

The Professional Skills Course (PSC) is taken during the training contract and must be completed in order to qualify as a solicitor. The PSC covers financial and business skills, advocacy and communications skills, client care and professional standards. On completion of all stages of training a person must apply for admission to the roll of solicitors in England and Wales in order to practice as a solicitor [4].

Training for barristers to finish their legal education. Pupillage is the final stage of the route to qualification at the Bar, in which the pupil gains practical training under the supervision of an experienced barrister. Pupillage is divided into two parts: the non-practising six months (also known as the first six) and the practising six months (also known as the second six). All pupils must be paid no less than £12,000, which is £1,000 per month plus reasonable travel expenses where applicable.

All pupils attend an Advocacy Training Course and Practice Management course during pupillage. A full qualification certificate will not be issued at the end of pupillage unless these requirements have been met. Barristers are also required to undertake a Forensic Accountancy Course during pupillage or during the first three years of practice.

All the Inns and circuits provide Advocacy Training Courses for their pupils and they will contact pupils directly with the details. Advocacy Training should, except in exceptional circumstances, be completed in the first six months of pupillage. If the course is not completed in the first six months, the non-practising months of pupillage will be extended until the course has been satisfactorily completed.

The purpose of the Practice Management Course is to provide information about a number of matters regarded as essential to those starting out in practice and to help make a bridge between pupillage and practice. There will be lectures, some structured seminars and an opportunity for informal discussion on a variety of topics, including personal and business finance, professional relationships with solicitors, practical advice from the bench about first appearances in court.

The aim of Forensic Accountancy Course is to introduce practitioners to the use of financial and accounting information in practice at the Bar. The aims of the course are to know what business, financial and accounting documents are relevant for the purpose of litigation; have a basic understanding of standard accounting systems, both documentary and computerized; be able

to communicate more effectively with accountants and experts on matters relating to monetary claims; be more confident in dealing with business, financial and accounting information in practice [1].

To sum up, becoming a solicitor or a barrister in England in Wales takes great levels of commitment, high intellect and a good work ethic. The benefits, both financial and personal, are rewarding. The profession of lawyers in the United Kingdom of Great Britain and Northern Ireland is vital because the common law system operates in England and it is difficult for people to understand all the laws and court precedents to protect themselves in court. To become a qualified lawyer (solicitor or barrister) one needs to come through the long way of education, including three main stages of training: academic (an undergraduate degree in law (LLB), or an undergraduate degree in any other subject followed by the conversion course), vocational (the Bar Professional Training Course (BPTC), which entails one year of full time study or two years' part time study), pupillage (one year spent as a pupil in barristers' chambers or in another organisation approved by the Bar Standards Board as a Pupillage Training Organisation (PTO)) [5]. The perspective of the research is the analysis of legal education in countries with the civil law system.

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REGULATION OF INTERNATIONAL TRADE DEVELOPMENT: UKRAINE – WTO

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Aleksenko V.O., Davydenko I.V. Regulation of international trade development: Ukraine – WTO. The article deals with research of current trends in international politics in the WTO, her impact on the global economy and the implications for the economy of Ukraine.

Keywords: economic of Ukraine, international trade, World Trade Organization.

Алексенко В.О., Давиденко І.В. Регулювання розвитку міжнародної торгівлі та взаємни з Україною в рамках СОТ. Стаття присвячена дослідженню сучасних тенденцій в міжнародній політиці в рамках СОТ, її впливу на розвиток світової економіки та наслідки для економіки України.

Ключові слова: економіка України, міжнародна торгівля, Світова Організація Торгівлі.

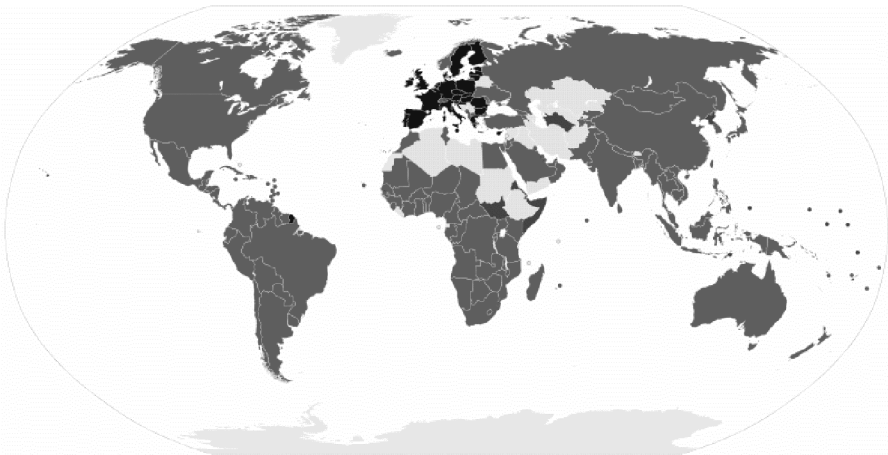
Алексенко В.А., Давыденко И.В. Регулирование развития международной торговли и отношения с Украиной в рамках ВТО. Статья посвящена исследованию современных тенденций международной политики в рамках ВТО, ее влияния на развитие мировой экономики и последствий для экономики Украины.

Ключевые слова: Всемирная Торговая Организация, международная торговля, экономика Украины.

The relevance of the chosen topic is grounded by the fact that the work considers complex international mechanism effects, due to which the international trade has evolved within the previous decades and which, in new quality, have become the foundation for the development of international goods and services exchange. The material of the study was derived from magazines, newspapers and online resources devoted to the problems the WTO functioning. The purpose of this research is to investigate current trends in international trade policy within the Ukraine – WTO relations.

The World Trade Organization deals with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible. The organization is aimed to help developing countries build their trade capacity so that they can participate more effectively in the multilateral trading system [2].

The WTO is run by its member governments. All major decisions are made by the membership as a whole, either by ministers (who usually meet at least once every two years) or by their ambassadors or delegates (who meet regularly in Geneva). While the WTO is driven by its member states, it could not function without its Secretariat to coordinate the activities. The Secretariat employs over 600 staff, and its experts – lawyers, economists, statisticians and communications experts – assist WTO members on a daily basis to ensure, among other things, that negotiations progress smoothly, and that the rules of international trade are correctly applied and enforced. WTO's current Director-General is Roberto Azevêdo, who leads a staff of over 600 people in Geneva, Switzerland. The WTO's total budget for 2014 is CHF 197,203,900.



Pic. 1. Map of members and observers of the World Trade Organization [10]:

- Member of the WTO;
- Member of the WTO, also represented through the European Union;
- Observers; – Not WTO members

Trade negotiations

The WTO agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions. They include individual countries commitments to lower customs tariffs and other trade barriers, and to open and keep open services markets. They set procedures for settling disputes. These agreements are not static; they are

renegotiated from time to time and new agreements can be added to the package. Many are now being negotiated under the Doha Development Agenda, launched by WTO trade ministers in Doha, Qatar, in November 2001 [11].

Implementation and monitoring

WTO agreements require governments to make their trade policies transparent by notifying the WTO about laws in force and measures adopted. Various WTO councils and committees seek to ensure that these requirements are being followed and that WTO agreements are being properly implemented. All WTO members must undergo periodic scrutiny of their trade policies and practices, each review containing reports by the country concerned and the WTO Secretariat [11].

Dispute settlement

The WTO's procedure for resolving trade disputes under the Dispute Settlement Understanding is vital for enforcing the rules and therefore for ensuring that trade flows smoothly. Countries bring disputes to the WTO if they think their rights under the agreements are being infringed. Judgments by specially appointed independent experts are based on interpretations of the agreements and individual countries' commitments [12].

Building trade capacity

WTO agreements contain special provision for developing countries, including longer time periods to implement agreements and commitments, measures to increase their trading opportunities, and support to help them build their trade capacity, to handle disputes and to implement technical standards. The WTO annually organizes hundreds of technical cooperation missions to developing countries. It also holds numerous courses each year in Geneva for government officials. Aid for Trade aims to help developing countries develop the skills and infrastructure needed to expand their trade [11].

Outreach

The WTO maintains a regular dialogue with non-governmental organizations, parliamentarians, other international organizations, the media and general public on various aspects of the WTO and the ongoing Doha negotiations, with the aim of enhancing cooperation and increasing awareness of WTO activities [5].

The WTO's top-level decision-making body is the Ministerial Conference, which usually meets every two years. The WTO's Ninth Ministerial Conference, held in Bali at the end of 2003, concluded with ministers approving the "Bali Package", a series of decisions covering trade facilitation, agriculture and development. The Conference also saw ministers agree to Yemen joining

the WTO. Earlier in the year, Laos and Tajikistan completed their accession processes, bringing the WTO's total membership to 159. In September, Roberto Azevêdo began his term of office as the WTO's sixth Director-General, succeeding Pascal Lamy.

The Lao People's Democratic Republic (Laos) and Tajikistan formally joined the WTO in 2013, raising WTO membership to 159. The Bali Ministerial Conference in December adopted the accession terms of Yemen and cleared the way for the country to join the WTO. The WTO provided further technical assistance to acceding governments, including a five-day seminar in Geneva. The China Programme, which aims to strengthen the participation of least-developed countries (LDCs) in the WTO, was extended for a further year.

The place of Ukraine into WTO

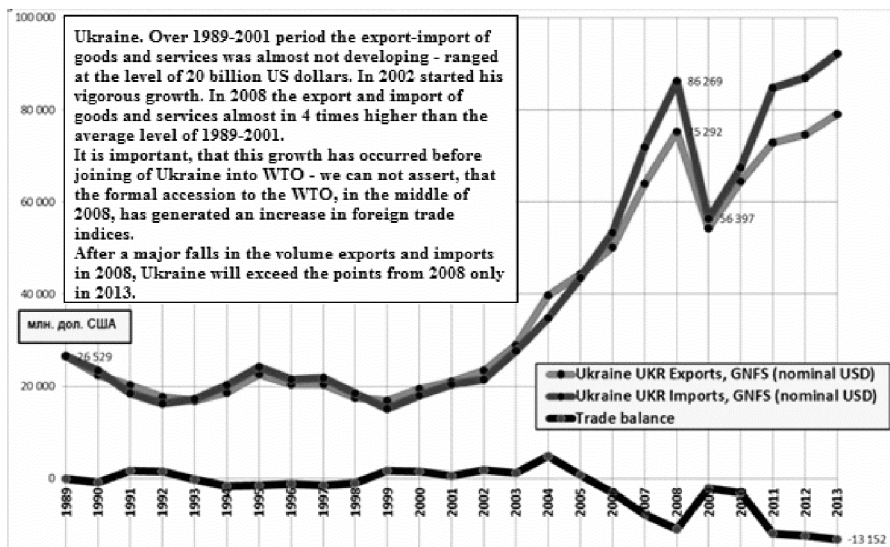
16 May, 2008 Ukraine became the 152nd official member of the WTO. In general, there are a lot of WTO membership benefits for Ukraine; they mainly concern various economic areas.

The general advantages and disadvantages of open economy are the following: goods will gradually reflect world prices and will be placed in the "most productive" sectors; at the same time the economy is not ready for implementation of global prices, because the purchasing power does not meet international standards; the government can put their resources into the sectors which are most competitive in international markets; economic activity can increase the impact of new trade opportunities and competition from abroad; the manufacture will have access to import resources; the final product can be of higher quality, etc.

These benefits are often offset by unemployment, retraining, support enterprises, total restructuring etc. However, the disadvantages of short period justifies of long-term payoff.

The specific advantages and disadvantages of WTO membership for Ukraine: 1. access to markets; 2. predictability and transparency; 3. institutional reform; 4. mechanism for the settlement of disputes; 5. participation in WTO decision-making; 6. improving the country's international image; 7. the possibility of derogation from the legal rules; 8. the reform of the tax and customs system.

It is estimated that the cumulative increasing prosperity of Ukraine's accession to the WTO is about 10% of consumption and provides GDP growth of 5% in the long term aspect. In turn, higher levels of GDP and, in particular, total exports led to a growth in real wages. During 2008–2013 the volume of Ukrainian exports of goods increased by 39.7% while imports – by 39.5% (Pic. 2).



Pic. 2. Exports and imports of goods and services in 1989-2013 in Ukraine [calculated by the author – Aleksenko V.O.].

It should be stressed, that WTO agreements provide some mechanisms to protect the domestic market, they are following: special protection measures in case of a sharp rise in imports; anti-dumping measures in case of imports at dumping prices; the compensatory measures in case of use forbidden subsidies in WTO; raising of the customs tariff rates and application of quotas in the event of a significant deterioration in the balance of payments; use of subsidies, that do not create a negative impact on competition and aimed at improving the competitiveness of domestic producers, including exporters; providing internal support for development of agriculture, in particular, the use of a special tax regime.

Conclusion. To summarize, it should be stressed that the WTO system regulates international economic relations. Regulation of international trade at the international level, is the co-adopted by governments of various countries on the basis of a compromise agreement (Legal Terms, rules and procedures, agreed by mutual obligations and recommendations) in the field of economic policy and practices that reflect the interests of the member-states. The regulation is aimed at creating these preconditions that will further develop

international relations between the concerned states, in particular, by the stability and predictability of market access regime. The professional use of these protection tools should strengthen Ukraine's position in international trade, give an opportunity to carry out anti-dumping investigation as an effective mechanism of struggling against competitors and protect the national manufacturer more effectively.

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INTERNATIONAL FINANCIAL CENTRES IN EMERGING MARKETS: CHALLENGES AND PROSPECTS FOR THE CREATION

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Alikhanian A.R., Riabenka I.V. International financial centers in emerging markets: challenges and prospects for the creation. This article covers an analysis of international financial centers in emerging markets, prospects and potential problems of their creation. The article also includes national financial centers in Asia, South Africa, Eastern Europe and Russia, the prospects for their transformation into international financial centers.

Keywords: international financial centers, national financial centers, prospects of transformation.

Аліханян А.Р., Рябенка І.В. Міжнародні фінансові центри в країнах з ринками, що формуються: проблеми та перспективи створення. Ця стаття присвячена дослідженню перспектив та можливих проблем створення міжнародних фінансових центрів в країнах з ринками, що формуються. Також у статті розглядаються національні фінансові центри в країнах Азії, Південної Африки, Східної Європи та Росії, перспективи їх трансформації в міжнародні фінансові центри.

Ключові слова: міжнародні фінансові центри, національні фінансові центри, трансформація.

Алиханян А.Р., Рябенская И.В. Международные финансовые центры в странах с формирующимися рынками: проблемы и перспективы создания. Эта статья посвящена исследованию перспектив и возможных проблем создания международных финансовых центров в странах с формирующимися рынками. Также в статье рассматриваются национальные финансовые центры в странах Азии, Южной Африки, Восточной Европы и России, перспективы их трансформации в международные финансовые центры.

Ключевые слова: международные финансовые центры, национальные финансовые центры, трансформация.

The aim of the study is to identify the problems and prospects of creation of international financial centers in the countries with emerging market. The object of the study is the process of development of international financial centers. The material of the study was derived from Ukrainian special financial editions and Ukrainian and foreign statistic sources.

International financial centers (IFCs) are countries and territories with low tax rates and other features that make attractive investment locations. A large number of internationally significant banks, businesses, and stock exchanges is concentrated there [6].

The financial crisis has impacted on global financial centers of the whole world. Powerful centers are losing their position, while powerless ones are willing to capture their area of influence, having a chance to replace up-to-date leaders. There is a range of national financial centers worldwide, such as: Shanghai, Johannesburg, Warsaw, Moscow and others, which are to increase rapidly and to become new world leaders [8].

Due to increasing globalization and national economies' active integration into global economy formation, the strengthening of institution that provides development of integration and maximum benefits of its realization, has become a hot issue.

Because of this reason more and more developing and developed countries announce their intention to organize competitive regional or international financial center at their territory. During the last years China, India and South Africa tried to create financial center in Shanghai, Mumbai and Johannesburg, while Poland and the Russian Federation declared their intention to form financial centers in Warsaw, Moscow and Saint-Petersburg respectively [5].

Transformation of national financial center into the international center is a difficult process due to the fact that the national center should reach some criteria that international centers stick to.

The state should provide both national and international operations to convert local financial market into international financial market.

Shanghai is a financial capital of China, an element linking China's economy with the whole world. Shanghai Stock Exchange is one of the biggest in the world, where a lot of deals are made every day [4].

According to the National Commission for Development and Reform of China, it has prepared a new program of Shanghai transformation into an international financial center, the program aims at increasing the volume of trading on the financial markets of the city more than twice and at increasing its derivative transactions transparency.

Shanghai's potential enables the city to become an international financial center. However, whether this is true in practice depends mainly on institutional reforms. Since the reform in Shanghai implemented by the government is an integral part of the overall economic reform in China, it can be done and deepened on the basis of existing laws and regulations.

Johannesburg is the main economic and financial center of South Africa. Johannesburg Stock Exchange is the largest stock exchange in Africa, it is a place where a large number of futures contracts are concluded every day. There are branches of government institutions in the city, which is also a major center of commerce. Johannesburg, including more than 900 million consumers, is ready to become a global financial center [3].

South African city has the most developed financial infrastructure among the countries located from the south of the Sahara and to South Africa, being generally high rated due to its financial practices. All these factors create great prospects for Johannesburg.

Mumbai is an important commercial, industrial and financial center of India. It is also the largest port on the Arabian coast of India, through which 40% of turnover in the foreign trade of the country is transferred. There are more than 15 thousand factories in Mumbai. Specializing in different types of manufacturing, they produce more than half of all industrial output of Maharashtra state.

Warsaw is a major economic and transportation center of the country with the developed machine building and metalworking. Warsaw is also a leading center of business activity in the country, which is in the top-20 of most attractive European cities in terms of business (according to European Cities Monitor rating).

Moscow is one of the rapidly and organically developed cities of the planet. It is the largest city in the Russian Federation, as well as the most important regional financial center. More than half of total foreign investment in Russia and more than 80% of the country's financial flows are concentrated in the Russian capital.

Saint Petersburg is one of the major economic centers of the Russian Federation with the second largest regional financial markets of Russia after Moscow [2].

Growing demand for financial services has born benefits to the financial sector, making it one of the most dynamic in Russia's economy in recent years. The growth of the financial sector, in turn, contributes to a more efficient investment and economic growth. The need for an extremely different development of the Russian financial system is a reason of the transformation of Moscow and St. Petersburg in international financial centers [7].

Thus, countries with emerging markets not only increase their economic weight, but also become more important actors in identification of global priorities.

Although countries with emerging markets reached a good level of maturity in many ways, they still face serious problems of internal economic policy, which can limit their potential for growth. Development of financial markets is essential for better targeting of domestic and foreign savings to productive investment objectives. This, combined with a carefully worked out system of social protection is essential for a more even distribution of the economic growth benefits. It should focus on a more balanced growth, rather than only concentrate on increasing total GDP without taking into consideration consequences for the distribution and the environment [1].

The global financial crisis provides countries with emerging markets with the unique opportunity to reach maturity in one more way, namely they can accept greater responsibility for global economic and financial stability. Although such countries with emerging markets as India and China remain relatively poor in terms of income per capita, only due to the overall size of their economy it is important for these countries to take into account the regional and global implications of their decisions in economic policies. Therefore, they will need to play an active role in the leading international discussions on the key economic policy issues, including the strengthening of global economic governance. Their long-term interest is to take the initiative in solving a range of global problems from the removal of trade barriers to climate change, rather than focusing narrowly on their own, in their opinion, short-term interests.

Conclusion. The existence of international financial centers is the result of the interaction of three main factors, such as: the relative abundance of capital in some countries, the existence of the world money, which is enforceable to ensure the free movement of capital and a sufficiently high degree of transnational and international credit and financial institutions. In present conditions there is a gradual shift of financial activity process of traditional financial centers into financial centers in countries with emerging markets.

The prospects of research are to study separate financial centers. Also research should be continued to study financial centers' transformation caused by changes in the global economy.

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INTERNATIONAL ADOPTION

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Barybina Z.M., Manzhos Y.Y. International adoption. The article deals with international adoption and its peculiarities, covers the current statistics of international adoption and complicated legal and social issues connected with it.

Key words: international adoption, legal issue, social.

Барибіна Ж.М., Манжос Я.Ю. Міжнародне усиновлення. У статті розглядаються питання міжнародного усиновлення та його особливості, надано статистичні дані щодо міжнародного усиновлення та розглянуто складні правові та соціальні питання, пов'язані з міжнародним усиновленням.

Ключові слова: міжнародне усиновлення, правове питання, соціальний.

Барыбина Ж.М., Манжос Я.Ю. Международное усыновление. В статье рассматриваются вопросы международного усыновления и его особенности, предоставлено статистические данные по международному усыновлению и рассмотрены сложные правовые и социальные вопросы, связанные с международным усыновлением.

Ключевые слова: международное усыновление, правовой вопрос, социальный.

The subject of this article is international adoption, the issue which has become extremely topical nowadays. The aim of this article is to analyze the peculiarities of legal and social issues connected with international adoption. Adoption is an alternative way to have a family; it is a lifetime decision that should be made very cautiously. Adoption is a process where parents are supplied for children whose biological parents are deceased, or for those children whose biological parents are unable or unwilling to provide for their care. International adoption (also referred to as intercountry adoption or transnational adoption) is a type of adoption in which an individual or couple becomes the legal and permanent parent(s) of a child who is a national of a different country.

International adoption has its characteristic features. The children most requested by adoptive families – healthy infant girls – are finding families more frequently in their birth countries, that is why children with special needs, older children and boys are first in line for international adoption [2, p. 6].

Intercountry adoption is governed by both the laws of the country in which the child lives and the country in which the adoptive parents live. Under U.S. law, there are two distinct intercountry adoption processes: the Hague Convention process and the non-Hague Convention process. The choice between these two processes depends on whether the other country involved is a party to the Hague Convention. Some 80 countries have signed a treaty called the Hague Convention on Protection of Children and Cooperation in Respect of Intercountry Adoption. The treaty, created in 1993, is meant to safeguard against the abduction, sale or trafficking of children. The treaty establishes standards for intercountry adoptions, including ethical and professional standards for agencies that handle international adoptions. The United States signed the convention in 1994, and it went into force in 2008 [6, p. 6].

The statistics shows that the United States adopts more children from abroad than any other country. The number of foreign children adopted by U.S. parents has increased sharply, and nearly doubled during the 1990s. The reason why many parents are looking for children abroad is that adopting within the United States is legally complicated, slow, and costly. The motivation for adoption is different in various countries. Although political conflicts continue to produce orphans who need families, poverty and disease also cause parents or other relatives to allow their children to be adopted by residents of more developed countries. In some Asian countries, a strong preference for sons is an important motivation to adopt out baby girls. In China, where parents highly

value sons and face fines for having more than one or two children, babies available for international adoptions are almost always girls. Many U.S. parents prefer to adopt girls, perhaps in a belief that girls will adapt more easily than boys to the new family and country. About 64 percent of international adoptions in 2001 were girls [7, p. 6]. In 2012, three-fourths of all adopted foreign children were from China, Russia, South Korea, Guatemala, or Ukraine. But the list of countries is always changing. Adoptions from Russia, Ukraine, and Kazakhstan have skyrocketed in response to the extreme poverty in those countries following their transitions to market economies. Even though fertility is extremely low in these countries, many parents choose to give up their children. Parents in other industrialized countries also are turning abroad to adopt children. Although the United States adopts more children from abroad, Norway, Sweden, Denmark, Switzerland, Canada, and France adopt more children in relation to their annual births.

Meanwhile statistics shows that intercountry adoption rates are declining worldwide. After decades of steady growth, the number of international adoptions has dropped nearly 50% since 2004, despite the well-publicized explosion of adoptions from China in the 1990s, and high-profile adoptions by celebrities such as Angelina Jolie from Cambodia and Madonna from Malawi. The decline isn't due to fewer orphans worldwide, but it is due to rising regulations and growing sentiment in countries such as Russia and China against sending orphans abroad.

In the last 20 years there has been a steady, sizable increase in the number of single-parent adoptions. A number of factors have encouraged the acceptance of single-parent families. The growing number of one-parent households is due to divorce and to unmarried women having and keeping their children. With so many children living in this type of home environment, adoption agencies have been more willing to consider unmarried men and women as prospective adopters. The latest research indicates that children raised in single adoptive parent families compare favorably with other adopted children and show a healthy involvement with friends and family as well as in the activities of their age group [3, p. 6].

The most complicated social issues connected with international adoption are language, health, age and cultural issues. If the adopted child is already a toddler or older, he or she may already speak at least some words in their native language. Ideally, one or both of the adoptive parents will speak some of this language in order to communicate with the child. It can be helpful for the family to take language lessons in order to allow the child to keep and

preserve the language of their birth culture. If the child speaks their birth language and no English at all, the family will need to begin teaching the child basic words for communication. They may want to use the services of a professional teacher or translator initially to make the process a little smoother. The family also needs to be aware that language-related learning delays may occur depending on the age of the child at the time of placement. Because of the way our brains develop, languages are easily and spontaneously acquired in infancy and later become far more difficult to learn as people get older. New language acquisition is by no means impossible for older children and adults, but it takes far more time and effort to accomplish than would otherwise be the case.

Overall, English is often known as a difficult language to learn due to ways that verbs are conjugated and sentence structure that can differ from other languages, as well as words that may not have a translation into the birth language. Children from European backgrounds may have a small advantage in that they natively speak a language that shares common root word structures with English; this can make recognizing and learning English words and phrases just a little bit easier. Children whose native language is unrelated to English may have a more difficult time adjusting.

Although language acquisition issues can be difficult to resolve, they are not insurmountable. The family and child will get through this period of adjustment and learning with time and effort [5, p. 6].

Adopted children may have special health needs and issues that require professional attention because of the care they received in their birth country. They may not have received adequate nutrition or attention in the institutional environment where they lived, and/or may have been exposed to other children who were ill. New adoptive families should visit with a pediatrician immediately after the adoption in order to check for health conditions that must be addressed.

For a variety of reasons, the internationally adopted child's birth country institutions may not have been able to supply the adopted child's actual date of birth, or the circumstances surrounding how the child came to be institutionalized. In such cases, the adoption agency or a pediatrician may be able to help make a "best guess" about the child's age. A new birth date can be chosen and celebrated for future birthday celebrations.

Behavior and beliefs that are birth-culture appropriate may contribute to some adjustment problems within children's adopted families when older children are adopted internationally. Children may have been taught cultural or religious beliefs and behaviors that are appropriate in the birth country, but

that may be seen as inappropriate in the context of the United States. For example, some countries teach children that it is disrespectful to look others in the eye when having a conversation, while just the opposite is expected in the United States, where a conversation without any eye contact at all would be considered disrespectful. Parents can help ease their child's transition to their new cultural environment by learning as much as possible about their birth country and culture, explicitly teaching their child about the differences between how they were first taught to behave and what is now expected of them in their new culture and location. Adoption agencies may provide referrals to special classes or support groups where this sort of information may be learned [4, p. 6].

To sum up it is important to say that international adoption is a very complicated issue which includes both legal matters (provisions of the Hague convention, legislation of the country of adoption) and social ones, the most important of which are health, language, cultural questions.

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REASONS FOR HAVING A WILL

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Batrak P.V., Manzhos Y.Y. Reasons for having a will. This article suggests an overview of the main reasons for the necessity of a will, the argumentation of the reasons and the role of a will in the civil relations. Also there is a general list of necessary provisions and recommendations for making a valid will.

Key words: beneficiary, executor, inheritance law, possessions, property, will.

Батрак П.В., Манжос Я.Ю. Причины складання заповіту. У статті подано огляд основних причин важливості наявності заповіту, аргументація наведених причин та його роль у врегулюванні цивільних відносин. Також у статті подано загальний перелік необхідних умов та рекомендацій щодо написання дійсного заповіту.

Ключові слова: бенефіціар, виконавець заповіту, володіння, заповіт, майно, спадкове право.

Батрак П.В., Манжос Я.Ю. Причины для составления завещания. В статье представлен обзор основных причин необходимости наличия завещания, аргументация приведенных причин и обоснована роль завещания в регулировании гражданских отношений. Так же в статье приведен общий перечень необходимых условий и рекомендаций для написания завещания, имеющего юридическую силу.

Ключевые слова: владение, выгодоприобретатель, завещание, имущество, исполнитель завещания, наследственное право.

The subject of the article is the necessity of a will and the aim is to give the main reasons why making a will is important. The actuality of the article is that a will is not just a legal document, in the today's fast-moving world it gives the guarantees in estate planning and confidence in children's future life.

A will, sometimes called a last will and testament, is a legal document in which a person specifies the disposition of his or her property after death [2]. The primary purpose of a will is to ensure that the assets are distributed to whom ever is chosen in the amount and manner that is chosen. Other functions include assigning guardianship to minors and appointing an executor to dole out the stuff. If somebody doesn't have a will when they die, the estate will be handled in probate, and the property can be distributed differently than

what somebody would like [3]. The will tells people two very important things: who should have the money, property and possessions, and who will be in charge of organising the estate and following the instructions the person leaves in the will – this person is called an ‘executor’, and more than one person can be named as an executor. The duties of an executor include taking inventory of property and belongings, appraising and distributing assets, paying taxes, settling debts owed by the deceased. Most importantly, the executor is legally obligated to act in the interests of the deceased, following the wishes provided by the will. It could be helpful to consult an attorney to help with the probate process or offer legal guidance. Any person over the age of 18, who hasn’t been convicted of a felony, can be named executor of a will. Some people choose a lawyer, accountant or financial consultant based on their experience [6]. Others choose a spouse, adult child, relative or friend. Since the role of executor can be demanding, it’s often a good idea to ask the person being named in a will if he or she is willing to serve. If a person has been named executor in someone’s will but is not able or does not want to serve, he or she needs to file a declination, which is a legal document that declines the designation as an executor. The contingent executor named in the will then assumes responsibility, if no contingent executor is named, the court will appoint one.

The most important reason for making a will is to designate a guardian for the children and name someone to take charge of the estate. A person will need to appoint guardians for children who are under 18. This is particularly important if a woman is not married to the father of her child. Guardians will also be necessary if both parents die at the same time, for example in a motor accident [5]. Also one of the most important role of the will is to help family or friends to take charge of the possession without unforeseen problems.

Also a will is the most practical first step in estate planning, because it makes clear how somebody wants their property to be distributed after the death. Dying intestate triggers a little-known hassle in the form of an administrative bond. When someone dies without appointing an executor, the court appoints an administrator to disburse all the property that wasn’t jointly owned with a survivor. The administrator must post a bond to ensure that he doesn’t loot the estate and vanish. The cost of that bond, usually about \$100 per year for every \$100,000 in the estate, is paid from the estate’s assets [3].

Furthermore, a will can help reduce the amount of the inheritance tax that may be payable on the value of the property and money left behind. If somebody wants a specific family member or friend to take care of the children, but that person is not the next of kin, the person will need to designate him or her

specifically in the will. Otherwise, the state might step in and hand custody over to a blood relative that may not be approved of [1].

A will is also useful in case of having a trust, which is a legal mechanism that permits putting conditions on how the assets are distributed minimizing gift and estate taxes. Still, trusts deal only with specific assets such as life insurance or a piece of property, but not the sum total of the holdings [4].

Each country has its own inheritance law statutes and ways to regulate this branch of law. But there are some general rules to remember when writing a will. To make a will a person needs to consider a host of issues concerning individual matters and family circumstances, estate, intended beneficiaries and executors. Firstly, in most states, the person must be 18 years of age or older. Secondly, a will must be written in sound judgment and mental capacity to be valid. Thirdly, the document must clearly state whose will it is. An executor of the will, who ensures the estate is distributed according to the wishes, must be named.

As a person writes the will, beneficiaries should be chosen. Primary beneficiaries are the first choice to receive the assets. Choosing secondary or contingent beneficiaries should also be considered. If the primary beneficiary dies, the secondary beneficiaries will receive the assets. Designating a secondary beneficiary can also prevent going through probate, which can be time consuming and expensive. When naming beneficiaries, specific names instead of broad categories like “nieces and nephews” should be used. Primary and secondary beneficiaries should be added on individual bank accounts, the deeds to homes and cars, contents of safe deposit boxes, investments and insurance policies to make it easier to transfer the assets.

The will may be amended at any time. In fact, it should be reviewed periodically and updated when family circumstances change, if there are changes in the law or the value of assets changes [6].

It is not necessary to notarize or record the will but these can safeguard against any claims that the will is invalid. To be valid, a will must be signed in the presence of at least two witnesses. The role of any good lawyer in estate planning is not just to draft a will but also to talk through all concerns and evaluate which documents are necessary, including financial and medical powers of attorney. In addition, a lawyer should review how property is titled and whether beneficiary designations are up to date.

We can draw a conclusion, for a will to be valid a number of requirements and formalities must be observed - failure to meet these requirements will render the will invalid, which is the same as having no will at all when estate

would pass under the intestacy provisions with all the negative consequences [5]. The prospective of the research is the analysis of Ukrainian inheritance law.

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FOREIGN ECONOMIC RELATIONS OF UKRAINE AND THE EU ON THE EXAMPLE OF AGRICULTURE AND FOOD INDUSTRY

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Bepalko O.V., Manzhos Y.Y. Foreign economic relations of Ukraine and the EU on the example of agriculture and food industry. The article deals with the relations between Ukraine and countries of the EU in food industry and agriculture, Ukrainian agricultural export, European list of quotas; structure and indices of trade in these branches in 2014.

Keywords: European list of quotas, food industry, trade, Ukrainian agricultural export.

Беспалько О.В., Манжос Я.Ю. Зовнішньоекономічні зв'язки між Україною та ЄС на прикладі сільського господарства та харчової промисловості. У статті досліджено відносини між Україною та країнами ЄС у харчовій промисловості та сільському господарстві, український сільськогосподарський експорт, європейський перелік квот; структуру та показники у цих галузях у 2014 р.

Ключові слова: європейський перелік квот, торгівля, український експорт сільськогосподарської продукції, харчова промисловість.

Беспалько Е.В., Манжос Я.Ю. Внешнеэкономические связи между Украиной и ЕС на примере сельского хозяйства и пищевой промышленности. В статье исследованы отношения между Украиной и странами ЕС в пищевой промышленности и сельском хозяйстве, украинский сельскохозяйственный экспорт, европейский перечень квот; структура и показатели в этих отраслях в 2014 г.

Ключевые слова: европейский перечень квот, пищевая промышленность, торговля, украинский экспорт сельскохозяйственной продукции.

The actuality of the topic is stipulated by the fact that, there is much speculation that agriculture and food industry will get the greatest use from the association with the EU. Dreaming that “Ukraine will feed all Europe” seems to be pretty good of course, but how is it all realistic?

Corn forms almost one half of our agricultural export: Europe imported from Ukraine more than 6 million tons of this product, valued at 1.5 million dollars, in 2014 [3]. The second position belongs to rapeseed, which is considerably behind. At the same year Europe bought rape, which is valued at almost 700 million dollars, soya beans valued at 500 million dollars and traditional wheat – 400 million dollars also are substantial parts of agricultural export to Europe [3].

Other export items fall behind this leading group of four greatly. Particularly, sunflower seeds and flax seeds, certain vegetables, honey, vine crops, berries like ashberry and blueberry, etc. are in question. All this aggregates about 300 million dollars of export.

If it comes to food industry the basis of Ukrainian export to EU is sunflower-seed oil: it was sold for 780 million dollars in 2014. Other important export items (fruit and vegetable juices, soya oil, vegetable preserves, molasses, confectionary, ethanol, bakery goods and paste goods, etc.) give Ukraine the total of 300 million dollars of annual export [3].

It is important to understand how signing the agreement on the association with the EU will affect these Ukrainian branches.

Firstly, it's worth noting that "free trade" with the EU in this area will not be exactly free. The agreement on association makes provisions for the powerful tool of control in food industry called "import quotas". The point here is that a certain limited amount of duty-free import is fixed for the entire line of items: some amount of goods can be actually imported for free and the rest – according to general rules with payments of all duties [1].

Quotas allowed by the EU for Ukraine are too modest. For example, European partners are ready to set only 400 thousand tons of corn free from duties, but they are willing to put quotas up to 650 thousand tons within 5 years. In other words, it will be permitted to export no more than 10 % of the total present Ukrainian export, but by no means at once [3].

The relation is hardly better concerning other food lines. Thus, Europeans are willing to set the quarter of imported confectionery, about 40 % of juice, almost a half of honey and wheat, etc. free from duties.

Also quotas are allowed for those products the export volume of which meanwhile is negligible. In this way Ukraine will get the right for exporting about a total of 6 thousand tons of eggs, that equals to about 0,5 % of the total amount of domestic production of eggs. The rate of quota is 0,9 % of the total domestic production of milk, the same situation is with other goods of this group [4].

The European list of quotas includes about 40 items. Ukraine has its own quota list, but it consists of three points only: pork, poultry meat and sugar. To be sure, limitations here will be tangible for our European partners too: perhaps, only 20 thousand tons of poultry meat can be imported to our country without duties of all 70 thousand tons, which we got from Europe in 2014. The trouble is that the Ukrainian quota list is too thin and it protects only several agricultural branches and leaves all food industry unprotected [2].

So then, we can draw the first conclusion: quotas on the main kinds of Ukrainian food export are too small for the great growth of industrial volumes. Actually, that "partial" condition of free trade will allow only some Ukrainian exporters to increase their profit slightly because of not paying the duties.

There is another occurrence, which will be affected by the condition of free trade: the correlation between oil export and oilseed export. Ukraine exports the weighable amount of sunflower, rape, soya and flax oil and also raw seeds of these crops, which Europeans squeeze oil out from by themselves. In case of rape, soya and flax Ukraine predominantly exports raw materials (for example, the export of soya raw sorts corresponds to soya oil 10:1). The situation is different with sunflower: being one of the leaders in production of sunflower oil, Ukraine processes sunflower seeds on its own and exports basically oil [2].

According to the law, everyone who wants to export agricultural products from Ukraine must pay about 10 % of the cost of exported goods to the state budget. But within the limits of the agreement on association with the EU Ukraine is obliged to refuse export duties: in 5 years after signing the agreement about association its rate will drop by a half and in 10 years duties will be cancelled at all. It may lead to the considerable growth of seed export to the EU. And as far as landowners can hardly increase the sunflower production, then accordingly it will mean problems for Ukrainian oil-extracting factories that form the important branch of Ukrainian economy and the key subject of export to the EU in food industry as well. That constitutes the second negative side of signing the agreement between Ukraine and the EU [6].

Opening import borders for Europe will also affect Ukrainian agriculture and food industry. Today we import a lot of agricultural goods and foodstuff from the EU. For instance, Ukraine imported from Europe meat products for 140 million dollars in 2012. Even though, their import to Ukraine is subjected to duty at the rate of 10-15 %. Despite the existence of evident duties, Ukraine imports from EU a substantial amount of eggs, vegetables, fruit, etc. Even products, produced in Ukraine in great amount, are often imported, Ukraine imports about 10 % of the total volume of hen's eggs in the country [3]. At the same time import duties functioning in the EU are much lower than the same duties in Ukraine. The rate of import duty for Ukraine in Europe is 8.3 %, while the rate in Ukraine for EU is 10-15 %. In other words, Ukrainian producers will be able to save expenses by the cancellation of import duties by Europeans, but their European colleagues will get more advantages in the Ukrainian market, which will "eat" all the benefits.

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FOREIGN DIRECT INVESTMENT IN THE SPHERE OF TRANSNATIONAL CORPORATIONS

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Bichevin M., Startseva N.M. Foreign direct investment in the sphere of transnational corporations. The article notes the relevance of the study of economic aspects of foreign direct investments in the sphere of transnational corporations. The aspects of activities of transnational corporations and their influence on the economy by investments are described.

Keywords: economic aspects, economic growth, impact, foreign direct investments, funding sources, transnational corporation.

Бичевин М., Старцева Н.М. Прямі іноземні інвестиції в сфері транснаціональних корпорацій. В статті відзначається актуальність вивчення економічних аспектів прямих іноземних інвестицій у сфері транснаціональних корпорацій. Описані аспекти діяльності транснаціональних корпорацій та їх вплив на економіку шляхом інвестування.

Ключові слова: вплив, джерела фінансування, економічне зростання, економічні аспекти, прямі іноземні інвестиції, транснаціональна корпорація.

Бичевин М., Старцева Н.Н. Прямые иностранные инвестиции в сфере транснациональных корпораций. В статье отмечается актуальность изучения экономических аспектов прямых иностранных инвестиций в сфере транснациональных корпораций. Описаны аспекты деятельности транснациональных корпораций и их воздействие на экономику путём инвестирования.

Ключевые слова: влияние, источники финансирования, прямые иностранные инвестиции, транснациональная корпорация, экономический рост, экономические аспекты.

Relevance. The importance of transnational corporations (TNCs) for developing countries, broadly understood as emerging markets, transition economies and less developed countries, has been increasing over the last 20 years. The spread of globalization has raised a new set of issues in relation to TNCs. After being deemed as exploiters, met with reluctance from host governments, the tides have changed and many developing countries now welcome TNCs and view foreign direct investment (FDI) as an important source of development. TNCs may play a central role in development by increasing economic growth and contributing to social development. But TNCs

may also bring developing countries on a dependent path where local firms remain focused on low value added activities and where host countries become increasingly vulnerable to the global strategies of TNCs. More generally, the private sector's contribution to development has gained increased attention within firm strategy and management thinking as well as within thinking on development strategy [1].

The goal of research is to identify and describe an economic impact of transnational corporations on the global financial economy.

Foreign direct investments (FDI), especially those of transnational companies, take shape through the transfer of modern technology including machinery and fixtures, precise technical documentation and know-how flows (technical and managerial assistance) as well as creating new work places. All this make the direct foreign investments an advantage for both the investing countries and host countries. For the investing countries the advantages materialize first through the use of cheap technological and human resources and by providing a market for the products in the host countries. Meanwhile the countries receiving foreign direct investments are ensured full and effective use of available inputs and the creation of favourable conditions towards the development of their productive capacity for export and last but not least, to achieve the goal of reducing unemployment by creating new work places [1].

The international investment has four characteristic elements: profit – the purpose of investment, time – as the dimension of the recovery process, risk – as an expression of the economic decision and the nature of extra-unit international transactions. The real ways through which a trader can make an international investment:

- building on a “vacant place” a company or a subsidiary of an existing one in another country;
- the acquiring a foreign company or the merger with such a firm;
- the creation of joint ventures;
- the purchase of shares / debentures of a foreign market;
- granting a financial credit to a trader from another country;
- signing international contracts for leasing or franchising [2].

Through the contact established between issuing trader and the receiver a foreign direct investment (FDI) and portfolio investment can be distinguished.

FDI includes: the control over the transferred resources is of the investor, the investment is made outside of the country of origin but within the investing company and it represents a package consisting of finished and intermediated goods, capital, technology, management, access to markets [2].

When the existence of such a relationship is not taken for granted, it is the portfolio investment which represents a purely financial investment, the control over the resources being transferred by the issuer to the receiver.

UNCTAD estimates there are at least 550 state-owned NCs – from both developed and developing countries – with more than 15,000 foreign affiliates and foreign assets of over \$2 trillion. FDI by these TNCs was more than \$160 billion in 2013. At that level they account for over 11 per cent of global FDI flows [4].

Traditionally through FDI the expansion of TNC was provided. FDI is defined by the IMF as: ‘the investment which involves a long-term relationship that reflects the interests of an entity resident in an entity resident in another country than its investor, the direct investor’s role is to exert a significant degree of influence over the management of the enterprise resident in another economy. The minimum percentage of control accepted by most countries is 10-25% (10% U.S., 20% France and Britain, 25% Germany) [4].

TNCs vice versa are often a vehicle for FDI. Thus, FDI as an important part of international capital movements (international lending process) represent the international capital flows in which a firm in one country creates or increases a subsidiary in another country. The subsidiary not only has a financial obligation to the mother-company but it is part of the same organizational structures.

The mother-company often ensures with capital its foreign subsidiaries hoping an eventual return. To the extent that TNC provides financial subsidiaries abroad, FDI is an alternative way to achieve the same goals as international loans, but the question of why FDI is preferred to other ways of transferring funds remains open. There should be made the indication that the existence of TNC does not necessarily reflect a net capital flow from one country to another, TNCs sometimes collect money for the expansion of their branches in the country where the subsidiary performs better than in their country of origin [3].

A strong response to the preference of FDI in international loans is to allow the formation of multinational organizations, representing an essential goal to obtain control.

FDI started in the international economy since the early period of capitalism, but a real boom in international transactions was recorded in the last decades of the twentieth century, particularly due to development activities of transnational companies.

The investment flows generally attached to the direct foreign investments are usually composed of:

- the capital provided by investors to buy shares in a company abroad;
- the reinvested profits from foreign economic activity (in proportion of the investor's share to the capital);
- the loans from the company – credits granted by the mother-company to its subsidiaries abroad [3].

The foreign subsidiaries of transnational corporations can be funded (besides the sources mentioned above) through domestic market funds of the host country, but also through foreign direct financing through loans and by purchasing of bonds from sources other than the mother company. All these funding sources increase the transnational corporations subsidiaries' production capacity by influencing the dynamics of the local markets but without being recorded as FDI, but as capital expenditure [1].

The particularity of FDI is explained by the control exercised by the investor over the assets in which the investment was made. Thus, FDI represents a transfer of an industrial package that includes capital, technology, industrial organization, managerial expertise, marketing and other elements, transfer of which allows the investor to exercise his right to control his investment.

Conclusion. In the article the economic aspects of foreign direct investments made by transnational corporations were considered. By its nature, foreign direct investments are an integral part of any transnational corporations. Annually the corporations are increasing their investment activities for increasing its market share in the world. Based on the said above, it may be concluded that in the modern world all nations are inevitably interested in attracting investors in the person of transnational corporations to their markets.

Potential. The study of this theme can be continued from the point of view of the impact of TNCs and FDIs on the Ukrainian economy.

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FREEDOM OF INFORMATION AS A HUMAN RIGHT AND ITS PROTECTION IN INTERNATIONAL LAW

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Botshtein O.I., Manzhos Y.Y. Freedom of information as a human right and its protection in international law. The article gives the analysis of initiatives aimed at the protection of the freedom of information, including the provisions of the Universal Declaration of Human Rights, the European Convention on Human Rights, the International Covenant on Civil and Political Rights and elements of national legislation in Ukraine.

Key words: covenant, freedom of information, legislation, the European Convention on Human Rights, the Universal Declaration of Human Rights.

Ботштейн О.І., Манжос Я.Ю. Свобода інформації як одне з прав людини та її захист у міжнародному праві. У статті проаналізовані ініціативи, спрямовані на захист свободи інформації, включаючи положення Всесвітньої декларації з прав людини, Європейської конвенції з прав людини, Міжнародного пакту про громадянські та політичні права, та законодавство України.

Ключові слова: Всесвітня декларація з прав людини, Європейська конвенція з прав людини, законодавство, пакт, свобода інформації.

Ботштейн Е.И., Манжос Я.Ю. Свобода информации как одно из прав человека и ее защита в международном праве. В статье проанализированы инициативы, направленные на защиту свободы информации, включая положения Всемирной декларации по правам человека, Европейской конвенции по правам человека, Международного пакта о гражданских и политических правах, и законодательство Украины.

Ключевые слова: Всемирная декларация по правам человека, Европейская конвенция по правам человека, законодательство, пакт, свобода информации.

The subject of this article is the freedom of information, and issues connected with it, for example data protection. The aim of the research is to analyze the relevant legislative initiatives in Ukraine and worldwide.

The state form of organization of human society has experienced several periods of global economic and social development. The most important of these were agrarian and industrial ones. Both agricultural and industrial civilizations consisted of very different cultures, and each had its own features. The end of XX – beginning of XXI century was marked by an accelerated pace of development of information technologies and the increasing role of

information in the functioning of economic and legal systems of developed countries around the world. This process became the basis for the formation of a point of view that the state acquires new features and traits, and the humanity is approaching a new stage of its development – informational.

Due to the development of information and communication technologies, means of personal communication are becoming global and stop being divided by state boundaries. There is a global information space, which means the possibility for a person to receive and disseminate information on the global scale. Due to the transboundary aspect, telecommunications infrastructure is a field for international communication and international relations [4, p. 3]. In 2000, eight leading countries of the world signed the Okinawa Charter on Global Information Society, in which in order to develop the global information society it is offered to take coordinated actions to create a safe and free from crime cyberspace [7].

The right for information is defined in international agreements and treaties. For example, the Universal Declaration of Human Rights declared by the UN General Assembly on the 10th of December 1948, determined the right to seek, receive and spread information and ideas as a component of the right of every person to freedom of opinion and free expression (Art. 19) [10]. A similar consolidation of the right to information is provided in other international instruments. Among them – the European Convention on Human Rights (Art. 10) [2], the International Covenant on Civil and Political Rights of 1966 (Art. 19) [5] and others.

National legislation in many countries contains unified regulations (usually laws) that govern the right of citizens to information. However, most of them relate to access to information held by public authorities. For example, it is noted that a typical Freedom of Information Act includes the public's right of access to information held by the government, and imposes on the elected authorities the obligation to publish the key types of information [3, p. 1].

Laws regarding access to public information exist in most democratic states (the US, UK, Latvia, Slovakia, Bulgaria, Hungary), and they are the legal framework for the implementation of one of the fundamental human rights – the right of access to public information, which is the requirement for integration into the European Community [6, p. 148].

In Ukraine, the legal regulation of the right to information and access to information in particular is made by the following laws of Ukraine – “On information”, “On the order of coverage of state and local authorities in Ukrainian media”, “On citizens’ appeal”, “On State Secrets” etc. [6, p. 149].

International legal norms aimed at regulating the exchange of information, in particular, relate to the provision of:

- Freedom of information as a fundamental basis of a democratic society, and limitation of the spread of illegal information,
- Legal protection of personal data and their cross-border transmission,
- Cultural diversity, exchange of information between people and the preservation of cultural heritage.

The issue of personal data protection takes an important place as one of the guarantors of human rights to information [8, p. 10]. It is consolidated in such international legal instruments as the Universal Declaration of Human Rights (Art. 12), the European Convention for the Protection of Human Rights and Fundamental Freedoms, as well as the Strasbourg Convention. Strasbourg Convention on the protection of individuals regarding the automated processing of personal data from 28 January 1981 is intended to provide on the territory of each Party for every person, regardless of nationality or place of residence, respect for their rights and fundamental freedoms while processing personal data [1]. In Ukraine, this issue is regulated by the Law of Ukraine “On protection of personal data”, which aims to protect the fundamental rights and freedoms of a person and citizen, in particular the right to privacy in relation to the processing of personal data [9].

The main problems of implementation of the human right to information in international law can be identified as:

- Differing standards regarding approaches to information in different states;
- Big differentiation of the technology in the world;
- The establishment of high prices of the technical means by private companies, with the help of which information is exchanged;
- Violation of international standards by national authorities;
- The lack of balance between the right to freedom of information and the right to privacy.

It is also possible to provide solutions to these problem, such as:

- The participation of international organizations in resolving issues of international information law;
- Mutual assistance in the development of the information and communication technologies;
- Cross-border provision of information;
- Facilitation of free access to information for all people, the openness of public authorities and officials;
- Improvement of the legal framework regarding the free circulation of information and at the same time, the protection of personal data.

To sum up, the human right to information is confirmed both in international law and national legal acts. Currently, there are certain gaps in legislation guaranteeing the right to information due to the fact that this is a fairly new branch of law, but the legislators of different countries attempt to resolve the different aspects of information law and facilitate the access to information for all citizens. The perspective of the research includes the analysis of national legislation in European countries.

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MODERN TRENDS OF DIRECT INVESTMENTS: ECONOMY OF UKRAINE

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Boyko K.S., Davydenko I.V. Modern trends of direct investments: economy of Ukraine. The article brings up direct foreign investments in the economy of Ukraine and implementation of positive and negative performance results of transnational companies.

Keywords: direct foreign investments, investment activity, investment climate, transnational companies.

Бойко К.С., Давиденко І.В. Сучасні тенденції прямого інвестування: економіка України. У статті розглянуто питання здійснення прямих іноземних інвестицій в економіку України та позитивні та негативні наслідки діяльності транснаціональних компаній.

Ключові слова: інвестиційна діяльність, інвестиційний клімат, прямі іноземні інвестиції, транснаціональні компанії.

Бойко К.С., Давыденко И.В. Современные тенденции прямого инвестирования: экономика Украины. В статье рассмотрены вопросы осуществления прямых иностранных инвестиций в экономику Украины; положительные и отрицательные последствия деятельности транснациональных компаний.

Ключевые слова: инвестиционная деятельность, инвестиционный климат, прямые иностранные инвестиции, транснациональные компании.

The object of the study is the modern trend of direct investments in the economy of Ukraine. The purpose of the study is to determine transnational corporations and foreign direct investments in the domestic economy, which will allow to form the rational proposals; to study positive and negative effects, which arise from the foreign direct investments increase and the development of multinationals in Ukraine. The material of the study was derived from Ukrainian statistical sources and theoretical sources on the direct investment. The subject is investigated by domestic and foreign scientists. Aspects of direct investment trends in the economy of Ukraine have been analyzed by Ukrainian scientists: O. Bilous, P. Haidutsky, V. Novitsky, Yu. Pakhomov, A. Plotnikov, A. Smenkovskyy, A. Shnyrkov, S. Jakubowski and others.

The process of globalization is a very important issue for internationalization and unification, becoming increasingly popular in the world and national economies.

Investments mean the long-term profit and the control carried out by a foreign investor. Direct investment is the main way to create multinational corporations in Ukraine and in the world [1].

The increasing of foreign direct investment in economy of Ukraine in 2006–2010 did not occur uniformly; the rapid growth of investment in 2006–2007 gradually slows down, and in 2009–2010, this difference is minimal. This fact is explained by a great number of factors, including the recent financial crises, but there are many other reasons affecting the dynamics of foreign direct investment. Changes in the structure of foreign direct investment demonstrate that countries eventually have reduced their investments [2].

The main trends that characterize the operation of the such direct foreign investment in economy of Ukraine are: 1) the greater part of investments come from the EU; 2) the EU countries invest money into highly profitable sectors of the economy which provide quick profits: food and pharmaceutical industries, financial sector, etc. While other countries invest money mainly in innovations, research work and mining industry; 3) foreign direct investments in the most important sectors of Ukrainian economy are carried out by the countries being familiar with the economic, social and political life of our country, e.g. Russia; 4) direct investments as an insufficient inflow of foreign capital in Ukraine [11].

TNCs, concentrating the main value of the foreign direct investment in Ukraine, are the following companies: Mittal Steel, Volkswagen, Deutsche Telecom, Jabil Circuit and Eltctronics, Sony, Panasonic, TNK-BP, Coca-Cola, Kraft Foods, Nestle, Phillip Morris, Reemtsma, Raiffeisen Bank, Paterson [5].

Among the positive characteristics of the investment climate of Ukraine there are the following ones: a rich source potential, highly skilled labor power and favorable geographical position. The negative factors of investment activities, according to the Western NIS Enterprise Fund, are high level of state intervention in the economy, administrative obstacles, etc. [3].

TNCs' development and increasing value of foreign direct investment in Ukraine have a dual meaning. However, changes in social, economic and political life, which happen due to the attraction of foreign capital, reduce the positive impact and increase the number of negative consequences. Therefore, the investment activities of TNC affect the economic life of the country both positively and negatively.

Positive and negative trends of increasing foreign direct investment and the development of multinationals in our country are given in table 1.

Table 1

**Foreign direct investment and development
of multinationals in Ukraine:
positive and negative trends**

Advantages:	Disadvantages:
1. TNCs provide most world innovations with investments.	1. The host country receives no public access to innovation as the main production is concentrated in the parent country.
2. Development of healthy competition between producers from the different countries; using international experience.	2. Most multinational corporations are created by the mergers and acquisitions of domestic enterprises, so they do not have enough available funds for further development.
3. Concentration of capital, allowing to expand production and to upgrade it.	3. In most cases, the upgrade does not apply to the core business but only to the increased value of the product and expanding markets.
4. TNCs create jobs; provide the staff with social and medical support of high quality.	4. TNCs use resources mercilessly.
5. Advanced management; increase of workers' training [11].	5. Outdated technologies are used.

Source: [6].

Conclusion. Ukraine has a great lack of the foreign direct investment, which has been increasing recently. The reasons are imperfect legislation on business regulations and obstacles of the administrative nature [8]. Forming favorable conditions for foreign capital investments it is important to pay attention to standardization of the law base, international legal norms, advertising etc. [10].

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**THE DEVELOPMENT
OF INTERNATIONAL TOURISM IN UKRAINE
(EVIDENCE
FROM THE RUSSIAN-UKRAINIAN RELATIONS)**

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Burmistrova O., Broslavskaya Y.M. The development of international tourism in Ukraine (evidence from the Russian-Ukrainian relations). The article deals with the development of international tourism in Ukraine. It analyses the current state of international tourism in Ukraine and Russia and evaluates the current state of tourism market in both countries. It also considers advantageous courses of development of international tourism in Ukraine and Russia.

Key words: international tourism, Russian-Ukrainian relations, tourism market, types of tourism.

Бурмістрова О., Брославська Є.М. Розвиток міжнародного туризму в Україні (на прикладі українсько-російських відносин). У статті розглянуто розвиток міжнародного туризму в Україні. Проаналізовано сучасний стан розвитку міжнародного туризму в Україні та Росії. З'ясовано сучасний стан ринку туристичних послуг в обох країнах. Розглянуті перспективні напрямки розвитку міжнародного туризму в Україні та Росії.

Ключові слова: види туризму, міжнародний туризм, ринок туристичних послуг, українсько-російські відносини.

Бурмистрова О., Брославская Е.М. Развитие международного туризма в Украине (на примере украинско-российских отношений). В статье рассматривается развитие международного туризма в Украине. Проанализировано современное состояние развития международного туризма в Украине и России. Определено современное состояние рынка туристических услуг в обеих странах. Рассмотрены перспективные направления развития международного туризма в Украине и России.

Ключевые слова: виды туризма, международный туризм, рынок туристических услуг, украинско-российские отношения.

The globalization of the world economic sector for the past 20 years has shaped the development of living standard both in Ukraine and all over the world. One of the dynamically developing sectors of the world economies is international tourism. The modern tourism is a fairly young phenomenon on the world market because it became widespread only after the Second World

War, but on the other hand, tourism has deep historic roots, as travelling has been known to mankind since ancient times.

Ukrainian-Russian relations in tourism play an important role in the economies of both countries. According to the Ukrainian Statistics Service and the Federal Agency for Tourism of the Russian Federation, Russians (9,5 mln people) make up the largest number of foreign visitors in Ukraine. Similarly in Russia this refers to Ukrainians (6.5 mln. people). Of course it should be noted that not all of these people are coming for tourism purposes.

The tourism sphere both in Ukraine and Russia is quite young. But it is actively developing because resources and capacities inherent to both countries enable them to develop various kinds of tourism. The most actively developing types of tourism are ecological, educational, business, medical and health, extreme, sports, gastronomic and others.

Ukraine is a country of great travel opportunities, which attracts more and more tourists from different countries every year. Almost all types of tourism, from recreational to business, are developing throughout the country and of course to ensure their further development all the necessary infrastructure that will help to reach the European quality of service is being updated. The leading place among foreign visitors to Ukraine with travel intentions is occupied by tourists from Russia. However, the most powerful urge for further tourism development in Ukraine was given by Euro 2012, which led to a significant increase in the interest to the country and the growth in the number of tourists from all over the globe.

Tours to Ukraine enjoy considerable popularity among Russian tourists, both among adults and young people, as a large number of travel companies offer holiday trips to Ukrainian resorts. They offer many tours such as beach holidays on the Black and Azov Seas, outdoor activities in the Carpathians and medical tours. It is worth noting that weekend and gastronomic tours are gaining the increasing popularity. Choosing among possible destination alternatives tourists mostly opt for western regions of Ukraine and Kyiv, which offer more opportunities to feel the true national spirit of the country.

The most popular destinations for Russian tourists are Kyiv, Odessa, Truskavets, Kirilovka, Berdyansk, Carpathian Region and Lviv. An average price offered by travel agencies in Russia for a week stay in a standard room FB at a resort on the Black Sea coast of Krasnodar region comprises approximately 2400 rubles (600 USD) while a vacation in the Crimea will cost 400 USD. According to the data concerning an average wages and salary level, we see that in Russia it amounts to 24 865 rubles (6673 USD.) for 2012.

For the same period in Ukraine it amounts to 3026 USD. As we can see the price is a very important factor when choosing among travel opportunities, because not everyone can spend large sums of money on the vacation. Thus, the Ukrainian tourism sector can compete with the European one, but only when the level of service will fully comply with all regulations.

Russia is the largest country in the world. It has a great potential to develop the tourism sector as the country has a vast territory, rich historical and cultural heritage and fascinating nature. All these factors help to attract the interest of foreign tourists and the country has always been a popular travel destination. The most popular destinations for tourists in Russia are Moscow, St. Petersburg, Golden Ring (Vladimir, Suzdal, Yaroslavl, Rostov, Kostroma) and Sochi. According to the data of the Federal Agency for Tourism the largest number of international tourists come from Germany (375,285 visitors), and Ukraine occupies the 13th position among tourist visits of 2012.

In February 2014, Russia opened the doors to a large number of tourists, because the country was hosting the winter Olympics. Thanks to the Olympics, they upgraded the infrastructure, built new stadiums and hotels preparing the country for a large number of visitors. This was one of the first steps to attract large numbers of tourists in the future. Now, it is worth noting that accommodation per 1 night in Sochi, where the competitions took place, cost an average of 150 euros. Also it is worth bearing in mind that the price of a ticket for one of the sport events comprised around 50–70 euros.

Ukrainians prefer weekend tours to the neighboring regions in Russia. These tours cost an average of 800 hrn., which includes transfer, entrance tickets to museums and accommodation. Most Ukrainians prefer tours to Moscow and St.-Petersburg. About 90% of Ukrainian tourists visit these cities for sightseeing tours to enjoy their famous landmarks.

All the facilities necessary for the efficient development of business tourism in Russia have already been built. There are specialized hotels and business centers that will completely comply with all the requirements for conducting business negotiations.

Unfortunately, the number of Ukrainian tourists opting for Russian resorts is decreasing every year, although the country offers great opportunities for the reception of foreign tourists. This is partly due to prices, which are of course not competitive compared to other travel destinations. We can for example consider the cost of holiday tours to some well-known resorts. Thus, a 10-day tour to a resort in Turkey for all inclusive will cost about \$ 500 US, which is fairly reasonable. However, Russian resorts can offer the quality of

service, which will not be worse than in Turkey or Egypt. Besides the Olympics held in Sochi this year are sure to increase the interest to the country and attract more international tourists in future years.

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DEVELOPMENT OF ENGLISH AS A MEANS OF BUSINESS COMMUNICATION

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Butenko M.A., Oliynyk N.A. Development of English as a means of business communication. The article suggests a brief overview of the history of the English language and its role in the economic processes as a global means of business communication. There have been defined the current trends of the development of the English language in business world.

Key words: bilingualism, economic processes, English language, global lingua franca, repatriation.

Бутенко М.А., Олійник Н.А. Розвиток англійської мови як засобу ділової комунікації. У статті запропоновано стислий огляд історії розвитку англійської мови, проаналізовано її роль в економічних процесах як глобального засобу ділового спілкування. Виявлено сучасні тенденції розвитку англійської мови у світовому діловому просторі.

Ключові слова: англійська мова, білінгвізм, економічні процеси, репатріація, спільна мова.

Бутенко М.А., Олейник Н.А. Развитие английского языка как средства делового общения. В статье представлен краткий обзор истории развития

английского языка, проанализирована его роль в экономических процессах как глобального средства делового общения. Выявлены современные тенденции развития английского языка в деловом мире.

Ключевые слова: английский язык, билингвизм, общий язык, репатриация, экономические процессы.

The article focuses on exploring the new status of English as a global lingua franca and economic issues surrounding it. The English language is widely regarded as a gateway to wealth for national economies, organizations and individuals.

The object of the article is the historic development of English language. The subject is the growing importance of English for the second language speakers. The purpose of the article is to identify modern trends of using the English language. The actuality of the article is stipulated by the fact that processes of globalization of the modern world affected all the spheres of our life – politics, economics and culture. To implement these processes there had to be a common means of communication, which for some reason has become English. According to the well-known British linguist David Crystal, currently there are about 1.5 billion people who speak English. English is used as an official working language in 85% of international organizations, including the UN, UNESCO, ASEAN, European Council, NATO, OPEC, WTO and others. It has become a means of bringing together scientists of the world: 2/3 of scientific publications in the world, 28% of all the published books in the world and 3/4 world correspondence have been printed in English.

The history of English is conventionally divided into three parts: Old English, Middle English, and Modern English. The tripartite structure draws attention to particular events in British history – the Norman invasion, in particular, which heralded the rapid ‘frenchification’ of the English language, and, later, the constellation of political, religious, and economic developments which surrounded the emergence of Britain as a modern nation-state.

Here we refer to the fourth period in the history of English: after Modern English comes the period of ‘Global English’ which gained a new status of English as a global lingua franca.

In our globalised world, English is playing the increasingly important role in economic processes, in providing access to the kind of global knowledge available in English and the jobs which involve contact with customers and colleagues for whom English is the only shared language, has brought with it the danger that English has become one of the main mechanisms for structuring inequality in developing economies. The stream of migrant workers flowing

to richer economies threatens to impoverish the developing economies they come from – Bangladeshi construction workers in South-East Asia, Indian entrepreneurs in the Arabian Gulf, nurses and doctors from African countries. This exodus of talent has raised serious concerns.

There is, however, another dimension to this: English is a necessary skill for many of these workers, for example, Malaysia in 2003 made basic proficiency in English a requirement for all foreign employees, just as Bangladesh signed an agreement to send 200,000 workers to Malaysia. Mexicans working in the USA are estimated to send back 18 billion dollars a year but remittances are known to be drastically underestimated by official statistics. Thus, migrant workers not only remit money, but also often acquire or maintain during periods of employment difficulty in their home country – skills and knowledge which they may later repatriate if the economic situation ‘back home’ improves.

There is a modern tendency that the number of languages in the world has been falling for current years though the spread of global English is not the direct cause of language endangerment. “The downward trend in language diversity began before the rise of English as a global lingua franca and now it has the greatest impact on national languages [1, p. 58]. The *Ethnologue*, the world’s most comprehensive gazetteer of languages, currently lists almost 7,000 languages. However, these are extremely unevenly distributed amongst the global population, with the top 12 languages accounting for 50% of the global population.

Whilst the majority of the world’s languages are spoken by very small communities of speakers, most of the top languages, including Chinese, English and large European languages are spoken as first languages by a declining proportion of the world population.

In terms of native-speaker rankings English is falling in the world league tables. Only 50 years ago it was clearly at the second place after Mandarin (a new must-have language in many Asian countries, in Europe and the USA). Estimating the number of speakers for the very large languages is surprisingly difficult, but it seems probable that Spanish, Hindi-Urdu and English all have broadly similar numbers of first-language speakers. Some commentators have suggested that English has slipped to the fourth place, where its position is going to be challenged by Arabic in the middle of the present century [1, p. 60].

The number of second language speakers is of growing importance. Estimates for second language users of English are far greater than shown in terms of native-speaker rankings. Thus in 2001 China decided to make English

compulsory in primary schools from Grade 3 while in practice rural areas may not meet that target whilst big cities such as Beijing and Shanghai, have already introduced English at Grade 1 [2]. More people are now learning English in China than in any other country. Within the formal education sector the estimated 176.7 million Chinese were studying English in 2005. Besides China's decision to make English a key part of its strategy for economic development has had a galvanic impact on neighbouring countries such as Thailand, the Philippines, Japan, and Taiwan.

The prospects of the research is to see how the world language system is being transformed and how it influences the business world in terms of the changing relationship between 'big' languages and many smaller languages.

In conclusion, it should be pointed out that global importance of languages used to depend on the number and wealth of native speakers while nowadays the number of people who use it as a second language is becoming a more significant factor as well as the purpose of its usage: mainly for business and international trade, in particular.

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THE US ROLE IN INTEGRATION ASSOCIATIONS OF NAFTA: ECONOMIC ASPECTS

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Cherkashina A.V., Davydenko I.V. The US role in integration associations of NAFTA: economic aspects. The article deals with the role of the USA as a member of integration association of NAFTA; it determines that despite the disparity of economic development, liberalization of trade relations through FTA, it has long-term positive effects for the member-states.

Key words: foreign economic relations asymmetry, globalization, leading role, liberalization, technological development, trade barriers.

Черкашина А.В., Давиденко І.В. Роль США в інтеграційному об'єднанні НАФТА: економічний аспект. У статті розглядається місце і роль США як учасника інтеграційного об'єднання НАФТА, визначається, що незважаючи на диспропорції економічного розвитку, лібералізація торговельних відносин через зону вільної торгівлі, це має довгостроковий позитивний ефект для країн-учасниць угоди.

Ключові слова: асиметрія зовнішньоекономічних відносин, глобалізація, лібералізація, провідна роль, технологічний розвиток, торговельні бар'єри.

Черкашина А.В., Давиденко И.В. Роль США в интеграционном объединении НАФТА: экономический аспект. В статье рассматривается место и роль США в качестве участника интеграционного объединения НАФТА, определяется, что несмотря на диспропорции экономического развития, либерализация торговых отношений через зону свободной торговли, это имеет долгосрочный положительный эффект для стран-участниц соглашения.

Ключевые слова: асимметрия внешнеэкономических отношений, ведущая роль, глобализация, либерализация, технологическое развитие, торговые барьеры.

The object of the study is the US role in integration associations of NAFTA. The purpose of the study is to investigate the role of the USA as a member of integration association of NAFTA; to analyze the disparity of economic development.

The role of the USA in the world economy is incomparable to any other country. The United States accounts for 10% of world exports and 18% of imports (2013), the country is the biggest investor all over the world and the largest recipient of foreign investment. American companies that are preferred as a basis for the Net TNCs control the production of goods and services in many other countries [2].

The most important factor is the technological leadership of the United States. Throughout the last century, almost all inventions were first introduced into the mass production in the United States, even if the invention was carried out by experts of another state. Technological gap between the United States and its competitors is very noticeable in areas such as aerospace engineering, electronic calculated machines, bioengineering, nuclear technology – that is in areas which determine the main directions of scientific and technical progress. It is doubtless that the US influences on the activities of international organizations, especially in the OECD, the World Bank, the IMF, the Economic and Social Council of the United Nations, the World Trade Organization. The United States has the largest share of the most respected organizations. It should be noted that the United States has diplomatic relations with almost all countries, except Bhutan, Cuba, North Korea, Somalia and Iran.

One can admit, that the American economy is the most diverse in the world and has the most developed economic relations with partner-countries.

The current economic strategy of the US is based on a liberal model; the economic policy of which is the theoretical basis of monetarism and it has been most consistently practiced since the second half of the 70s.

The integration processes, taking place in the 1980s in Europe and Asia, provided the establishment of NAFTA; it has increased since it became clear that the answer to the unification of Europe should be the unification of America. However Mexico, Canada and the United States viewed the potential role of NAFTA from different perspectives [2].

Agreement on the establishment of the North American Free Trade Association (NAFTA) came into force on January 1, 1994, retaining and reaffirming Free Trade Agreement between the United States and Canada (CUSFTA) in 1988 [2].

The main goal of NAFTA was the removal of trade barriers between member-states. So some restrictions were lifted immediately, while others were taken gradually over 14 years.

This agreement was an extended version of the trade agreement of 1989 between Canada and the United States.

Unlike the European Union, NAFTA is aimed to create international administrative authorities and develop the new legislation. NAFTA has signed the international trade agreements within the international law.

Participation of the USA in regional integration process has become a powerful factor in the long-term positive effect on domestic economic growth. NAFTA is a springboard for deeper penetration into the economy of Latin American countries [2].

Special features of Canadian economy are the following: its nationals have to exist side by side with subsidiaries of American monopolies, which usually surpass them in power and scope of operations. American subsidiaries pursue policies and defend the interests of their mother monopolies, which often do not coincide with the interests of Canadian business community, leading to deepening contradictions between Americans and Canadians.

The gravity model of trade between the US and Canada was evaluated.

The resulting regression equation is as follows:

$$Y = 479521,9029 + 309150,1821 (1)$$

However, a model explains only 8% of variance trade between countries, that is just a factor of 8% generates interest in mutual trade [3].

These results have the following economic interpretation: 1. distance factor has a positive effect on the growth of trade between countries, geographic distance has no significant influence on the formation of trade; 2. the model takes into account only the geographical distance between the capital of the state that is not sufficient analysis to identify those factors that affect turnover; 3. mutual interest and increase of turnover is due to geographic proximity, similarity of economic traditions, unity of languages and cultures.

The exponential smoothing Holt gave the trend, indicating that further turnover will increase. The coefficient of determination shows the importance of this service.

As for the United States, the contract NAFTA is lucrative because it provides free movement of goods, services, investments, formation of powerful economic ties, etc.

The North American Free Trade Zone can be considered the first experience of

economic convergent technological society. However, it should be borne in mind that Mexico is the new industrial country that has already detached from the main body of the developing. The country shows an increased interest in NAFTA.

NAFTA shows more than ten years of successful activity in the economic field; it indicates the prevalence of positive sides of the transaction. The United States' trade with NAFTA partners has a rather similar trend, despite the different level of economic development of Canada and Mexico.

The similarity of the trade dynamics is primarily associated with the effective operation of NAFTA association integration.

Conclusion. Despite the leading role of the United States in NAFTA, the three countries are cooperating with each other. Analyzing the dynamics of trade between the United States and NAFTA partners, we found similarities in the rate of growth both of exports and imports. NAFTA revealed asymmetry of economic relations between the United States on the one hand, and Canada and Mexico – on the other.

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ECONOMIC SANCTIONS AGAINST RUSSIA: CHALLENGES AND THREATS

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Cherkashina Y.A., Litovchenko Y.M. Economic sanctions against Russia: challenges and threats. The article deals with the current Ukrainian-Russian political and economic situation. It reveals an impact of the EU's and the US' sanctions on the economic growth of the Russian Federation. The impact of economic sanctions against Russia and the countries that apply them is outlined.

Key words: economic growth, economic sanctions, economic warfare, global economic system, Ukrainian-Russian political and economic situation.

Черкашина Ю.А., Літовченко Я.М., Економічні санкції проти Росії: виклики і загрози. У статті проаналізовано українсько-російську політичну та економічну ситуацію. У статті зазначено вплив санкцій ЄС і США на економічний розвиток

РФ. Було спрогнозовано як санкції можуть вплинути не тільки на РФ, але й на країни, які їх застосовують.

Ключові слова: економічна блокада, економічні санкції, світова господарська система, українсько-російська політична та економічна ситуація.

Черкашина Ю.А., Литовченко Я.Н. Экономические санкции против России: вызовы и угрозы. В статье проанализирована украинно-российская политическая и экономическая ситуация. В статье указано влияние санкций ЕС и США на экономическое развитие РФ. Было спрогнозировано как санкции могут повлиять не только на РФ, но и на страны, которые их применяют.

Ключевые слова: мировая хозяйственная система, украинно-российская политическая и экономическая ситуация, экономическая блокада, экономические санкции.

The subject of the study is the application of economic sanctions against the Russian Federation. The goal of the study is to investigate the impact of economic sanctions against Russia on the economic growth of this country; to analyze the main spheres that could be affected by economic restriction; to describe the main reasons of rouble's depreciation on the basis of such methods as description and comparison. The material of the study was derived from Ukrainian, European, Russian statistical sources.

The problem of application of economic sanctions against Russia is very important not only for the Russian Federation but also for Ukraine, because some EU countries and the USA help and support our country in such a way.

The situation in Ukraine, which led to threats of the West to impose sanctions against Russia, can show how sensitive to the economic sanctions the Russian economy is and what kind of damage they can cause to the Russian economy and what extent of its sovereignty is.

Of course the application of economic sanctions against Russia now is rather demonstrative threat that in the current situation will not lead to a real application. But if one predicts the future and imagines a situation of direct confrontation between countries in order to ensure national interests, protection of the fraternal peoples or other situations, the question still remains open: what the country would have to sacrifice and whether it would be proportionate to the objectives.

It is impossible to imagine the state that is not embedded in the global economic system in the context of globalization. However, the relationship may be different. This dependence on the world can be reflected for Russia in a number of spheres.

Firstly, the country needs strategic goods (food, medicine, technology, components for cars) and its main partners in the trade balance are the EU countries (42.2% of imports and 53.8% of total exports), the APEC (34.3% of imports and 18.9% of exports) and the CIS (13% of imports and 14% of exports) and the largest of them – China and Germany.

In the case of the hypothetical possibility of an economic blockade, in which the country will no longer be imported strategically important resources, Russia could face serious shortages of a number of foods, medicines, spare parts for the production. So, for example, in 2008 the Russian refineries stood without a job because they did not receive special additives for gasoline production. If we imagine a situation of an armed conflict, in which Russia is mixed up with and the West will try to influence, Russian drugs market will remain virtually with no imported products as European countries are the main providers (in Europe the largest suppliers account for 71.8%, in the United States – 4.7%, and in India – 6.1%). The share of imported products exceeds 70% of the Russian drugs market. The figures are impressive to take thought on the security and sovereignty of the state as drugs are strategically important products and people of the country can't live without them for a long time [3].

Secondly, the stability of energy resources exports is essential for Russia. In particular, the US insists on the usage of restrictive supply mechanisms, which contributed to the decision of the Congress to adopt a bill to impose possible sanctions against Russia. When considering establishment of an embargo on the supply of the Russian oil one can be sure that Russia has nothing to fear. The country sells most of the oil to Europe – 67.5%, the second partner is China, which accounts for 16.85% of the Russian oil and the United States is third with 6%. As the Russian oil share accounts for 46.38% of all European oil consumption, it is simply not profitable for it to declare embargo and deprive itself of energy. It is very difficult to restore the supply in quick time, so from this point of view, Europe is a reliable partner. In contrast the US (that is the main initiator of sanctions) is able to announce an embargo and stop buying Russian oil, as the Russian share is only 5% of the total oil consumption, it means that America can find a replacement in a short time [5].

Russian gas industry is almost entirely focused on Europe and the CIS: as 64.70% of the Russian is consumed in Europe, 27.85% is delivered to the countries of the former Soviet Union, the remaining share – to Asia in the form of liquefied natural gas. Domestic commodity companies are completely dependent on the European gas market, while Europe has diversified its

trade relations, the share of Russian gas imports is 34.46%, the second supplier is Norway, the third is the Netherlands. The US meets its needs through Canada [3].

The third issue is the depreciation of the rouble. The rouble continues to fall against the dollar and the euro, despite the fact that the fall in oil prices has stopped. In this case, attempts of the Bank of Russia to stop the collapse by raising the key rate have had no success.

To date, the rouble against the dollar and the euro fell due to the influence of the following main reasons:

- Sanctions have closed access of Russian banks to the world capital markets. This led to the fact that both banks and companies that have debts in foreign currency can't but buy the currency at any price, because otherwise they will not be able to pay the next payment on the loan, which will lead to a default.

- The main source of the foreign currency in the Russian market was exporters, primarily oil and gas companies, which were thrown from the sale of products on the domestic currency market. However, due to the long-term devaluation of the rouble in recent months exporters prefer to hold the currency on their accounts.

- The absence of necessary barriers in the country's financial system that can limit the outflow of capital, which, basically, is leaking through a variety of "black market" schemes in offshore or in other countries, for example, under the guise of "direct investment". Financial experts also emphasize that capital outflow from the RF is increasing. A significant part of reserves has already left, and despite the fact that Russia still holds a lot of money the exhaustion stocks rates are "rather disturbing". In September alone Russians lost \$ 30 billion [2].

The fourth factor is a decline in the stock market. This was made possible due to the current critical situation, when 70% of the Russian stock market belongs to a foreign investor. Russia has suffered greatly in this sphere, in the first hours of tradings shares of "Gazprom" fell to 123.16 rubles (-11.5%) – the lowest level since mid-summer of 2013. VTB also fell (-11.5%), "Gazprom Neft" (-8.9%), NOVATEK (-7.1%), "Rosneft" (-7%), "Rostelecom" (-9.5%), Sberbank of Russia (-9%). The collapse of the stock market was not intentional reaction or sanctions application, but a direct consequence of the expectations of investors who are primarily interested in profit.

The fifth issue is an inflow of foreign investments that is directly connected with the foreign policy. Office of the US Trade Representative announced

that it interrupts the negotiations with Russia on trade and investment till the resolution of the conflict over Ukraine. In its turn, it is doubtful that Europe is capable of similar measures, as a significant flow of investments comes to Europe from Russia, and vice versa through the European offshore.

The sixth is the sanctions on the banking system and foreign accounts. The US has the greatest leverage over Russia in this sphere. Washington has threatened to impose sanctions against Russian banks by freezing accounts of Russian private investors and public companies. The European Parliament has also thought about similar restrictive measures against the assets of Russian officials [3].

On top of that, US President Barack Obama has signed a decree on sanctions against the Crimea. He forbade to export goods and services to the peninsula and import goods and services from the Crimea, as well as to invest in the development of the peninsula. In addition, the US Treasury has been obliged to impose sanctions against the Crimean enterprises and functionaries.

To date the EU sanctions are in force in relation to the Crimea. The EU has banned its members to invest in the development of the peninsula, has imposed restrictions in the spheres of tourism, telecommunications, energy and exploitation of natural resources.

Canada has also announced about sanctions imposed against Russia. Foreign Minister John Baird said that Ottawa imposes restrictions on exports to the Russian technologies used in the oil and gas industries. In addition to economic sanctions Canada has declared a number of Russian politicians as *persona non grata* [4].

Experts believe that if Western sanctions aren't prolonged, the Russian economy "afloat" will only last till the middle or the end of 2015. The American edition of *The Wall Street Journal* has interviewed the Director in Investments in emerging economies of the major Swiss bank UBS Jorge Mariscal about the consequences of the sanctions' imposition against Russia. Mariscal believes that even if Russian companies which have been applied sanctions on are all right now because they can take short-term loans and the cost of borrowings is very low, eventually their situation will get worse. According to the UBS's estimates, the "relatively normal" situation will continue until the middle or the end of 2015 [5; 1].

Economists warn that the import substitution the Russian authorities are relying on so much now may be a response to the sanctions only in the short term but they shouldn't count that it can cover the economic loss [1].

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EU AND CIS: ECONOMIC RELATIONS

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Diadchenko E. V., Davydenko I. V. EU and CIS: economic relations. The article deals with the international economic integration process between EU and CIS, presents its structure and main indicators and provides the ways of its development.

Keywords: CIS, customs union, economic integration, EU, social policy, trade agreement.

Дядченко О. В., Давиденко І. В. Економічні відносини країн Європейського Союзу та Союзу Незалежних Держав. У статті проаналізовано стан міжнародної економічної інтеграції між ЄС та СНД, наведені структура та основні показники процесу, а також досліджені основні шляхи покращення цих процесів.

Ключові слова: ЄС, економічна інтеграція, митний союз, СНД, соціальна політика, торгова угода.

Дядченко Е. В., Давыденко И. В. Экономические отношения стран Европейского Союза и Союза Независимых Государств. Статья исследует состояние международной экономической интеграции между ЕС и СНГ, приводит структуру и основные показатели данного процесса, а также основные пути его улучшения.

Ключевые слова: ЕС, СНГ, социальная политика, таможенный союз, торговое соглашение, экономическая интеграция.

Economic integration can have different forms depending on the objectives of the member states. There is no single accepted approach to classify the types of regional economic integration. The classical typology, created by Balash is actual nowadays.

The object of the study is the structure and indicators of the economic relations between EU and CIS and its development. The purpose of the study is to examine the economic aspects of the EU policy towards its Eastern neighbours. The subject is investigated by domestic and foreign scientists.

Aspects of international reserve management have been analyzed by Ukrainian and Russian economists, notably I. Pelipas, I. Tochitskaya, E. Vinokurov, V. Ivanter, V. Geetz, L. Shinkaruk, A. Shirov, V. Yasinskiy, A. Anisimov.

The World Trade Organization (WTO) distinguishes three types of regional trade agreements: free-trade area, customs union, and economic integration agreement. GATT Article XXIV, Paragraph 8d states that “a free-trade area shall be understood to mean a group of two or more customs territories in which the duties and other restrictive regulations of commerce are eliminated on substantially all the trade between the constituent territories in products originating in such territories” [3]. Paragraph 8a of Article XXIV defines a customs union as “the substitution of a single customs territory for two or more customs territories, so that:

1) duties and other restrictive regulations of commerce are eliminated with respect to substantially all the trade between the constituent territories of the union or at least with respect to substantially all the trade in products originating in such territories, and,

2) substantially the same duties and other regulations of commerce are applied by each of the members of the union to the trade of territories not included in the union” [3].

Article V of GATT stipulates the economic integration agreement, which also implies the elimination of barriers to the movement of services, as well as labour market integration [3].

The OECD distinguishes four forms of regional economic integration: free-trade area, customs union, common market and economic union. A common market is understood as a customs union with provisions to liberalise movement of regional factors of production (labour and capital); and an economic union is a common market with provisions for the harmonisation of certain economic policies [3].

Thus, any classification assumes that regional economic integration can

have several levels or depth degrees, depending on the aims, wishes and interests of the participating countries. Each level implies that certain elements of the common economic space liberalization are added to the previous level:

- elimination of tariffs and some non-tariff barriers between countries (free-trade areas or partial / sectoral free-trade areas);
- establishment of a common customs tariff (customs union);
- freedom of movement of goods, services and labour force (common market);
- policy harmonisation with regard to competition, as well as structural, fiscal, monetary, and social policy (economic union);
- unification of the economic policy and establishment of supranational institutions (economic and political union) [4].

Currently the forms of economic integration are complex and increasingly more complementary. For example, a free-trade area and customs union can incorporate elements of higher levels of integration such as: the reduction of non-tariff barriers; the removal of restrictions on trade in services; and movement of capital and labour force. This comes from the growing understanding that, from the standpoint of economic impact, removing trade barriers alone may lead to considerably fewer positive effects than deep integration.

Deep economic integration is extremely important to the emerging EEU. Firstly, the EU is the largest trading partner of Russia and Kazakhstan, with the EU accounting for over half of Russia's commodity turnover (while Russia is, in turn, the EU's third largest trading partner). Secondly, the EU may play an important role in resolving the CU member states' modernisation problems. The key instrument here is capital flow coupled with transfer of technologies. Thirdly, the emerging Eurasian Union is currently initiating a number of free-trade agreements with smaller partners, ranging from member states of the European Free Trade Association to Vietnam. In this context, deeper economic integration with the EU is the main long-term aim. Fourthly, Ukraine's problem may eventually be resolved only through deep economic cooperation between the EU and the EEU, making this cooperation paramount for developing common neighbourhoods [1].

However, the EEU is not simply interested in a free-trade agreement, but in a deep and comprehensive agreement with the EU. The reason is straightforward: the current EU-CU trade structure would make it very beneficial for the EU. Losses in the conditions of trade must be compensated by gains in other domains.

The prototypes of potential EU-EEU integration are manifold. They include a deep and comprehensive free trade agreement (DCFTA) as well as a comprehensive economic and trade agreement (CETA). The latter is exemplified by the recent agreement between the EU and Canada. It is also a prototype of the Transatlantic Trade and Investment Partnership (TTIP). We think that CETA may be the best choice for the EU-EEU deal. This is particularly the case as, due to the existing trade structure, Russia and Kazakhstan are not interested in a free-trade regime with the EU as such. At the same time, the obvious problems entailed by trade concessions should be compensated by advantages in other areas.

The Presidents of Russia and Kazakhstan have already voiced support for the idea of a deeper economic integration with the EU. Russian President Vladimir Putin suggested putting a free trade zone with the EU back on the agenda during the EU — Russia Summit on January 28th, 2014. On February 5th, 2014, this proposal received explicit support from the President of Kazakhstan Nursultan Nazarbayev.

It is worth noting that the full-fledged EU-EEU negotiations would require all members of the EEU to become WTO members. Hence it is necessary for Russia to support Kazakhstan, and particularly Belarus, in their Geneva negotiations. Essentially, Russia has to become a locomotive of Kazakhstani and Belarusian WTO membership [5].

The scope of the prospective deal might include dozens of domains and policy areas, and would include: 1. Trade in goods; 2. Rules of e-commerce; 3. Partial eliminations (or, alternatively, streamlining) of NTBs; 4. Trade in services; 5. Access to financial markets; 6. Free movement of capital; 7. Regulatory convergence; 8. Intellectual property rights; 9. Bilateral recognition of professional education certificates; 10. Establishing a visa-free regime (including a package of readmission agreements); 11. A bilateral regime for the Kaliningrad Region; 12. Policies towards common neighbourhoods; 13. Large-scale educational exchanges (such as Erasmus Mundus); 14. Development of cross-border transport infrastructure (automobile and railway corridors); 15. Third Energy Package; 16. Establishment of the common electrical power market; 17. Mutual access to public procurement; 18. Competition rules; 19. Mediation and settlement mechanisms [2].

The majority of these domains need an in-depth quantitative analysis. Therefore, a large scale and multi-year research project is needed, where experts from both sides would join in.

The tentative research project could be carried out in the following three stages – where the first stage is designed to identify trade barriers, the second is the modelling stage based on the results of the first, and the third stage envisages the development of a set of political recommendations for holding asymmetric negotiations.

1. Deep EU-EEU economic integration: identifying the barriers. Research of the current state of affairs, including trade barriers and non-tariff measures, regulatory discrepancies, and border issues. Essentially, this is a study of what the problems are currently.

2. Deep EU-EEU economic integration: quantitative assessment of impact in various scenarios. This stage, being based on the first stage of the project, will include modeling and a quantitative assessment, based on several methods.

3. Development of a set of political recommendations for holding negotiations. Figuratively speaking, the negotiating parties will have a variety of ‘chips’ in their hand. It is thus necessary to understand the absolute and relative value of these ‘chips’ in order to find suitable consensus [4; 5].

Conclusion. The main and most obvious analytical method of this proposal is the computable general equilibrium (CGE) model, which is a thoroughly developed and formalized tool for solving economic policy issues. In the model selected for analysis, countries can be aggregated in various ways and computations can be carried out for the following groups of countries [3]: EU-27 (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom); EEU-3 (Belarus, Russia, Kazakhstan) or EEU-5 (+Kyrgyzstan and Armenia, and possibly also Tajikistan); Ukraine and Turkey (these countries should be distinguished due to their importance in the context of EU-EEU relations); other countries.

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THE PROBLEM OF CYBERCRIMES AT THE INTERNATIONAL SETTING

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Dmitriyeva A.S., Manzhos Y. Y. The problem of cybercrimes at the international setting. The article gives the analysis of the efforts of various international organizations to fight against cybercrimes and computer crimes. These efforts include the initiatives of the United Nations, the Council of Europe, The Organization for Economic Co-operation and Development, the Economic Community of West African States and others.

Key words: computer crimes, cybercrimes, the United Nations, the Council of Europe.

Дмітрієва А.С., Манжос Я. Ю. Проблема кіберзлочинів на міжнародній арені. У статті подано аналіз зусиль різних міжнародних організацій по боротьбі з кіберзлочинами та комп'ютерними злочинами. Ці зусилля включають ініціативи Організації Об'єднаних Націй, Ради Європи, Організації економічного співробітництва та розвитку, Економічної співдружності західноафриканських країн та інших.

Ключові слова: кіберзлочини, комп'ютерні злочини, Організація Об'єднаних Націй, Рада Європи.

Дмитриева А.С., Манжос Я. Ю. Проблема киберпреступлений на международной арене. В статье представлен анализ усилий разных международных организаций по борьбе с киберпреступлениями и компьютерными преступлениями. Эти усилия включают инициативы Организации Объединенных Наций, Совета Европы, Организации экономического сотрудничества и развития, Экономического сообщества западноафриканских стран и других.

Ключевые слова: киберпреступления, компьютерные преступления, Организация Объединенных Наций, Совет Европы.

There is no commonly agreed single definition of “cybercrime”, which is the subject of this article. Broadly speaking, it refers to illegal internet-mediated activities that often take place in global electronic networks [2]. The problem of cybercrimes is extremely topical nowadays, as these offences are international or transnational, because there are no cyber-borders between countries [5]. The aim of this article is to analyze the efforts of various international organizations to fight against computer and cybercrime.

International cybercrimes often challenge the effectiveness of domestic and international law and law enforcement, because existing laws in many countries are not tailored to deal with cybercrime, criminals increasingly conduct crimes on the Internet in order to take advantages of the less severe punishments or difficulties of being traced.

Information and communication technologies (ICT) play an important role in helping ensure interoperability and security based on global standards. As computer crimes refer to any crimes that involve a computer and a network, cybercrimes refer to criminal exploitation of the Internet.

Computer crimes can be categorized in three ways: the computer as a target – attacking other computers (e.g. infecting viruses & spreading malware, etc.); the computer as a weapon – using a computer to commit a traditional crime that we see and experience in the physical world (such as fraud or illegal gambling); the computer as an accessory – using a computer as a fancy filing cabinet to store illegal or stolen information or data [4].

Computers can operate globally. Thus, the perpetrator of a computer crime can affect the computers of another country without leaving home. The global nature of the Internet raises a host of international questions, such as what should be considered a computer crime and who will have the jurisdiction to prosecute such a crime. There are also issues regarding how evidence necessary for a criminal prosecution may be obtained. Mutual assistance treaties between countries often assist in procuring necessary evidence from one country that may be needed for a criminal prosecution within another country.

Although the Internet operates internationally, there is no uniformly accepted set of international laws that criminalize computer misuse and abuse. Several international conferences and initiatives, however, have focused on computer crime.

The Council of Europe (COE) has been at the forefront in promoting international cooperation regarding computer crime. Other international initiatives also have considered computer-related issues. For example, consumer protection policies have been formulated through the Organization

for Economic Cooperation and Development (OECD). Computer crime issues have also been discussed in international forums such as the Vienna International Child Pornography Conference. Additionally, the United Nations produced a manual on the prevention and control of computer related crime, which stresses the need for international cooperation and global action [3]. Overall the conducted analysis shows that there are nine main international organizations, the initiatives of which pertain to the topic of the article. These organizations and their initiatives should be discussed in detail.

First of all it is of course the United Nations. In 1990 the UN General Assembly adopted a resolution dealing with computer crime legislation. In 2000 and 2002 the UN General Assembly adopted two resolutions on combating the criminal misuse of information technology [7]. The International Telecommunication Union (ITU), as a specialized agency within the United Nations, plays the leading role in the standardization and development of telecommunications and cybersecurity issues. The ITU was the lead agency of the World Summit on the Information Society (WSIS), and contributed greatly to the Geneva Declaration of Principles and the Geneva Plan of Action, released in 2003, and the Tunis Commitment and the Tunis Agenda adopted in 2003, which highlight the importance of measures in the fight against cybercrime [6].

The steps have also been made by the Council of Europe which is an international organisation focusing on the development of human rights and democracy in its 47 European member states. In 2001, the Convention on Cybercrime, the first international convention aimed at Internet criminal behaviors, was co-drafted by the Council of Europe with the help of the USA, Canada, and Japan and signed by its 46 member states. But only 25 countries ratified this convention later [1]. It aims at providing the basis of an effective legal framework for fighting cybercrime, through harmonization of cybercriminal offences qualification, provision for laws empowering law enforcement and enabling international cooperation. Other European initiatives include the publishing of the communication titled “Creating a Safer Information Society by Improving the Security of Information Infrastructures and Combating Computer-related Crime” by the European Commission in 2001 and the proposal for a “Framework Decision on Attacks against Information Systems” presented by the EU in 2002, which takes note of the Convention on Cybercrime, but concentrates on the harmonisation of substantive criminal law provisions that are designed to protect infrastructure elements [6].

The issue of cybercrime induced not only world responses but also regional ones. For example, the Asia-Pacific Economic Cooperation (APEC) is an

international forum that seeks to promote open trade and practical economic cooperation in the Asia-Pacific Region. In 2002, APEC issued the Cybersecurity Strategy which is included in the Shanghai Declaration. The strategy outlined six areas for co-operation among member economies including legal developments, information sharing and co-operation, security and technical guidelines, public awareness, training and education [6].

The Organization for Economic Co-operation and Development (OECD) is an international economic organization of 34 countries founded in 1961 to stimulate economic progress and world trade. In 1990, the Information, Computer and Communications Policy (ICCP) Committee created an Expert Group to develop a set of guidelines for information security that was drafted until 1992 and then adopted by the OECD Council. In 2002, OECD announced the completion of Guidelines for the Security of Information Systems and Networks: Towards a Culture of Security [7].

In 2002, the Commonwealth of Nations presented a model law on cybercrime that provides a legal framework to harmonise legislation within the Commonwealth and enable international cooperation. The model law was intentionally drafted in accordance with the Convention on Cybercrime [8].

The initiatives taken in African countries are mainly induced by the Economic Community of West African States (ECOWAS), which is a regional group of 15 West African Countries founded in 1975. In 2009, ECOWAS adopted the Directive on Fighting Cybercrime in ECOWAS that provides a legal framework for the member states, which includes substantive criminal law as well as procedural law [7].

The analysis enables us to draw the conclusion, that cybercrime is a transnational problem, which is fought against at different levels – national, regional (ECOWAS, APEC) and the world level (the UN, OECD), but more efforts should be taken to combine the initiatives of various international organizations.

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THE FEATURES OF THE STATE POLICY IN THE SPHERE OF TOURISM IN JAPAN

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Dronina C.A. , Saprun I.R. The features of the state policy in the sphere of tourism in Japan. The article is devoted to the research of the priority directions of the state policy in Japan. Theoretical and methodical basis of state regulation in tourist industry have been highlighted. The current state of tourism policy has been analyzed. The priorities of development have been systematized. The practicability of conceptual measures aimed at improving the state regulations of tourism has been generalized and justified.

Keywords: government regulation, priority directions, state policy, tourism policy.

Дроніна Х.О., Сапрун І.Р. Особливості державної політики у сфері туризму в Японії. Стаття присвячена дослідженню пріоритетних напрямів розвитку державної туристичної політики в Японії. Висвітлено теоретико-методологічні основи державного регулювання туристичної сфери. Проаналізовано сучасний стан туристичної політики та систематизовані пріоритетні напрямки розвитку. Узагальнено та обґрунтовано доцільність реалізації концептуальних заходів щодо вдосконалення державного регулювання туризму.

Ключові слова: державна політика, державне регулювання, пріоритетні напрями, туристична політика.

Дронина К.А., Сапрун И.Р. Особенности государственной политики в сфере туризма в Японии. Статья посвящена исследованию приоритетных направлений развития государственной туристической политики в Японии. Отражены теоретико-методологические основы государственного регулирования туристической сферы. Проанализировано современное состояние туристической политики и систематизированы приоритетные направления развития. Обобщено и обосновано целесообразность реализации концептуальных мер по совершенствованию государственного регулирования туризма.

Ключевые слова: государственная политика, государственное регулирование, приоритетные направления, туристическая политика.

The tourism industry is one of the priority sectors in the economy of Japan. The experience of Japan as one of the leading countries in the tourism industry shows that the success of tourism depends on the way the industry is perceived at the state level and whether it is supported by the government or not. The subject of the research is the peculiarities of tourism policy in Japan. The government tourism policy was selected as the object of the research. The aim of the article is to assess the current state and prospects of the tourism policy in Japan, identifying the features of state regulation of the tourist activity.

Due to Japan possesses huge tourism potential, the government intends to create the country that will become one of the main centers of international tourism. The priorities of the tourism market in Japan are not only to attract more foreign tourists and encourage repeat visits, but also to actively promote the policy that is directed at the development of the outbound tourism.

Japanese government states that the forming up the conception of sustainable tourism with its potential that contributes to the impulsive regional economic development, job creation and increase in international understanding, is a key component of Japan's policy in the XXI century [2]. State policy in the sphere of tourism in Japan is realized through the developed by government general conception of tourism development and targeted programs for the implementation of which significant financial resources are allocated. According to the report of the Agency for Tourism of Japan «JTA», every year Japanese government spends more or less 120 million dollars for the development of sustainable national tourism [4].

The main purpose of the public tourism policy is to create a modern and highly competitive tourism industry which will provide citizens and foreign tourists with a wide range of service opportunities as well as it will contribute significantly to the country's economy.

Provided state regulations of the industry are effective, the proper

involvement of the powerful Japanese tourism potential is possible; moreover, experienced and highly-qualified personnel will be involved.

International, national and regional tourist organizations are an essential element of the tourism management in Japan on the state level. The importance and necessity of the existence of the sub-regional united tourism organization is undeniable. Japan Tourism Agency «JTA» is an example of such organization acting in Japan.

Tourism organization in Japan are defined as a special kind of organizational structure of public administration of the tourism industry, which assumes the function of the coordinator as well as intermediary between the state and non-state levels of government. A special activity of tourism organizations in Japan is advertising department, which carries out work on attracting foreign tourists to the country (organizing promotional campaigns).

For practical implementation of public policy objectives, the list of activities including the following issues: creation of the legal framework for tourism development that meets the international practice; formation of the economic incentives of foreign and domestic tourism and attraction of the investments in the sector; introduction of the monitoring of the tourism activities and more, is proposed.

The organization of the tourist activities is carried out in accordance with the laws of Japan as well as international legal acts of international public and private law and the laws of other states. Japan has a very sophisticated legal base that regulates tourism activities. The effective mechanisms of the public finance, infrastructure, personnel, administrative and informational support which provide the safe development of the international tourism in all aspects have been created.

Japan regulates the proper functioning of the travel agencies at the state level. A special system of registration has been created. The government has approved the rules for the conduct of tourism businesses with the purpose to ensure the proper practice of tourism firms. There is a special law «Travel Agency Act» that has been passed so far.

One of the fundamental laws in the sphere of tourism is the Tourism Nation Promotion Basic Law. This normative document describes the organizational principles of the tourism development, clearly positioning tourism as one of the pillars of Japanese politics, both internal and external. According to it, tourist policy in Japan is based on the principle that innovation-focused efforts to promote the development of international and domestic tourism, focusing on the development of regional tourism are the key to ensure the best future

for Japan. The Act also provides that the government must highlight the following key policy areas as the development of competitive and attractive tourist destinations on the international level in order to improve the international competitiveness of the tourism industry in Japan; training of specialists in the tourism sphere that will contribute to the development of tourism in order to promote international tourism.

Furthermore, an important step in the development of international tourism in Japan is an implementation of the program «MICE» (Meetings, Incentives, Conventions, Exhibitions / Events) which has a broad economic importance and considerable economic impact and also creates the business opportunities. Japan aims to support activities related to attracting and holding MICE for the local public authorities, international and national conventions, activities on private business and to support efforts to strengthen competitiveness in this sphere.

The strategic direction for tourism state regulation in Japan is information policy implementation of tourism development [1]. Large-scale advertising and information activities in Japan provide an effective promotion of the tourism product and encourage the tourist flows. The promotion campaign «Visit Japan» deserves special attention [3].

In 2003 «JNTO» (Japan National Tourism Organization) and «JTA» (Japan Tourism Agency) launched a campaign «Visit Japan» as a joint project, whose main goal was to increase the flow of foreign visitors to Japan to 10 million people a year. In 2013 it was the tenth anniversary since the launch of the campaign «Visit Japan». During this period the number of the tourists increased twice – from 5,21mln. in 2003 to 10mln. in 2013.

The slogan of the modern campaign «Visit Japan» (2013 – 2014) is: «Discover the Spirit of Japan». A web site has also been launched aimed at demonstrating the beauty and wonders of Japan. The ability to view 160 videos complete with subtitles in English, Korean and Chinese makes Japan available to viewers from around the world and seduces to visit the country.

In order to implement a successful tourism campaign in Japan and create a favorable image abroad, the government allocated the major regions of the world where the informative promotion of tourism in Japan involving the media (TV, magazines) and online advertising is carried out.

The campaign conducts promotional activities focused on 12 countries and regions (Korea, Taiwan, China, Hong Kong, Thailand, Singapore, USA, Canada, UK, Germany, France, Australia) on grounds that there is a large number of visitors to Japan from these countries, as a result the government

points out these countries as priority markets. In addition, three countries (India, Russia and Malaysia) have been identified as perspective emerging markets in 2007, and nowadays the program is focused on conducting research in these markets [3].

The public and private sectors of the country are working together to facilitate the campaign promoting Japanese tourism in Japan and maintaining well-known tourist destinations to attract foreign visitors to the country.

According to statistics published by «JNTO» in July 2012, the number of foreigners who visited Japan for the first time since the 2011 Tōhoku earthquake and tsunami increased to rates of the year before the crash (in 2010 – 8.6 mln. tourists, in 2011. – 6.2 mln., in 2012. – 8.3 mln.). It should be noted that the achievement such impressive figure for just 14 months has become possible only due to general support: government, regional administrations and private companies, the media, citizens and travelers from around the world.

The extensive advertising and information activities in the sphere of tourism in Japan provide effective positioning of the tourist product of the country, promotion of Japanese culture that supports positive image of Japan on the international arena, facilitates the establishment of friendly relations with foreign countries and increasing tourist flows.

Summing up, Japan is among the recognized leaders of the global development, has become possible not only due to the introduction of high technologies. To a great extent, these are successful tourism policy and the promotion of the cultural image of the country abroad that made it possible. Being the country where tourism is currently being developed, Japan tries to achieve the maximum economic effect from its functioning. On these grounds, tourism is ranged as an important sector of the economy.

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ANALYSIS OF MNC PERFORMANCE: VOLKSWAGEN GROUP

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Gabinska O.O., Izotova L.I. Analysys of MNC performance: Volkswagen Group. The article considers the basic activities of TNC Honda Motor, namely, main performances, the structure of the company, the challenges which the company faces and ways of their solutions.

Key words: earnings per share, internal combustion engine technology, multinational corporation, shareholders, volatile prices.

Габінська О.О., Ізотова Л.І. Аналіз діяльності МНК: Volkswagen Group. У статті розглянута основна діяльність МНК, а саме, основні напрямки роботи, структура компанії, проблеми, з якими стикається компанія та шляхи їх вирішення.

Ключові слова: акціонери, нестійкі ціни, прибуток на акцію, технологія внутрішнього згорання в двигуні, багатонаціональна компанія.

Габинская Е.О., Изотова Л.И. Анализ деятельности МНК: The Volkswagen Group. В статье рассмотрена основная деятельность ТНК, а именно, основные направления работы, структура компании, проблемы, с которыми сталкивается компания и пути их решения.

Ключевые слова: акционеры, неустойчивые цены, прибыль на акцию, технология внутреннего сгорания в двигателе, многонациональная компания.

The goal of the article is to give a brief overview of the multinational companies and study their performance by the example of the Volkswagen Group. MNC is a corporation that has its facilities and other assets in at least one country other than its home country. Such companies have offices and/or factories in different countries and usually have a centralized head office where they co-ordinate global management. Very large multinationals have budgets that exceed those of many small countries. The problem of moral and legal guiding behaviors of MNC's, given that they are effectively "stateless" actors, is one of the urgent global socioeconomic problems that emerged during the late twentieth century. MNC's plays an important role in globalization.

The Volkswagen Group with its headquarters in Wolfsburg is one of the world's leading automobile manufacturers and the largest carmaker in Europe. In 2013, the Group increased the number of vehicles delivered to customers to 9.731 million, corresponding to a 12.8 percent share of the world passenger

car market. As to the structure the Group operates from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN.

Each brand has its own character and operates as an independent entity on the market. The product spectrum ranges from motorcycles to low-consumption small cars and luxury vehicles. In the commercial vehicle sector, the products include ranges from pick-ups, buses and heavy trucks.

The Volkswagen Group is also active in other fields of business, manufacturing large-bore diesel engines for marine and stationary applications (turnkey power plants), turbochargers, turbomachinery (steam and gas turbines), compressors and chemical reactors. It also produces vehicle transmissions, special gear units for wind turbines, slide bearings and couplings as well as testing systems for the mobility sector.

The Group operates 107 (since November 04, 2014) production plants in 19 European countries and a further eight countries in the Americas, Asia and Africa. Every weekday, 572,800 employees worldwide produce some 39,350 vehicles, and work in vehicle-related services or other fields of business. The Volkswagen Group sells its vehicles in 153 countries.

The Group's goal is to offer attractive, safe and environmentally sound vehicles which can compete in an increasingly tough market and set world standards in their respective class.

Volkswagen Aktiengesellschaft is a public company and has a primary listing on the Frankfurt Stock Exchange, where it is a constituent of the DAX index, and secondary listings on the London Stock Exchange, Luxembourg Stock Exchange, New York Stock Exchange and SIX Swiss Exchange. As of September 2012, the state of Lower Saxony holds 12.7% of the company's shares, granting it 20% of the voting rights.

Under the Volkswagen Law, no shareholder in Volkswagen AG could exercise more than 20 percent of the firm's voting rights, regardless of their level of stock holding. In October 2005, Porsche acquired an 18.53 percent stake in the business, and in July 2006, Porsche increased that ownership to more than 25 percent. Analysts disagreed as to whether the investment was a good fit for Porsche's strategy.

Volkswagen AG shares are also listed and traded on other major domestic and worldwide stock exchanges. In Germany's domestic exchanges, since 1961 these include those in Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart. Since the start of trading in 1961, Volkswagen AG shares have

been subjected to two stock splits – the first was on 17 March 1969 when they were split at a ratio of 2:1, from a DM 100 share to a DM 50 share. The second split occurred on 6 July 1998, the DM 50 share being converted into a share of no overall nominal value, at a ratio of 1:10.

Volkswagen is heavily involved in sports sponsorship, with investments having included the 2008 Summer Olympics, the 2014 Winter Olympics, as well as the David Beckham Academy. Volkswagen AG wholly owns the Bundesliga football side VfL Wolfsburg; the company is also the shirt sponsor of Major League Soccer club D.C. United, League of Ireland Premier Division Sligo Rovers and top level of the Mexican football league system Liga MX team Puebla F.C.

The main goals of the company: ‘Ongoing measurement and evaluation of our sustainability performance is critical to achieving our goals. The Volkswagen Group’s sustainability indicators document progress in all three dimensions: economy, people and environment. For the second time we also include indirect CO₂ emissions in our reporting in line with Scope 3 of the Greenhouse Gas Protocol. Our aim is to create lasting value: for the Company, its employees and its shareholders, but also for the countries and regions in which we operate. This all-embracing view of sustainability is shared by all twelve brands, our companies and all our employees across the Group. Together we work to find solutions for the challenges of the future – and make no mistake, those challenges are substantial: markets are shifting, resources are becoming scarcer, emissions regulations are tightening up all over the world, and booming cities call for new and intelligent traffic and mobility concepts. We consider it’s a part of our responsibility to find the right answers to these trends’ [4].

In conclusion it should be noted that Volkswagen AG develops, produces, and manufactures a variety of motor products, ranging from small general-purpose engines and scooters to specialty sports cars that incorporate Volkswagen’s highly efficient internal combustion engine technology. Under the Volkswagen Law, no shareholder in Volkswagen AG could exercise more than 20 percent of the firm’s voting rights, regardless of their level of stock holding.

Their aim is to create lasting value: for the company, its employees and its shareholders, but also for the countries and regions in which they operate.

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RECREATIONAL POTENTIAL OF THE CRIMEAN PENINSULAR AS A BASIS FOR TOURISM INDUSTRY DEVELOPMENT IN THE REGION

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Getmantseva K.V., Saprun I.R. Recreational potential of Crimea as a basis for development of the tourism industry in the region. The article reveals the tourism potential of the region through its resources, answers questions dedicated to the resources of the Crimea and focuses on the most profitable areas and types of tourism in the region. A comparative analysis according to national parameters has been presented based on all the characteristics given.

Key words: Crimea, development, types of tourism, tourism potential, tourist resources.

Гетьманцева К.В., Сапрун І.Р. Рекреаційно-туристичний потенціал Криму як основа розвитку туристичної індустрії регіону. Стаття розкриває туристичний потенціал регіону через наявні у ньому ресурси, відповідає на питання ресурсозабезпеченості Криму та робить акцент на найбільш вигідних напрямках та видах туризму у регіоні. За усіма представленими характеристиками зроблений порівняльний аналіз за загальнодержавними параметрами.

Ключові слова: види туризму, Крим, розвиток, туристичний потенціал, туристичні ресурси.

Гетьманцева К.В., Сапрун И.Р. Рекреационно-туристический потенциал Крыма как основа развития туристической индустрии региона. Статья раскрывает туристический потенциал региона через ресурсы, которые в нем

представлены, отвечает на вопрос о ресурсообеспеченности Крыма и делает акцент на наиболее выгодных направлениях развития туризма в регионе. По всем представленным характеристикам сделан сравнительный анализ.

Ключевые слова: виды туризма, Крым, развитие, туристический потенциал, туристические ресурсы.

The Crimean peninsula is the leading resort in the southern part of Europe with a high level of recreational facilities. In particular, the pearls of its riches are enormous natural facilities. Recreation and tourist resources play an important role in the formation of the tourism potential of this area.

The object of research is Crimea, recreation and tourism resources in the investigated area, their quantitative and qualitative assessment. Thus, the aim of this work is a comprehensive analysis and evaluation of tourism and recreation resources of the region as a result of research.

Natural tourism resources create an attractive image of Crimea that is prominent in comparison with other regions of Europe. The main ones are coastline and climate contributing the development of therapeutic recreation and tourism. More important among these are its coastal resources. The total length of coastline is 1120 km, which represents 40% of the total length of shoreline in Ukraine. More than half of the coastlines of the peninsula (650 km) are the beach areas, which are widely used for seasonal recreation. Pebbly beaches are located mostly across the southern coast of Crimea. Sand and shell beaches are on the western coast, near Feodosia and on the coast of the Azov Sea.

Coastal resources are combined with one of the most favorable for the development of tourism and recreation in southern part of Europe environmental resources. Crimea is an extremely warm region. There are three types of climate: continental steppe climate in the north of the peninsula, continental mountain forest on the Crimean Mountains and subtropical Mediterranean in the southern coast of Crimea. The temperature varies from +2 to +24 ° C on average in July to -3 ° C in January, and on the southern coast of Crimea winter temperature is from 0 to +5 ° C and in summer is from +24 to +25 ° C. Precipitations are relatively rare and diverse from 316 to 466 mm, but most precipitation falls in the winter. The favorable period for tourism is 9 months and for recreation is 5 months. These climatic conditions make it possible to develop a recreational and climatic tourism.

Medical tourism is possible due to the presence of more than of 50 salt lakes belonging to 5 groups. They have large reserves of medical mud (about 24 millimeter m²). Centers of mud tourism are Saki and Euvpatoriya.

Balneotherapy is common in Feodosia and climatic is on the south coast.

The main orographic resources of the region are the Crimean Mountains. These mountains are not high, the maximum height is 1545 m (the highest top is the Roman-Kosh). Their special feature is bush landforms. Mountains play a significant role in the development of rock and mountain hiking.

Crimea is rich for caving resources. The total area of caves is about 19,800 km in the region. The total length of the cavities in the territory of Crimea is 71 230 m, total depth is 22 987 m. There are about 800 caves in Crimea, 50 of which are natural monuments. The Chater-Dag boasts the greatest number of caves. This ranger has 200 caves and their depth is over 200 m. The most famous of them are Marble, Red and Soldier cave.

Other natural resources do not play a prominent role for tourism. In addition to coastal water resources, river and channel resources are to be included. The Crimean peninsula has got 1657 permanent and temporary streams and canals and among them 150 ones are rivers. However, in the summer they often get dry and most of them are only used for local recreation.

Regional forests do not fall in to the category of the most outstanding resources of the Crimean landscape, because the main part of the peninsula is steppe, however, the mountains are covered with forests. The forestry of Crimea is 340 000 ha, accounting for 13.7% of the region.

141 territories and objects of natural reserve fund have been established in the country for conservation with the total area of 243 100 hectares. In particular, there are 6 natural reserves, one national park, 32 reserves, 2 botanical gardens (the most famous is Nikiski Botanical Garden), 15 parks which are the monuments of landscape architecture, 2 zoos (one of them is safari-park "Taigan"), 73 natural monuments and others. The share of natural reserve fund is Crimea, for example, is in 2.5 times higher than the average for Ukraine and as a whole, but 2 times lower than the recommended of UN level.

Although natural resources determine the main direction of development of tourism in region, the cultural and historical resources of this region can also be estimated as very high. The total number of objects is 3441 units. In this fact it is really great position even with comprising with other countries in this part of Europe.

Parks and monuments of landscape art make up a gorgeous fame for Crimea. The most attractive properties are located in Yalta. Bakhchisaray Khan's Palace is the oldest monument in this area, other objects are Vorontsov, Livadia, Massandra, Haraks, Foros palaces, which are widely used to attract tourists.

According to the experts the archaeological sites are extremely popular with tourists. These sites include places of primitive people (grotto Kyyik-Koba), ancient burial mounds and ancient burial. The main objects of attraction include Greek city-colony Chersonesos (which is near modern Sevastopol), Pantikapaion (Kerch), Naples-Scythian (Simferopol), Kalos Limen (Chernomorskoe), Cercinitis (Euvpatoriay).

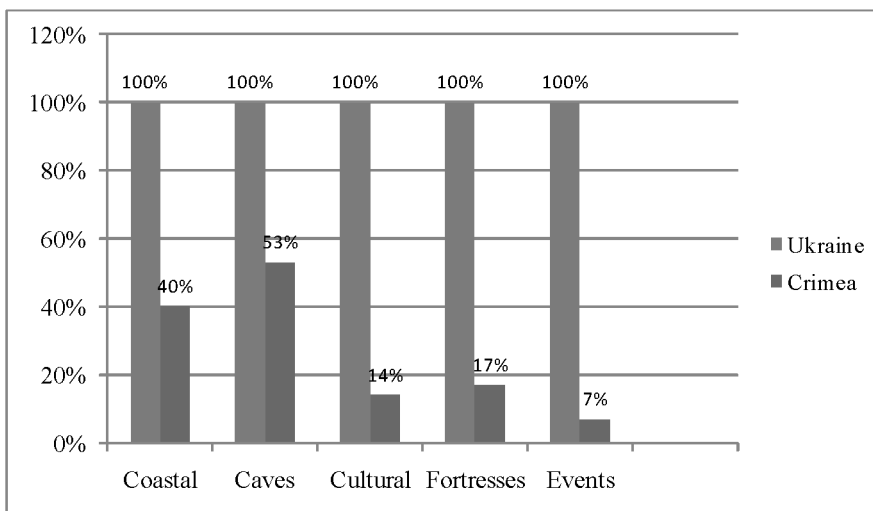


Fig. 1. Comparative characteristics of tourism resources of the Crimea and Ukraine (percentage)

The resources for the development of religious tourism are available in region too. The total number of sacred buildings considering the diversity of faiths is 185 ones. Orthodox churches are 107 objects, the Roman Catholic Churches are 2 attractions, protestant are 27 sites. The mosques of Muslims is everywhere in Crimea, their total number is 28 ones, the biggest and greatest of them is Juma Mosque Jami which is located in Yalta. The oldest monastery in Crimea and even in this part of Europe is located in Old Crimea, it is an Armenian monastery called Surb-Hach.

The total number of fortified objects is 40 units. The most famous of them are Allston, Kafa in Feodosia, Soldayya in Sudak and others.

The mountain towns of Crimea Calais, Eski-Kerman, Kutch-Kalon, etc. are settled in Bakhchisaray district. As for the cave temples, they are situated in Bakhchisaray (Uspensky Monastery) and Sevastopol (Inker man and St. George Monastery).

To draw the conclusion, it has to be singled out that the resource potential of Crimea can be assessed as extremely high due to all the tourist resources that influence the development of recreational areas. The bulk of the known types of tourism are developing at this region. The sea and the climate are all about bathing-beach recreation, orographic provides skiing and mountain sports, hydro resources can be used in medical tourism, caves are popular among lovers of speleotourism, cultural and historical monuments referred to cultural tourism, sacred buildings include religious and pilgrimage and so on. Crimea ranks the leading place in southern part of Europe in the way of developing and using of given natural and other resources to extend tourist flows.

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THE ECONOMIC ASPECTS OF ADVERTISING

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Gevorkyan K.E., Startseva N.M. The economic aspects of advertising. The article notes the relevance of the study of economic aspects of advertising. The aspects of the impact of promotional activities on the economy are shown and described. Such aspects as the impact of advertising on the value of product, on prices, competition, consumer choice, demand and business cycle.

Keywords: advertising, economic aspects, economic growth, impact, spendings.

Геворкян К.Е., Старцева Н.М. Економічні аспекти реклами. У статті зазначається актуальність дослідження економічних аспектів реклами. Приведені та описані аспекти впливу рекламної діяльності на економіку, такі як: вплив реклами на ціни, конкуренцію, споживчий вибір, попит та діловий цикл.

Ключові слова: витрати, вплив, економічні аспекти, економічне зростання, реклама.

Геворкян К.Э, Старцева Н.Н. Экономические аспекты рекламы. В статье отмечается актуальность исследования экономических аспектов рекламы. Приведены и описаны аспекты влияния рекламной деятельности на экономику, такие как: влияние рекламы на цены, конкуренцию, потребительский выбор, спрос и деловой цикл.

Ключевые слова: влияние, затраты, реклама, экономические аспекты, экономический рост.

Relevance. In recent times, the word 'Advertising' has become a fiercely mooted topic. Advertising is one of the most visible activities of business. It is a prominent feature of economic life. Advertising reaches consumers through their TV sets, radios, newspapers, magazines, mailboxes, computers etc. Not surprisingly, the associated advertising expenditures can be huge. For instance, Advertising Age (2013) reports that, in 2013 in the U.S., General Motors spent \$2.15 billion to advertise its cars and trucks; Procter and Gamble spent \$5 billion to the advertisement of its detergents and cosmetics; and L'Oreal spent \$2.34 billion on ads [1]. Advertising is a big business indeed. Therefore, the article investigates an important current theme.

The goal of research is to identify and describe economic aspects of advertising.

Without advertising, the media, including newspapers, television and radio would never be much strong. Advertising provides revenue for commercial media which would otherwise need to be funded by the actual consumer of these media. So, we can see a major economic infrastructure based around advertising, in which the big companies fund and subsidize the commercial media by the way of advertisements [4].

The major economic negative aspect of advertising is that it boosts the price of goods and services. The source of this contention is that, when organizations subsidize the mass media with advertising, we, the purchasers, subsidize advertising by compensating a grossly increased price for heavily advertised goods and services. An easy example of this is that a box of Omo washing powder generally costs around two to three dollars while the market price of

the product would be seven to eight dollars. The fact behind this is that the remaining proportion goes in heavy advertising in television and print media [4].

The Economic Impact of Advertising

Advertisement is necessary for economic growth. It is contributing immensely in the economy of every country. Advertising industry is contributing in the following ways:

- providing jobs
- making low selling costs
- making the company profit increase
- increasing the security of a company

Advertising accounts for approximately 4 percent of the U.S. gross domestic product [3]. In relation to the total U.S. economy, this percentage is small, but it's higher than in most countries.

Figure 1

Top – 7 advertising markets (million \$)

2012		Spending	2015		Spending
1.	USA	161,241	1.	USA	182,427
2.	Japanese	51,724	2.	Japanese	53,453
3.	China	36,190	3.	China	48,678
4.	Germany	25,646	4.	Germany	27,155
5.	Great Britain	19,502	5.	Great Britain	23,901
6.	Brazil	18,217	6.	Brazil	20,689
7.	French	13,525	7.	Russia	13,714

Source: [5]

Effect on the Value of Products

Advertising also adds value to a brand by educating customers about new uses for a product. Kleenex was originally advertised as a makeup remover, later as a disposable handkerchief. American Telephone and Telegraph (AT&T) first promoted the telephone as a necessity and later as a convenience.?

One advantage of the free-market system is that consumers can choose the values they want in the products they buy. If, for example, low price is important, they can buy an inexpensive economy car. If status and luxury are important, they can buy a fancy sedan or racy sports car. Many of our wants are emotional, social, or psychological rather than functional [2].

Effect on Competition

Some observers believe advertising actually restricts competition because small companies or industry newcomers can't compete with the immense

advertising budgets of large firms.

It's true that intense competition does tend to reduce the number of businesses in an industry. High costs may inhibit the entry of new competitors in industries that spend heavily on advertising. In some markets, the original brands probably benefit greatly from this barrier. However, the investments needed for plants, machinery, and labor are of far greater significance. These are typically the real barriers to entry, not advertising. Advertising by big companies often has only a limited effect on small businesses [2].

Effect on Consumer Demand

The question of the effect of advertising on total consumer demand is extremely complex. Many social and economic forces, including technological advances, the educational level of the population, increases in population and income, and revolutionary changes in lifestyle, are more significant. For example, the demand for CD players, cellular phones, and personal computers expanded at a tremendous rate, thanks in part to advertising but more to favorable market conditions. At the same time, advertising hasn't reversed declining sales of such items as hats, fur coats, and manual typewriters [2].

Effect on Consumer Choice

For manufacturers, the best way to beat the competition is to make their product different. The freedom to advertise encourages businesses to create new brands and improve old ones. When one brand reaches market dominance, smaller brands may disappear for a time. But the moment a better product comes along and is advertised skillfully, the dominant brand loses out to the newer, better product. Once again, the freedom to advertise promotes the existence of more sellers, and that gives consumers wider choices [2].

Effect on the Business Cycle

Advertising stimulates a healthy economy. It also helps create financially healthy consumers who are more informed, better educated, and more demanding. As a result, consumers now demand that manufacturers be held accountable for their advertising. This has led to an unprecedented level of social criticism and legal regulation [2].

Conclusion. In the article the economic aspects of advertising were considered. By its nature, advertising is a prominent feature of economic life. More countries increase spending on advertising every year. Advertising adds value to a brand, impact on consumer demand and consumer choice. Also the freedom to advertise encourages more sellers to enter the market. Advertising stimulates a healthy economy. But the major economic negative aspect of advertising is that it can boost the price of goods and services.

Potential. The study of this theme can be continued from the point of view of the impact of advertising on the Ukrainian economy.

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INTERNATIONAL MONETARY FUND

(brief overview)

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Gura O.I., Oliylyk N.A. Historical and economic prerequisites of the International Monetary Fund (brief overview). The paper aims to give an overview of historical and economic preconditions for the International Monetary Fund. It describes the structure and activities of the IMF as the main international monetary institution on the world arena.

Keywords: economic society, international market, International Monetary Fund, stabilization program.

Гура О.І., Олійник Н.А. Міжнародний Валютний Фонд (стислий огляд). Стаття має на меті дати короткий огляд історичних та економічних передумов виникнення Міжнародного валютного фонду. Вона описує структуру та діяльність МВФ як глобального валютно-кредитного інституту на світовій арені.

Ключові слова: економічне суспільство, Міжнародний валютний фонд, міжнародний ринок, стабілізаційна програма.

Гура А.И., Олейник Н.А. Международный Валютный Фонд (краткий обзор).

Статья представляет собой краткий обзор исторических и экономических предпосылок возникновения Международного валютного фонда. Она описывает структуру и деятельность МВФ как главного валютно-кредитного института на мировой арене.

Ключевые слова: Международный валютный фонд, международный рынок, стабилизационная программа, экономическое общество.

International economic environment has changed dramatically since the International Monetary Fund (IMF) began its activity after the Second World War which mainly implies providing funds to the member country when it faces balance of payments problems that cause severe macroeconomic disequilibrium in the economy. “The IMF works to foster global growth and economic stability. “It provides policy advice and financing to members in economic difficulties and also works with developing nations to help them achieve macroeconomic stability and reduce poverty” [3].

The objective of the article is to evaluate the IMF’s stabilization programs under these new circumstances and review more traditional balance-of-payments and financial crises, and the respective standard policies that evolved to deal with them. The material of the study was derived from the data of the IMF and works of domestic and foreign economists.

During the 1990’s, the IMF was called upon to tackle balance-of-payments-cum-financial (twin) crises of much greater extent and complexity among developing countries, when compared with earlier periods. When such twin crises arise, the interaction between external difficulties and a weak banking system can mean that these tried and true policies can undermine each other. Hence, design and sequencing become extremely important.

It should be noted that international trade is a key element to enable nations, both large and small, to strengthen their economic positions: they both need the international market to export their goods and services and import products so they are able to produce more efficiently. In order to achieve these goals, there should be one major component: the ability to value other nation’s currency. Throughout the years, many different ways have been used to do this, mostly ending in failure. There is a strong interdependence between the US dollar and other currencies: as supply and demand for currencies change, the values of those currencies also change. “When the U.S. dollar is strong, imports seem less expensive, leading to increased demand for imported products and the currency needed to purchase them. In addition, when interest rates in another nation are higher than those in the U.S., demand for the

foreign currency rises, as people buy the currency in order to invest in the other nation's securities. At the same time, a stronger dollar decreases exports, because they appear more expensive to foreign consumers. Therefore, a trade deficit develops as the result of a strong dollar. The opposite effects result from a weak U.S. dollar while importers prefer a strong dollar, exporters prefer a weak dollar" [2].

The differences in currency values can affect any country's ability to buy imports or sell exports, affecting people's standard of living. So the effects of currency crises in other nations are not limited to those nations – they can affect the economy both nationally and globally. Therefore, the International Monetary Fund has been introduced as a powerful effort to see each country's economic position, offer suggestions and provide the fundamental economic support. and supervision to nations at all stages of economic progress.

It is common knowledge that the IMF has always had a powerful influence and each action affects the global economy. So having such a great responsibility for future to stabilize the global economy and reduce poverty the IMF was founded at the United Nations Monetary and Financial Conference in Bretton Woods, New Hampshire in July of 1944. The conference focused on several conditions which member nations would have to comply with. Each would agree to set a par value for its currency. This meant a fixed value would be given to each member's unit of currency to halt great fluctuations in their prices in relation to each other. An agreement was also made to apply the principle of convertible currencies. Each nation could now freely trade currencies being sure that it could be bought and sold at a standard, set value. Member nations were also obliged to contribute to the running costs of the International Monetary Fund.

The World Bank was formed in 1944 and is made up of five closely related branches: the International Bank for Reconstruction and Development (IBRD) which provides loans and advice on development to middle income countries and creditworthy poorer countries, sells bonds to richer countries to help provide money for the country in need; the International Development Association (IDA) which focuses on poorer countries of the world; the International Finance Corporation (IFC) which finances private sectors and government businesses; the Multilateral Investment Guarantee Agency (MIGA) which encourages foreign investment and provides technical assistance to help countries with investment opportunities and, finally, the International Centre for Settlement of Investment Disputes (ICSID) which facilitates settlements between investors and borrowers [1].

Having a membership of 182 countries the IMF joins their forces to promote international cooperation, stability in international markets, foster economic growth and provide financial and technical assistance to countries that are in need.

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NEOLOGISMS IN THE ENGLISH LANGUAGE WITHIN TOURIST INDUSTRY DOMAIN

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Hedriakov D.A., Saprun B.I., Saprun I.R. Neologisms in the English language within tourist industry domain. The article analyses the neologisms in the English language relevant to the tourist industry. Newly-emerged neologisms needs systematization, a special classification for practical purposes is required. Means of forming neologisms have been surveyed; definite tendencies in English lexical word-formation have been probed. Quantitative research of the selected data has been performed, some groups of neologisms have been determined on the basis of their usage and origination.

Key words: classification of neologisms, neologisms, tourist industry, types of neologisms, usage, word formation processes.

Гедряков Д.А., Сапрун Б.І., Сапрун І.Р. Неологізми в англійській мові у сфері індустрії туризму. У статті аналізуються неологізми в англійській мові, що мають відношення до індустрії туризму. Незліченна кількість новоутворених неологізмів потребує систематизації, що викликає необхідність створення особливої класифікації для практичних цілей. У статті досліджено засоби формування неологізмів, описано основні тенденції в їх словотворенні. Виконано кількісне дослідження вибіркової сукупності неологізмів, використовуваних в індустрії туризму, запропонована класифікація неологізмів у цій сфері на основі їх використання та походження.

Ключові слова: індустрія туризму, класифікація неологізмів, неологізми, походження, процеси словотворення, типи неологізмів.

Гедряков Д.А., Сапрун Б.И., Сапрун И.Р. Неологизмы в английском языке в области индустрии туризма. В статье анализируются неологизмы в английском языке, имеющие отношение к индустрии туризма. Несметное количество новообразовавшихся неологизмов нуждается в систематизации, что вызывает необходимость создания особой классификации для практических целей. В статье исследованы средства формирования неологизмов, были описаны основные тенденции в их словообразовании. Выполнено количественное исследование выборочной совокупности неологизмов, используемых в индустрии туризма, предложена классификация неологизмов в этой сфере на основе их использования и происхождения.

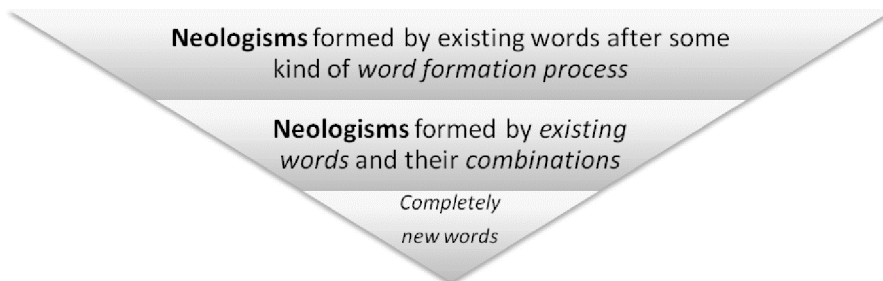
Ключевые слова: индустрия туризма, классификация неологизмов, неологизмы, происхождение, процессы словообразования, типы неологизмов.

Alongside with the diverse expansion of travel industry, there has been another scope for advancement as for the international language number one. Neologisms have started to emerge continuously through a variety of sources such as social networking and technology, mass culture and trademarks, economy and politics, etc., and the last but not the least is the process of borrowing and interaction between languages. This proves that any spoken language is a dynamic system subject to all the mentioned above phenomenon. What is becoming increasingly appreciable in today's world is the fact that travel industry has caused an emerge of a myriad of certain neologisms. Their complexity in meaning and etymology is of great scientific interest to a demanding learner of English for International Tourism.

This article deals with the analysis of the neologisms in the English language relevant to the tourist industry. The actuality of the research is defined by the growing necessity of systematization of corresponding neologisms and therefore creating a special classification for practical purposes. These tasks being accomplished, we would be able to further fathom a large number of newly-emerged neologisms in the area of tourist sphere and probe into the semantic principles of these neologisms in order to comprehend their usage.

A neologism is defined as a “newly coined word, expression, or usage” which is not older than twenty years [8]. These are “words that have appeared in a language in connection with new phenomena, new concepts, but which have not yet entered into the active vocabularies of a significant portion of the native speakers of the language” [7]. Therefore some neologisms with the time passing are formally accepted into mainstream language (at which point, they cease to be neologisms), and some wither until they can no longer be considered everyday terms. Representing the evolving nature of the English

language neologisms can be of different types. They can be completely new words, new meanings for existing words and their combinations or new meaning for existing words after some kind of word formation process (these processes are so-called blending, derivation, conversion, shortening etc.). The types are shown in the picture below.



The first two types are straightforward in their definitions whereas the last one needs some comments to be made. The last type is based on the word formation process (or as it is also called word building), which in its turn is oriented on the semantic principles of the language. Thus, the formation of the neologisms of this type can be divided into a certain number of situations. Such a word building process as compounding, which is extensively found in English, conveys the relative majority of the neologisms of this type. It can be explained by the fact that compounding is one of the easiest ways to create a neologism by simply joining “two or more words or parts of words (written as one or more words or joined by a hyphen) from the original nouns, adjectives or verb” [6]. It should also be noted that compounding, being a way of word formation process, is not the same as word combination and therefore ought to be differentiated from (our study also does not put these two methods in one type of neologisms). Semantic principles help to establish the hidden connection between the parts of a compound word. These connections are called predicates and they can lead to a cause, state what one thing or person is about, has, uses, resembles, etc. For instance, the compound noun *travel monkey*, that is “someone who goes on vacation a lot or is always going different places whether it is work-related or for fun” [9], shows a noun made of two words (two nouns themselves). Furthermore, the word *travel* often crops up as part of compound nouns (on behalf of a predicate).

Another way of word formation process is an acronym, which is defined as “a word formed from the first letters of the words that make up the name of something” [1]. For example, *SWOT* is an acronym for Strengths,

Weaknesses, Opportunities and Threats in market research analysis in tourism industry.

Compared to an acronym an abbreviation can be determined as “a linguistic process that assigns an already existing word to a new word class (part of speech) or syntactic category” [9]. This process is also known as a functional shift or zero derivation [3]. It usually reflects in a shortened or contracted form of a word or phrase used to represent the whole and spelled by each letter. *ST* and *CHT* are both abbreviations and refer to sustainable tourism and cultural heritage tourism accordingly.

Blending is defined as “a word formed by merging the sounds and meanings of two or more other words or word parts” [3]. It can be found in such neologisms as *staycation*. Here we have a word based on the idea that you go nowhere, and yet somehow are still vacationing, it is a so-called “stay-at-home vacation” [10].

Another one word-building method derivation represents “the process of creating a new word out of one or more old words, either by adding a prefix or suffix with or without the help of compounding” [9]. For instance, the neologism *McDisneyization* combines the words McDonalds and Disney and leads to a view that tourists are drawn to places where life within the destination resembles play [5].

Conversion, in its turn, is a “totally free process and any lexeme can undergo conversion into any of the open form classes as the need arises” [1]. With the help of conversion, words change their word class without the addition of an affix, as in *to Google*. It is a very subtle area in the language as there can emerge a lot of difficulties in deciding what word class was the original one, especially for non-native speakers.

Lastly, shortening consists in the reduction of a word to one of its parts; as a result the new form acquires some linguistic value of its own. For example, *hols* is a shortened neologism for holidays, *pp* is a shortening of people [10]. All of the above mentioned word-building processes do not provide an exhaustive survey of types of word-formation, but they cover the vast majority of them.

While the competent editors of well-recognized dictionaries can wait for years for the words to suit to be published, the omnipresent English-speaking mass media is acting more efficiently to bring these words into life. If we take the British mass media for example, it is undoubtedly The Times, The Independent, The Guardian, The Economist, The Daily Telegraph, The Observer, and Herald Scotland that provide a pioneering treatment for

neologisms to be acknowledged in the public eye. But there are still some other places like dictionary-mode websites where a keeping track of emerging vocabulary of the English language is presented. One of the good sites, which has launched at the beginning of 2014 and has so far documented the wide-ranging data of neologisms in the English language, is *Word Spy*. In our research we have looked through all of the mentioned sources via Internet as well as other materials presented online in order to make a random list of neologisms in the English language within tourist industry domain and probe the selected data (comprehend the words' meaning, their usage and create a special classification for practical purposes). The list of the haphazardly-selected neologisms is given below as well as the necessary comments vital for our research.

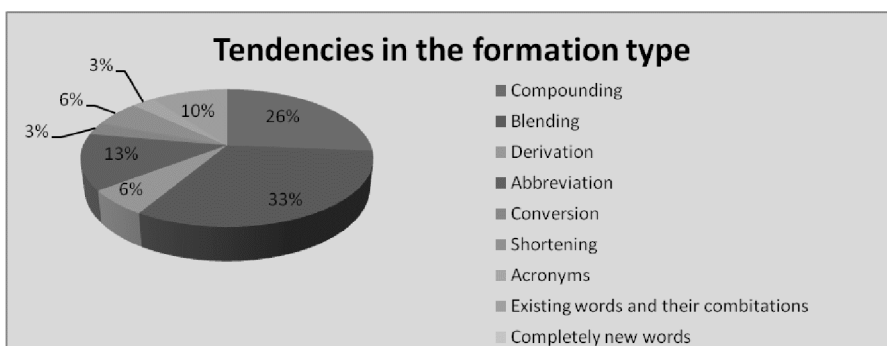
#	NEOLOGISM	MEANING	ANALYSIS
1	Agritourism	A form of tourism in which tourists stay on farms or in agricultural villages.	Blending of the words <i>agriculture</i> (noun) + <i>tourism</i> (noun)
2	Benefit tourist	A person who travels to or within Britain in order to live off social security payments while untruthfully claiming to be seeking work.	Compound of the words <i>benefit</i> (noun) + <i>tourist</i> (noun)
3	Black-hole resort	A resort that blocks all incoming and outgoing Internet signals [10].	Compound of the words <i>black</i> (adj.) + <i>hole</i> (noun) + <i>resort</i> (noun)
4	BVI	British Virgin Islands	Abbreviation of the related islands
5	Cape escape	A vacation to a distant place where the location includes coastal areas or a cape	Compound of the words <i>cape</i> (noun) + <i>escape</i> (noun)
6	CHT	Cultural heritage tourism.	Abbreviation of the term
7	Dubai-style	Something that resembles the facilities provided there.	Formed by the two words

8	Favela tourism	Favela means slum or shanty town in Brazil. The practice of slum tourism in Brazil is called favela tourism.	Formed by the two words
9	Fertility tourism	The practice of traveling to another country for fertility treatments [10].	Compound of the words <i>fertility</i> (noun) + <i>tourism</i> (noun)
10	Flashpacking	A backpacker or world traveler carrying a high number of gadgets and technology as part of their gear; cameras, mobile devices, laptops, tablets etc.(as a way to work while on the road).	Blending of the words <i>flash</i> (verb) + <i>backpacking</i> (noun)
11	Flightmare	An unpleasant air travel experience.	Blending of the words <i>flight</i> (noun) + <i>nightmare</i> (noun)
12	Gastropub	A pub which, in addition to beer and alcoholic drinks, offers gastronomic cuisine [10].	Blending of the words <i>gastronomic</i> (adjective) + <i>pub</i> (noun)
13	Google	To search something on the Google search engine	Conversion from the noun <i>Google</i> to verb
14	Hols	Holidays	Shortening of the word <i>holidays</i>
15	McDisneyization	A concept that people feel accustomed to certain fast food restaurants and theme parks so that they want to experience the same during their holiday.	Blending of the trademark words McDonalds and Disney + derivation by adding suffix <i>-ization</i>
16	Par-Don	A person who splits his or her time between Paris and London [10].	Blending of the words <i>Paris</i> (noun) + <i>London</i> (noun)
17	Pre-xmas	Several days before the Christmas	Derivation of the word <i>Christmas</i> + prefix <i>pre-</i>

18	PP or pp	People (often comes after a certain number).	Shortening of the word <i>people</i>
19	Shoulder season	Travel industry term for the time period between a tourist area's peak and low seasons [10].	Compound of the words <i>shoulder</i> (noun) + <i>season</i> (noun)
20	Staycation	A so-called stay-at-home vacation [10].	Blending of the words <i>stay</i> (verb) + <i>vacation</i> (noun)
21	Stendhal syndrome	Dizziness, paranoia, or madness caused by viewing certain artistic or historical artifacts or by trying to see too many such artifacts in too short a time [10].	Compound of the words <i>Stendhal</i> (noun) + <i>syndrome</i> (noun)
22	ST	Sustainable tourism.	Abbreviation of the term
23	SWOT	Strengths, Weaknesses, Opportunities and Threats in market research analysis (in tourism industry).	Acronym for the corresponding four words
24	Thrillax	To do something that is both stimulating and relaxing [10].	Blending of the words <i>thrill</i> (noun) + <i>relax</i> (verb)
25	Touron	A particularly clueless or annoying tourist [10].	Blending of the words <i>tourist</i> (noun) + <i>moron</i> (noun)
26	Transumer	A big-spending traveler; a person who travels to shop [10].	Blending of the words <i>transient</i> (adjective) + <i>consumer</i> (noun)
27	Travel monkey	Someone who goes on vacation a lot or is always going different places whether it is work-related or for fun.	Compound of the words <i>travel</i> (noun) + <i>monkey</i> (noun)
28	Vacation deprivation	Foregoing vacation days because of busyness at work [10].	Compound of the words <i>vacation</i> (noun) + <i>deprivation</i> (noun)

29	Virgin	A drink made without alcohol.	Formed by one existing word
30	VFR	Visiting friends and relatives	Abbreviation of the term

While analyzing the collected data (a total of 30 neologisms within tourism sphere) the main focus has been made on the methods of origination of these neologisms. The results of our study should be viewed rather as tendencies within present-day English word-formation in tourist industry domain. Such a relatively small amount of selected data does not make it possible to make general conclusions, predictions or even rules. The figure below illustrates tendencies in English lexical word-formation within tourist industry. It is also essential to consider that the sources the words have come from are only the below mentioned sources, which surely cannot be regarded as an extensive linguistic database. But, still, the utility of our database is out of question.



In the light of the selected data, it seems that there is a growing tendency towards the use of words formed by means of blending and compounding. It is apparent that blending as a word-building method is the most significant trend to be observed in the origination of neologisms within tourism sphere. It represents more than one third of all processes. The chart shows that 26 % of word-formation processes are represented by compounds, which proves that compounding is by far one of the most productive word-formation processes in English. Turning to derivation the chart suggests that this process takes place only in 14.5 % of all neologisms selected. Apparently, nowadays there is a decrease in use of new words formed by derivation within tourist industry whereas such word-building methods as giving abbreviations and adding new meaning to an already existing words has shown an increase as the chart

implies (13% and 10% relatively). Lastly, shortening comes twice as frequently as the processes of conversion and giving acronyms and accounts for 6% in our study. As for neologisms created from completely new words the study has not observed any occurrence of them within travel industry.

Finally, if we analyze the usage of the neologisms from our data, we will be able to make a special classification of the neologisms within tourism sphere for practical purposes. It is apparent that the data can be easily divided into three groups of neologisms on the basis of their usage and origination. These groups are the following:

a. The neologisms that are primarily used by professionals within tourist industry domain (words like *hols*, *BVI*, *benefit tourism*, *SWOT*, *ST*, *agritourism*, *pp*, *CHT*, *fertility tourism*, *shoulder season*, *VFR*, *transumer*, etc.);

b. The neologisms that have originated from a particular local area or an initial concept and therefore they represent its certain features (*favela tourism*, *McDisneyization*, *cape escape*, *Stendhal syndrome*, *Par-Don*, *Dubai-style*, *virgin* for example). It is equally used both by professionals and tourists;

c. The neologisms that equip tourists with to some degree topical informal language based on an emotional conceptual framework and therefore are more likely to be used by them (for instance, the words *travel monkey*, *flashpacking*, *flightmare*, *staycation*, *black-hole resort*, *touron*, *thrillax*, etc.).

Summing up, it should be remarked that the issue of neologisms is highly topical and sophisticated. Its detailed study cannot only entail the listing of the means of forming neologisms, description of their usage and illustration of their frequency within their membership in a certain sphere of human activities like tourist industry. This theme deserves a much more concise compilation. This research is no more than just a small contribution to the comprehensive research of neologisms.

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RESOURCE BASED-ECONOMY. ADVANTAGES AND DISADVANTAGES

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Horobtsov M.R., Karpusenko M.V. Resource based-economy. Advantages and disadvantages. The article considers an alternative to monetary system as a resource based-economy which exists in the framework of the Venus Project. It provides the analysis of its advantages and disadvantages.

Keywords: resource based-economy, resources, society, Venus project.

Горобцов М.Р., Карпусенко М.В. Ресурсо-орієнтована економіка: переваги та недоліки. У статті розглянута альтернатива сучасній кредитно-грошовій системі у вигляді ресурсо-орієнтованої економіки, що реалізується в рамках проекту «Венера». Наводиться аналіз її переваг та недоліків.

Ключові слова: проект «Венера», ресурси, ресурсо-орієнтована економіка, суспільство.

Горобцов М.Р., Карпусенко М.В. Ресурсо-ориентированная экономика: преимущества и недостатки. В статье рассмотрена альтернатива современной кредитно-денежной системе в виде ресурсо-ориентированной экономики, которая реализуется в рамках проекта «Венера». Приводится анализ ее преимуществ и недостатков.

Ключевые слова: проект «Венера», ресурсы, ресурсо-ориентированная экономика, общество.

The goal of this article is to inform people about an alternative way in which our economic system would work. The monetary system is slowly dying as a result we have crisis, poorness, wars, famine etc. in such conditions it is relevant to start looking for another way of living. The authors have chosen to apply the methods of description and forecasting.

Resource Based-Economy (RBE) is a global economic system – an alternative to monetary system which we have now. The term and the meaning of RBE were first formulated by Jacque Fresco¹ in the 1970s. The main idea is to hold all resources as a common heritage of the humanity. Today our old methods of resource management in the framework of a monetary system are irrational, counter-productive and can't satisfy human needs. In our history, decisions have always been made by kings, governments, public officials etc., but only in their own nation or to their own benefit. RBE doesn't imply the use of money, credits, barter or another forms of debt or servitude to get necessary products and services. There will be only fair and effective methods of resources distribution among everyone without racism and other forms of discrimination. In that way, all you need or want will be available in RBE.

Our Planet is still full of resources – minerals, fresh air and clean water, farmland and so on. Money cannot be eaten, you cannot build a house with it, it cannot calculate or think. Money even isn't substantiated with resources. Very often it is only paper. People have to work because of money. Generally, people don't need money, they just need some things or services which they can buy with it.

RBE advantages can be formulated as follows:

1. In RBE all resources become human heritage. Borders are wiped away, global cooperation begins, private companies are no longer monopolists etc. International community is finally built.
2. Resource management becomes automatic. Everywhere on Earth there are sensors that scan territory, resource provision of cities and environmental conditions. Then they send information to the Global network. The received data will be analyzed, and Computer will make a decision which action will be taken – adding more resources, sending machinery to repair some crashes, reprogramming local system to improve ecology, redesign cities if some resources are not available etc.

¹ Jacque Fresco – founder of The Venus Project (primary Socio-Cybernetic society). This project implies evolution of modern society by way of education, informing, changing of the economic system, building the new types of cities or/and rebuilding old ones, using information technology etc.

3. The production and energy system is more environmentally friendly and effective. Manufacture is fully computerized and programmed for making only the necessary number of products, but there is no deficit. The new society uses alternative sources of energy – solar batteries, wind energy, wave energy, geothermic sources², tides energy etc. All this technology is improved to give more power and then fully autonomous houses are built. Individuals will have an opportunity to live anywhere out of town.
4. The overall standard of living improves. Each person gets everything he/she needs in a distribution center (DC)³. There people also order new housing, furniture, cars, household appliances etc. The way it looks like is quite simple: one enters the center, comes to any available computer, names preferable conditions of what one needs, then the computer shows information about resources which are available and shows the best option (3D model in full size), then the customer is able to correct the model up to their needs. In a few hours, the customer gets what they need. In new cities people also get any services they want – medicine, entertainment, education, transportation etc.
5. People become more educated. The whole education system is renewed and become more effective. All information is based on scientific facts, experiments. Kids and adults get knowledge by trying, asking questions, practicing not by useless overlearning. They become integrated in the issue they study and all important issues are given to them to learn how to solve problems. Most cities become Universities; some even become underwater cities which give opportunity to study oceanology, fish populations, minerals there.
6. Transport system is incredibly effective. Ultrafast trains go between continents, floating cities with fish farms, electric cars, aircraft etc.
7. The humanity has all it needs, a world of increased opportunities is created, many people do not have to work. What do they do then? Actually, they will do what they have ever wanted to and what they are interested in. People study the world and try to improve the new society.

However there are a few disadvantages. The worst thing is that people get addicted to our monetary system. We are afraid of changes, afraid of losing everything, afraid of being scammed, we avoid alternatives or just miss opportunities. In that case, there are some disadvantages:

² Even now scientists say that using only 1% of the full potential of that source will allow not to use traditional sources of energy at all.

³ Most cities will have a round form, where in the center there will be those DCs.

1. People are not enough informed about the Venus Project and RBE. Most of us have never heard of any alternatives of resolving economic crises and social problems. While in our state everything is acceptable we do not think about problems around us.
2. Some aspects of RBE have not been tested yet. One of the important parts of RBE is new cities. Now, we do not have a single one yet. There is a Centre of the Venus Project in the USA, St. Venus, where Jacque Fresco lives and works with his team. They test all technologies, do experiments, make films and write books there.
3. Not enough investment. Despite of the main principle, RBE needs money to make project wider and better.

In conclusion, we would like to add that the Venus Project has three strict milestones, which will be reached step by step. Now the Project team is working on a film about the Venus Project and RBE, since today the most difficult and important task is informing people, giving them an alternative way of looking at things. Soon, when most of our planet knows enough about the Venus Project, governments will begin to change their policies and the implementation of the RBE project will start.

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UKRAINIAN POTENTIAL INTEREST IN THE SOUTH-EAST ASIA VECTOR OF FOREIGN ECONOMIC ACTIVITY

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Hrechka A.M., Riabenka I.V. Ukrainian potential interest in the South-East Asia vector of foreign economic activity. The article deals with the role of ASEAN as an integration association and the economic achievements as a result at this stage, as well as the leading formats of possible economic cooperation among ASEAN members and Ukraine in a view of their strategical importance like partners in the Asian region at the current stage of Ukrainian foreign economic activity.

Keywords: ASEAN, economic integration, free trade zone, trade liberalization, Ukraine.

Гречка А.М., Рябенка І.В. Потенційний інтерес України до вектору Південно-Східної Азії у зовнішньоекономічній діяльності. У статті розглянуто роль АСЕАН як інтеграційного об'єднання та економічні досягнення на даному етапі як наслідок, а також провідні формати можливої економічної співпраці країн АСЕАН з Україною, враховуючи їх стратегічну важливість як партнерів в Азійському регіоні на сучасному етапі зовнішньоекономічної діяльності України.

Ключові слова: АСЕАН, економічна інтеграція, зона вільної торгівлі, торгівельна лібералізація, Україна.

Гречка А.М., Рябенкая И.В. Потенциальный интерес Украины к вектору Юго-Восточной Азии во внешнеэкономической деятельности. В статье рассмотрена роль АСЕАН как интеграционного объединения и экономические достижения на данном этапе как следствие, а также ведущие форматы возможного экономического сотрудничества стран АСЕАН с Украиной, учитывая их стратегическую важность как партнеров в Азиатском регионе на современном этапе внешнеэкономической деятельности Украины.

Ключевые слова: АСЕАН, зона свободной торговли, торговая либерализация, Украина, экономическая интеграция.

Today the processes in global economy have caused contradictory trends in the development of national and regional economies. On the one hand, the global financial crisis has negatively affected the economic development of European countries, on the other hand – the crisis has strengthened the role of the East Asian region in the global economy [6]. As a result the leading world powers step up their efforts to establish closer ties with ASEAN and

compete for influence in the organization. Thus the issue of successful integration processes in South-East Asia is very important and the main directions of economic and diplomatic activity of ASEAN need a deep study.

The issue of economic integration development within ASEAN was studied in the works of such scholars as N. Horodnya, G. Kuhaleishvili [1], M. Kulynych, O. Leschenko, Yu. Pahomov, L. Petrashko [3], S. Shergin, A. Areshydzhe, O. Lukin, M. Miletin, H. Chufirin, M. Bikon, H. Kent, J. Kurlyantsyk, E. Frost, Yu. Vanadi, M. Kavai?, N. Kuma, Ya. Chaochen, L. Nua Xin [5], etc.

The goal of this research is to determine the major areas of potential economic cooperation between Ukraine and the ASEAN members as a decisive factor of economic growth of our country in modern conditions on the basis of such methods as description, forecasting and estimation.

In the short term, the South-East Asia will continue to play the role of locomotive of the world economy, which is associated with such features in the economic sphere as:

- Orientation on development of the real sector of economy and the formation of closed cycles for the production of the final product;
- High concentration of significant resource potential: demographic, economic, natural, scientific, technological, investment;
- Dynamic economic development of almost all the countries without exception, the result of which is a steady increase in the share of Asia in world GDP and the growing influence of Asian economic processes on the global economy;
- Active development of domestic and extra-regional trade in Asian countries, a significant level of their integration into the global economy;
- Advanced development of regional economic cooperation with a view to further integration at different levels and in different forms [5].

Today ASEAN's economic weight is substantial; countries belonging to ASEAN have a common territory of 4.5 million square kilometers (that is around 30% the size of China, roughly the same size as that of the UK and 25% larger than India), the population of 560 million people and a GDP of USD estimated at 2.3 trillion in 2013. Its GDP accounts for 3% of the world's total [8].

Integration efforts and global developments have shifted the pattern of ASEAN countries' international trade. The share of the bloc's trade with the US, the EU and Japan has declined markedly over the past two decades or so. In 2011, ASEAN trade with the US accounted for 8.5% of the total (vs

18% in 1993), with the EU-27 for 10.6% (15% in 1993), and with Japan for 10.3% (20% in 1993). China has emerged as the No. 1 trading partner for ASEAN, with its share rising to 12% in 2011 vs just 2% in 1993. The rise in ASEAN-China trade provides evidence of the role of China in the Asian supply-chain networks. In 2011, 11% of ASEAN exports went to China and 13% of ASEAN imports came from China. Trade patterns reflect product specialization and rising domestic consumption in ASEAN countries [4].

An important direction of Ukrainian foreign policy, aimed at supporting the modernization of the state is Asian as the formation of new growth centers is currently located in Asia. In 2013, the trade turnover of Ukraine and ASEAN reached 3.2 bln dollars, however it had a negative balance (more than 1 bln dollars) [3]. In conditions of low investment climate in Ukraine, such areas of economy like agriculture, transport and various infrastructure projects are promising to attract finance from Asian countries.

Within the framework of Ukrainian-ASEAN cooperation (especially with Indonesia, Malaysia, Singapore and Vietnam) it is necessary to focus on:

- Involvement of Ukraine to implement the program for the development of the national space industry, as Asian countries prefer companies that operate in the fields of research, systems integration, production and assembly, general aviation, aerospace training, certification and support;

- Involvement of Ukrainian enterprises manufacturing equipment for hydroelectric power plants to participate in the program of development of the sector of fuel and energy complex;

- Supply of products of Ukrainian shipbuilding companies, which is associated with an increase in the demand for marine transport and support vessels;

- Export of Ukrainian equipment for oil and gas industries;

- Asian countries that are seeking for diversification of their food dependence on some other countries and are ready for an increase in the supply of Ukrainian wheat, flour, butter, sugar, salt, canola, dry milk, hard cheeses, poultry, water (mineral and drinking), soybeans, cereals, quality alcohol [1].

Currently the Singaporean side considering our state as a priority partner for the development of investment and industrial cooperation in order to create in Ukraine industrial and technological springboard for the implementation of the strategic priority of Singapore – is expanding its presence in the EU market.

Over the past 5 years the Government of Ukraine made a number of attempts to establish economic relations with ASEAN countries, suggesting the real possibility of Ukraine to occupy a niche in the market of South-East

Asia (there products meet the demand of production of export-oriented industries of Ukraine) and convert the current declarative relations to the format of strategic partnership [1].

Diplomatic cooperation component of the ASEAN member countries among themselves and with foreign economic partners complements economic development prospects, the evidence of which is consistent conclusion of international agreements on trade in goods and services and the creation of a legal basis for a positive investment climate in a business combination, as well as the policy of trade liberalization with major extra-regional partners by entering into agreements with them for the establishment of free trade zones [6].

Conclusion. Successful economic growth of the Association of Southeast Asia is occurring primarily as a result of the introduction of urgent measures and mechanisms to overcome the financial crisis of 2008 which leads to the increasing influence of the South-East Asian economy on the world economy. The policy of ASEAN is the peaceful coexistence of various nations and states in one region, based on preventive diplomacy, where the main thing is to smooth the conflict.

The prospect of the research may become an implementation of theoretical basis into the practice of Ukrainian foreign economic activity through development of further programs and initiatives.

As promising areas of cooperation between ASEAN and Ukraine it is advisable to consider the construction, reconstruction and modernization of metallurgical, energy and mining companies, cooperation in the exploration and peaceful uses of outer space, cooperation in the field of shipbuilding as well as the increase of export of Ukrainian agricultural goods etc.

The mechanisms ensuring adequate tool for conducting foreign trade operations of Ukraine abroad (including reforming and determining the corresponding vector of the economic departments of diplomatic institutions of Ukraine, which requires the solution of the issue of increasing the efficiency of the foreign missions, designed to protect trade and economic interests of Ukraine on foreign markets) are required to be created in this case.

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BASIC DIRECTIONS OF EXTERNAL ECONOMIC COOPERATION OF CHINA AND THE GROUP OF SEVEN

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Ignatenko D.S., Davydenko I.V. Basic directions of external economic cooperation of China and the Group of Seven. The article is devoted to theoretical and methodological foundations of basic directions of external economic cooperation, priority areas of foreign trade and investment cooperation between China and the Group of Seven.

Keywords: external economic cooperation, export, import, investment, trade.

Ігнатенко Д.С., Давиденко І.В. Основні напрямки зовнішньоекономічних зв'язків КНР та країн Великої Сімки. Стаття присвячена дослідженню теоретико-методичних основ зовнішньоекономічних зв'язків, пріоритетним напрямкам зовнішньої торгівлі, інвестиційному співробітництву Китаю з країнами Великої Сімки.

Ключові слова: експорт, зовнішньоекономічні зв'язки, імпорт, інвестиції, торгівля.

Игнатенко Д.С., Давыденко И.В. Основные направления внешнеэкономических связей КНР и стран Большой Семерки. Статья посвящена исследованию теоретико-методических основ внешнеэкономических связей, приоритетным направлениям внешней торговли, инвестиционному сотрудничеству Китая со странами Большой Семерки.

Ключевые слова: внешнеэкономические связи, импорт, инвестиции, торговля, экспорт.

The purpose of the article is to study the theoretical and practical foundations of external economic cooperation of China and the countries of the Group of Seven, the characteristics of international trade, problems and prospects of external economic cooperation between them. The object is the process of external economic cooperation between China and the countries of the Group of Seven. The material of the study was derived from domestic and foreign theoretical and statistical sources.

External economic cooperation is a complex system of various forms of international cooperation of their individuals and in all sectors of the economy [1].

International economic relations (for each country they act as external) are a range of different styles, forms, methods and means of moving material, financial and intellectual resources across countries.

There are several forms of external economic cooperation – the international industrial cooperation, foreign trade, international investment cooperation, international scientific and technical cooperation, economic and technical assistance and international tourism.

Modern prerequisites for the development of external economic cooperation between China and the Group of Seven are: scientific and technological progress; deepening of internationalization of economic life, the international division of labor, economic integration of the world market; operation of various forms of ownership in partner countries, as well as internationally [3].

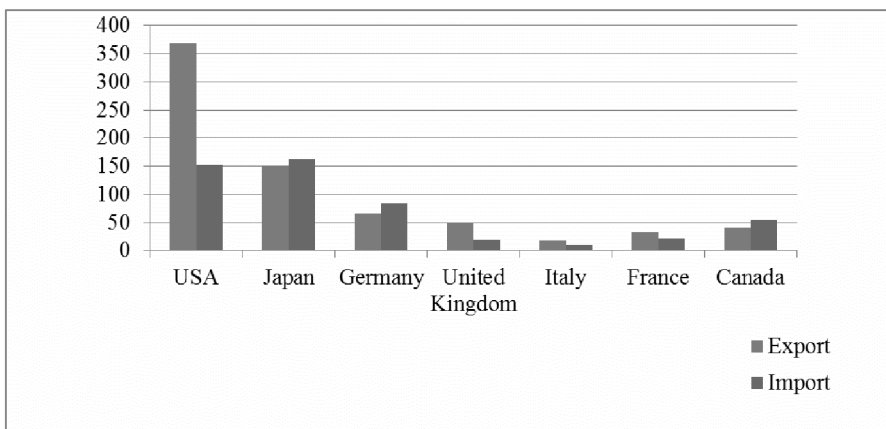
Expanding factors of external economic cooperation between China and the Group of Seven can be considered the following:

- the international division of labor ? by trading with each other, these countries have the opportunity to buy those products that are not produced in the country, and less expensive. Specialization based on the principle of competitive advantage, and international trade increase total world production and consumption;
- the international factor movements – a movement between capital, labor, business skills and knowledge.

- the current trends of external economic cooperation between China and the Group of Seven countries are:
 - globalization of the world economy;
 - the internationalization of economic life;
 - liberalization of foreign economic relations;
 - regional economic integration.

Foreign trade and attracting foreign capital are the most important forms of external economic cooperation in China.

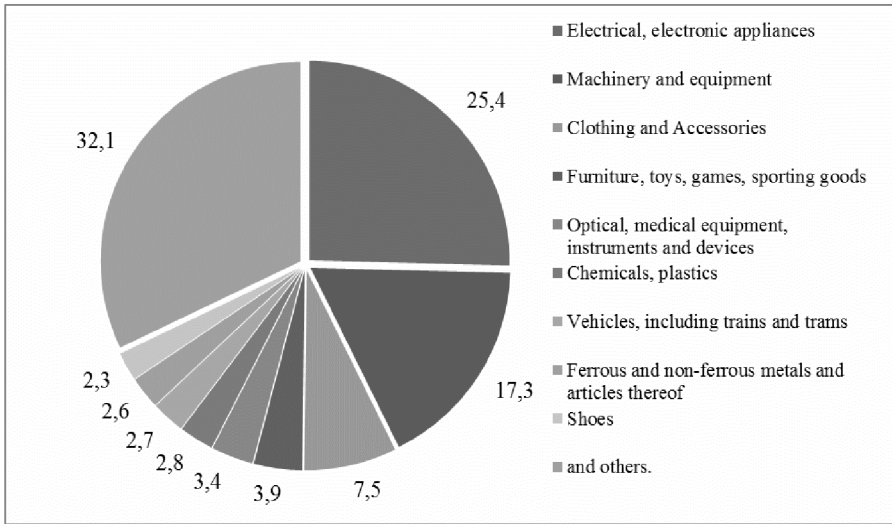
Foreign trade is a type of external economic relations, in which China has achieved the best results. China's foreign trade turnover in 2013 amounted to 3.98 trillion dollars. Foreign trade turnover between China and the countries of the Group of Seven in 2013 is 1.23 trillion dollars. In 2013, China's export to the countries of the Group of Seven was: USA – 16.7%, Japan – 6.8%, Germany – 3.0%, United Kingdom – 2.3%, Canada – 1.8 %, France – 1.5%, and Italy – 0.8% of total exports. Import of China in 2013 from the countries of the Group of Seven was: Japan – 8.3%, USA – 8.7%, Germany – 4.8%, Canada – 3.1%, France – 1.2%, UK – 1.2% and Italy – 0.5% of total import (Pic. 1) [10; 11].



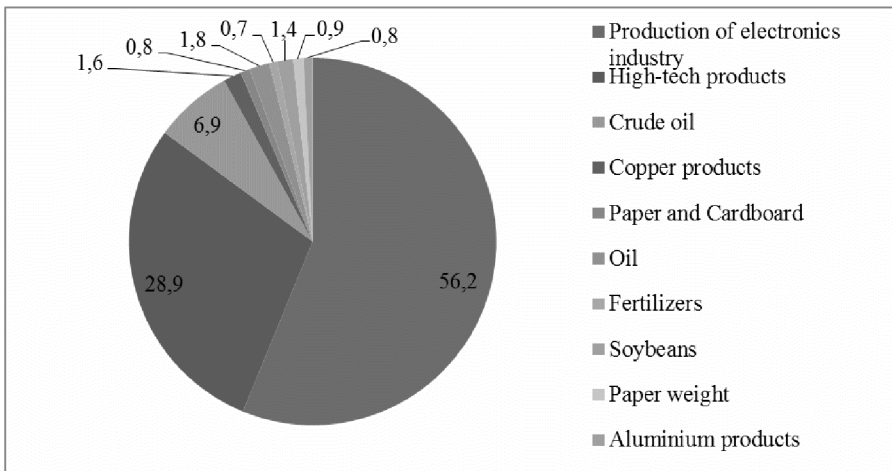
Pic. 1. Structure of China's trade by partner country in 2013 (Billion dollars) [6; 7].

Thus, China has the closest trade ties among the countries of the Group of Seven with Japan, USA and Germany.

China exports to the countries of the Group of Seven are light industrial products, and imports high-tech products from the Group of Seven (Pic. 2, 3).



Pic. 2. Structure of China's export by commodity to the Group of Seven in 2013 [2; 3].



Pic. 3. Structure of China's import by commodity from the Group of Seven in 2013 [4; 14].

Thus, China provides close economic cooperation with the countries of the Group of Seven in foreign trade and, also, investment cooperation affects in the development of external economic cooperation between countries.

In 2012, foreign direct investment in China amounted to about 253 billion dollars, 37.8% of the total amount accounts from the Group of Seven. The USA, Japan and the UK are the major countries that invest in China among the Group of Seven [11].

The outflow of foreign direct investment of China in 2012 amounted to 170 billion dollars, 30.5% of the total amount accounts to the Group of Seven [12].

In 2012 the total foreign direct investment to China by the Great Eight was 52.668 billion dollars, including to Canada – 18%, France – 7.46%, Italy – 0.75%, Japan – 4.16%, UK – 51.5%, USA – 16.97% and in Germany – 0,91%. The outflow of capital from China to the Group of Seven in 2012 amounted to 46.994 million – to Canada – 20.15%, France - 2.59%, Italy – 0.12%, Japan – 2.92%, the UK – 55.79%, USA – 17.92% and in Germany – 0,43% [10; 13].

In 2012 the total foreign direct investment from the Group of Seven to China amounted to 95.469 billion dollars, including from Canada – 7,46%, France – 5,07%, Italy – 2.56%, Japan – 23.19%, UK – 17,78%, USA – 37.30% and Germany – 6,26%. The inflow of capital from the Group of Seven to China in 2012 amounted to 92.076 billion dollars, including from Canada – 7.41%, France – 6,17%, Italy – 1.78%, Japan – 21.51%, UK – 17,54%, USA – 37.95% and Germany – 7.49 [6; 7; 9] .

Regional allocation of foreign investments is characterized by the dominant orientation of foreign investors from the Group of Seven in the eastern parts of the country as the most economically developed which can provide the most comfortable environment for investment and further business activity [4].

The problems of cooperation between China and the countries of the Group of Seven is a violation of intellectual property rights of companies that are parts of the Chinese market and the textile industry because of the rapid import increase of Chinese textile products in their domestic markets.

To sum up, the most promising areas of cooperation between China and countries of the Group of Seven are energetic field, oil refining industry, petrochemical industry, aviation industry, transportation equipment industry, engineering, agriculture etc. The key forms of external economic cooperation between China and the Group of Seven are foreign trade and investment.

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THE KEY PRINCIPLES OF ADVERTISING REASONS FOR HAVING A WILL

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Ignatenko Y.Y., Manzhos Y.Y. The key principles of advertising. This article gives the general overview of advertising, its main media and principles. Conditions which are essential for an effective advertising campaign and key mistakes, that should be avoided in advertising and promotion are given.

Key words: advertising, advertising campaign, media, promotion.

Игнатенко Є.Ю., Манжос Я.Ю. Ключові принципи реклами. У статті розглядаються загальні характеристики реклами, її основні засоби та принципи. У статті також надані умови, що є необхідними для ефективної рекламної кампанії та ключові помилки, яких слід уникати у рекламі та просуванні товару.

Ключові слова: засіб, просування, реклама, рекламна кампанія.

Игнатенко Е.Ю., Манжос Я.Ю. Ключевые принципы рекламы. В статье рассматриваются общие характеристики рекламы, ее основные средства и принципы. В статье также даны условия, которые необходимы для эффективной рекламной кампании и ключевые ошибки, которых следует избегать в рекламе и продвижении товара.

Ключевые слова: продвижение, реклама, рекламная кампания, средство.

The subject of this article is advertising and its main principles. Advertising is a means of forming and stimulating the demand by describing the properties of the product in terms of the needs of the consumer. It is a topical issue nowadays, as advertising is one of the main methods to differentiate the product among competitive products and thus to generate sales. The aim of this article is to determine the types of advertising and promotion, the main principles of an effective advertising campaign.

Depending on the subject of advertising, the two main types of advertising are distinguished:

- Advertising of goods (services)
- Advertising in order to create the image of the company [3].

Branded advertisement demonstrates the advantages of the company, differences between the merchandise and competitive goods, creates an image of the company in the eyes of consumers. Essential factors for the development of advertisement strategy include: advertising slogan (motto), promotional image, scenario text; the use of color in advertisement solutions.

An advertising campaign is effective under the following conditions:

- Preparing and conducting are based on the deep marketing research;
- Reasonable, memorable advertising products are created and targeted at the selected consumer group;
- Only the most appropriate for the task-specific group advertising media is used.

An advertising media is determined by:

- Who should be covered;
- Where they are located;
- When the message should be sent [1].

There is economic effectiveness and efficiency of psychological impact of individual means of advertising on the human consciousness. The economic efficiency of advertising is often determined by measuring its impact on the development of trade. The efficiency of the psychological impact of an advertising media is characterized by the number of consumers, brightness and depth of experience that these funds leave in the memory of the person, the degree of attention. The efficiency of the psychological effects of advertising on consumers can be determined by observations, experiments, surveys.

Interchangeably with the term “advertising” meaning media advertising (press, radio, television, billboards), there are activities to promote sales - sales promotion, public relations, and direct marketing. Sales promotion is the activity related to the implementation of commercial and creative ideas that promote the sale of products or services of the advertiser. Direct marketing is consistently supported efforts of communication with individual consumers or firms with obvious intent to buy certain products.

Let’s consider the nature of the advertising process and its underlying technology.

An advertiser is a legal or natural person who is a customer in an advertising agency and pays for advertising. An advertising media is the channel of information by which the advertising message reaches consumers. An advertisement should be based on definite principles. Firstly, hype and discrimination should be avoided, which can manifest themselves in the following forms.

False advertisements. Advertisers should not resort to false claims, for example, to declare that the product cures anything, when in fact it does not.

Misleading advertisements. The advertiser does not have to create ads that have the potential to mislead, even if noone, perhaps, will be misled.

Advertisements with vanishing bait. Advertisers should not lure buyers with false promises. For example, the seller advertises a sewing machine for \$ 79, and then refuses to sell it at this price [2].

According to the data given above the following conclusions can be drawn:

1. Advertising should be considered as the most effective tool in an attempt to modify the behavior of customers, to draw attention to its products, to create an image of the enterprise, to contribute to the commercial success;

2. An advertisement creates demand and stimulates sales, thereby solving the long-term and short-term problems of the sales of the company;

3. The effectiveness of an advertisement is determined by several factors: preparing and conducting thorough market research, organization and planning

of advertising of the management company, linking the purposes of promotional activities with a model of consumer demand;

4. There is cost-effectiveness and efficiency of advertising psychological impact of individual means of advertising on the human consciousness (to attract attention to advertising, fixing in the memory, and so on):

5. Each company, no matter what product or service is offered, must find its own forms and methods of advertising, which are the most effective for it.

The perspective of the research includes the analysis of different advertising media in relation to the type of products advertised with their help.

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CURRENT INTEGRATION PRIORITIES OF UKRAINE WITHIN CONDITIONS OF GLOBALIZATION

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Ivanov A.N., Vlasenko M.O. Current integration priorities of Ukraine within conditions of globalization. The article studies the integration priorities of Ukraine, the economic development directions of European integration, facts preventing Ukraine from getting a membership in the European Union.

Keywords: economy, European Union, globalization, integration, Ukraine.

Іванов А.Н., Власенко М.О. Сучасні інтеграційні пріоритети України в умовах глобалізації. Стаття присвячена дослідженню інтеграційних пріоритетів України, євроінтеграційного напрямку розвитку економіки і розглянуті перешкоди вступу в Європейський Союз.

Ключові слова: глобалізація, економіка, Європейський Союз, інтеграція, Україна.

Иванов А.Н., Власенко М.А. Современные интеграционные приоритеты Украины в условиях глобализации. Статья посвящена исследованию интеграционных приоритетов Украины, евро-интеграционного направления развития экономики и препятствий вступления в Европейский Союз.

Ключевые слова: глобализация, Европейский Союз, интеграция, Украина, экономика.

The object of the study is current integration priorities of Ukraine. The purpose of the study is to examine the economic development directions of European integration, facts preventing Ukraine from getting a membership in the European Union. The subject is investigated by domestic and foreign scientists.

The world integration process strengthens international relations and national economies, promotes internationalization of economic relationships. Within the conditions of globalization and economic integration new forms of partnership are created between the countries of the world's community.

Ukrainian geopolitical and geo-economic situation, historical, economic, cultural, ethno national ties and traditions – on the one hand, and development of integration, globalization processes in the modern world – on another, urge to define a role and a place for our country in the world's economy in general and in relationship with the neighboring regional economic groups [5, p. 42].

Forming own integration policy, Ukraine must choose short-term and long-term priorities, considering modern conditions of effective functioning of national economy.

Short-term integration priorities have two different vectors. On the one hand, careful attitude towards the participation in integration groups of the countries with the high level of supranational regulation that were caused by the Ukrainian features as an independent subject of integration. On another, our country can't develop in the region where economic integration dynamics depend not only on internal, but also on powerful external (global) factors [1, p. 102].

The European integration – is a key priority of Ukrainian foreign policy that provides system reforms introduction in all life areas according to EU norms and standards. An ultimate European integration goal is to become a member of the European Union. For today the main objective is to complete the adoption of the association agreement that will create a free trade zone. EU visa-free dialogue is also an important direction of cooperation. We must complete tasks of the first stage “Action plan on visa liberalization” that will allow Ukraine to reach a visa-free regime for trips to EU Member States,

including “Schengen area” in the future [2].

Ukrainian advantageous geographical location, its size, natural resources in combination with powerful science and economic potential gives Ukraine an opportunity to enter the EU in terms that Ukraine will provide certain market transformations. Ukrainian inclusion in the global economic system will allow to increase competitiveness of our economy and citizens’ welfare.

These are the facts that prevent Ukraine from integrating into the world economy:

- The inherited state of monopolization of foreign trade;
- Material-intensive, power-intensive, physically and obsolete productions domination in economy structure that is unreceptive to innovations;
- Economy orientation on the heavy industry etc.

Therefore the domestic economy demands restructuring that aims at national competitive advantages realization, such as non-noble metals production, chemical and related with these industries, also transport services, especially pipeline transport services.

Hi-tech competitive advantages in the aerospace industry, shipbuilding, software development services, new materials production, electronic and electrotechnical industry productions and etc. have become the priority.

Restructuring will promote formation and expansion of an export potential of priority branches, promoting domestic producer to the world’s level etc. [4, p. 235].

Implementing euro integration policy it is necessary to understand that the membership in the EU shouldn’t be the main target. Providing internal reforms of modernization of the country and achieving the European standard of living has to be the main purpose for Ukraine.

Such approach has certain risks, in particular it can be used as an excuse of failures in internal reforms. However under present circumstances (internal EU problems in the financial, economic and political spheres, complexity in finding balance in interests between the states of the EU that will continue to grow) such approach is the best [3, p. 140].

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PROBLEMS OF FOREIGN INVESTMENT ATTRACTION IN UKRAINE

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Kalugina M.O., Kalyuzhna A.B. Problems of foreign investment attraction in Ukraine. The article deals with the problems of foreign investment to the economy of Ukraine. It represents basic information about key factors determining the country's investment attractiveness as well as the strategy regarding foreign investment attraction. A wide range of factors both beneficial and disadvantageous for business activity based on foreign investments in Ukraine are examined.

Keywords: capital, foreign investment, inflow of investment, investment climate, portfolio investments, Ukraine.

Калугіна М.О., Калужна А.Б. Проблеми залучення іноземних інвестицій в Україні. У статті йдеться про основні проблеми залучення іноземного капіталу до економіки України. Представлено основні ключові фактори, що визначають інвестиційну привабливість країни, а також стратегію щодо залучення іноземних інвестицій. Проаналізовано широкий діапазон факторів як позитивних, так і несприятливих для ведення підприємницької діяльності в Україні, заснованої на іноземних інвестиціях.

Ключові слова: інвестиційний клімат, іноземні інвестиції, капітал, портфельні інвестиції, приплив інвестицій Україна.

Калугина М.О., Калужна А.Б. Проблемы привлечения иностранных инвестиций в Украине. В статье рассмотрены основные проблемы привлечения иностранного капитала в экономику Украины. Представлены основные ключевые факторы, определяющие инвестиционную привлекательность страны, а также стратегия по привлечению иностранных инвестиций. Проанализирован широкий

диапазон факторов как положительных, так и неблагоприятных для ведения предпринимательской деятельности в Украине, основанной на иностранных инвестициях.

Ключевые слова: инвестиционный климат, иностранные инвестиции, капитал, портфельные инвестиции, приток инвестиций, Украина.

The economic realities in Ukraine, especially tough financial policy and non-payments to the budget, are causing an acute shortage of budget investment channel in state and joint ventures. Many industries require restoring worn fixed assets, infrastructure development lags significantly behind the needs of the country. The inflow of foreign investments is the only way for Ukraine to ease the situation, which can be called an investment crisis. This explains the relevance of this article, the goal of which is to analyze the current investment climate in Ukraine.

The subject of this paper is foreign investment and its problems in Ukraine.

The forecast investment need in the economy of Ukraine for the next five years is USD 40 billion according to the World Bank [3]. However, the economic situation in the country withdraws inflows of investment resources from the state budget. Given the latest events the forecast mentioned above can be considered invalid at the present stage of the country's formation [4].

Some of the real inflow of investments is covered by depreciation expense. However, unlike previous years, for the majority of enterprises it is more difficult to track actual expenditures accumulated in the form of depreciation.

Another channel of domestic investment – National Stock Exchange, companies shares turnover – cannot be used due to lack of significant corporate investors solvency and low demand from the population. In world practice, large international projects involving public funds are not as common as buying liquid shares on the stock market. This form of investment is well known, shareholder rights are protected in most countries, not only by the law but also the everyday practice of law, and therefore a significant portion of investment funds are portfolio investments, i.e. investments in marketable securities to obtain income from dividends.

Statistics show that the share of portfolio investments in different years is 45-70 per cent of all private investments in developed countries [4; 7]. In the foreign investment the share of portfolio investments varies in different years from 30-40 to 60-65 per cent of all private investments [4; 7].

Under these conditions the value of foreign investments in the Ukrainian economy will increase. Capital inflows from abroad could significantly weaken “investment hunger” if its magnitude can be compared with foreign investments

in other Central European countries that have embarked on economic reforms almost simultaneously with Ukraine. However, this source of financing economic development is also insufficient. The inflow of foreign investments could change the situation for the better.

There is a fundamental belief that not only investors but also the economy that takes the capital benefits from foreign investments [5; 9; 1]. The use of foreign investment enables to revive the economy, access advanced technologies and management practices, to counteract the increase in external debt of the state by providing funds to repay, encourage the development of their own productive forces of society, promote efficient production and economic development, its integration into the global economic system as a result of industrial and scientific-technical cooperation.

The indirect benefits of foreign investment are:

- attracting new technologies, equipment and “know-how”;
- training of personnel specialists, managers and entrepreneurs who possess advanced management skills and production technologies;
- activation of export potential donor;
- development of regional resources.

The same ideology is the basis of most laws and regulations that belong to the regulation of foreign investment in Ukraine. According to the regulations foreign investment in the Ukrainian economy will contribute to the solution of the following problems of social and economic development:

- promotion of Ukrainian goods and technologies to foreign markets;
- assistance in expanding and diversifying export potential and development of import substituting industries in specific sectors;
- job creation and development of advanced forms of production;
- acquirement of civilized relations experience in business;
- promotion of industrial infrastructure.

Considering the process of raising capital from abroad, it should be noted that foreign money goes to countries where there is a favorable investment climate. This concept includes many options [1; 5; 6; 8; 9]:

- tax legislation of the donor;
- the possibility of effective capital investment, the extent of the total (transport, communications, etc.) and special (the stock market, the availability of donor country representatives reputable investor consulting and auditing firms) infrastructure;
- the level of qualification of human resources and management personnel;
- mineral reserves.

One of the integral indicators of investment climate is information about the export of capital from Ukraine to the West. In fact, it would be strange to expect foreign investment when the capital is still taken abroad in violation of Ukrainian legislation. This is seen by the international community as a sign of low attractiveness of the market for Ukrainian investors. These investments (mainly in real estate and stocks of large companies) mean economic growth, payment of taxes, jobs creation, living standards improvement.

An excessively liberal approach in Ukraine to the transfer of capital abroad is more the exception than the rule for countries with economies reformed.

So one of the challenges in attracting a larger volume of foreign capital into the economy of Ukraine is to stop the outflow of Ukrainian capital abroad and, ideally, to return it. The first part of the problem is relatively easy to solve by changing the current legislation towards regulation of capital outflow developing effective controls and stringent sanctions against offenders. However, for solving the second part of the problem conditions for favorable allocation of capital within the country should be purposefully created as well as the policy of “amnesty” for capital returned to the country should be consistently pursued.

The second important aspect of creating a favorable investment climate is stable tax system that provides a low level of taxation and income based on the same logical basis as the tax system in the developed capitalist countries. The lack of efficient tax system built in Ukraine is the cause of the current state of the economy. The greatest influence on Ukraine unattractiveness to foreign investors is caused not just by high taxes but also complete arbitrariness in their introduction and cancellation, illegal tax initiative of local authorities trying in this way to solve their problems.

Positive characteristics of the investment climate are more or less skilled and cheap labor, significant scientific and technical potential, transport and energy systems.

Negative characteristics of the investment climate in Ukraine are as follows [2]:

1. Gaps in the legal field. This factor is usually called the first since the obstacles an investor faces foremost are of administrative and legal nature. It is about uncertainty, contradiction, confusion in regulatory environment, numerous regulations, bureaucracy and corruption, criminalization of the economy, unregulated system of property rights, a weak judicial system.

2. The political instability. Frequent changes of government, promises to change policies and business conditions dramatically up to nationalization of

investors property proclaimed by different political parties, political scandals, especially in the pre-election period, are not conducive to foreign investment.

3. The unpredictability and opacity of public policy. This factor significantly complicates long-term planning of the company. Investors complain, in particular, about some decision-making, decision acts which shall take effect immediately or have the opposite effect. Besides, the information provided about the prospects of the dynamics of economic policy is very limited.

4. Unsettled legislative support of the investment process. It concerns frequently changing conditions to attract foreign investment.

5. Excessive fiscal activity of the state. An extremely unequal distribution of the tax burden which is excessive for actors working legally deter foreign investment in Ukraine. This is despite the existence of a huge “shadow economy”. Despite the fact that the vast majority of foreign investors are trying to lead a fully transparent and legitimate business, “shadow” economy significantly complicates their cooperation with Ukrainian companies that do not always run the risk of conducting transparent and legal operations. A large share of profit contribution, the instability of tax rates and calculation rules hinder the effective business activity in Ukraine.

6. The narrowness and absence of pattern in internal market. Low incomes of businesses and households lead to insufficient domestic demand and determine the behavior of consumers forced to choose the cheapest products. This prompts Ukrainian enterprises to conduct unfair competition, resulting in inadequate competition models of foreign companies that have long passed on to the product competition.

7. Burdensome customs policy. Investors pay attention to the barriers to the import of necessary equipment, raw materials and components and export products. In this context it should be noted that the weakening of customs barriers for companies with foreign direct investment still needs government regulation.

8. Gaps in infrastructure industries. Despite the relatively high level of development, the network of roads and railways, energy and water supply systems, communications, etc. needs substantial improvement.

9. Poor institutional infrastructure of the market.

The world of modern business practices is associated with constant cooperation with various auditing, consulting and other firms. The absence of an environment worthy of confidence from the investors point of view significantly impairs their impression of the business climate in Ukraine. Investors therefore prefer to deal with foreign financial institutions and banks.

It encourages them to carry out foreign investment in the banking sector and branches of foreign banks. However, in the strategic context this separation of Ukrainian and foreign financial flows weakens the financial system of the country. Investors also pay attention to the underdeveloped state institutions claimed to provide support for foreign investors.

10. Planned economy, irrational economic behavior. Foreign investors have noted the need for “informal” relationship with government representatives.

11. The poor quality of life. It is about the opportunity to provide shelter, household, transportation, ensure personal safety of foreigners in Ukraine. If in Kiev and other regional centers there are significant positive changes in this field, the situation in the rest of the country is unsatisfactory.

Most obstacles refer to the macroeconomic factors of investment climate that cannot be eliminated solely by means of public administration improvement. A significant systemic barrier to investing and doing business in Ukraine is the high per unit cost of production, due to which Ukraine is now uncompetitive compared to other countries of Central and Eastern Europe. Along with subjective, there are objective factors: poor technical level of transport infrastructure, high cost of construction and credit, as well as high energy price volatility and supply. This hampers the development of related industries, which limits the cumulative effect of foreign investment.

These factors make import to Ukraine more profitable as compared to investing in the organization of domestic production. This is what explains the dominance of acquisition of markets factor over investing in the Ukrainian economy. At the present stage in Ukraine any reduction of tariff and non-tariff barriers to imports, always demanded by foreign advisors and representatives of the International Monetary Fund, objectively reduces the inflow of foreign investment. Only the energy-infrastructure – oil and gas pipelines can be of some value to foreign investors.

Since the main goal of any investor is to get some return on investment of capital resources, the main characteristic of the investment climate is precisely the ability of economic and legal framework to ensure this return. In this sense, the concept of investment climate coincides with the notion of business climate. However, the two are by no means identical. The situation is quite possible in which economic and legal conditions are unfavorable for high returns, but investors consider an investment as such that could have a significant impact in the strategic perspective through acquisition of markets, resources, favorable geostrategic location. Conversely, conditions may contribute to the rapid enrichment because of speculative or illegal activities,

use of favorable conditions granted to investors, but the latter do not consider their investments as long-term and will seek to maximize the speedy repatriation of profit share. Thus, one of the basic guidelines of government economic strategy should be the maximum convergence of business and investment climate parameters. The effect of these factors gives reason to treat the Ukrainian investment market as unattractive.

Conclusion. The difficulties Ukraine is faced with at present involve lack of capital inflows from abroad that could change the development of its economy towards world standards. Despite Ukraine's advantageous geographical position, its sources of raw materials as well as highly qualified and skilled labor at this stage of development of Ukraine it is very difficult to talk about foreign investment shifts in a positive direction. The reasons for that are not only inner economic factors but also absence of a clear-cut strategy aimed at improving the country's appeal to foreign investors. The analysis of new trends in this field could be seen as the prospects for further research.

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E-COMMERCE AS A FORM OF DOING BUSINESS

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Kertytsia V.V., Litovchenko Y.M. E-commerce as a form of doing business. The article outlines the interaction of e-commerce and e-business. The concept of e-commerce is clarified. Business processes in e-commerce and prospects of development of e-commerce are identified. The benefits of e-business and the impact of electronic commerce on development of the world's economy are analyzed.

Keywords: business process, electronic commerce.

Кертіця В.В., Літовченко Я.М. Електронна комерція як форма бізнесу. У статті розглянуто взаємодію електронної комерції та електронного бізнесу. З'ясовано поняття електронної комерції. Виявлені бізнес-процеси в електронній комерції та перспективи розвитку електронної комерції. Проаналізовані переваги електронного бізнесу та вплив електронної комерції на розвиток світової економіки.

Ключові слова: бізнес-процес, електронна комерція.

Кертіця В.В., Літовченко Я.Н. Электронная коммерция как форма бизнеса. В статье рассмотрено взаимодействие электронной коммерции и электронного бизнеса. Разъяснено понятие электронной коммерции. Выявлены бизнес-процессы в электронной коммерции и перспективы роста. Проанализированы преимущества электронного бизнеса и влияние электронной коммерции на развитие мировой экономики.

Ключевые слова: бизнес-процесс, электронная коммерция.

With the advent of computer technologies the world's economy has begun to develop rapidly in all directions. New information technologies have been introduced in the processes of doing business and are still highly implemented in the life of society, constantly improving and spreading from developed countries to developing countries, offering new services. There is a new form of business processes called e-commerce.

E-Commerce technology suggests performing commercial transactions and managing production processes with the use of electronic means of communication [2, p. 12].

Currently, an important part of e-Commerce is buying, selling and distribution of goods and services on the Internet, which are governed by certain widely accepted multilateral trading rules, such as the General agreement on trade in services (GATS). Traditional business has moved to the Internet in business-to-business and market linkages [1, p. 47]. The result is an effective connection of trade management and investment flows via e-Commerce. A new system of enterprise resource management (ERP – Enterprise Resource Planning) has also been introduced to manage procurement, production, sale, inventory control and human resources [5].

The European Commission in 1997 defined e-Commerce as a science on how to do business in electronic format [6]. The basis of e-Commerce is electronic processing and transmission of information using text, audio, video. It covers many areas of activity, including electronic trading of goods and services, online delivery of digital information, electronic share trading, electronic transfer accounts, commercial auctions, collaborative projects and engineering, public supply, direct market survey and after-sales service. It engages in trading volume products (e.g. consumer goods, specialized medical equipment) and services (information services, financial and legal services), traditional activities (health, education) and new types of business activity (e-mail).

There are three components of e-Commerce: participants; processes; network.

The processes which are typical for e-Commerce:

E-Commerce brings together a wide range of business processes:

- 1) exchange of information;
- 2) establishing contacts between potential customers and suppliers;
- 3) the sale of goods, including information products and services;
- 4) calculations, including the use of electronic payment systems;
- 5) managing delivery, including transmission (distribution, delivery of information products;
- 6) pre- and after-sales support;
- 7) organization of virtual enterprises [4, p. 349].

Introduction of new technologies in commercial transactions management globally will allow e-Commerce to change the business world significantly in:

- 1) globalization spheres (each market entity will get the opportunity to be present globally and conduct business throughout the world);

- 2) reduction of distribution channels of the goods (the organization can perform the functions traditionally provided by intermediate links);
- 3) increased competition (the competition becomes global);
- 4) personalization of interaction (individual approach to each client);
- 5) reduction of the cost of transactions [3, p. 103].

E-Commerce has many advantages. These advantages include better opportunities for promotion, costs reduction, timeliness of information, reduction of the time of funds transfer, consistency of information, customer service improvement, competitive advantages and favorable conditions to do business.

The development of e-Commerce influences the development of the world's economy for many reasons:

- 1) it accelerates creation of a single information space;
- 2) it decentralizes resources, stimulating development of independent market entities;
- 3) it accelerates the flow of monetary resources through the use of electronic payment systems;
- 4) it helps to reduce the amount of speculative capital (the mediators, who are not producers) and, consequently, leads to an increase in investment in the manufacturing sector;
- 5) it creates conditions for open competition on the markets of goods and services;
- 6) it encourages promotion of new products and services and brings them in a convenient form to the consumer.

The issues of development of e-business and e-Commerce should take a leading place on the list of the main priorities for our state. Development and implementation of e-Commerce should be considered as a means of ensuring the competitiveness of the national economy.

E-Commerce will develop in the near future due to trends for mobilization and personalization, as well as growth of public access to electronic resources in General.

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BENCHMARKING OF MAIN CORPORATE CULTURES MODEL IN TOURISM

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Khmelova O.A., Karpusenko M.V. Benchmarking of main corporate cultures model in tourism. The article considers the main corporate culture models their constituents and implementation methods and their efficient evaluation in tourism industry. Nowadays tourism is a relevant economic sector. The article analyzes factors and elements applied for consolidation of corporate culture at a modern enterprise.

Keywords: benchmarking, collaboration, framework, management, network, peculiarity.

Хмельова О.А., Карпусенко М.В. Бенчмаркінг основних корпоративних культур у туристичній сфері. У статті розглянуті моделі корпоративної культури, їхні складові та методи впровадження, а також надано оцінку ефективності моделей для підприємств туристичної індустрії. Проведено аналіз факторів та елементів, що застосовуються для укріплення корпоративної культури підприємства на сучасному етапі.

Ключові слова: бенчмаркінг, мережа, специфічність, співпраця, структура, якість управління.

Хмельова О.А., Карпусенко М.В. Бенчмаркинг основных корпоративных культур в туристической сфере. В статье рассмотрены модели корпоративной культуры, их составляющие и методы внедрения, а также произведена оценка эффективности моделей для предприятий туристической индустрии. Проведен анализ факторов и элементов, применяемых для укрепления корпоративной культуры предприятия на современном этапе.

Ключевые слова: бенчмаркинг, качество управления, сеть, специфичность, сотрудничество, структура.

The goal of this article is to give an outline of corporate models and estimate the most efficient one for tourism industry. To analyze the models, we have used the methods of comparison and description.

Corporate culture refers to the specific collection of values, norms, attitudes, and beliefs shared by people and groups in an organization, which makes this article quite relevant. Corporate culture shapes the way employees perceive and react to jobs and influences employees' attitudes and behaviors at work.

Corporate culture is the behavior of humans within an organization and the meaning that people attach to those behaviors. Culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits. It is also the pattern of such collective behaviors and assumptions that are taught to new organizational members as a way of perceiving, and even thinking and feeling. Corporate culture affects the way people and groups interact with each other, with clients, and with stakeholders [5].

A key concept in evaluating the efficiency of a corporate culture is benchmarking which is defines as «The process of identifying, understanding and adapting existing examples of effective functioning of the company in order to improve their own work» [2].

Factors and elements applied for consolidation of corporate culture (Deal and Kennedy's Cultural Framework)

In their work on the subject of culture, Deal and Kennedy suggested that the basis of corporate culture was an interlocking set of six cultural elements:

- History – A shared narrative of the past lays the foundation for corporate culture. The traditions of the past keep people anchored to the core values that the organization was built on.
- Values and Beliefs – Cultural identity is formed around the shared beliefs of what is really important, and the values that determine what the organization stands for.
- Rituals and Ceremonies – Ceremonies are the things that employees do every day that bring them together. Examples include Friday afternoon get-togethers or simply saying goodbye to everyone before you leave for the day.
- Stories – Corporate stories typically exemplify company values, and capture dramatically the exploits of employees who personify these values in action. Stories allow employees to learn about what is expected of them and better understand what the business stands for.

- Heroic Figures – Related to stories are the employees and managers whose status is elevated because they embody organizational values. These heroes serve as role models and their words and actions signal the ideal to aspire to.

- The Cultural Network – The informal network within an organization is often where the most important information is learned. Informal players include: *Storytellers*, who interpret what they see happening and create stories that can be passed on to initiate people to the culture.

Gossipers, who put their own spin on current events and feed people a steady diet of interesting information.

Whisperers, who can be used by anyone with a message they want taken to the top but who doesn't want to use formal communication channels.

Spies, who provide valuable information to top management, and let them know what really happens on a daily basis.

Priests and priestesses, who are the guardians of cultural values. They know the history of the company inside out, and can be relied on to interpret a current situation using the beliefs, values and past practices of the company [5].

Defining the most efficient model for tourism, take into consideration its peculiarity. Three aspects of organizational structure are especially important in determining corporate culture:

(1) The general relationship between employees and their organization.

(2) The vertical or hierarchical system of authority defining superiors and subordinates.

(3) The general views of employees about the organization's destiny, purpose and goals and their places in this.

The Family Culture

The family culture is at the same time personal, with close face-to-face relationship, but also hierarchical, in the sense that the boss (father of the family) has experience and authority greatly exceeding those of the subordinates (children).

- The result is power-oriented corporate culture in which the leader is regarded as caring father who knows better than his subordinates what should be done and what is good for them.

- Power and differential status are seen as "natural", a characteristic of leaders themselves and not related to the tasks they succeed or fail in doing.

The Eiffel Tower Culture

- In the Eiffel Tower culture a bureaucratic division of labour with various

roles and functions is prescribed in advance. Its structure is steep, symmetrical, narrow at the top and broad at the base, stable, rigid and robust.

- Its hierarchy is very different from that of the family. Each higher level has a clear and demonstrable function of holding together the levels beneath it.

- The subordinates obey the boss because it is his or her role to instruct them.

- In contrast to Family Model, the status is not personally ascribed, but is ascribed to the role.

The Incubator Culture

The incubator culture is based on the existential idea that organizations are secondary to the fulfillment of individuals. If organizations are to be tolerated at all, they should be there to serve as incubators of self-expression and self-fulfillment.

- The incubator is both personal and egalitarian. It has almost no structure at all and what structure it does provide is mainly for personal convenience: heat, light, coffee and so on. Cultural incubators may be innovative companies, legal partner, consultants and other groups of professionals who work mostly alone but like to share resources while comparing experiences.

- In contrast to the family culture, leadership in the incubator is achieved, not ascribed. You follow those whose progress most impresses you and whose ideas work.

The Guided Missile Culture

- The guided missile culture differs from both the family and the Eiffel Tower by being egalitarian, but differs also from the family and resembles the Eiffel Tower in being impersonal and task-oriented.

- The guided missile culture is oriented to tasks, typically undertaken by teams or project groups. It differs from the role culture in that the jobs members do are not fixed in advance.

- The ultimate criteria of human value in guided missile culture are how you perform and to what extent you contribute to the jointly desired outcome.

The most effective method applied within the Guided Missile culture model is Employee Voice. With the highest employee turnover rate, the tourism industry needs to encourage employees to voice their opinions to improve performance and reduce employee turnover.

Employee voice (EV) has attracted much interest in both the research and practice of human resource management in past years. EV refers to employees' participation in influencing corporate development, where employees express their voice through informal and formal means to minimize

conflict and improve communication. Studies have indicated EV could lead to creativity and commitment, and decrease employee turnover [2].

In conclusion, we can reiterate that corporate culture refers to the shared values, attitudes, standards, and beliefs that characterize members of an organization and define its nature. Corporate culture is rooted in an organization's goals, strategies, structure, and approaches to labor, customers, investors, and the greater community.

Culture can be a particularly important consideration for tourism. A healthy company culture may increase employees' productivity, while an unhealthy culture may contribute to business failure.

The Guided Missile Culture is the most effective for tourism companies. The result-oriented model is necessary to increase the organizational performance. Companies use a wide range of learning resources such as participating in study tours, payment of insurance, benefits to purchase air and railway. Constant training, info-tours, tourism exhibitions, all these activities contribute to increased efficiency and staff development.

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THE PROBLEM OF DOLLARIZATION OF ECONOMY IN THE CONTEXT OF UKRAINE

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Khrypilyva Y.V., Riabenka I.V. The problem of dollarization of economy in the context of Ukraine. The article deals with reasons of nascency, types and consequences of dollarization of economy in general and for Ukraine in particular. Official data about dollarization level of Ukrainian economy (1992-2013) is given. The recommendations on slowing the process of dollarization are provided.

Key words: convertible currency, devaluation, dollarization, official or full dollarization, semiofficial dollarization, unofficial or shadow dollarization.

Хриплива Ю.В., Рябенка І.В. Проблема доларизації економіки в контексті України. У статті розглянуто причини виникнення, види та наслідки доларизації економіки загалом та для України зокрема. Надана офіційна інформація щодо рівня доларизації економіки України (1992-2013 рр.). Наведено рекомендації щодо сповільнення процесу доларизації.

Ключові слова: доларизація, знецінення, конвертована валюта, напівофіційна доларизація, неофіційна/тіньова доларизація, офіційна/повна доларизація.

Хрипливая Ю.В., Рябенкая И.В. Проблема долларизации экономики в контексте Украины. В статье рассмотрены причины возникновения, виды и последствия долларизации экономики в целом и для Украины в частности. Предоставлена официальная информация по уровню долларизации экономики Украины (1992-2013 гг.). Приведены рекомендации относительно замедления процесса долларизации.

Ключевые слова: долларизация, конвертированная валюта, неофициальная/теневая долларизация, обесценивание, официальная/полная долларизация, полуофициальная долларизация.

In 1971 US Minister of Finance John Connally said: ‘Dollar is our currency but your problem’. And it became the real problem in the face of dollarization. Significant dollarization is typical for many transitional economies and for Ukraine in particular.

Dollarization is an economic process of the country’s abandonment of its own currency and adoption of a more stable currency of another country as its legal tender. The term ‘dollarization’ came from the name of the US national currency ‘dollar’, but it is used to determine the process of

replacement of internal currency by convertible currency (and it's not always the US dollar) [7].

There are different approaches to classification of dollarization. Ukrainian investigators V. Mishchenko and A.Somyk allocate three types of dollarization:

- 1) official (full) – foreign currency serves as official internal currency;
- 2) semiofficial – foreign currency is used along with national currency as a legal means of payment;
- 3) unofficial (shadow) – foreign currency is not a legal means of payment, but takes considerable part in money supply. This type of dollarization is common in Ukraine [2].

The object of this research is dollarization as a process and the subject is the particular qualities of dollarization of Ukrainian economy.

The problem of dollarization is actual for Ukrainian economy as it may lead to huge devaluation of hryvnia. To avoid this problem a deep study of the topic is needed.

The goal of this research is to analyze the reasons and the consequences of dollarization process in Ukraine and to describe ways of its overcoming on the basis of such methods as description and comparison.

This subject is investigated by both domestic and foreign scientists. Aspects of dollarization have been analyzed by Ukrainian and Russian economists, notably N. Atamas, M. Holovnin, D. Huseynov, A. Halchynskiy, M. Savluk, V. Stelmach, A. Shapovalov, O. Bereslavska [1], S. Shumska and others.

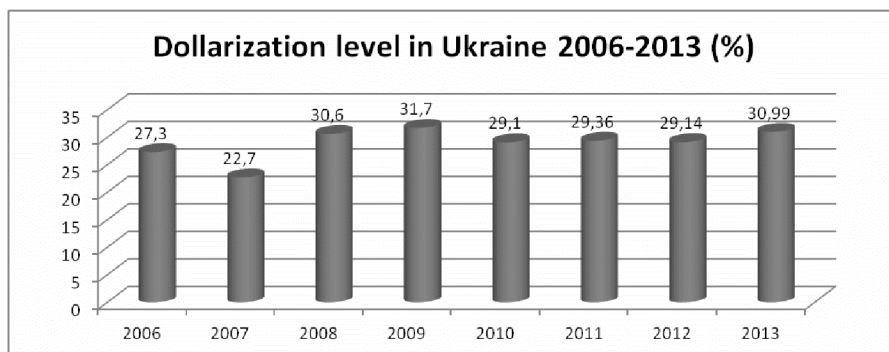
Dollarization of the Ukrainian economy began from the time of the declaration of Ukraine's independence. It was a natural consequence of economic instability and high inflation in 1992-1994 and of residents' attempt to protect their assets against devaluation.

At the beginning of market transformations (1992–1995) US dollar actually served as a means of payment, treatment and savings. Financial crisis in Ukraine in 1998-1999 accompanied by huge devaluation of hryvnia led to renewed growth trend of dollarization [3].

The highest dollarization level was fixed in 1996 and it reached 52,6%. This proved that there still was no confidence in monetary policy and national currency despite the improved economic situation in the country and disinflation. Further disinflation in 1997–1998 and stability of the hryvnia exchange rate stimulated reduction of deposit dollarization. But the financial crisis in 1998-1999 accompanied by a significant devaluation of the hryvnia, has led to renewed upward trend in the level of deposit dollarization. Positive GDP growth in 2000–2003, hryvnia rate stability, relatively low inflation and

higher interest rates on deposits in national currency contributed to the reduction of deposit dollarization from 38,5% in 2000 to 31,9% in 2003. In spite of stable dollar devaluation Ukrainians continued to buy foreign currency. According to the data of the NBU aggregate deposits in foreign currency in 2006 increased by 54% (up to 70,1 billion UAH) and in national currency – by 31% (up to 114,1billion UAH). In 2007 the level of dollarization, however, decreased to 22,7%. In 2008 it reached 30,6%, in 2009 – 31,7%, in 2010 – 29,1%, in 2011 – 29,36%, in 2012 – 29,14% and in 2013 – 30,99% (see table 1).

Table 1



Source: [5].

At the present stage of Ukraine's economy dollarization level is growing. This makes it difficult to conduct an effective monetary policy, increases the risks for rate and contributes to the deterioration in quality of bank assets [8].

The main reason for dollarization is a crisis of confidence in the national currency. Therefore, increasing confidence in the national currency is the main direction of the fight against excessive dollarization of the economy. The most efficient way to restore confidence is long-term successful work of the central bank. Dollarization leads to the reduced efficiency of tools of monetary control, but despite this the right strategy such as regulation can solve this problem [9].

The factors that cause dollarization in Ukraine:

- 1) the high inflation level;
- 2) government loans in foreign currency;
- 3) underdevelopment of financial market, especially the government securities and its instruments market;
- 4) imperfection of the legislative and regulatory and methodological base [6].

The negative consequences of large-scale circulation of dollar in Ukraine are:

- 1) a parallel money circulation in the foreign currency is created, and thereby distrust of the currency, which does not perform all of its functions, is increased;
- 2) money demand function is changed by the increase in its sensitivity to the dynamics of the exchange rate and to the raise of the elasticity of the interest rate;
- 3) processes of illegal flight of capital abroad are simplified;
- 4) cash flows are moved to the informal sector of the economy, reducing tax revenue;
- 5) reduced income from the issuance of domestic currency;
- 6) the ability of national monetary policy is reduced, this makes the country dependent on the monetary policy of the country issuing the foreign currency;
- 7) limited opportunities of the investment process;
- 8) increased volatility in the exchange rate;
- 9) stimulation of inflation by expanding the money supply and thus easing of monetary policy;
- 10) deterioration in the quality of banks' balance sheets [2].

The steps for dollarization deceleration in Ukraine:

- 1) to reduce the amount of external borrowing on the international capital market;
- 2) to eliminate the budget deficit by balancing revenues and expenses during its adoption and implementation;
- 3) to promote the development of financial markets, alternative to bank deposits financial instruments;
- 4) to reduce the deficit of the balance of payments currently covered by capital inflows;
- 5) to reduce and maintain low inflation in the country;
- 6) to change the legislative and regulatory and methodological base that creates a favorable environment for the development of dollarization, i.e.:
 - 6.1. To put restrictions on payments in foreign currency between residents and non-residents in the domestic market of the country;
 - 6.2. Development by the National Bank of recommended measures for commercial banks to reduce interest rates on deposits in foreign currency;
 - 6.3. To strengthen norms of obligatory reservation on foreign currency deposits [4].

Conclusion. Under the conditions prevailing in Ukraine, there is a need for active government policy to overcome the unfavorable trends in the

monetary system. It is based on a set of measures aimed at leveling influence of factors that give rise to the dollarization of the economy of Ukraine. High confidence in the national currency is the key to reduction of dollarization of the economy.

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TECHNOLOGICAL UNITS OF THE ORGANIZATIONAL STRUCTURE «KHARKIV MUNICIPAL UNDERGROUND»

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Kisil A.A., Izotova L.I. Technological units of the organizational structure «Kharkiv Municipal Underground». Technological links of the organizational structure have been analyzed in this article. Recommendations to optimize organizational structure of management have been suggested and technological areas to facilitate optimizing it have been selected.

Key words: management, structure, technological directions, units.

Кисіль А.А., Ізотова Л.І. Технологічні ланки організаційної структури КП «Харківський метрополітен». У статті були проаналізовані технологічні ланки організаційної структури, запропоновані рекомендації, які оптимізують організаційну структуру управління, також рекомендації, щодо будівництва наземних ліній, тим самим виділені перспективні технологічні напрямки, які дозволять вийти КП «Харківський метрополітен» на значно якісний та новий управлінський рівень.

Ключеві слова: ланки, структура, технологічні напрямки, управління.

Кисиль А.А., Изотова Л.И. Технологические звенья организационной структуры КП «Харьковский метрополитен». В статье были проанализованы технологические звенья организационной структуры, были предложены рекомендации, которые оптимизируют организационную структуру управления, а также, рекомендации по строительству наземных линий, тем самым выделены перспективные технологические направления, которые позволят выйти КП «Харьковский метрополитен» на значительно качественный и новый управленческий уровень.

Ключевые слова: звенья, структура, технологические направления, управление.

The organizational structure of the management organization is a set of specialized functional units interconnected in the process of justification, elaboration, making and implementing of managerial decisions. The most common organizational managerial structures are linear, functional, goal-oriented program. In pure model they almost never occur, in practice mixed models prevail.

Kharkiv Municipal Underground is a modern transport company, a complex set of numerous engineering structures, which provide high-speed safe

movement of trains and mass transportation of passengers. The organizational structure of this enterprise is linear and functional and includes the following elements:

- Administration of the underground;
- Engineering services (electrical equipment, automation, automatic remote control and communications, electromechanical, etc.);
- Maintenance (movement, motor part, a depot);
- Safety of traffic service;
- Personnel and legal services;
- Finance department;
- Labor protection department;
- Security service;

In the process of study the technological links of the organizational structure of “Kharkiv Municipal Underground” have been analyzed, i.e. isolated subdivisions of the enterprise with well-defined functions - engineering services; maintenance of the metro; motion security service. The tasks of the technological links of «Engineering Services» direction are as follows: traffic department, automatic train signaling, electrical equipment operation, technical equipment. The basic task of the “Metropolitan Administration” is the improvement of transportation, rational using of instrumentation to ensure complete train operation, security and corresponding passenger service level. The task of “Safety and Traffic Service” is working with the automated control systems proving-out technological process which facilitate the complex systems of the underground through the integrated dispatch center of Kharkiv Municipal Underground.

The following recommendations for the technological elements mentioned above have been suggested:

- the acquisition of electric rolling stock (carriages);
- the power saving through the introduction of modern energy-saving technologies;
- when constructing subway stations it is rational to use modern building materials that are available and easy to use;
- for the remote urban areas it is rational to use the lines of “lightweight” metro station. Their advantages are significantly cheaper (by 3.5 times) in comparison with common underground, due to the use of land lines, overpasses and bridges;
- it is useful to consider the possibility of building land lines. Their advantage is the lower cost compared to the cost of construction of the

usual underground lines;

- in the process of improving the Kharkiv Municipal Underground it's necessary to implement an automated system (human factor is excluded, traffic control dispatch services perform the basic work on the transportation, disabled vehicles are excluded).

Thus I can conclude that the suggested recommendations, in my opinion, will facilitate optimizing the organizational management structure of the studied enterprises, and the selected technological areas will assist the Kharkiv Municipal Underground occupy the new level of management.

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ENTREPRENEURSHIP AND SMALL BUSINESSES IN RUSSIA: CURRENT STATE

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Kobina M.V., Davydenko I.V. Entrepreneurship and small businesses in Russia: current state. The article deals with the assessment of the current state entrepreneurship and small businesses in Russia, reviews the theories, models, and methodologies applied.

Keywords: business environment, entrepreneurship, internationalization, outsourcing activities, small business, transitional market.

Кобіна М.В., Давиденко І.В. Поточний стан відомостей про підприємництво і підприємства малого бізнесу в Росії. У статті проаналізовано поточний стан відомостей про підприємництво і підприємства малого бізнесу в Росії, наведені теорії, моделі та методологія.

Ключові слова: аутсорсингова діяльність, ділова середа, інтернаціоналізація, малий бізнес, підприємництво, перехідний ринок.

Кобина М.В., Давыденко И.В. Текущее состояние сведений о предпринимательстве и предприятия малого бизнеса в России. В статье проанализировано текущее состояние сведений о предпринимательстве и предприятия малого бизнеса в России; приведены теории, модели и методология.

Ключевые слова: аутсорсинговая деятельность, деловая среда, интернационализация, малый бизнес, предпринимательство, переходный рынок.

The object of the study is the entrepreneurship and small businesses in Russia. The purpose of the study is to investigate the current state of entrepreneurship and small businesses in Russia; to analyze the theories and current models; to describe the factors fostering and hindering entrepreneurship and small businesses in Russia. The material of the study was derived from the Russian statistical sources, Russian theoretical sources and Russian legislative and standard acts.

Almost all sources reviewed for this article focused on institutional issues of Russia, strategic issues of a transitional market, the social capital of entrepreneurs, and the psychological characteristics of Russian entrepreneurs. These topics have been paid attention to because they can generate new knowledge on how institutional changes and instability impact on entrepreneurs and small firms, how entrepreneurs and small firms develop their strategies to overcome problems in the transitional Russian market, and how resources acquired through networks can be used to compensate for a lack of other resources in the market. The psychological characteristics of Russian entrepreneurs received attention because the authors were interested in possible differences between entrepreneurs in Russia and other countries [3].

It appeared from the papers examined that entrepreneurship as a phenomenon and the psychological characteristics of entrepreneurs are fairly similar in Russia to what they are in other countries and especially among American entrepreneurs. The differences are mainly related to environmental differences and the education level in the countries compared, not in the actual behavior. The slow development of small businesses in Russia is more related to the business environment in which entrepreneurial activities are conducted. Thus, more generally, this finding indicates that the business environment in a certain country inhibits entrepreneurship more than the psychological characteristics of entrepreneurs [1].

Studies related to the market environment and actions taken by entrepreneurs have mainly considered the factors fostering and hindering entrepreneurship in Russia. The findings here indicate that the performance and potential growth of Russian small firms are based mainly on their social

capital and network relationships, their intellectual capital, and the human-based resources available. These “non-material” resources are important in fostering entrepreneurship and overcoming obstacles in the transitional market. Most of the obstacles confronting entrepreneurship and small businesses are related to financial problems and governmental restrictions [4].

Although some studies indicate positive changes in Russia for entrepreneurship and small businesses at the macro-level, it seems that the business environment there is still highly unstable. For instance, the studies reviewed have found that growth is still restricted by environmental and institutional instability, high interest rates, inconsistent regulations and laws, the mafia, and corruption. This has also led to a high amount of informal, unregistered entrepreneurs in Russia. This finding also indicates that in countries with an unstable institutional environment, the amount of entrepreneurship might be much higher than the formal registers indicate [4].

It seems that there have not been many changes in the factors fostering and hindering entrepreneurship and small businesses in Russia during the seventeen-year period covered in the articles reviewed. McCarthy (1993) argued that the Russian government is the major factor inhibiting business. In line with this, more recent studies by Aidis et al. (2008) and Molz et al. (2009) revealed fairly similar results, indicating that the institutional environment creates barriers for business and entrepreneurship. This conclusion is also supported by the study of Zhuplev and Shtykhno (2009) indicating that obstacles and problems for small business remains fairly similar during the fifteen-year period studied. Similarly, the factors fostering entrepreneurship and small businesses have remained fairly constant over the time period covered. For instance, skillful employees and network relationships (social capital) are seen as the major sources for overcoming institutional weaknesses and other problems in the market. The overall picture is that the same factors fostering and hindering entrepreneurship and small businesses can be found in the studies, regardless of the year of publication. These findings suggest that there have been very few changes in Russia’s business environment since the collapse of the Soviet Union [5].

Although the studies related to entrepreneurship and small businesses in Russia examined highly important research areas, there are topics for further research. First of all, because institutions and the business environment in Russia seem to be the most important inhibitors for entrepreneurship and small business, it is important to study the interaction between entrepreneurs and institutions. As North (1994) pointed out, “If institutions are the rules of the

game, organizations and their entrepreneurs are the players.” Hence it is important to know how successful entrepreneurs play this game – in other words, establish and maintain relationships with different institutions to facilitate their growth. In these studies, researchers should focus on informal constraints (e.g. norms of behavior), since these changes are much slower than formal constraints (e.g. laws and rules), and are based on interpretations of formal rules

Secondly, comparative studies that focus on changes in institutional environment are important when one is seeking to determine why entrepreneurship and small businesses in Russia lag behind other transitional markets. Such studies would provide knowledge on how the institutional environment in Russia should be developed to make it more favorable to entrepreneurship. In addition, it is important to convince political decision makers about the importance of entrepreneurship in Russia for the generation of economic growth.

Thirdly, more studies are needed on entrepreneurship training and how it should be implemented in Russia. As earlier studies have confirmed, it is important to adapt training programs to local cultural values and ways of doing business, since Western practices cannot be applied indiscriminately to the Russian business environment. By taking into account entrepreneurs’ specific needs and problems, these studies could benefit organizations implementing training programs for entrepreneurs [2].

Studies of that kind could help Russian entrepreneurs develop their international activities by revealing best practices in foreign markets. It is also very important to study the inward internationalization activities of Russian small enterprises, due to the fact that Russia is well known for its offshore outsourcing in various industry sectors. Studies related to the inward internationalization and offshore outsourcing activities of Russian small firms could generate important knowledge for, on the one hand, foreign firms that are looking for Russian firms to provide them with offshore outsourcing services, and on the other hand, for Russian small firms that are able to implement offshore outsourcing activities. This could also help to increase the number of offshore outsourcing firms, and consequently lead to a more general increase in entrepreneurship in Russia. The inward internationalization of Russian small firms would also increase the potential for outward internationalization, as these firms would have to deal with foreign firms.

This article seeks to advance knowledge of the current state of entrepreneurship and small businesses in Russia. We can indicate that in the

whole entrepreneurs in Russia use non-material resources to overcome the financial and institutional obstacles that still seem to afflict the market.

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THEORETICAL ASPECTS OF PERSONNEL MANAGEMENT EFFICIENCY IMPROVEMENT IN TRAVEL COMPANIES

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Kondakov V.A., Broslavskaya Y.M. Theoretical aspects of personnel management efficiency improvement in travel companies. The article studies modern technologies of personnel management in the travel company. It highlights the nature and distinctive features of personnel management technologies. It also analyses the present state of the personnel management system and outlines the problems that may be encountered while introducing new technologies using the example of a specific travel company.

Key words: corporate culture, personnel management, personnel technologies, social capital, travel company.

Кондаков В.О., Брославська Є.М. Теоретичні аспекти збільшення ефективності управління персоналом у туристичній організації. Роботу присвячено дослідженню сучасних технологій управління персоналом в туристичній організації. Висвітлено сутність та характерні риси технологій управління персоналом. Проаналізовано стан системи управління персоналом та сформульовані проблеми впровадження нових технологій на прикладі конкретної туристичної організації.

Ключові слова: корпоративна культура, персонал-технології, соціальний капітал, туристична організація, управління персоналом.

Кондаков В.А., Брославская Е.М. Теоретические аспекты повышения эффективности управления персоналом в туристической организации. Работа посвящена исследованию современных технологий управления персоналом в туристической организации. Определена сущность и характерные черты технологий управления персоналом. Проанализировано состояние системы управления персоналом и сформулированы проблемы внедрения новых технологий на примере конкретной туристической организации.

Ключевые слова: корпоративная культура, персонал-технологии, социальный капитал, туристическая организация, управление персоналом.

Under the conditions of developing market economy in our country practical issues of implementing modern forms of personnel management capable of improving the socio-economic efficiency of any type of production are becoming particularly important. Personnel management is a purposeful activity of the top managers of an organization, as well as managers and specialists of personnel management system units, which includes the development of personnel policy concepts and strategy as well as personnel management methods. This activity consists in developing a personnel management system, personnel management planning, conducting staff marketing, defining workforce capacity and recruitment needs.

Personnel management is becoming a factor capable of improving competitive power and long-term development of an enterprise and it therefore requires close attention and remains relevant to all corporate entities. A significant contribution to the solution of the problem of providing an adequate level of personnel management was made by M. Armstrong, D. Goddess, V. Vesnin, N. Gavkalova, J. Graham, A. Grishnova, P. Drucker, J. Luft, M. Nagorskaya, V. Savchenko, P. Forsif, A. Chukhno, G. Shchekin et al.

Personnel management technology covers a wide range of functions from recruitment to employment termination, labour relationship issues; psychophysiology, ergonomics and aesthetics of labour (Fig. 1). Since all the

organization's objectives are achieved through people, personnel management should occupy the leading position among the other components of enterprise management.

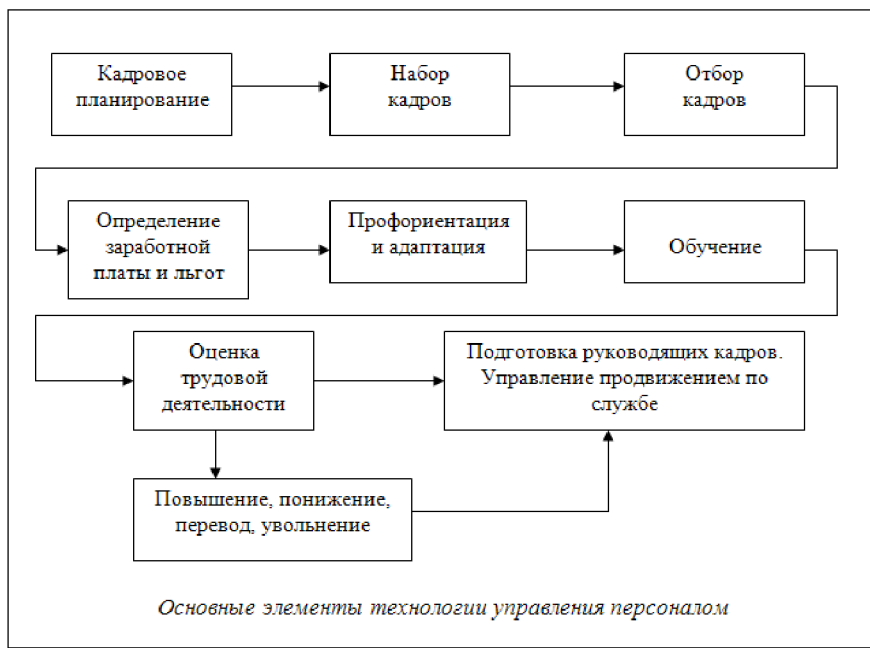


Fig. 1. Key elements of personnel management technology

The “personnel” resource, which is considered by experts as one of the main criteria of market success of a travel company, occupies a special place in the travel industry. The aim of managing such a resource is to create a favourable internal environment, where labor potential can be implemented, skills can be developed, and people can get satisfaction from their performance results and public recognition of their achievements. It can be noted that organization and technology of personnel policy in travel companies are changing rapidly and continuously [1; 2], which is primarily due to the close attention of their management staff to modern personnel technologies (PT). Personnel management aimed at the formation of the competitive advantages of a travel company solves two strategically important tasks:

- to increase the level of staff responsibility for the most efficient consumer servicing, using the corporate culture management tools;
- to increase the human resources of an organization, providing a comprehensive growth of the professional competence of employees.

Thus, the focus should be on the implementation of the PT, which would link the main objectives of travel companies, which are in fact the key reason for the implementation of the tourist service system, with adequate measures in the field of personnel management. Such a process should receive full support from the personnel policy. However the increase in human resources payoff can be achieved only on condition of implementing clear algorithms of personnel management that reliably provides the achievement of the planned performance results of an organization.

The efficiency of personnel management of a travel company can be ensured under the following conditions: the development of an effective system of personnel evaluation in the course of activity, the use of the effective forms of staff training, engaging staff in managerial decision-making process, creating favourable environment for the development of employees' intellectual abilities, creating favourable moral and psychological climate at the workplace, organization of corporate events [3].

In recent years there have arisen many scientific papers the authors of which focus their attention on the corporate culture, capable of either inhibiting or stimulating the performance of staff at different types of enterprises. That is the reason why leading companies are paying close attention to the creation of the appropriate corporate culture for the effective use of intellectual potential. But some of the components of corporate culture have not been highlighted enough. In particular, moral and ethic characteristics as well as issues concerning compliance with non-formalized rules and behaviour codes, which affect the general state of an organization, have not been fully considered yet.

The social capital of a travel company, that is, personal contacts, norms of behaviour and values that contribute to the interaction of the employees, is very important for its development. In the organizations where this capital is not developed enough conflicts and personality clashes are quite common, which affects the work in a negative way. To develop the social capital of an enterprise it is necessary to implement an appropriate social structure of staff and take measures that will help to consolidate the personnel [3].

Thus, the field of activities of staff in a travel company, which is covered by the company's targets, can vary greatly and be determined by the organization's business issues and priorities of its development. In their turn, the company's targets should focus on the development of the potential abilities of staff and full satisfaction of consumers' needs. Specific goals of individual employees and the organization as a whole are formed within the problem areas of travel industry. They are determined on the basis of the performance results analysis over the

reporting period in the form of discussion and agreement of executives' and employees' opinions. In order to improve the efficiency of their business entrepreneurs should pay more attention to personnel policy, which will help to create and use intellectual and social capital of the enterprise.

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WINTER SPORTS TOURISM AS A BASIS FOR THE DEVELOPMENT OF TOURISM IN THE CARPATHIAN REGION

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Kondakova A.O., Litovchenko Y.M. Winter sports tourism as a basis for the development of tourism in the Carpathian region. The article deals with the peculiarities of development of winter sports tourism in the Carpathian region. The natural conditions and factors of development of winter sports tourism are highlighted. The current state of the winter sports tourism and the availability of the necessary infrastructure for the formation of holiday resorts in the Carpathian region are analyzed. The number of hotels and their room rates are established and development prospects of mountain ski tourism are offered.

Key words: ski resorts, tourism infrastructure, winter sports tourism.

Кондакова Г.О., Літовченко Я.М. Гірськолижний туризм як основа розвитку туристичної діяльності Карпатського регіону. У статті розглянуто особливості розвитку гірськолижного туризму в Карпатському регіоні. З'ясовано природні умови і фактори розвитку гірськолижного туризму. Проаналізовано сучасний стан гірськолижного туризму та наявність необхідної інфраструктури для формування туристичних комплексів в Карпатському регіоні. Виявлено кількість готелів та вартість номерів в них і сформульовано перспективи розвитку гірськолижного туризму.

Ключові слова: гірськолижний туризм, гірськолижні центри, туристична інфраструктура.

Кондакова А.А., Літовченко Я.Н. Горнолыжный туризм как основа развития туристической деятельности Карпатского региона. В статье рассмотрены особенности развития горнолыжного туризма в Карпатском регионе. Определены природные условия и факторы развития горнолыжного туризма. Проанализировано современное состояние горнолыжного туризма и наличие необходимой инфраструктуры для формирования туристических комплексов в Карпатском регионе. Вывявлено количество гостиниц и стоимость номеров в них и сформулировано перспективы развития горнолыжного туризма.

Ключевые слова: горнолыжный туризм, горнолыжные центры, туристическая инфраструктура.

At present winter sports tourism is becoming one of the most popular outdoor activities in the world. Ukraine is not an exception in this regard. The availability of mountain ranges in Ukraine makes it possible to realize the ski-holiday lover's needs for winter sports holiday. The Carpathian region is the main mountain ski area in our country.

The orographic complexity and mountain altitude up to 2000 m contribute to the development of the ski resorts' infrastructure. The Ukrainian Carpathians also provide all possible conditions as the height of snow in the mountains on average is 70-80 cm, and the maximum height within the Dragobrat valley is up to 4 m; the temperature conditions are favorable, that's why the steady snow coat lasts usually from mid-December to early March and in the highlands – from October to May, that is highly important for the development of winter sports tourism. The variety of ski slopes allows skiing for people with varied degrees of preparation and some resorts have specially equipped slopes for children.

Due to the fact that the Carpathian region has got all conditions for the development of ski-holiday tourism such as natural resources, the development of mountain areas and current tourist infrastructure, we can say that the topic

is actual. While positioning of Ukraine as a country with the ski opportunities we can attract not only local but also foreign tourists to get the maximum tourism receipts.

The mountains are located in four regions of Ukraine, in particular in Lviv, Ivano-Frankivsk, Transcarpathian and Chernivtsi. The mountains are low, of volcanic origin; the average altitude is about 1200-1400 m. The highest point is located near the village of Yassin and Yablunytsia that is Goverla Mountain which is 2061 m [1; 6, p. 31–34].

Slavske, Tysovets, Skole are the most famous ski resorts of the Lviv region.

Slavske takes an honorable place in the top three ski resorts in Ukraine. This resort has got 6 international ski slopes, which are approved by the International Ski Federation (Fédération Internationale de Ski – FIS) [3].

Slavske, Tysovets and Skole are located at an altitude of 950 to 1200 m above the sea level. The number of ski runs is 40 at these resorts; all runs have different levels of complexity (for beginners, intermediate skiers, advanced skiers and runs for children), the length of these runs is from 350 to 1243 m. The resorts have 18 drag lifts, 7 chairlifts, 2 multilifts and one baby lift.

The extreme winter sports festivals take place at the resorts, competitions in downhill skiing are held there, one can experience runs for slalom, sign up for ski and snowboarding schools. The feature of the ski resort “Tysovets” is that the ski runs are available for the cross-country skiing, biathlon, and for snow tubing and mogul, ski jumps, it’s exactly where Olympic teams in cross country skiing and biathlon have trained [3; 5].

Bukovel, Yablunytsia, Vorohta, Kosovo, Verhovina are the most famous ski resorts in the Ivano-Frankivsk region.

Bukovel is the best and largest ski resort in Ukraine, which is located at an altitude of 900 m above the sea level. The number of ski slopes is 62, they are of all levels of difficulty, the length of which is about 50 km (95% of runs are equipped with snow-making equipment and snow guns). All runs are groomed and linked, the length of which is from 300 to 2350 m. The resort has got 15 chair lifts, 1 drag lift and 2 multilifts [2].

The resorts Yablunytsia, Vorohta, Kosovo and Verhovina overall have got 19 ski runs, the length of which is from 200 to 1200 m, all runs have different levels of complexity. There are 2 chairlifts, 11 drag lifts and 1 multilift at the resorts. Vorohta has got a ski jump complex, runs for biathlon and a ski stadium [5].

Dragobrat, Pylypets, Krasiya, Synyak, Rakhov are the most famous ski resorts in the Transcarpathian region.

Dragobrat is the highest ski resort in Ukraine, which is located at an altitude of 1400 m above the sea level. The total number of ski runs is 20, they represent all levels of difficulty, their length is about 10 km. There are 2 chairlifts, 5 drag lifts and 5 multilifts in Dragobrat. In addition, there are the top-class ski slopes for freestyle skiing at the resort [4].

At the resorts Pylypets, Krasiya, Synyak, Rakhov you can find about 25 ski runs, the length of which is 300 to 2500 m. On their territories skiers can use 11 drag lifts, 4 chairlifts and 3 multilifts. The main run at Krasiya is the longest ski run in Ukraine, its length is 3 km [5].

Pereval Nemchich, Migovo are the most famous ski resorts in the Chernivtsi region.

The resorts Pereval Nemchich and Migovo have got only 6 ski runs, the length of which is 150 to 1300 m, all the runs represent different levels of complexity with one run for snow tubing. The ski runs are served by 4 drag lifts and 3 multilifts [5].

When analyzing the ski resorts in the Carpathian region, it is necessary to know the number of hotels and other places for temporary accommodation (hostels, camp sites) where tourists can stay during their travel. The feature of winter sports areas is that tourists don't have to choose only hotels for their holidays, they can stay in private sectors in the cities and villages that are located close to the resorts.

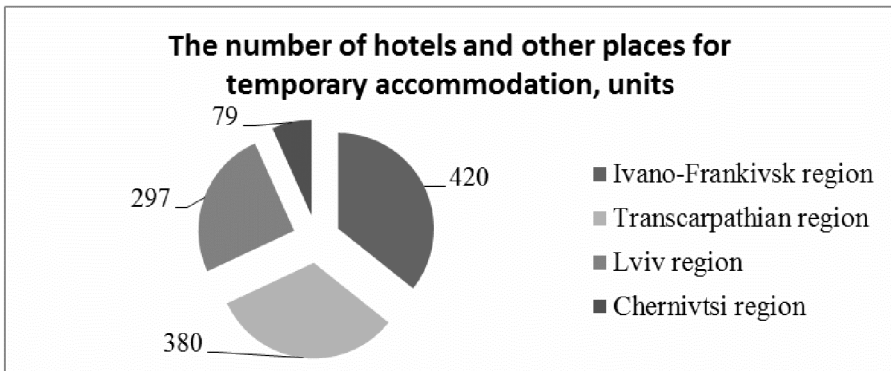


Fig. 1. The number of hotels and other places for temporary accommodation in 4 regions of the Carpathian region [5]

In this pie chart we can see that the largest number of hotels and various places to stay (420 as a whole) is concentrated in a ski resort in the Ivano-Frankivsk region. There are 132 hotels in this region, there you can also find

private sector, private hotels, guest houses and others. There is a sufficient number of different places to stay in the Lviv (297 as a whole) and Transcarpathian (380 as a whole) regions, tourists can stay both in the ski resorts and in the surrounding towns and administrative centers. The smallest amount of accommodation available is in the Chernivtsi region (79 as a whole).

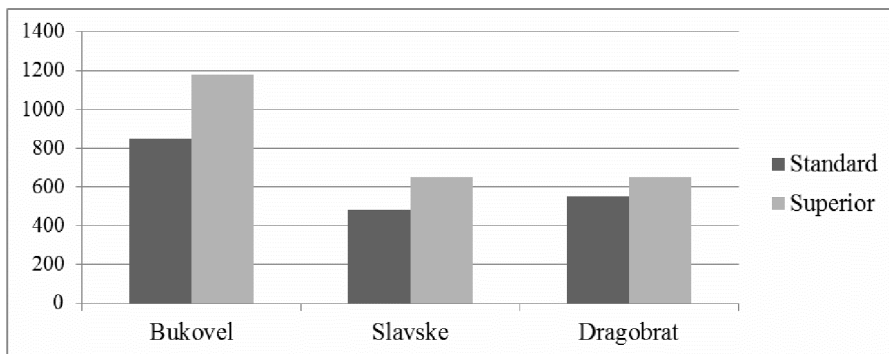


Fig. 2. The room rates for “Standard” and “Superior” rooms in the 2013-2014 season [2; 3; 4]

The chart shows the rates for hotel rooms in the ski resorts GC Bukovel and Dragobrat. During the peak holiday season in January “Standard” rooms in Bukovel cost 850 UAH, “Superior” rooms cost 1180 UAH, and in Dragobrate the price is 550 UAH and 650 UAH consequently. So, Bukovel is the most expensive ski resort in Ukraine. In Slavske the hotel rooms will cost from 250 to 650 USD, depending on the category of the hotel and the services provided.

Analyzing the state of winter sports tourism in Ukraine, we can say that this type of tourism is the basis of tourism development in the Carpathian region in winter period. The Carpathian region is characterized by availability of natural resources and the basis for the development of winter sports, such as geographic location and terrain features such as high-altitude mountains, meadows, favorable climate and temperature, necessary snow coat. An important component is also available tourism infrastructure such as well-equipped ski slopes and runs, availability of snow-making equipment, rental of ski equipment, and also a sufficient number of hotels, sports centers and other accommodation, dining facilities, which are being improved every year at ski resorts. The Bukovel resort comes first on the list and is known outside Ukraine, followed by Slavske, Dragobrat and Tysovets.

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ECONOMIC AND SOCIAL EFFECTS OF INTERNATIONAL LABOUR MIGRATION (IN THE CONTEXT OF SOUTHEAST ASIA)

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Kondratenko A.O., Litovchenko Y.M. Economic and social effects of international labour migration (in the context of Southeast Asia). The article deals with the international labor migration in the context of Southeast Asia, its economic and social impact, the influence on economic development and social sector. Social and economic reasons of the international labor migration are highlighted. The main exporters and importers of labor force in Southeast Asia are examined together with the impact of international migration on the national labor market and social sector.

Keywords: “brain drain”, donor-recipient country, international migration of labor force, net migration and remittances.

Кондратенко А.О., Літовченко Я.М. Економічні і соціальні наслідки міжнародної міграції робочої сили (на прикладі Південно-Східної Азії). У статті розглянуто процес міжнародної міграції робочої сили в контексті Південно-Східної Азії, її економічні та соціальні наслідки, вплив на економічний розвиток та соціальну сферу країн. З'ясовано соціальні та економічні причини міжнародної міграції робочої сили. Визначені основні експортери та імпортери робочої сили в ПСА, вплив міжнародної міграції на національні ринки праці та соціальну сферу країн.

Ключові слова: «відтік умів», грошові перекази, країна-донор, країна-реципієнт, міжнародна міграція робочої сили, чиста міграція.

Кондратенко А.О., Литовченко Я.Н. Экономические и социальные последствия международной миграции рабочей силы (на примере Юго-Восточной Азии). В статье рассмотрен процесс международной миграции рабочей силы в контексте Юго-Восточной Азии, ее экономические и социальные последствия, влияние на экономическое развитие и социальную сферу страны. Выяснено социальные и экономические причины международной миграции рабочей силы. Определены основные экспортеры и импортеры рабочей силы в ЮВА, влияние международной миграции на национальные рынки труда и социальную сферу страны.

Ключевые слова: денежные переводы, международная миграция рабочей силы, «отток мозгов», страна-донор, страна-реципиент, чистая миграция.

Migration is one of the major problems of population and it is treated not only as a simple mechanical movement of people, but as a complex social process that affects many aspects of social and economic life. International migration or movement of human capital is not a new phenomenon in history of South-East Asia, it has been there for many centuries. Nowadays, this process has found a new meaning and forms, and it responds to those trends, which occur in the region at the global level, and this is mainly due to differences in working conditions between markets and existing gap in income between countries [3].

The relevance of the migration process analysis of this topic consists of global and rapid growth of domestic and international relocations of population and labor force in various forms, caused primarily by uneven socio-economic development. The volume of international migration is increasing every year and it has been attracting more and more workforce. This fact confirms the importance of researching of international labor migration as one of the main forms of economic relations and its impact on the global economy. International labor migration in South-East Asia provides an important impact on economic and social development of these countries.

The purpose of this study is to identify economic and social effects of international labor migration on the example of South-East Asia.

In the article we used the materials of such scientists as Bilotserkivets V., Malinowska A., Kolosnytsina M., and also statistical reports of the International Organization for Migration, International Labour Organisation, the World Association of adventure tourism (ATTA).

Analytical and statistical methods, comparison and generalization are used for the research outlined in the article.

Labor migration predetermined unbalanced economic, social and demographic development of the country. It is under the influence of economic and non-economic reasons.

They are:

- 1) national differences in wages;
- 2) the presence of unemployment;
- 3) national differences in working conditions.

These causes usually lead to migration from less developed countries to developed ones. Immigration shifts depend on such common phenomena as economic cycles, the movement of investment, employment and unemployment status and so on.

The economic causes of international migration include:

- uneven economic development of countries;
- accelerating the internationalization of production;
- uneven processes of capital accumulation in different countries;
- changes in the distribution of production;
- labor market and employment structure;
- a significant difference in pay equal quantitative and qualitative indicators of labor in different countries.

In times of crisis the flow of emigrants, as a rule, increases and in the boom economy under the same conditions there comes an active immigration.

The social causes of international migration include:

- a desire to increase the level of welfare and improve the working and living conditions;
- an ethnic and cultural proximity to the country of migration;
- an attraction to the implementation of the needs of the individual, etc.

International labor migration has an unequal impact on different groups in the countries of emigration and immigration, and the world in general. Typically, there are three main consequences of international labor migration:

- 1) standard effects, due to the influence of migration on the labor market;
- 2) the consequences for public finances,
- 3) non-market effects [2].

South Asia is one of the main source sub-regions for migrants in Asia. Migration from South Asia shows three broad patterns. These include migration for permanent settlement in the developed countries, movement of contract-based migrant workers mainly to the Middle East and to a lesser extent to Southeast Asia, and intraregional short-term, seasonal, and irregular (undocumented) movement within the South Asian region itself (mainly to India). Migration from India, Pakistan, Bangladesh, and Sri Lanka in South Asia to the Southeast Asian countries of Singapore, Malaysia, and Thailand constitutes an important migration corridor in Asia.

Malaysia and Singapore are two common destination markets in Southeast Asia for workers from all the South Asian countries.

It is worth putting the South Asia-Southeast Asia migration corridor in perspective.

Malaysia, Thailand, Singapore and Brunei are the main receiving countries in the region, but also Thai workers migrate in search of work abroad. Table 1 shows the level of migration of Southeast Asia [4].

Table 1

**The level of immigration and emigration of Southeast Asia
in 2007 and 2013 (%)**

Countries	Immigration (2008)	Immigration (2013)	Emigration (2008)	Emigration (2013)
Cambodia	2.2	2.2	2.4	2.3
Indonesia	0.1	0.1	0.8	1.1
Laos	0.4	0.3	6.8	5.7
Malaysia	6.4	8.4	5.4	5.3
Myanmar	0.2	0.2	0.9	1
Philippines	0.4	0.5	4.1	4.6
Singapore	42.6	40.7	5	6.1
Thailand	1.7	1.7	1.2	1.2
Vietnam	0	0.1	2.6	2.5

Source: Compiled from World Bank (2013), Migration and Remittance Factbook, http://issuu.com/world.bank.publications/docs/9780821382189?mode=a_p and World Bank, data catalog on migration and remittances [5].

Migrant workers in ASEAN are mainly employed in low-paid and low-skilled jobs in the areas like domestic work, construction, manufacturing, agriculture, fisheries and forestry.

The profile of South Asian migrants in these Southeast Asian countries broadly reflects the profile of South Asian migrants to the rest of the world as well as the sectoral and occupational profile of migrant inflows into these Southeast Asian countries. It consists of both low skilled and professional categories of workers and to a limited extent also of refugee workers. Labour migrants from South Asia (as well as from other Southeast Asian countries such as Laos, Cambodia, Myanmar) are mostly employed in agriculture, fisheries, construction, domestic service, and factories in Thailand. Indians, who make up about 8 per cent of the two million registered foreign workers in

Malaysia, mainly work in the plantation, construction, information technology and financial services industries in Malaysia [3].

Hence, international labor migration reveals both positive and negative impacts on economic and social development of donor countries (labor exporting) and recipient countries (importers of labor).

Globalization lets to integration of new opportunities and prospects for labor migration in the region, but they also create new problems that require addressing both at the national and regional levels [1].

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IMPACT OF THE EURASEC ON INTEGRATION PROCESSES IN THE EURASIAN REGION

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Kotelevskyy I., Litovchenko Y.M. Impact of the EurAsEC on integration processes in the Eurasian region. The article deals with the problems of integration processes in Eurasia. The current state of integration processes in Eurasia is analysed, together with the Eurasian Economic Community, and issues and trends in member countries.

Keywords: Customs Union, EurAsEC, integration.

Котелевський І.І., Літовченко Я.М. Вплив ЄврАзЕС на інтеграційні процеси у євразійському регіоні. Стаття присвячена проблемам інтеграційних процесів

в Євразії. Проаналізовано поточний стан інтеграційних процесів в Євразії, зокрема, ЄврАзЕС, а також проблеми та тенденції у країнах учасниках.

Ключові слова: ЄврАзЕС, інтеграція, Митний союз.

Котелевский И. И., Литовченко Я.Н. Влияние ЕврАзЭС на интеграционные процессы в евразийском регионе. Стаття посвящена проблемам интеграционных процессов в Евразии. Проанализировано текущее состояние интеграционных процессов в Евразии, в частности, ЕврАзЭС, а также проблемы и тенденции в странах участниках.

Ключевые слова: ЕврАзЭС, интеграция, Таможенный союз.

Integration is a union of countries for establishing extended economic space with free circulation of goods, services, investments, capital and labour. The main objective of the research is to analyze the current situation in the Eurasian integration. The article outlines the current situation and a summary of the achieved results and examines trends and forecasts.

Today the Eurasian integration consists of two parts, such as Eurasian integration of post-Soviet countries and general Eurasian continental integration. These are closely tied processes. Integration between individual states contributes to continental integration [1].

The basis of this integration is CIS member countries, including Russia, which is a kind of center of this process. Continental integration is related to the growing economic and social links between macro-regions. It should also be noted that basis of these connections is not inter-governmental cooperation but economic cooperation at lower levels, which is ahead of development of intergovernmental cooperation.

An important step was the creation of the Eurasian Economic Community, which encourages the Eurasian region to establish a common market, following the example of the European Union. Russian and Kazakh leaders have repeatedly emphasized that Eurasian integration – not the revival of former economic or political institutions, like the Soviet Union, but a voluntary union of economic potential of post-Soviet states to provide an additional urge to their development.

The most important role that promotes the Eurasian integration in XXI century is the fact that it is based on the new universal principles. The President of Kazakhstan, Nazarbayev formulated principles of the Eurasian integration in a more detailed way, which later escalated into a theory of “pragmatic Eurasianism”. Pragmatic Eurasian is based on the mechanical process of economic integration and mostly repeats the experience of the European Union. [3]

Predicting the prospects of economic integration in EurAsEC, we can say that in the short run there will be intensification of the countries of the Eurasian Economic Community, the completion of the Customs Union and the Common Economic Space. This is by far the main direction of the formal integration of the EurAsEC.

It is estimated that as a result of creation of a single customs territory, the complete abolition of tariff and non-tariff barriers in mutual trade, the abolition of customs controls at internal borders of the customs union trade turnover between the participating countries may increase by 50-70%, the volume of foreign trade of the Community from the third countries may increase by 50%, tax revenues to the budget of the Community may increase by 20-30%.

Considering the specificity of the economy of the post-Soviet states, the most priority directions of cooperation of the EurAsEC are:

- Improvement of competitiveness of the products through development of modern high-tech enterprises in industry and agriculture;
- Energy – a joint development of hydropower resources, improving the supply of electricity, solving the problem of rational water use, using single energy balance;
- Convergence of financial and banking systems;
- Development of scientific and technical cooperation and innovations in the economy;
- Mutual solution of social problems. Particularly important issues related to labour migration – social protection of migrants, creation of an effective system of regulation and control of labour migration, the problems associated with the wages of workers and payment of taxes by the employers;
- Development of agriculture including harmonization of agricultural policies of the EurAsEC, formation of a single food market of the Community [2].

Since the establishment of the Customs Union bilateral trade volume of Belarus, Kazakhstan and Russia increased from 47 billion dollars in 2010 to 68.5 billion dollars in 2012, representing about 45% growth [4].

At the same time, there are still problems that prevent integration processes in the region. According to the summits of the Supreme Eurasian Economic Council in November and December, one of the problems is some uncertainty in the process of Eurasian integration that is different understanding of the substance of the integration process and, consequently, lack of a unified strategic vision, and a different vision of goals of integration among the post-Soviet states. In addition, two previous stages, the Customs Union and the Common Economic Space, haven't been carried to their logical conclusion.

Another danger arising from the conflicts between the participants is existing red tape of the Customs Union and, in particular, the Eurasian Economic Commission. Though the employees in these institutions are formally independent from the states, they are still guided by the trends prevailing in the capitals of the three countries.

Development of the integration is also hampered by the growing interests of the individual states, such as official Minsk wants equality in energy prices, Kazakhstan, in its turn, would like to get an access to Russian pipelines. These are the most important things for Kazakhstan and Belarus to seek integration. So there may appear some doubts as for reliability of this project.

Despite all the rebuffs the EurAsEC is constantly evolving. Yet the presidents of Belarus, Kazakhstan and Russia have stated that they are determined to create the Eurasian Economic Union by 2015. Another important decision was to expand the Customs Union attracting Armenia, Kyrgyzstan and, potentially, Tajikistan.

In 2014, a major challenge for the Eurasian integration is to overcome internal contradictions – especially in the economic sphere. Belarus, Kazakhstan and Russia should direct their efforts on coordination of their positions and, ultimately, to develop a model of integration that will be truly mutually beneficial. It is important that in 2014 all the countries interested in the integration should get dividends from their mutual cooperation, it will help them to move forward and to expand the Eurasian Union.

On the other hand, powerful states in the east and the west are currently demonstrating enthusiastic willingness to cooperate in the Eurasian integration. These countries are China, India, Iran, Vietnam, South Korea and others.

Therefore, in the nearest future the EurAsEC countries should make great efforts to convince their western partners to show a more constructive approach towards cooperation with the future Eurasian Economic Union while taking energetic and decisive actions themselves.

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CHILD MARRIAGE

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Krylova O.O., Manzhos Y.Y. Child marriage. The article gives the thoroughful analysis of causes and consequences of the early marriage for adolescents' life all over the world. Special attention is paid to child brides in different countries and the efforts of the international community to solve the problem of child marriages.

Key words: adolescent, child bride, child marriage, international community.

Крылова О.О., Манжос Я.Ю. Дитячий шлюб. У статті подано ретельний аналіз причин та наслідків раннього шлюбу для життя підлітків в усьому світі. Особлива увага приділена неповнолітнім нареченим у різних країнах світу та зусиллям міжнародної спільноти, спрямованим на вирішення проблеми дитячих шлюбів.

Ключові слова: дитячий шлюб, міжнародна спільнота, неповнолітня наречена, підліток.

Крылова О.А., Манжос Я.Ю. Детский брак. В статье представлен детальный анализ причин и последствий раннего брака для жизни подростков во всем мире. Особое внимание уделено несовершеннолетним невестам в разных странах мира и усилиям международного сообщества, направленным на решение проблем детских браков.

Ключевые слова: детский брак, международное сообщество, несовершеннолетняя невеста, подросток.

The subject of this article is child marriage, the aim of this analysis is to research its causes and consequences all over the world. The topicality of this issue is presupposed by the fact that every three seconds, somewhere in the world, a girl under the age of 18 is married and if the present trend continues, 100 million girls will marry over the next decade [4].

Child marriage occurs in practically every region of the world, but it is most common in South Asia, Latin America, the Caribbean, the Middle East and Africa. More than 70 per cent of girls under the age of 18 are married in Niger, Chad and Mali. Nearly half of all Indian daughters become child brides

[4]. The practice has existed for thousands of years, but a number of communities are abandoning child marriage and they are doing so in a way that respects and maintains traditional values.

These communities manage to promote the fundamental values of human rights and the protection of children while promoting a national discussion about gender norms and the appropriate age of marriage. Religious communities are encouraged to take the lead, or become integral partners, in these efforts to make people reassess their views on the rights of girls. Religious leaders have combined religious teachings with the Convention on the Rights of the Child and supported national laws and policies to protect children, but the engagement of religious communities need to be strengthened and enlarged as we press to end child marriage around the world [4].

Although boys are also subjected to early marriage in some parts of the world, girls are disproportionately affected and they make up the overwhelming majority of children who are married. In the developing world, one out of three women under the age of 50 were married before they turned 18. One in seven women under the age of 50 were married before they were 15.

Exact data on child marriage is difficult to obtain, because of weak administrative systems and poor record keeping in countries where child marriage is widely practiced. Frequently, births are not recorded, so a bride's exact age is unknown. Marriage certificates are not systematically issued in many countries – particularly when the bride is under the age of 18. But the statistics that are available indicate a slight decrease in the number of child brides. In the developing countries, 48 per cent of women between the ages of 45 and 49 married before they were 18 [3]. The percentage drops to 35 for women between the ages of 20 and 24 [5]. Even despite this dropping, there are still many girls affected by child marriage.

The causes of child marriage are numerous. Girls usually become child brides because their parents give them away for economic or social gain. Families are also motivated by the promise of social approval or increased social standing [6]. Parents think they are upholding tradition, safeguarding the chastity of their girls, and minimizing the risk that their daughters may bear children out of wedlock. In some cultures, child marriage is associated with a religious belief and the need to protect girls from engaging in “improper” or “immoral” behaviour [2]. But the religious justification often masks a family's desire to protect its honour and reputation. Often parents feel obligated to accept the social norm and they readily give up their daughters to older men. If they fail to give away their daughters, families can be excluded from

the community or worse, their daughters or other family members may become the victims of violent attacks.

There also are strong economic incentives to give away young children in marriage. The cost of marriage tends to be lower when a child is younger. A young bride leaves her parents' home and stops using the family's resources. Grooms and their families usually require a smaller – than – normal dowry for young girls. In cultures where grooms pay for brides, young girls command a higher price than adults.

Child marriage is most common in the world's poorest countries and the largest numbers of child brides can be found in the most impoverished regions of these countries. Girls living in poor households in the developing world are almost twice as likely to marry before 18 than girls from high – income families [5].

Economic inequity is a major cause of child marriage, but child brides do not escape poverty once they marry. Families in poverty usually feel they have no alternative to child marriage . They may lack the resources to educate their daughters and their society may not offer incentives to protect girls from child marriage. A lack of education (among parents and child brides) is a major risk factor for child marriage.

It is important to mention that girls with a higher level of schooling are less likely to marry as children. In Mozambique, 57 per cent of women 15 - 49 with no education were married by the age of 18, but only 20 per cent of those with secondary education or higher had married before the age of 18 [9]. In many parts of the world, girls traditionally did not have access to an education. However, this has started to change with modest progress made towards the realization of Millennium Development Goal 2 on Achieving Universal Primary Education. But girls often lose the opportunity to continue schooling once they become eligible for marriage. Indeed, if girls marry while in school, they tend to drop out. Keeping girls in school is the most significant thing families can do to delay a girl's age at marriage . Once they leave, they rarely return to school, and are deprived of the enriching opportunities education can provide, including skills that will ensure the girl can take full advantage of future economic opportunities to support her family and lift her own children out of the cycle of poverty [7].

Child marriage has been linked to a number of negative health consequences for the child bride and for the bride's children:

- Child brides face a higher rate of contracting HIV and other sexually transmitted infections because of their biological vulnerability and social inequality;

- Child marriage increases the likelihood that a girl will give birth at a young age and that childbearing will continue uninterrupted throughout reproductive age;
- Girls under the age of 15 are five times more likely to die in childbirth than women in their 20s;
- Girls aged 15 -19 are twice as likely to die in childbirth than women in their 20s;
- Girls under 18 face a higher risk of pregnancy-related injuries such as fistula;
- A child born to an adolescent mother is twice as likely to die before the age of one, compared to the child of a woman in her 20s.

Research studies also have examined the link between child marriage and the relationship between husband and wife. Girls, who are younger than their husbands, and have little education and life experience, usually are in a subordinate role. They have little control over their lives and well-being. This unequal relationship increases the risk that the child bride will be subjected to verbal or physical abuse by her husband, or by her husband's family. Child brides are more likely to be victims of domestic violence than their peers who marry later [1].

The international community has long urged local and national governments to implement laws and policies to end child marriage and the practice is now illegal in the majority of countries where it is occurs. In recent years, several countries have set 18 as the legal minimum age to marry, and they have eliminated differences in the minimum legal age between boys and girls. Eritrea in 2009 increased the minimum age of marriage to 18 for both boys and girls in an effort to ensure that marriage is consensual and to limit the amount brides' parents are paid for their daughters. Malawi has a draft law that increases the age of marriage from 16 to 18 for both boys and girls.

Taking into account all the facts given above we can draw the conclusion that child marriage has consequences for the future life of children and further international efforts should be made in order to eliminate this practice. The perspective of this research is the analysis of national legislation in common and civil law countries, that pertains to the minimum marriage age.

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TOURISM RESOURCES OF ODESSA REGION

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Kucher E.V., Saprun I.R. Tourism resources of Odessa region. The article includes statistical data of Odessa region tourism, analyzes the major patterns of the local tourism industry. Summarizes the advantages and potential of Odessa ourism resources.

Key words: Odessa region, tourism, recreation, tourism resources.

Кучер О.В., Сапрун І.Р. Ресурсозабезпеченість Одеської області. У статті надані статистичні данні про регіональний туризм Одещини, проаналізовано особливості видів та спрямувань туристичної індустрії краю. Підсумовані переваги та потенціал використання туристичних ресурсів Одеської області.

Ключові слова: Одеська область, рекреація, туризм, туристичні ресурси.

Кучер Е.В., Сапрун И.Р. Ресурсообеспеченность Одесской области. В статью предоставлены статистические данные о региональном туризме Одесского края, проанализированы особенности видов и направлений туристической индустрии региона. Подведены итоги преимущества и потенциала использования туристических ресурсов Одесской области.

Ключевые слова: Одесская область, рекреация, туризм, туристические ресурсы.

Odessa region is one of the most favorable Ukrainian areas for the development of recreation and tourism. Odessa geographical area was chosen as the object being one of the extremely famous in Ukraine. Therefore, it is topical to analyze conditions of potential tourism growth in this region.

Natural resources are an integral part of flourishing tourism and regeneration in Odessa. Coastal and climate resources occupy a leading place in this group [8, p. 44–47]. The goal of this article is to emphasize competitive kinds of resources, which are pronounced in Odessa area and to submit them according their importance.

Odessa region occupies the 3rd place in our country for coastal resources that make up almost 8.0% of the total ones in Ukraine. The coastline area is about 270 hectares, 25% of which is the area near Odessa. Length of the sea beaches is 175 km and their width amounts for 50 meters in average. Seawater temperature in summer reaches 25°C, which is one of the conditions to use the coastal resources efficiently [1, p. 55–76].

The second place is occupied by the value of climate resources. Winters are mild, the average January temperature is – 3°C. The number of days with the temperature over + 10°C ranges from 130 to 208, these figures ensure the stable development of tourism in the region for a long time. Summers are very warm, dry, average temperature in July reaches 21 – 23°C. The duration of the swimming season is 114 days. These climate conditions are beneficial for the flourishing of recreation (coastal tourism) as well as for climatotherapy.

Hydro resources have a special place in the development of regeneration and tourism complex of the Odessa region. They include next types of reserves: therapeutic mud (peloid) and minerals. Kuyalnik estuary therapeutic mud has worldwide recognition. Shabolatskyi and Tiligul estuary are also known with its curative mud [5].

Caving has essential role for the tourism potential of Odessa region. They are showed by catacombs and caves. The region ranks 6th place in Ukraine for this type of resources. They occupy an area that accounts 18% of state territory. This resource has a high rate versus other regions of Ukraine. So, it promotes the extension of caving and cultural tourism.

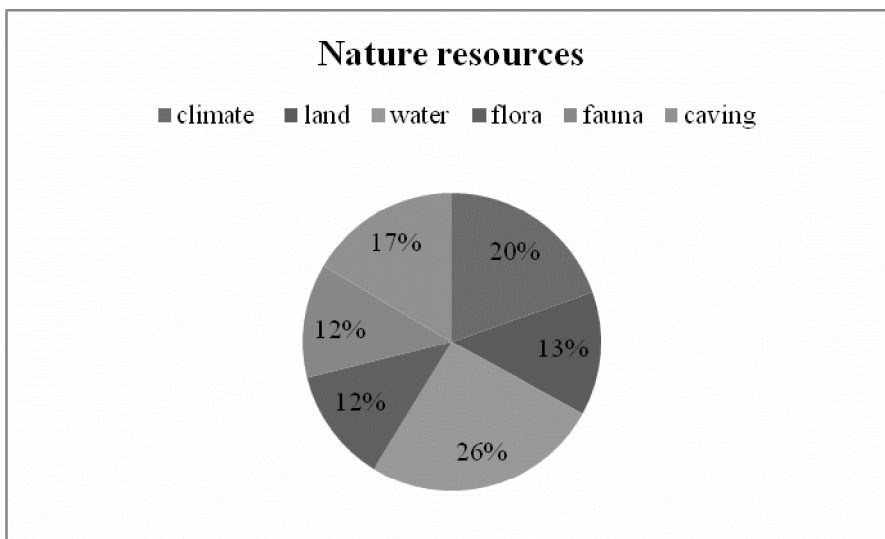


Fig. 1. The nature resources of the Odessa Region
(the percentage of the region)

Insular, water, lake, fauna and flora resources are insignificant ones for the growth of tourism, but are pronounced in the Odessa region. Odessa region takes 1st place in Ukraine on lake resources, which make up 5.2% of the territory. This region leads in the number of islands in our country and accounts for 1.2% of the region land. River resources reach 0.8% of the area. Flora resources are limited and do environmental, sanitary and recreational functions. However, estimating the number of gardens, we can see, that its figure is sufficient and amounts for 2.1% of the area. Diverse fauna of the Odessa region is represented by 1500 species of invertebrates and 400 species of vertebrates. But local fauna has a low rate in comparison with other regions of the state.

Odessa region refers to those parts of our country; we can observe a wide network of protected areas. They comprise more than 123 objects of nature reserve fund, including national and local level institutions [3]. The total area of them is 154496,125 hectares that forms 4.38% of the region. The number of national significance objects is 18 and there are 107 units of local importance. Nature reserve fund involves 1 biosphere reserve, 2 national parks, 2 protected landscapes, 1 botanical garden of national importance and 34 wildlife refuges. The last objects compile 8 national nature-sanctuaries and 26 ones of local importance, 4 tracts, 58 natural monuments, 22 monuments of landscape art and 1 zoological park [2, p. 36–39].

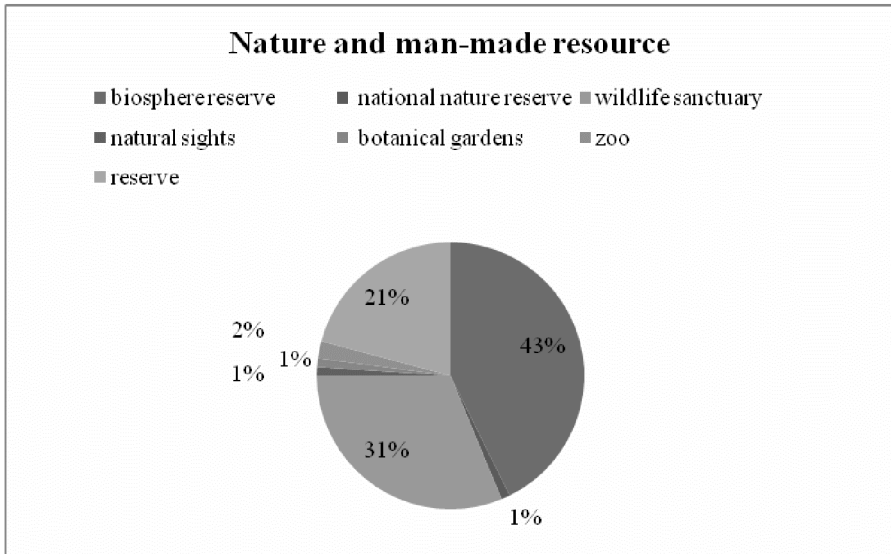


Fig. 2. The nature and man-made resources of the region
(the percentage of the region)

Odessa region has a high mark of cultural and historical resources, because they take the 4th place among other Ukrainian areas. This territory conserves 5254 of national accounting and guarded monuments. They consist of 1549 objects of planning and architecture, which are also divided into 503 landmarks of monumental art, 1 sight of landscape art, 21 sacred buildings, 3 military attractions [6, p. 24–30]. Apart from, cultural fund has 4 monuments of science and technology; 1682 archaeological points of interest; 1548 historical showplaces. The region has 65 remarkable points of architectural and historical tourism and recreation facilities, which constitute 2.4% of their total number 2663. Thanks to these figures Odessa region occupies 14th place in Ukraine.

Essential part of the local tourism development is due to the museums, because only Odessa has 28 institutions. This maritime city agglomerates 1696 monuments, but the most well-known is “Old Odessa” reserve [7, p. 3–19].

It should not be left unmentioned, that 12 regional towns are included in the list of Ukrainian historical settlements [4].

Odessa geographic area takes 4th place at biosocial resources. Their total number is 115, which contribute 7.1% of Ukrainian ones.

Odessa region ranks 2nd place by virtue of event resources in our state. Their quantity is 60 sights. The fraction of these resources is 9.6% of general number.

Economic resources and cultural events are vital ones for Odessa region.

Odessa region takes the 3rd place with the most significant homogeneous resources (objects that have the links with Ukraine and other foreign countries). Their total is 17 attractions, which comprise 6.6% of the national rate.

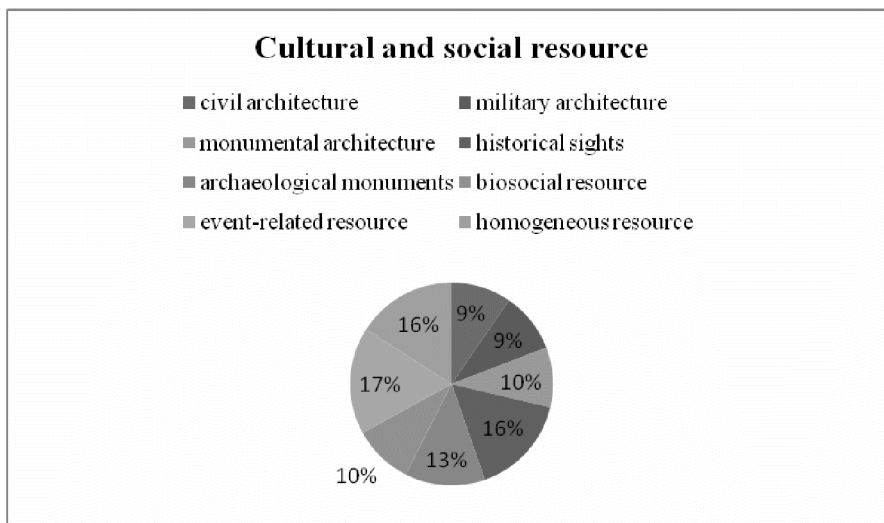


Fig. 3. The socio-historical resources of the region (the percentage of the region)

All in all, Odessa region belongs to the areas with top-ranked integral indexes of resources. The availability of various reserves shows this region as competitive one in terms of Lviv, Ivano-Frankivsk and Volyn areas. Odessa is the center of the Black Sea recreational districts. This seaside region turns up a priority area for tourism, thanks to the Black Sea access. If we analyze the resource data of the Odessa geographic area, one can come to the decision, that it is one abounded in reserves. At last, it demonstrates active tourism infrastructure and has significant resource potential for the further thriving of tourism sphere.

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TOURIST AND RECREATIONAL RECOURCES OF THE USA

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Kurinnaya S.S., Saprun I.R. Tourist and recreational resources of the USA.

The article reveals the main trends of tourism development in the the USA. The analysis of the main factors characterizing the exceptional tourist potential of the USA has been introduced. The importance of the resource and infrastructural factors has been singled out.

Keywords: resource and infrastructural factors, tourist potential, trends of development, USA.

Курінна С.С., Сапрун І.Р. Туристичні та рекреаційні ресурси США. Стаття розкриває головні тенденції розвитку туризму в США. Представлено аналіз основних факторів, що характеризують винятковий туристичний потенціал США. Підкреслено першочергове значення саме ресурсного та інфраструктурного факторів.

Ключові слова: ресурсний та інфраструктурний фактори, США, тенденції розвитку, туристичний потенціал.

Куринная С.С., Сапрун И.Н. Туристические и рекреационные ресурсы США. Статья раскрывает основные тенденции развития туризма в США. Представлен анализ основных факторов, характеризующих исключительный туристический

потенциал США. Подчерчивается первостепенная роль имеют именно ресурсного и инфраструктурного факторов.

Ключевые слова: ресурсный и инфраструктурный факторы, США, тенденции развития, туристический потенциал.

The United States, with its large size and geographic variety, includes various climatic zones, natural areas and landscapes, which ensures the development of almost all types of tourism in the country. Today there is a wide range of tourist attractions in the United States: amusement parks, festivals, gambling, golf courses, historical buildings and landmarks, hotels, museums, galleries, outdoor recreation, spas, restaurants and sports. This country can be an excellent example of how to maximize the use of all natural, recreational, historical and cultural resources of the country for the development of tourism on its territory. Therefore, a review of tourist and recreational resources of the USA is topical.

The purpose of this work is to characterize natural, cultural and historical resources and identify geospatial features of special types of tourism USA.

The object of the research is the USA as a tourist destination.

The subject of the research is features of recreational potential of the USA based on natural, cultural and historical tourism resources.

Tourism in the United States is a large industry, which annually provides millions of tourists from all over the world. The country occupies the first place in world by the amount of spending directed on the tourism industry, permanently holds a leading position in the world by revenue from tourism, and is on the third place in the world for international tourist arrivals.

The modern picture of the formation of international recreational streams is the result of several groups of factors: socio-economic (level of socio-economic development of the territory, political stability, etc.), recreation and resource potential; infrastructural factor, the factor of geographical location (particularly in relation to the main world's tourist markets). The aggregate actions of these groups of factors contribute to the formation of relatively stable tourist flows, which in turn lead to the formation and existence of the international tourist regions with the intensive recreational movement.

The USA is an economically highly developed state with a complicated socio-economic geography. Keeping leadership in scientific and technological progress, international politics, effectively using domestic natural and human resources as well as the international division of labor and intensified global integration, it is uppermost in its number of GNP. So, socio-economic

preconditions are favorable for tourism development and the formation of international tourist flows to the country.

The United States has a great potential for recreational and other types of tourism because of its physical-geographical, geopolitical position, diversity of natural tourism resources, natural areas and landscapes and, therefore, diversity of flora and fauna.

In the US there are several large orographic regions: mountain regions – the Cordilleras, the Rocky Mountains (on the west) and the Appalachian Mountains (on the east), the vast areas of the Central and the Great Plains between the Cordillera and the Appalachians.

There is a very diverse climate in the States: subarctic (Alaska) – natural areas of tundra, boreal forests; temperate (most of the continental United States) – natural zone of mixed forests, deciduous forests, prairie, areas of altitudinal zones; subtropical (Florida Peninsula) – humid equatorial forests; tropical (Hawaii Islands).

Water resources are unevenly distributed throughout the country. On the border with Canada is the largest lake system in the world – the Great Lakes (Superior, Michigan, Huron, Ontario, Erie), and the main river system of the country are the Mississippi and its tributaries (the Ohio, the Tennessee, the Missouri, the Arkansas). The rivers of the Pacific are the Columbia and the Colorado.

Forests cover about 1/3 of the country. So, in the south of Alaska there are wide coniferous forests, the central part of the country is covered with mixed forest vegetation, the cedar forests are typical for the north east coast, in the south vegetation has subtropical features, its western region is the one of deserts and semi desert areas with different cacti and bushes. Citrus and various palm trees are widespread in California. Sierra Nevada is considered to be the region of giant sequoias.

The United States has extensive and diverse natural and recreational resources on which major natural and recreational regions were formed. The main areas of coastal tourism are Florida, California and Hawaii, mountain – western states, lakeside – the lakeside states, environmental – states on the west and the north.

The system of the US recreational areas includes not only recreation areas of natural type, but almost 1,500 protected areas, with total area of over 104 million hectares, which includes 451 reserves, 50 national parks, 126 state parks, 70 natural monuments, 394 reserves, where natural landscapes of the land and the sea coasts are preserved, these ones are actively used in tourism.

In the US there are more than 50 national parks. The largest area of preserved natural landscapes and unique natural monuments belongs to the Cordillera mountain system. Tourists are attracted with beautiful landscapes and nature phenomena, which include, for example, geysers of Yellowstone, the Grand Canyon of Colorado, Death Valley, etc. More than 250 million people visit national parks.

It is impossible to ignore one of the country's amazing prides, Niagara Falls, one of the most spectacular sights in North America. It is located on the Niagara River on the border between the United States and Canada.

The Hawaiian Islands, an archipelago of eight major islands and undersea seamounts in the middle of the Pacific Ocean are a Mecca for tourists. Hawaii's diverse natural scenery, warm tropical climate, abundance of public beaches, oceanic surroundings, and active volcanoes make it a popular destination for visitors from all over the world. Bathing, water sports, beach vacation, sunbathing are the main joy for tourists.

Another northernmost US state, Alaska, is called "the land of white silence". It is a mountainous region thus creating favorable sceneries for skiing, sight-seeing, hiking and camping. A popular form of recreation here – cruises along the coast of the state, tourists watch chains of mountains, fjords, glaciers.

Therefore, natural resources are an important part of the recreational and tourist potential of the United States of America.

Historical and cultural heritage is relatively young and in most cases is associated with the events of European colonization of North America, the War of Independence and the Civil War. The rest of the cultural and historical tourism resources include historical settlement of indigenous people of North America, the Indians. Historical parks form the basis of historical and cultural resources. Today there are 30 historic parks in the US which are linked with such events and historic sites as battlefields in the War of Independence, Saratoga (GA), battlefields in the Civil War, Atlanta, the old district of Boston, Philadelphia, Sitka (Alaska) Indians place of settlement (Mesa Verde Colorado).

The highest concentration of cultural and historical resources typical for most developed areas of the country, especially in the north-east coast of the country – New York, Washington, Philadelphia, Boston; on the west coast of the Pacific – San Francisco, Los Angeles, Seattle, Las Vegas; in the Great American Lakes – Chicago, Pittsburgh, Cleveland; extreme south – New Orleans, Orlando, Miami, Atlanta.

Nowadays there are almost all types of tourism in the US, from skiing to the beach-centered holiday. The most popular ones among foreign and domestic

tourists are business, recreational, sightseeing, beach, educational, scientific (congress), skiing, entertainment, environmental, cruise, medical, sports and event.

Summing up, the analysis of the available information about the factors of tourism development and recreation industry has shown that the level of tourism development in the US is very high. Both domestic and foreign tourism, both inbound and outbound are developed in the country. This could be explained particularly by the rapid development of the economy and rather high income of population. Assessment Tourism Geography the US proves that the growth of international tourist flows to the country can be predicted in the future. This particularly concerns business, beach, cultural, congress, cruise, educational and event types of tourism.

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ENGLISH AS LINGUA FRANCA IN INTERNATIONAL TRADE AND INVESTMENT

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Kutepova A.B., Oliynyk N.A. English as lingua franca in international trade and investment. The article considers the research results on the role of English in international trade and investment. Using English as a lingua franca is a means of increasing international trade efficiency and attracting foreign investments to the economy.

Key words: English language, international trade, investment, language proficiency, lingua franca.

Кутепова А.Б., Олійник Н.А. Англійська мова як лінгво-франка у міжнародній торгівлі та інвестуванні. У статті розглядаються результати досліджень ролі англійської мови у міжнародній торгівлі та інвестуванні. Використання англійської мови як лінгво-франка є засобом підвищення ефективності міжнародної торгівлі і залучення іноземних інвестицій в економіку країни.

Ключові слова: англійська мова, інвестування, лінгво-франка, міжнародна торгівля, рівень володіння мовою.

Кутепова А.Б., Олейник Н.А. Английский язык как лингва-франка в международной торговле и инвестировании. В статье рассматриваются результаты исследований роли английского языка в международной торговле и инвестировании. Использование английского языка как лингва-франка является средством повышения эффективности международной торговли и привлечения иностранных инвестиций в экономику страны.

Ключевые слова: английский язык, инвестирование, лингва-франка, международная торговля, уровень владения языком.

*‘English is now a global language
that belongs to all those who speak it.’
Nigel Newton*

Being multilingual is an increasingly important business skill gaining its popularity as world markets are becoming become more and more globalized and interconnected than ever before. As new economies develop rapidly, the value of being able to speak Mandarin, Arabic and Hindi is increasing. However, English remains the leading international language, with an estimated 1.5 billion speakers across the world. The dominance of English is colossal and it is still the most widely used language the world has ever seen. “It is the language of modern scholarship, the internet and technology, the global media and advertising, international politics and diplomacy, and particularly, global business” [3].

Therefore, the actuality of the article has been stipulated by the fact that English is the global language in the world and to know its importance in international economics and trade is one of our priorities.

The aim of the article is to understand the importance of English language in international trade and investment and consider its role as lingua franca of international trade that is the object of the study.

It is commonly assumed that English helps to build a stronger regional economy through freely and openly communicating with foreign partners all

over the world: “... the common denominator of the countries that have done best in this age of dashed expectations is that they are the countries where English is spoken” [2].

The prolific growth of English is both a result and cause of globalization. The boom in international trade has brought people from all cultures and countries together to exchange goods and services. Yet, the role that English has played in driving global trade and reducing the sense of distance between countries is often overlooked. With more people on the move today than at any other point in human history, English has increasingly become the ‘lingua franca’ for international trade. This is powerfully underlined by the calculation that an estimated 80 per cent of those communicating in English are non-native speakers.

English in this era of globalization has increased the capacity of people to communicate and exchange ideas and goods across borders. English language skill has become a necessity for establishing linkages with the rest of the world in international trade, economic development and even in the use of new technology. Most governments have long acknowledged that knowledge of the languages of the countries with whom they trade provide advantages.

The potential importance of language as a contributor to trade linkages has several foundations: the first one, suggested by J. Carr and made within the functionalist approach stated that “money and language share similar characteristics just as money allows society to move beyond barter, a common language also facilitates transaction and lowers cost” [2] and the second one proposed by Albert Breton and P. Mieszkowski who applied the neo-classical international trade model. They interpreted the use of one common language as resource-saving technical progress claiming that “the benefits resulting from knowledge of a second language are spread over time. Learning a second language therefore is an investment or the acquisition of an asset <...> It is a form of human capital, capable, like all capital, of being increased or depreciating although, unlike material goods, it does not deteriorate with use or even of becoming outdated” [2].

The language barrier – the fact that different countries have different native languages – has been documented in numerous studies as reducing international trade. This paper investigates the possibility that trade partners with no common native language will overcome the language barrier by communicating in a non-native language. In today’s world English is the leading candidate to play this role of a lingua franca (a language *systematically* used to make communication possible between persons not sharing a native language, in particular when it is

a third language, distinct from both native languages). By constructing and then employing a new measure of English proficiency covering more than a hundred countries and spanning 30 years, we show that the ability to communicate in English has a strong effect in promoting trade across the globe. The results thus demonstrate that an acquired proficiency in English can mitigate the impact of historically determined language barriers.

The research carried out by the scientists from the University of Toronto [2], will help us to understand the importance of English in doing business internationally. Using a “gravity model” framework to conduct their analysis of the 30 countries within the Organization for Economic Cooperation and Development (OECD) allowed them to control for variables such as GDP, population, cultural similarities, colonial histories and exchange rates. It has been determined that countries that have English as at least one of their official languages, or whose main languages are linguistically close to English have higher rates of investment in other countries and so do the countries with high rates of English proficiency.

According to Walid Hejazi, an associate professor of International Business at the Rotman School of Management “the vast majority of the world’s trade and investment is actually among or between or involves English-speaking countries” [1]. The survey has also identified whether there was any other residual difference in foreign investment levels and trade that could be explained by language: the countries with English as one of their official languages accounted for nearly half of gross domestic product and nearly 47 per cent of its foreign investment and had the highest rates of bilateral foreign investment. On the other hand, the countries employed English as the main language had the highest rates of foreign investment were between English and German-speaking countries, which have some linguistic proximity to English: “the closer a country’s language is to English, the bigger a kick they get” [1].

The findings suggest that companies looking to invest internationally need to embed English skills within their workforce, regardless of the local language.

The results proved the importance of English which is another example of the impact of globalization on the world. Not only is the dollar the most important foreign currency but so is English. This is yet another reason why many developing countries are unable to enter the market. Foreign investors want to invest in countries that speak English so that they have an easier time communicating with the workers, banks, governments, etc.

To facilitate the introduction of English into business practice government efforts should be aimed at harmonizing the English language programs and

giving tools like translations, software etc. not only for the local constituents but also to prospective foreign traders, tourists and teachers in order to provide trade and flow of information through technology.

To sum up, the English language has a leading role to play in our globalized world: providing a common platform for international trade; driving global collaboration and thinking; breaking down the barriers between cultures and opening doors to opportunities around the world.

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EFFECTIVE QUALITY MANAGEMENT SYSTEM WITH AN EXAMPLE OF THE RITZ-CARLTON HOTEL

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Lepokhin M.L., Danko N.I., Saprun I.R. Effective quality management system with an example of the Ritz-Carlton hotel. The article is devoted to the consideration of the main tendencies in quality service in hospitality industry. All factors contributing to the development of the quality management system with an example of the Ritz-Carlton hotel have been disclosed. The main tendencies connected with the quality

management have been examined. The necessity to research this topic has been pointed out.

Keywords: quality, quality management system, hospitality industry, tourism.

Лепьохін М.Г., Даныко Н.І., Сапрун І.Р. Ефективна система управління якістю на прикладі готелю «Ritz-Carlton». Ця стаття присвячена розгляду основних тенденцій щодо якості обслуговування в готельній індустрії. Розкрито фактори, які сприяють розвитку системи управління якістю на прикладі готелю Ritz-Carlton. Розглянуто основні тенденції, пов'язані з керуванням якістю. Наголошено на необхідність вивчення даної тематики.

Ключові слова: готельна індустрія, сервіс, система управління якістю, туризм.

Лепёхин М.Г., Даныко Н.И., Сапрун И.Р. Эффективная система управления качеством на примере отеля «Ritz-Carlton». Данная статья посвящена рассмотрению основных тенденций в отношении качества обслуживания в гостиничной индустрии. Раскрыты факторы, способствующие развитию системы управления качеством на примере отеля Ritz-Carlton. Рассмотрены основные тенденции, связанные с управлением качеством. Подчеркнута необходимость изучения данной тематики.

Ключевые слова: гостиничная индустрия, качество, система управления качеством, туризм.

Quality is a consistent delivery of service that meets the standards set by the corporation or owners of a hotel. Guests expect quality service and reward it with loyalty and referrals. When guests know that they can expect to be provided with the same level of service every time of their visit, you've achieved effective quality management. The object of the article is the quality management system in hospitality industry. The main purpose of this work is to show the necessity to assume the measures to conserve the quality of hotel services [2, p. 5–6].

Hotel that chose the application of quality concept as a key factor of success should experience the growth in the guest satisfaction, i.e. successfully positioning on the market advert thus gaining higher profit. However, trying to reach the high level quality of hotel services, hotel managers very often face with problems of an adequate measuring of the service quality. Managerial staff does not know what their guests consider to be important while evaluating the quality of hotel products and do not have any reliable methods for determining the expectations and perception of hotel guests when the service quality is concerned. The Ritz-Carlton Hotel is based on three fundamentals:

1. Location. 2. Product developing. 3. Animating staff

The first position makes sure that the hotel gets absolutely perfect location, where luxury customers will desire to stay. The second one, product-building is the right physical product for what the guests want today and what they will want tomorrow, which means an investment of between \$500,000 and over \$1 million per room. That is the platform. Ritz-Carlton's President and CEO Simon Cooper say about animating procedures the following thing: «People – our ladies and gentlemen serving ladies and gentlemen. They animate the platform. But you must get the first two rights. If you're not in the right location, or if you don't have the right physical product, then employees, ladies and gentlemen, can only do so much» [1, p. 1–4].

Occupancy rate is the most important indicator for profitability, according to a study performed by Cornell University. Profit in the hospitality industry is directly related to the number of rooms that are checked in every day. Brands that have developed a reputation for quality can demand the highest price points in an area. It is not the amount of services that guests receive that reflect on perceptions of quality, but the way the services are provided. As a result, less expensive hotels that maintain a consistent level of quality are more profitable on the whole than higher-priced properties with full lines of amenities and less consistency in their delivery [3].

Considering the Ritz-Carlton hotel, the quality management begins with its president and chief operating officer and the other 13 senior executives who make up the corporate steering committee and the senior quality-management team. They meet weekly to review product-and service-quality measures, guest satisfaction, market growth and development, organizational indicators, profits, and competitive status. Approximately one-fourth of each executive's time is devoted to quality-related matters [1, p. 1–4].

Key product and service requirements of the travel consumer have been translated into the Ritz-Carlton Gold Standards, which include a credo, motto, three steps of service, and 20 “The Ritz-Carlton Basics”. Each employee is expected to understand and adhere to these standards, which describe processes for solving problems guests may have as well as detailed grooming, housekeeping, and safety and efficiency standards [1, p. 5].

To provide superior service, the Ritz-Carlton created its targeted selection process to ensure a successful match of potential employees to employment. Upon being selected, new employees are versed on the corporate culture through a two-day orientation, followed by extensive on-the-job training, then job certification. The Ritz-Carlton values are reinforced continuously by daily

“line ups”, frequent recognition for extraordinary achievement, and a performance appraisal based on expectations explained during the orientation, training, and certification processes [2, p. 6].

To ensure guests’ problems are resolved quickly, workers are required to act at first notice-regardless of the type of problem or customer complaint. All employees are empowered to do whatever it takes to provide “instant pacification.” No matter what their normal duties are, other employees must assist if aid is requested by a fellow employee who is responding to a guest’s complaint or wish [2, p. 7–8].

The responsibility for ensuring high-quality guest services and accommodations rests primarily with employees. Surveyed annually to ascertain their levels of satisfaction and understanding of quality standards, employees are keenly aware that excellence in guest services is a top hotel and personal priority [4].

The Ritz-Carlton management offices do a great deal of research that focuses on a broad study of luxury products and the market for high-end goods and services. One can see a trend coming before it becomes one by analyzing the data and studying the researchers’ conclusions and predictions. At the Ritz-Carlton, managers want to set up trends, not to follow them. On the other hand, they do not position themselves as a trendy hotel company [4].

Summarizing, quality assurance is a long-term commitment which represents a cost, but a welcomed and a lower one than that of non-quality. The managers should identify record and weigh up the impacts of quality cost-profit and be in a position to priorities towards quality improvement processes. The cost-benefit ratio of quality could be achieved through an equation of non-quality costs and of quality assurance towards the benefits of operational cost savings, as well as guest return rate and word of mouth recommendation [1, p. 9].

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EXPORT POTENTIAL OF UKRAINE'S MILITARY INDUSTRY COMPLEX

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Liakh R.H., Riabenka I.V. Export potential of Ukraine's military industry complex. This article aims to give a brief overview of Ukraine's military industry complex and Ukraine's place in international arms trade cooperation. It describes the current state of defense industry, its structure and international ties, and gives a prediction about MIC's prospects at the foreign markets.

Keywords: export, MIC, military goods and services, state order, "Ukroboronprom".

Лях Р.Г., Рябенка І.В. Експортний потенціал військово-промислового комплексу України. Ця стаття має на меті дати короткий огляд військово-промислового комплексу України та місця України в міжнародній торгівлі зброєю. Вона описує поточний стан оборонної промисловості, її структури та міжнародних зв'язків, і дає прогноз щодо перспектив галузі ВПК на зовнішніх ринках.

Ключові слова: військові товари та послуги, ВПК, державне замовлення, експорт, «Укроборонпром».

Лях Р.Г., Рябенкая И.В. Экспортный потенциал военно-промышленного комплекса Украины. Эта статья имеет целью дать краткий обзор военно-промышленного комплекса Украины и места Украины в международной торговле оружием. Она описывает текущее состояние оборонной промышленности, ее структуры и международных связей, и дает прогноз о перспективах ВПК на внешних рынках.

Ключевые слова: военные товары и услуги, ВПК, государственный заказ, «Укроборонпром», экспорт.

Military-industrial complex (MIC) is a system of manufacturers, scientific research and design institutions that design and produce military equipment, ammunition and weapons. MIC enterprises produce military products and services and dual-use goods.

The object of the study is the performing of Ukraine's MIC export potential. The purpose of the study is to characterize the structure and main features of Ukrainian defense industry, identify export opportunities and outline the prospects for the industry in the global market. The material of the study was derived from Ukraine's special military analytics editions and Ukrainian and foreign statistic sources.

Nowadays 300 companies and organizations employing more than 250 thousand people have licenses for the production of armaments and military equipment in Ukraine. Established in 2010 the state corporation “Ukroboronprom” runs 34 state-owned enterprises in the defense industry with 120,000 workers [9].

Export of military products and services is a basis of Ukraine’s defense industry existence. 15 government agencies provide demand for less than 30 percent of domestic defense industry products. Ukraine’s export balance is about 1.3 billion dollars each year, making Ukraine the eighth largest exporter of arms in the world in the period from 2009 to 2013, according to the study of the International Research Institute for Peace in Stockholm (SIPRI).[3]

Ukraine is one of the few countries that have a complete cycle of development and production of aviation equipment, our country holds a leading position in the global market of passenger and cargo aircraft. Aircraft is both one of the most profitable and one of the most capital-intensive branches of engineering. This industry includes more than 60 companies, which employ about 25% of personnel in mechanical engineering. Aircraft manufacturers are concentrated in three main industrial centers of the country: Kharkiv, Zaporizhzhia and Kyiv. However, despite the existence of well-developed production of aircraft, Ukraine does not have its own production of military aircraft, providing only their maintenance and modernization.

Domestic research and design organizations and industrial enterprises have potential and experience in development and manufacture of ship component parts, such as: gas turbine power plants, ship control systems, integrated communications systems, radar and sonar equipment, automated combat control systems, protection against weapons of mass destruction, firefighting equipment, ventilation and air conditioning, navigation equipment, stealth-technology, etc., they also can design the development of naval infrastructure. The industry has built and is able to build all classes of surface ships, ships of special utility, main floating facilities and wide range of marine equipment.

State-owned enterprises “Malyshev plant”, “Kharkiv Morozov engineering design bureau” are the leading Ukrainian manufacturers of armoured machines with different configuration and protection system, such as: “Oplot” and “Yatagan” tanks, armoured vehicles “BTR-4” etc. If ordered they can be fitted with multilayer armour and built-in anti-tandem-warhead explosive reactive armour modules “Knife” which allow to protect against all types of anti-tank weapons, including armor-piercing shells. In addition, they can be

fitted with combat modules, automatic grenade launchers, anti-tank missiles “Barrier”, which are also the inventions of our engineers [1]. Most domestic manufacturers of defense products are dependent on the supply of imported products and materials from different countries. In general we can identify such needs of military-industrial complex of Ukraine:

- investment, there is a number of enterprises in Ukraine, which survival is depended on export contracts. In most cases these companies could not change the specialization for 23 years and their main supplier of working capital is Russia;

- hardware, MIC is characterized by cooperation on a territorial basis – Ukraine’s defense industry has close ties with MICs of the CIS countries;

- fixed assets, MIC is a hi-tech industry, that’s why accessories should be of highest quality – the companies mainly import stock from Western Europe and North America, because there is no option in the CIS [2].

Table 1

**Dynamics of military goods and services export
in 2009–2012 years**

Year	Type of goods	Amount, units
2009	Armoured combat vehicles	121
	Large calibre artillery systems	35
	Combat aircraft	60
	Attack helicopters	13
	Missiles and missile launchers	63
	Man-Portable Air-Defence Systems (MANPADS)	193
	Small arms and light weapons	169442
	Approximate value, mln USD	900
	Total value (including military services), mln USD	1400
2010	Battle tanks	246
	Armoured combat vehicles	90
	Large calibre artillery systems	122
	Combat aircraft	13
	Attack helicopters	5
	Missiles and missile launchers	28
	Man-Portable Air-Defence Systems (MANPADS)	96
	Small arms and light weapons	229510
	Approximate value, mln USD	957
	Total value (including military services), mln USD	1200

2011	Battle tanks	117
	Armoured combat vehicles	91
	Large calibre artillery systems	78
	Combat aircraft	5
	Attack helicopters	2
	Missiles and missile launchers	12
	Man-Portable Air-Defence Systems (MANPADS)	60
	Small arms and light weapons	263417
	Approximate value, mln USD	1005
	Total value (including military services), mln USD	1500
2012	Battle tanks	109
	Armoured combat vehicles	209
	Large calibre artillery systems	17
	Combat aircraft	7
	Attack helicopters	1
	Missiles and missile launchers	356
	Small arms and light weapons	189403
	Approximate value, mln USD	1024
	Total value (including military services), mln USD	1700

Source: [6; 7; 8].

Of the total range of weapon, which Ukraine's Armed Forces and other paramilitary entities have in order, defense industry produces not more than 2% of final product. Approximately 80% of exports are a soviet legacy and only 20% are produced in Ukraine.

Ukraine's arms exports grew by about 72% in 2009–2013. Thus Ukraine's share in the world market suppliers of weapons increased to 3% in 2009-2013, and the share was about 2% in 2004–2008. Ukraine takes the eighth place in the global arms exporters list. Ukraine's export includes wide variety of arms, both light weapons and weaponry (see Table 1). China is the main consumer of Ukrainian military goods and services, it buys 21% of Ukraine's arms export. Pakistan and Russia are also the main consumers, taking 8% and 7% shares of Ukraine's arms export. But we must say that the above-mentioned results concern only the final product export estimated by SIPRI [4].

Key buyers of Ukrainian weapons were the countries of Africa in 2010–2011. Those were Congo, Algeria, Uganda, Egypt, Chad, Kenya and others. These countries imported 37% share of Ukrainian arms and military equipment

export. Also Asia was important direction for our military goods and services export, taking its 32% share. State-owned “Ukrspetsexport” company supplied weapons in 16 countries of the region, including the largest importers like India, Vietnam, China, Iraq and Thailand. Also Ukraine exported arms in the CIS countries, such as: Azerbaijan, Kazakhstan, Belarus, the Russian Federation with a share of 26% of total exports. The remaining share embraced Europe, it was about 3% (Poland, Bulgaria, Great Britain, Germany, the Czech Republic, etc.) and the United States with 2% share. About 50% of all military goods and services exports were bought by Congo, India, Azerbaijan, Vietnam, Georgia and Algeria.

After 2011 geographic structure of Ukraine’s arms export became a little different, Asian vector became the main one due to large contracts with China and India. About 45% of Ukraine’s defense industry products were supplied in Asia. Main Ukrainian partners in the sphere of military goods and services trade are India, Iraq, China, Kazakhstan, Thailand, and the Russian Federation. India is one of the key partners of Ukraine in the sphere of arms trade. A contract for the repair and modernization of An-32 aircraft was one of the largest in Ukraine’s MIC history and the largest contract in the history of Ukrainian-Indian military cooperation, which was worth about \$ 400 million. Ukraine is repairing and upgrading 105 AN-32 of Indian Air Force as has been contracted [4].

MIC is a specific area of the economy that contains elements of state secrets and that is why foreign investment is possible only in the enterprise, specializing in the production of dual purpose. An important problem to be solved is the problem of lack of state funding, the state defense order is the basis of growth of MIC output. In recent years, the situation was slightly improved, but the allocated funds were used primarily to maintain old soviet weapons and military vehicles in good condition and used to purchase new weapons in rare cases [5].

Taking into consideration the conflict with Russia, Ukraine should focus on new markets. Currently entering NATO seems to be impracticable deal. Military and technical cooperation between Ukraine and the EU member states and NATO is rarely performed. Ukraine has agreements on military-technical cooperation with ten NATO member countries, arms trade partnership between Ukraine and NATO is episodic, attempts to organize joint-venture in order to produce or upgrade some weapons and equipment were unsuccessful. Ukraine has almost no products that can be offered to NATO and the EU. Full range of arms and military equipment, used by

NATO countries' troops are produced by NATO members. That's why the main achievement that Ukraine can obtain is the research, development and mass production of new weapons and equipment for the Armed Forces of Ukraine and for other entities as well as entering new markets in developing countries. Ukraine should intensify its activities at the familiar markets of Asia and Africa. Huge consumers as India's and China's armies, as well as conflicts in Syria, Iraq and Libya, Azerbaijan rearmament provide additional opportunities for Ukrainian MIC.

3 tips to ensure Ukraine's military industry complex are the following:

1. To increase public spending on rearmament of the Armed Forces.
2. To provide information and diplomatic support for external trade of military goods and services.
3. To resist competitors' information war against Ukraine's MIC.

If these measures are not taken now, in future we will see a decrease in exports due to the shortening of weapons produced in the USSR and technology gap.

Conclusion. Military industrial complex has been one of the leading export sections of Ukraine's economy. It is the most technological part of Ukraine's mechanical engineering industry and of the economy in general, giving the highest value added. Ukraine's MIC needs import substitution policy to be implemented in order to protect the industry from political and economic risks, caused by supplying of overseas hardware and fixed assets. The industry also needs increased public spending on arms purchase as alternative of export contracts, which are the main, but unstable, source of industry survival. Moreover, the state should provide powerful information support and conduct high-level negotiation with potential partners to enter new markets of developing countries. It is the only way to save and upgrade MIC's production potential. Increasing of MIC's export can be the basis for the growth of supporting industries, such as: ferrous metallurgy, machine-tool construction and so on.

The research of the topic has huge prospects and should be continued to describe dynamics of external trade of Ukraine's arms. There is also no research of export potential of MIC's subsectors, such as: armoured vehicles, handguns production etc., so this direction is appropriate for fruitful research.

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**CONTEMPORARY PROCESSES
OF FOREIGN DIRECT INVESTMENT OVERFLOW.
THE ROLE OF DEVELOPING COUNTRIES
IN THESE PROCESSES**

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Liuta O.L., Zmiyova I.V. Contemporary processes of foreign direct investment overflow. The role of developing countries in these processes. The article deals with the contemporary processes of foreign direct investment (FDI) overflow in groups of countries according to their level of development presents dynamics of FDI flows from 1980 to 2013. The article also provides the role of developing countries in FDI flowchanges and the effect of FDI on these countries.

Keywords: developing countries, developed countries, foreign direct investment, inflow, outflow.

Люта О.Ю., Змійова І.В. Сучасні процеси перетоку прямих іноземних інвестицій. Роль країн, що розвиваються, у цих процесах. У статті проаналізовано сучасні процеси перетоку прямих іноземних інвестицій (ПІІ) в групах країн, залежно від їх рівня розвитку, наведена динаміка потоків ПІІ з 1980 до 2013 р. В статті також розглядається роль країн, що розвиваються, в змінах потоків ПІІ, а також наслідки ПІІ для цих країн.

Ключові слова: відтік, країни, що розвиваються, приток, прями іноземні інвестиції, розвинуті країни.

Лютая О.Ю., Змієва И.В. Современные процессы перетекания прямых иностранных инвестиций. Роль развивающихся стран в этих процессах. В статье проанализированы современные процессы перетекания прямых иностранных инвестиций (ПИИ) в группах стран в зависимости от их уровня развития, приведена динамика потоков ПИИ с 1980 до 2013 г. В статье также рассматривается роль развивающихся стран в изменениях потоков ПИИ, а также последствия ПИИ для этих стран.

Ключевые слова: отток, приток, прямые иностранные инвестиции, развивающиеся страны, развитые страны.

The object of the study is the contemporary condition of foreign direct investing. The purpose of the study is to characterize the contemporary condition of foreign direct investing in groups of countries and its effects for developing countries. The material of the study was derived from Ukrainian and European statistical sources, theoretical sources on the foreign direct investment of the United Nations Conference on Trade.

Foreign direct investments (FDI) is one of the major sources in attraction of foreign capital. FDI is a decision made by a company to invest in a foreign country [1].

The term “foreign direct investment” includes:

- equity share capital – the acquisition of the part of external firm by foreign investor;
- intercompany loans and debt instruments: short-term and long-term loans of resources between the mother company and its foreign subsidiaries and associated companies;
- ploughed back profits;
- intangible assets in a form of technologies, trade names (brands), managerial experience etc [3, p. 325].

The main ways to make foreign direct investing are to set up your own foreign firms or to implement a process of mergers and acquisitions.

To begin with it should be noted that all countries are divided into three main groups according to the methodology of UNCTAD (United Nations Conference on Trade and Development) [7]:

- 1) developed countries;
- 2) developing countries;
- 3) transition economies.

It should be emphasized that the group of transition countries can be joined with the group of developing countries, but in the contemporary processes of FDI they are considered separately.

At the same time developing countries can be divided according to the rule of geographical distribution into five groups:

- 1) Africa;
- 2) East and South-East Asia;
- 3) South Asia;
- 4) West Asia;
- 5) Latin America and the Caribbean [7].

The directions of foreign direct investment flows have been changing globally in recent times. Until quite recently an essential part of foreign direct investment flows was coming to developed economies, but thus far the developing countries are becoming main recipients.

Since 20th century FDI volume has been boosting. Even though there are diverse judgments upon the reasons for this growth, it is obvious enough. It is both a decrease in production profitability in developed countries, which caused capital outflow into developing countries and an acceleration of the rate of industrialization in new independent states, and resulting changes in the current system of international division of labor. The further growth of FDI volume was due to the fact that the most developed countries have begun to implement the policy of more openness of the national economy, it had as a consequence a change of an attitude to a foreign investment and changes in legislation, which regulate the FDI.

The amount of foreign direct investment inflows fell by 18 per cent to \$1 351 billion in 2012 which in comparison with the previous 2011 year (\$1 652 billion) is a very low index number. The reason of this decline was a post-crisis situation of some investor countries and some recipient countries, forecast uncertainties and high risks of capital investment projects, all these have been discouraging investors to put up the capital. Mainly the developed countries experienced the effect of decline in global FDI inflows, these countries were short of almost 20 per cent of investment in 2012. But global FDI inflows

increased to \$1 461 billion in 2013 [6; 7].

In global foreign direct investment flows there are changes among the main capital-exporting countries. Whereas as far back as 2011 the main part of investment flows have been coming into the developed countries, in 2012 the developing countries beat them by this index number. This tendency is going on in 2013. Investment flows into other groups of countries have been fluctuating on the same level before 2012. Jump in investment inflows into the transition economies appeared in 2013.

Besides, over the last years it appears a tendency of increasing in foreign direct investment outflows from the developing countries [4].

Table 1

FDI flows in regions, 2010-2013 (\$ billion)[2; 5; 7]

Region	FDI inflows				FDI outflows		
	2010	2011	2012	2013	2010	2011	2012
World	1 409	1 652	1 351	1 461	1 505	1 678	1 391
Developed economies	696	820	561	576	1 030	1 183	909
Developing economies	637	735	703	759	413	422	426
Transition economies	75	96	87	126	62	73	55
Structurally weak, vulnerable and small economies	45	56	60	n/a*	12	10	10
Least developed countries	19	21	26	n/a *	3	3	5
Landlocked developing countries	27	34	35	n/a *	9,3	5,5	3,1
Small island developing States	4,7	5,6	6,2	n/a *	0,3	1,8	1,8

* n/a – non-available

First of all the reasons of the investment attractiveness of the developing countries is the availability of the great quantity of the factors of production. For some countries it is an extensive raw material resources base, for others it is low-cost labour forces. Furthermore investment climate plays a critical role, it consists of many indicators: countries' macroeconomic indicators, political situation, investment policy etc.

It is worth considering another tendency: the increase in FDI inflow into Latin America and the Caribbean. Countries of this region have many offshore zones. In spite of the fact that the policy of the economies de-offshorizationis followed all over the world, the offshore zones prosper and raise more and more funds. This tendency causes concern, that is why international financial organizations focus their attention to this problem [6].

The activity of foreign direct investors leads to positive and negative consequences for investment-based countries. These consequences are the same for developed and developing countries, but they are more urgent for the second group.

The positive effects include new working places, salary rise and new production technologies. Foreign direct investments lead to capital accumulation and income basis increase. All these encourage improvement of the quality of life in the country and host countries will have new markets for their products.

Negative effects can manifest itself in technological dependency. Other negative consequences are:

- 1) risk for a host country to transform into a place of outdated and dangerous technologies;
- 2) foreign firms' takeover of the most perspective industrial production segments and R&D structures of the host economy;
- 3) skilled personnel export etc.

Negative effects can be avoided with the effective investment policy. Its emphasis should be focused not only on FDI liberalization and promotion, but also on their restriction and regulation in strategic economic sector [3].

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ROLE OF FOREIGN LANGUAGES IN TOURISM INDUSTRY

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Lozovaya L.V., Oliynyk N.A. Role of foreign languages in tourism industry. The article analyses the role of foreign languages in the development of tourism industry from the point of view of a company, a student and an employer in tourism sphere. Intense competition in the sphere of tourism demands multilingual competence.

Key words: language competence, multilingual competence, tourism industry.

Лозова Л.В., Олійник Н.А. Роль іноземних мов у туристичному бізнесі. У статті проаналізована роль іноземних мов у розвитку туристичного бізнесу с точки зору компанії, студента та роботодавця у туристичній галузі. Висока конкуренція у сфері туризму вимагає багатомовної компетенції.

Ключові слова: багатомовна компетенція, індустрія туризму, мовна компетенція.

Лозовая Л.В., Олейник Н.А. Роль иностранных языков в туристическом бизнесе. В статье проанализирована роль иностранных языков в развитии туристического бизнеса с точки зрения компании, студента и работодателя в туристической отрасли. Высокая конкуренция в области туризма требует многоязычной компетенции.

Ключевые слова: индустрия туризма, многоязычная компетенция, языковая компетенция.

Tourism plays an important role worldwide and is a steadily growing economic sector. Many companies find important to point out that “customer satisfaction and the creation of a strong brand therefore play an ever larger part for each company. In the competitive and constantly changing tourism industry, it is a challenge to optimally and continually develop customer contact. As it is more and more difficult to differentiate yourself from the competition, a strong connection with your customers must go hand in hand with outstanding customer communication. In this respect, the extensive language competence is the key to your success” [2].

The main goal of this article is to study the importance of foreign languages in tourism industry bearing in mind that proficiency in several foreign languages is a basic prerequisite for successful communication in the tourism industry. In this regard, tourism and mobility play a substantial role, while

intercultural contacts contribute to the development of intercultural dialogue. Raising awareness of the importance of foreign language proficiency as well as fostering the development of intercultural competence in the area of tourism and hospitality industry is extremely important [5]. The object of this article is foreign languages in tourism industry. The subject of this article is the role and functions which foreign languages perform in tourism sphere.

The process of globalization has indeed opened many doors thus forcing us to recognize the existing differences and diversities of people living in European Union. “Still, it is an ongoing process to learn how to recognize, respect and learn to appreciate those differences” [4; 5].

Understanding language “as a system of spoken or written symbols that can communicate ideas, emotions, and experiences” [5, p. 185] organizations can improve their coordination skills, operate better new technology, develop customer satisfaction and have effective management in tourism industry. Following the principle “If I am selling to you, I speak your language” organizations should be able to converse to other people on their own terms, i.e. to have communicative competence throughout the organization and in tourism organizations in particular.

On the other hand a person speaking a foreign language becomes a good candidate for positions within the tourism industry: an airline, rail or bus company, a travel agency or a hotel. The types of jobs vary hugely from writing literature for websites or guidebooks to giving tours, customer services at airports and management roles [1]. Many companies send staff to offices abroad, which means speakers of the native languages are required. In addition, the international nature of such companies usually means they have a global presence and that staff with language skills are critical to their day to day operations and future expansion [3]. Even at home, where hotels, leisure complexes, restaurants receive large numbers of foreign visitors the speakers of foreign languages are to be offered good customer service.

Thus with a view to more efficient development of tourism industry, an emphasis should be placed on the development of multilingual competence, which is crucial for entering into intercultural dialogue. “Multilingualism as a key aspect of the European language identity contributes to high-quality information exchange and raising awareness of the importance of multilingual education not only in tourism domain, but also with regard to other aspects of target language community. The development of multilingual competence will undoubtedly contribute to the establishment of more efficient communication and opinion exchange among different peoples” [4].

In today's globalized world, the importance of knowing foreign languages is a necessity and multilingualism is viewed as an investment in the future. In this regard, it should also be mentioned that one of the most important skills in nearest future will be an ability to communicate in more than one language. In conclusion, encouraging people to learn other languages and get to know other cultures will help improve their communication and mutual understanding and also bring cultural and economic benefits to all participants in the communication process. Therefore, the need to raise awareness of the importance of foreign language proficiency and foster the development of intercultural competence in the area of tourism and hospitality industry can hardly be overestimated.

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MODERN APPROACHES TO BUDGETING FOR A VOLATILE ECONOMY

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Lypova A.S., Startseva N.M. Modern approaches to budgeting for a volatile economy. This article features new approaches to the company budget process under volatile conditions of economy, for instance, scenario planning, zero-based budgeting, rolling forecasts, and quarterly budgeting, which can help companies improve the budget process and adapt it more quickly to the changes.

Key words: budgeting, rolling budgets, scenario planning, quarterly budgeting, zero-based budgeting.

Липова А.С., Старцева Н.М. Сучасні підходи до бюджетування в умовах волатильної економіки. У статті розглядаються нові підходи до бюджетування у нестабільних умовах економіки, наприклад, сценарне планування, бюджетування з нуля, ковзаючі бюджети та шоквартальне бюджетування, що можуть допомогти компаніям поліпшити бюджетний процес та адаптувати його до змін.

Ключові слова: бюджетування, бюджетування з нуля, ковзаючі бюджети, сценарне планування, шоквартальне бюджетування.

Липовая А.С., Старцева Н.Н. Современные подходы к бюджетированию в условиях волатильной экономики. В статье рассматриваются новые подходы к бюджетированию в нестабильных условиях экономики, например, сценарное планирование, бюджетирование с нуля, скользящие бюджеты и ежеквартальное бюджетирование, которые могут помочь компаниям улучшить бюджетный процесс и адаптировать его к изменениям

Ключевые слова: бюджетирование, бюджетирование с нуля, скользящие бюджеты, сценарное планирование, ежеквартальное бюджетирование.

The relevance of the article. The fast pace of technological change and the complexities of global competition make developing effective budgets both more difficult and more important. Under volatile conditions, when economic forecasts change from week to week, developing one reliable budget to coordinate business units and track performance for an entire fiscal year is very difficult. Following the traditional budget process may even be unproductive, therefore nowadays new approaches to the budget process are often needed.

The goal of the article is to suggest a survey of new approaches to the company budget process under unstable conditions of tough and fast-moving business environment.

A *budget* is a systematic method of allocating financial, physical, and human resources to achieve strategic goals. Companies develop budgets in order to monitor progress toward their goals, help control spending, and predict cash flow and profit. Its main purpose is the achievement of objectives and direct managerial effort through planning, coordinating, measuring and rewarding [3].

Incremental budgeting is the traditional budgeting method whereby the budget is prepared by taking the current period's budget or actual performance as a base. It will include adjustments for things such as inflation, or planned increases in sales prices and costs. The basis of this criticism is that traditional budgeting is a relic of the past; it prevents reactions to changes in the market, it cannot keep up with the changes and requirements of today's business world [3].

As early as 1992, the famous guru of management, Peter Drucker, wrote in The Wall Street Journal: "Uncertainty – in the economy, society, politics – has become so great as to render futile, if not counterproductive, the kind of planning most companies still practice: forecasting based on probabilities" [1].

"The fundamental problem I have with budgets is that they are all based on assumptions that turn out to be wrong," says Steve Player, North America program director for the Beyond Budgeting Round Table. In order to eliminate criticism researchers and practitioners have developed more systematic and alternative concepts of budgeting that suits better for the needs of the modern business environment. There are several *measures* to make the budget process more effective: for instance, scenario planning, zero-based budgeting, rolling budgets, and quarterly budgeting. The list that follows isn't complete, nor are the activities on it mutually exclusive. In some combination – depending on the business, size, complexity, and culture of the organization involved – they can help companies improve the budget process [1; 2].

1. *Scenario planning*

Executives at some forward-thinking companies have not only formally developed concrete macroeconomic business scenarios, including some considered extreme, but also modelled the implications of each scenario for their own businesses and customers, as well as for competitors. At the end of the process, these companies adopted a single budget, but they supplemented it with concrete alternative financial statements and business plans based on plausible future scenarios [2].

Furthermore, these companies have also identified the handful of events – say, a change in the availability of short-term funding, the bankruptcy of major customers or suppliers, or a specific market share decline – that would trigger a shift from the primary scenario to an alternative. CFOs and the finance

function monitor these trigger points and stand ready to alert the executive team if risk levels breach well-defined thresholds. The entire executive team would then immediately implement the predetermined contingency plans [2].

Moreover, at a time when priorities and business environment are changing rapidly, companies must review their key performance indicators (KPIs). Executives must constantly assess all performance metrics in order to detect any deterioration in key metrics more quickly. For example, at one global health care products company executives monitor sales of specific premium product lines, a key indicator of the future course of revenues and profitability. When the executives saw that customers were buying fewer premium products and greater numbers of basic ones – or none at all – they shifted to a different budget and withheld part of the company’s planned second-half year’s spending until the first-quarter numbers were clear. When its trigger points suggested weakness in a key indicator, executives quickly adapted their approach to resources and investments for the rest of the year [2].

This practice of “what if” scenarios makes it possible for companies to respond more quickly and effectively if actual conditions follow the pattern of a particular scenario. Companies also build flexibility into budgets by setting aside funds at the business-unit level to take advantage of competitive opportunities. Some companies even establish separate subsidiaries to look into promising products or technologies [1].

2. Zero-based budgeting

Zero-based budgeting starts the process wholly from scratch. Operating and capital expenditures are then prioritized according to their alignment with the company’s strategy and their expected returns on investment. Clearly, this approach can add a couple of months to an already long process. Therefore zero-based budgeting is recommended only for areas promising the highest potential savings – for instance, capital expenditures, certain operating expenditures, and very focused costs, such as procurement. It’s useful to identify a company’s biggest expenses and which of them can realistically be cut. Some costs, such as those for employees or a branch network’s real estate, are relatively inflexible and hard to change. Others, such as advertising or most capital expenditures could be reset from scratch every year [2].

So Paul Cichocki, a partner at Bain and leader of Bain’s Americas Performance Improvement practice says: “You see it in technology – take BlackBerry, which now will be lucky to stay in business. Sometimes a company doesn’t have several years for their traditional budget process to increment toward the right resource allocation. They need a more radical method, and

zero-based budgeting is that method” [2].

3. *Rolling budgets*

Citing Herman Heyns of Accenture/Cranfield School of Management:” The budget process is obsolete given today’s economy, resulting in documents that are time-consuming, little predictive and out of date by the time they’re implemented.” Among the new approaches advocated by Heyns is the rolling budget. Under a rolling budget, performance of the operation over the last 12 months is evaluated on an on-going basis; projections for the next three months are generated every month [1].

Steve Player, a chief evangelist of the Beyond Budgeting Round Table says: “In February or March, you might have management accountants explaining why the actuals are different from the budget. In April, the same. When May comes, they have to get creative – but by then the operating people have stopped listening.” Switching from annual budgets to rolling quarterly forecasts is “a good start,” says Player, but more is required [1].

4. *Quarterly budgeting*

In periods of extreme uncertainty, some companies may need to set aside their long-term goals and concentrate on the next three months. Companies under that much stress, especially those attempting a turn around, ought to abandon annual budgeting and switch to a more tactical quarter-by-quarter process. These companies should focus on cutting costs and on managing their working capital and short-term financial needs. The quarterly approach allows companies to allocate their resources in real time, to make better forecasts, and to review their performance at the end of each quarter and therefore identify and address problems more quickly. In the longer run, quarter-by-quarter budgeting can stunt growth by overemphasizing the short term. CFOs and their companies should return to focusing on the long term, with annual budgets, as soon as possible [2].

Conclusion. To sum up, best practice companies strive to reduce budget complexity and streamline budgeting procedures. These times of economic volatility call for a faster budget process more closely connected to the new approaches to the budgeting: scenario planning, zero-based budgeting, rolling forecasts, and quarterly budgeting. By developing more realistic budgets that accommodate change, companies can respond to competitive threats or opportunities more quickly and with greater precision. They can use resources efficiently to take advantage of the most promising opportunities. Despite the special challenges, using new approaches to budgeting, companies can greatly improve their chances of coping with the uncertainty they now confront.

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INFLUENCE OF TRANSNATIONAL CORPORATIONS ON THE GLOBAL ECONOMY AND FORMATION OF MODERN INTERNATIONAL ECONOMIC RELATIONS

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Makarov A.V., Litovchenko Y.M. Influence of transnational corporations on the global economy and formation of modern international economic relations. The article deals with the transnational corporations in the context of international economic relations, its economic and social impact, the influence on economic development and social sector. Economic reasons of the TNCs' development. The data of the largest TNCs and their impact on individual states and global economy are examined.

Keywords: cash holdings, foreign direct investment, home country, national development, subsidiaries, transnational company.

Макаров А.В., Літовченко Я.М. Вплив транснаціональних корпорацій на світову економіку та формування сучасних міжнародних відносин. У статті розглянуті транснаціональні корпорації в контексті міжнародних економічних відносин, їх економічний та соціальний вплив на економічний розвиток і соціальний сектор. Економічні причини розвитку ТНК. В статті проаналізовані дані по найбільшим ТНК та їх вплив на окремі держави і світову економіку.

Ключові слова: грошові авуари, дочірня компанія, країна базування, національний розвиток, прямі іноземні інвестиції, транснаціональна корпорація.

Макаров А.В., Литовченко Я.Н. Влияние транснациональных корпораций на мировую экономику и формирование современных международных отношений. В статье рассмотрены транснациональные корпорации в контексте международных экономических отношений, их экономическое и социальное влияние на экономическое развитие и социальный сектор. Экономические причины развития ТНК. В статье проанализированы данные по самым крупным ТНК и их влияние на отдельные государства и мировую экономику.

Ключевые слова: денежные авансы, дочерняя компания, национальное развитие, прямые иностранные инвестиции, страна базирования, транснациональная корпорация.

Emergence and further development of transnational corporations have greatly influenced the world's economy, economies of individual states and development of international economic relations.

They cooperate well with governments and businesses in many countries. Most often this occurs because of the low level of socio-economic development of the region and the economic crisis. TNCs can assist in the development of extractive industries, and sometimes create branches or subsidiaries in manufacture. Due to the specific state of the country, its territory can be transferred to the most complex manufacturing and environmentally hazardous industries, which could harm the environment.

TNCs are participating more and more in the economy of developing countries, multinational corporations occupy the leading position in some very important areas. In addition, MNCs are attracted to their expertise by local companies, mainly SMEs. They become dependent on large companies. Yet it may have positive influence on the economy of a developing country. TNCs contribute to the development of economic sectors that are associated with their activities, can change the structure of the economy and increase the involvement of the state in international economic relations.

But multinationals influence the developed countries too. In the case when a foreign company has a significant impact on the economy, it naturally begins to meddle in macroeconomic processes, generating contradictions between the interests of multinational corporations and the interests of the State.

Multinationals affect the global economy as a whole. They occupy a dominant position in a number of industries in individual countries, regions and the global economy as a whole. And it is not only in production but also in the trade. TNCs are investing in the economy of many countries, they are developing their businesses on the countries' territory and contribute to the development of other industries [2].

International corporations used to be well criticized, because they exploit the economies of the developing countries, they do not impose favorable policies on them, carry back most hazardous industries, because they cause damage to their country, transferring production to other countries thereby depriving the inhabitants of the country of the jobs.

But the activities of transnational corporations can not be evaluated only from the worst side. TNCs promote international division of labor, production and development of science and technology. Despite the fact that wages in the branches of the company are lower than the home country, it is still often very high for developing countries, and, in addition, such large companies give their employees some social guarantees. Sometimes the most underdeveloped countries open their markets to large multinational companies, aware of their benefits.

The activities of transnational corporations are connected with the interests of their states. Each country is trying to do best for its citizens and to preserve national characteristics. Countries interact in the course of achieving the goals of national development, and thus make international relations. Naturally, they disagree on questions about fuel, raw materials and human resources, and their struggle for new markets continues [3].

The interests of transnational corporations and the countries of their location are generally the same. Transnational corporations allow their country to access the resources of other countries. In addition, products manufactured overseas will not be subject to duties of the state where they were manufactured.

TNCs provide an impact of the basing state on the economy of other countries. In the past control was carried over Colonial Countries and over free ones with some pressure on their governments. Now, even in the case of some political independence of the state through its large international corporations some countries can maintain economic dominance. The benefit of such states is obvious, and so they provide the most influential corporations with their political support.

As can be seen from the above mentioned, the economic and political importance of transnational corporations is very high. They help to develop mutual understanding, trust with partner countries to strengthen economic impact on the world economy. Thus, the state should help to develop its TNCs, which is particularly important for Ukraine nowadays, which seeks to strengthen its position in international economic relations [1].

Cash holdings of TNCs are record high, but they are still not resulted in a steady increase of investment. The current excess liquidity can facilitate the

growth of FDI in the future. TNCs are still in no hurry to invest their record high holdings. In 2013, the economic activity of foreign affiliates increased by all indicators of international production (Table 1).

Table 1

**Selected indicators of FDI and international production,
1990-2013 years
(cost volume in current prices, in billions of dollars)**

Indicator	1990	2005–2007 (average pre-crisis rate)	2009	2011	2013
FDI inflow	207	1473	1198	1309	1524
FDI outflow	241	1501	1175	1451	1694
The volume of imported FDI	2081	14588	18041	19907	20438
The volume of exported FDI	2093	15812	19326	20865	21168
Income from imported FDI	75	1020	960	1178	1359
Profitability of imported FDI	4,2	7,3	5,6	6,3	7,1
Income from exported FDI	122	1100	1049	1278	1470
Profitability of exported FDI	6,1	7,2	5,6	6,4	7,3
Sales volume of foreign affiliates	5102	20656	23866	25622	27877
World GDP	22206	50411	57920	63075	69660

Source: UNCTAD, World Investment Report 2014. [4]

The volume of international production of transnational corporations has increased, but they still refrain from investing its record high cash holdings.

This year foreign affiliates have employed approximately 69 million people who have provided sales of 28 trillion dollars and value added of 7 trillion dollars, which is about 9% more than in 2013. Annual data survey of the 100 largest TNCs prepared by UNCTAD reflects the overall up-trend in the field of international production: the volume of foreign sales of these firms and the

number of workers abroad is growing much faster than in their home countries. Despite the gradual growth of international production by TNCs, their record levels of cash holdings have not yet resulted in a steady increase of investment. According to UNCTAD, the level of cash holdings reached more than 5 trillion dollars, including retained earnings of foreign subsidiaries.

The data of these 100 largest TNCs suggest that during the global financial crisis, they have reduced capital expenditures for fixed assets and acquisition (especially abroad), choosing to increase their own funds. In 2013, the amount of funds of only those 100 companies reached a record high: 1.03 trillion dollars, 166 billion dollars of which exceeded the projected amount that was higher than the level which as assumed was based on the average pre-crisis level of cash holdings. Although recent data indicate that the capital cost of TNCs on production assets and acquisition growth (their growth in 2013 was 12%), additional funds they own (about 105 billion in 2013) are still not fully available. Recurrence of instability in international financial markets will continue to contribute to the build-up of liquidity and their use for other purposes – payment of dividends or reducing debt. However, the improvement of the conditions of the current excess liquidity in the future may result in the growth of FDI. If you build investment forecasts for the 100 largest TNCs, the amount of capital that can be placed in the form of investment is 500 billion dollars, or about one-third of global FDI flows.

Today multinational corporations control 80% of industrial production, especially with high added value. Also, over 60% of world foreign trade that easily allows them to do their extensive grid branches and associated companies. And most importantly, TNCs control 92% of global FDI flows.

Almost all the major multinationals by their domestic supplies are referred to “triad” – three economic centers of our planet: the US, the EU and Japan.

In recent years multinationals of newly industrialized countries are developing business in the global market. Industry structure of TNC is diversified: 60% of international companies engaged in the production (they specialize primarily in electronics, automotive, chemical and pharmaceutical industries), 37% – in the service sector and 3% – in the mining industry and agriculture.

To sum up, we can say that the impact of transnational corporations on the world’s economy is complex, it is not always positive for the host country, but TNCs contribute in development of international markets of goods, services, labor and capital, and in total international economic relations.

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KHARKIV REGION: EXPORT POTENTIAL

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Malyar O.V., Davydenko I.V. Kharkiv region: export potential. The article deals with the export potential analysis of Kharkiv region, particularly observes the foreign trade dynamics of goods, services and foreign direct investment.

Keywords: export potential, Kharkiv region, positive balance, value of foreign trade operations.

Маляр О.В., Давиденко І.В. Експортний потенціал Харківської області. У статті проаналізовано експортний потенціал Харківської області, зокрема, розглядається зовнішньоторговельна динаміка товарів, послуг і прямих іноземних інвестицій.

Ключові слова: експортний потенціал, обсяг зовнішньоторговельних операцій, позитивне сальдо, Харківська область.

Маляр О.В., Давиденко І.В. Экспортный потенциал Харьковской области. В статье проводится анализ экспортного потенциала Харьковской области, в частности, рассматривается внешнеторговая динамика товаров, услуг и прямых иностранных инвестиций.

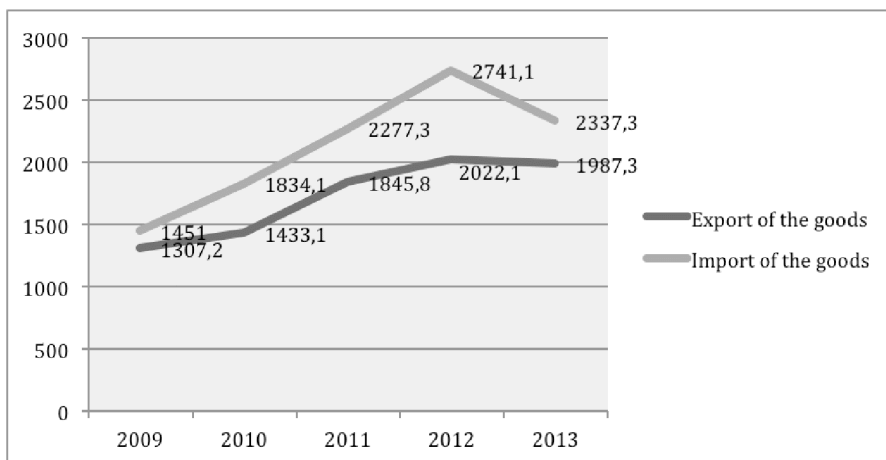
Ключевые слова: объем внешнеторговых операций, положительное сальдо, Харьковская область, экспортный потенциал.

The object of the study is the export potential of the Kharkiv region. The purpose of the study is to analyze the main foreign economic indicators such as the foreign trade dynamics of the goods, services and foreign direct investment; to describe the state intervention in the foreign economic relations of the region. The material of the study was derived from the regional (Kharkiv) and Ukrainian statistical sources.

Kharkiv region is in the list of the top ten regions of Ukraine with the greatest value of export-import operations [5], it is an acknowledged center of high-tech industry.

Kharkiv region has a high level of economic development, due to the favorable economic and geographical position. The vicinity of coal and metallurgical base of Donbass and the Dnieper region, that contribute in the development of engineering and mining and milling, can be considered the benefits of the favorable economic and geographical position. Also the proximity of advanced regions of Russia [4], which determined the development of agro-industrial enterprises, and a sufficiently rich set of own natural raw material resources, which allow to develop fuel-energy, chemical industry, glass and porcelain production, construction materials, are more factors of the beneficial position of the region.

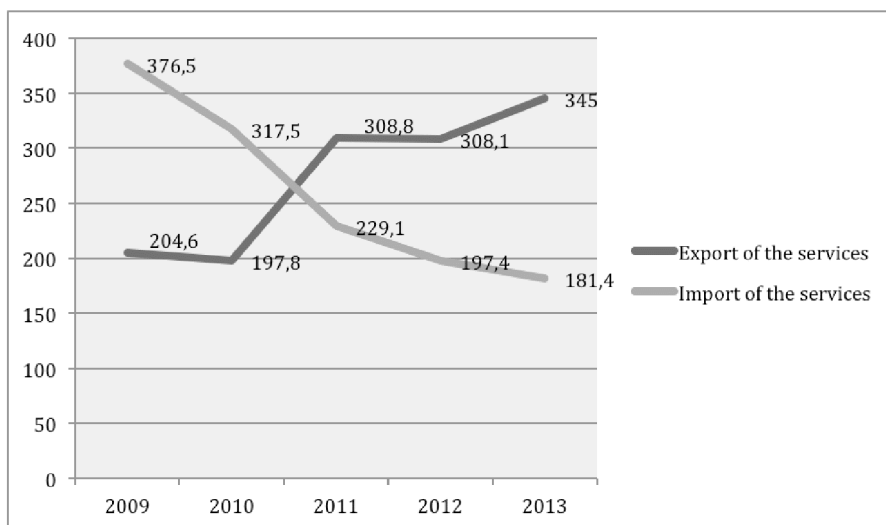
There are a lot of industrial enterprises in the region of Kharkiv. Such production industries as food production, machinery, fuel-energy complex are dominating, their share is about 70% of the total production in the region.



Pic. 1. Dynamics of Kharkiv region export-import of goods (\$m.)

In 2013, the region share of foreign trade in goods in Ukraine was 3.1% [1]. The Kharkiv region foreign trade of goods dynamics (see pic. 1) shows a trend of rapid growth since the start of 2009, after the financial crisis of 2008, and over the next three years, which is interrupted by a slight decline of goods' export by \$34.8m. Though, there is a sharp decline by \$403.8m. of the import in the past 2013.

There is a positive trend of balance growth in the services for the last years (see pic. 2). Although in 2009, the import of services was twice higher than export (about \$172m.). In 2011, export indicators outpaced import figures by \$79.1 million. And the results of the statistical data of the previous year is that the foreign trade positive balance of services in the region was \$163.6 million [3].



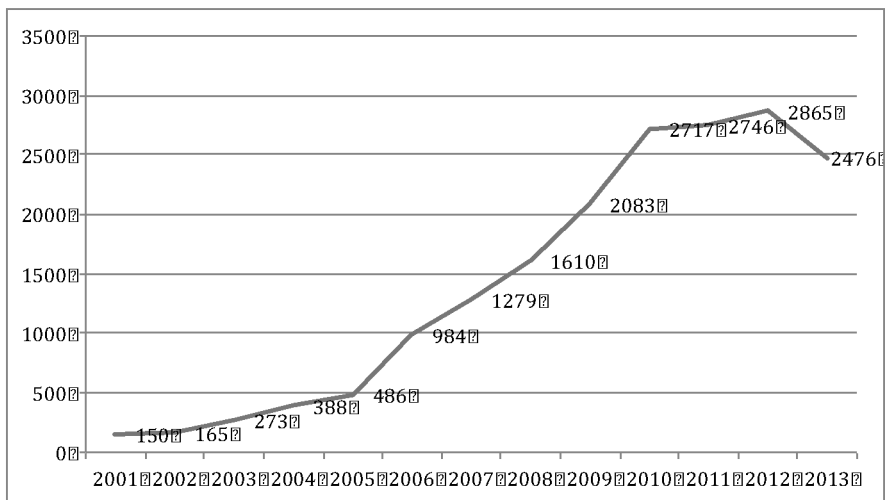
Pic. 2. Dynamics of Kharkiv region export-import of services (\$m.)

In terms of foreign direct investment the region ranks the third largest one in Ukraine after Kiev and Dnepropetrovsk region [2].

Foreign investment, in the first place, helps to promote technological innovation to ensure the growth of scientific and technological capacity, to stimulate economic development in the region and, thus, to allow restructuring and modernization of the economy.

Based on the dynamics of foreign direct investment in the Kharkiv region (see pic. 3), we can conclude that for the last 3 years the influx of investment

has stopped. This trend will not change until the state takes certain measures to maintain the investment climate in the country and in Kharkiv region, in particular.



Pic. 3. Dynamics of foreign direct investment in region, 2000–2013 (\$m.)

Conclusion. The analysis of the export potential of the Kharkiv region and the carrying out the forecast suggest that the region is now and will be one of the most important economic, intellectual and cultural one in the country. Positive changes in the economy, primarily in industry, can significantly improve the financial situation in the region, which will help to solve social and economic problems, to increase the revenues of local budgets and the revival of investment processes.

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THE WORLD OIL MARKET: CURRENT STATE AND PROSPECTS OF DEVELOPMENT

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Malyarova M.S., Vlasenko M.O. The world oil market: current state and prospects of development. The work is devoted to the study of the main trends and prospects in the global oil market. The first part discusses the theoretical basis of the research of the world oil market nature, research technique. The second part defines the modern tactical features of the world oil market, long-term development trends, as well as finds out the value of oil for the world economy.

Keywords: oil, OPEC, world oil market

Малярова М.С., Власенко М.О. Світовий ринок нафти: сучасний стан та перспективи розвитку. Робота присвячена дослідженню основних тенденцій та перспектив розвитку світового ринку нафти. У першому розділі роботи розглядаються теоретичні основи дослідження сутності світового ринку нафти, методика дослідження. У другому розділі визначено сучасні кон'юнктурні особливості світового ринку нафти, довгострокові тенденції його розвитку, а також з'ясовано значення нафти для світової економіки.

Ключові слова: країни ОПЕК, нафта, світовий ринок нафти.

Малярова М.С., Власенко М.А. Мировой рынок нефти: современное состояние и перспективы развития. Работа посвящена исследованию основных тенденций и перспектив развития мирового рынка нефти. В первой главе работы рассматриваются теоретические основы исследования сущности мирового рынка нефти, методика исследования. Во втором разделе определены современные конъюнктурные особенности мирового рынка нефти, долгосрочные тенденции его развития, а также выяснено значение нефти для мировой экономики.

Ключевые слова: мировой рынок нефти, нефть, страны ОПЕК.

The object of the study is the global oil market, which is the most important one of the world energy markets. The purpose of the study is to understand how it works, that will also shed light on the functioning of energy markets in general. The topicality of the study is defined by the oil's dominant role as an energy source. What does it mean to say that there is a global market in energy? Fundamentally, oil is a commodity, and contracts for its supply are usually traded through commodity exchanges such as the New York Mercantile Exchange and the Intercontinental Exchange

Markets are designed to efficiently allocate resources between those who supply and those who demand a particular product. There are two economic concepts that are important to understanding how supply and demand function in global energy markets.

An oil is any neutral, nonpolar chemical substance that is a viscous liquid at ambient temperatures and is both hydrophobic (immiscible with water, literally "water fearing") and lipophilic (miscible with other oils, literally "fat loving"). Oils have a high carbon and hydrogen content and are usually flammable and slippery.

The general definition of oil includes classes of chemical compounds that may be otherwise unrelated in structure, properties, and uses. Oils may be petrochemical in origin, and may be volatile or non-volatile. They are used for food, fuel, lubrication, and the manufacture of paints, plastics, and other materials. Specially prepared oils are used in some religious ceremonies as purifying agents [4, p. 18].

Formation and development of the world oil market led to the emergence of organizations and institutions to ensure the effective functioning of the market. They are present by exchange companies, brokerage firms, financial institutions and other organizations that present a market infrastructure.

World center of oil trade is the New York Mercantile Exchange (NYMEX), the London International Petroleum Exchange (ICE Futures), Singapore Monetary Exchange (SIMEX), and Rotterdam.

Depending on the prevailing prices there are two types of oil market spot and futures.

The spot market or cash market is a public financial market in which financial instruments or commodities are traded for immediate delivery. It contrasts with a futures market, in which delivery is due at a later date. A spot market can be:

- an organized market;
- an exchange;
- over-the-counter (OTC)

Spot markets can operate wherever the infrastructure exists to conduct the transaction.

Futures market is a central financial exchange where people can trade standardized futures contracts; that is, a contract to buy specific quantities of a commodity or financial instrument at a specified price with delivery set at a specified time in the future. These types of contracts fall into the category of derivatives. Such instruments are priced according to the movement of the underlying asset (stock, physical commodity, index, etc.). The aforementioned category is named “derivatives” because the value of these instruments is derived from another asset class [2, p. 56].

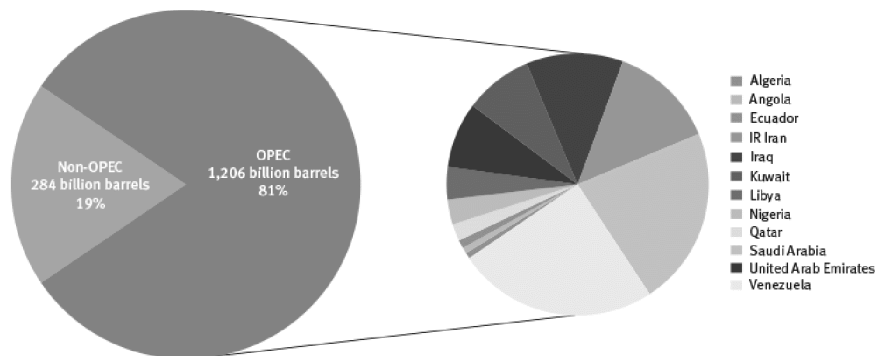
The main document which is used on oil exchange is Forward Contract.

It’s a customized contract between two parties to buy or sell an asset at a specified price on a future date. A forward contract can be used for hedging or speculation, although its non-standardized nature makes it particularly apt for hedging. Unlike standard futures contracts, a forward contract can be customized to any commodity, amount and delivery date. A forward contract settlement can occur on a cash or delivery basis. Forward contracts do not trade on a centralized exchange and are therefore regarded as over-the-counter (OTC) instruments. While their OTC nature makes it easier to customize terms, the lack of a centralized clearinghouse also gives rise to a higher degree of default risk. As a result, forward contracts are not as easily available to the retail investor as futures contracts [2, p. 107].

Also there are many factors that commodities traders look at when developing the bids that create oil prices:

1. Current supply in terms of output, especially the production quota set by OPEC. If traders believe supply will decline, they bid the price up. If they believe supply will increase, they willing to pay as much for oil, and the price falls.
2. Oil reserves, including what is available in the U.S. refineries and what is stored at the Strategic Petroleum Reserves. These reserves can be accessed very easily, and can add to the oil supply if prices get too high. Saudi Arabia also has a large reserve capacity. If it promises to tap those reserves, traders allow oil prices to fall.
3. Oil demand, particularly from the U.S. These estimates are provided monthly by the Energy Information Agency. Demand usually rises during the summer vacation driving season. To predict summer-time demand, forecasts for travel from AAA are used to determine potential gasoline use. During the winter, weather forecasts are used to determine potential home heating oil use [1, p. 38].

OPEC share of world crude oil reserves, 2013



OPEC proven crude oil reserves, at end of 2013 (billion barrels, OPEC share)

Venezuela	298.4	24.7%	Iraq	144.2	12.0%	Libya	48.4	4.0%	Algeria	12.2	1.0%
Saudi Arabia	265.8	22.0%	Kuwait	101.5	8.4%	Nigeria	37.1	3.1%	Angola	9.0	0.7%
IR Iran	157.8	13.1%	UAE	97.8	8.1%	Qatar	25.2	2.1%	Ecuador	8.8	0.7%

Source: OPEC Annual Statistical Bulletin 2014.

According to current estimates, almost 81% of the world’s proven oil reserves are located in OPEC Member Countries, with the bulk of OPEC oil reserves in the Middle East, amounting to 66% of the OPEC total.

OPEC Member Countries have made significant additions to their oil reserves in recent years, for example, by adopting best practices in the industry, realizing intensive explorations and enhancing recoveries. As a result, OPEC’s proven oil reserves currently stand at 1,206.17 billion barrels.

The largest countries in terms of oil production are Saudi Arabia, Russia, USA, Iran, China, Mexico, Canada, Venezuela and the United Arab Emirates. The oil mainly extracted in the Middle East is exported to the USA, Asia and Europe.

The main exporters are Saudi Arabia (13.4%), Russia (10.4%), and Canada that produce 4.4% of global oil each. So we can see that the main producers also serve as major oil exporters [3].

The main importer (and also the consumer) oil is the United States. This is followed by Asian countries – rapidly developing China and India, as well as powerful economy poorer of oil Japan and South Korea. European countries are settled in the second half of the top ten of importing countries.

Crude oil production by the Organization of the Petroleum Exporting Countries (OPEC) is an important factor that affects oil prices. This organization seeks to actively manage oil production in its member countries

by setting production targets. Historically, crude oil prices have seen increases in times when OPEC production targets are reduced.

OPEC member countries produce about 40 percent of the world's crude oil. Equally important to global prices, OPEC's oil exports represent about 60 percent of the total petroleum traded internationally. Because of this market share, OPEC's actions can and do influence international oil prices. In particular, indications of changes in crude oil production from Saudi Arabia, OPEC's largest producer, frequently affect oil prices. [1, p. 29]

The extent to which OPEC member countries utilize their available production capacity is often used as an indicator of the tightness of global oil markets, as well as an indicator of the extent to which OPEC is exerting upward influence on prices. EIA defines spare capacity as the volume of production that can be brought on within 30 days and sustained for at least 90 days. Saudi Arabia, the largest oil producer within OPEC and the world's largest oil exporter, historically has had the greatest spare capacity. Saudi Arabia has usually kept more than 1.5-2 million barrels per day of spare capacity on hand for market management.

OPEC spare capacity provides an indicator of the world oil market's ability to respond to potential crises that reduce oil supplies. As a result, oil prices tend to incorporate a rising risk premium when OPEC spare capacity reaches low levels. From 2003 through 2008, OPEC's total spare capacity remained near or below 2 million barrels per day (or less than 3 percent of global supply), which provided very little cushion for fluctuations in supply in a context of rapidly rising demand. Markets are influenced by geopolitical events within and between OPEC countries because they have, historically, resulted in reductions in oil production. Given OPEC's market significance, events that entail an actual or future potential loss of oil supplies can produce strong reactions in oil prices.

Oil is expected to be the slowest growing of the major fuels to 2035, with demand growing at an average of just 0.8% a year. Nonetheless, this will still result in demand for oil and other liquid fuels being nearly 19 million barrels a day higher in 2035 than 2012. All the net demand growth is expected to come from outside the OECD – demand growth from China, India and the Middle East will together account for almost all of net demand growth [2, p. 89].

Growth in the supply of oil and other liquids (including biofuels) to 2035 is expected to come mainly from the Americas and Middle East. More than half of the growth will come from non-OPEC sources, with rising production from US tight oil, Canadian oil sands, Brazilian deepwater and biofuels more than

offsetting mature declines elsewhere. Increasing production from new tight oil resources is expected to result in the US overtaking Saudi Arabia to become the world's largest producer of liquids in 2014. US oil imports are expected to fall nearly 75% between 2012 and 2035.

OPEC's share of the oil market is expected to fall early in the period, reflecting growing non-OPEC production together with slowing demand growth due to high prices and increasingly efficient transport technologies. OPEC market share is expected to rebound somewhat after 2020.

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PROBLEMS OF THE ECONOMY OF NORWAY

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Manko I.O., Kalyuzhna A.B. Problems of the economy of Norway. The article gives an overview of the state of the economy of Norway as well as the current economic problems the country faces at the present stage.

Key words: development, economy, gas, investments, natural resources, Norway, oil.

Манько І.О., Калюжна А.Б. Проблеми економіки Норвегії. У статті проаналізовано стан економіки Норвегії, а також поточні проблеми у сфері економіки, що стоять перед країною на сучасному етапі.

Ключові слова: газ, економіка, інвестування, нафта, Норвегія, природні ресурси, розвиток.

Манько И.А., Каложная А.Б. Проблемы экономики Норвегии. В статье проанализировано состояние экономики Норвегии, а также текущие проблемы в сфере экономики, стоящие перед страной на современном этапе.

Ключевые слова: газ, инвестирование, нефть, Норвегия, природные ресурсы, развитие, экономика.

Norway is a wealthy country with a high income level, comprehensive public welfare benefits and solid public finances. Nevertheless, the Norwegian economy is likely to be faced with difficult choices in the decades to come, such as those related to changes in the global economy.

The ongoing changes in economic environment set challenges to the economy of Norway it has to respond to and this determines the relevance of this article.

The subject of this paper is the economy of Norway and the problems it faces nowadays.

The goal of the research is to analyze the main trends in the economy of Norway and factors influencing its development.

Norway is a highly industrialized country situated in Northern Europe. At the beginning of the XX century the majority of the working population were engaged in fisheries, forestry or agriculture. Marine and forest industries products constituted more than s of the country's exports [3]. Important changes in the economic structure of Norway took place before and during the First World War. The need for new structural materials contributed to the rapid development of energy-intensive industries, namely: electrometallurgy and electrochemistry. The economic strength of Norway attracted foreign (the USA, Canada, UK) capital invested in the construction of hydroelectric power plants, electrometallurgical and electrochemical plants. However, during the Second World War, Norway's economy suffered significant losses.

The correctly chosen course towards further development of export industries facilitated the development and strengthening of the economy. The discovery and development of oil and gas fields in the Norwegian sector of the North Sea also affected the efficiency of the Norwegian economy. Over the years, Norway has evolved into a highly developed industrial-agrarian country [2; 3].

Nowadays GDP per capita (PPP) of Norway is \$55,400 and the revenues reach \$ 292,8 billion [10]. The main export partners in Norway – 77% of the EU (the UK 17%, Germany 12%, the Netherlands 10%, Sweden 10%, France 8%), the United States 7% [4].

One of the main features of Norway is the availability of natural resources [1; 8]. Large oil and natural gas deposits are concentrated in the Norwegian sector of the North Sea. The country possesses half of Western Europe gas reserves and is ranked 6th in the world [9; 10]. Although the country's economy is heavily oil dependent, hydropower covers most of energy needs. Hydropower accounts for 43% of all energy production, that makes it possible to export most of the country's oil [3].

It should be noted that the economic policy of Norway has always been loud and clear: it is aimed at the elimination of unemployment, maintenance of stability in the country, stimulation of economic growth to influence and improve the industry and to specific allocation of taxes [5; 7]. Due to a highly skilled workforce and well-organized business sector Norway is considered to be stable and prosperous country [2; 6].

But the Norwegian economy is experiencing specific problems that are not so obvious at first glance, one of which is that the new oil projects are canceled due to lower production and lower oil prices. Norway assiduously sought to avoid such problems as slow economic growth and corruption faced by countries whose economies are based on the exploitation of natural resources [7]. The country saves and invests money in order to have a reserve of funds in case of decrease in oil production [9]. And now there are some problems noticeable in the petroleum industry in Norway. Also, at this point, a decline in investment to the oil sector is expected – investments in the oil industry will fall by 10% in 2015 to stabilize in 2016 and grow again in 2017. However, it should be noted that such a fall during the short terms will not greatly affect the economy of Norway, and the GDP growth is expected in 2015 [1; 10].

The recent fall in oil prices has also led to serious economic problems in Norway. Fifteen oil platforms in the country have ceased to operate, more than seven thousand workers have been laid off [1]. Also the rate of Norwegian krone has decreased greatly, the Norwegian currency has become even cheaper than Swedish krona. There hasn't been an economic collapse like this for the last 14 years, as noted by local experts [1].

A committee has been appointed by the government to review how the spending rule works amid calls to further limit the use of oil money as the petroleum industry risks crowding out other areas of the \$500 billion economy. Oil wealth expenditure in 2015 will reach a record 6.4 percent of Norway's mainland economy, versus 5.8 percent in 2014 [8].

Conclusion: As a country whose economy benefits to some extent from exploitation of natural resources Norway is vulnerable to lower prices on export goods, in particular oil. At the present stage the country is facing problems caused by external factors mainly. Since such factors may threaten the sustainability of its economy some steps are being taken to make sure it is flexible and prepared to meet unexpected external shocks.

The prospects of research could be focused on further changes in different sectors of the Norwegian economy in more detail.

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E-GOVERNMENT AS AN INNOVATIVE MECHANISM OF PUBLIC ADMINISTRATION SERVICES ENHANCEMENT

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Marchenko M.S., Riabenka I.V. E-government as an innovative mechanism of public administration services enhancement. The article aims to give a brief overview of the e-government concept as a powerful mechanism of governmental services transformation and improvement in the frames of a rapid growth of information technologies. It identifies the main characteristics of e-government, the stages of its implementation throughout the world as well as shows its positive functions in the context of modern society.

Key words: e-government, IT, public administration services, public sector transformation, the E-Government Development Index (EGDI).

Марченко М.С., Рябенка І.В. Електронний уряд як інноваційний механізм покращення надання державних послуг населенню. Метою статті є надання стислого огляду концепції електронного уряду як потужного механізму трансформації і покращення надання державних послуг на тлі швидкого зростання інформаційних послуг. У статті визначаються основні характеристики електронного уряду, стадії його розвитку по всьому світу, а також позитивні функції електронного уряду у контексті сучасного суспільства.

Ключові слова: державні послуги для населення, електронний уряд, Індекс Розвитку Електронного Уряду (ІРЕУ), ІТ, трансформація державного сектору.

Марченко М.С., Рябенкая И.В. Электронное правительство как инновационный механизм усовершенствования предоставления государственных услуг населению. Целью данной статьи является предоставление краткого обзора концепции электронного правительства как мощного механизма трансформации и совершенствования предоставления государственных услуг на фоне быстрого роста информационных услуг. В статье определены основные характеристики электронного правительства, стадии его развития по всему миру, а также положительные функции электронного правительства в контексте современного общества.

Ключевые слова: государственные услуги для населения, Индекс Развития Электронного Правительства (ИРЭП), ИТ, трансформация государственного сектора, электронное правительство.

The underlying idea of an electronic government (usually referred to as e-government) is basically the transfer of the government to the Internet, in other words the organization of a government and its interaction with citizens via the Internet and other networks. The purpose of such transfer is the same as the purpose of a transfer of private companies to the Internet – an increasing efficiency. This is achieved, as it is known, firstly, by monitoring information processes and financial flows virtually in real time; secondly, by reducing the cost; and thirdly, by increasing the quality of provided services.

Consequently, here appears an essence of the problem – what kind of measures the authorities should take in order to implement such electronic administration in their countries and which factors can affect the period of implementation.

The goal of this research is to identify the main features of e-government and consider its affection on a society in terms of a diverse economic and IT development.

This subject is investigated by both foreign (A. Chadwick, Jane E. Fountain, M. Jae Moon [4]) and domestic scientists. Among them there are Ukrainian scientists such as Holobutskyi O.P. [1], Shevchuk O.B., Koliushko I.B. [2], Demkov M.S. In addition, analytical groups led by senior e-government researchers such as Haiyan Qian and Vincenzo Aquaro [5] within such organizations as the World Bank, the UNO, etc. make a significant contribution to the study of this subject.

For the ordinary citizens a creation of e-government in the first place means the simplification of the process of appealing to public authorities through the implementation of all state functions into the Internet. That is, via the Internet citizens will be able to pay taxes, receive various certificates, which can be printed right from the screen, to issue various licenses and social benefits, apply for marriage registration, etc. Moreover, it will be possible to vote within elections online – the concept of an electronic government involves the implementation of the entire set of public services to the Internet for both individuals and legal entities. In this case, in fact, the entire process takes place without the direct involvement of the officials.

The concept of e-government appeared in the early 1990s in the West. But in the practical plane it had been implemented only in the last two years. Primarily the United States and Great Britain were engaged into the development of e-government, as well as Italy, Norway, Singapore, Australia and some other countries (such as France, Germany, Qatar, the United Arab Emirates) [1].

E-government connects such participants: civil servants, entrepreneurs, active citizens, educational and research institutions, community groups, civic organizations. Usually the process of implementing an e-government consists of three stages:

1) Stage 1 (publicity). At this stage ICTs expand and make more rapid and targeted access for citizens, organizations and businesses to the governmental information. To implement this stage the authorities create their own websites that host legislative and other regulations, forms of the necessary documents, statistical and other relevant data.

2) Stage 2 (online transactions). In the second stage public services (registration of real estate and land, tax returns, filing of applications for permission) are available in the online mode. The transition to this stage allows to optimize the bureaucratic and time-consuming procedures, reduces the scale of corruption (virtual contact with the officials decreases their ability to extort bribes).

3) Stage 3 (participation). A constant participation of society in public administration by providing an interaction between citizens and firms with politicians and officials throughout the life cycle of public policy elaboration at all levels of a government appears in the third stage. It can be implemented using web-forums to discuss the draft regulations and legislation [4].

The main measure tool of the e-government implementation is the E-Government Development Index (EGDI) calculated by the UNO. The conceptual framework on the above index remains unchanged since its inception in 2001. The EGDI is a composite measure of three important dimensions of e-government, namely: provision of online services, telecommunication connectivity and human capacity [5].

Due to a number of factors, there are wide disparities among regions and countries in their state of e-government development, by now there're less than 15% of countries with the high EGDI (see figure 1). One clear observation is that the income level of a country is a general indicator of economic capacity and progress, which thus influences its e-government development. The access to ICT infrastructure and the provision of education, including ICT literacy, are related to the income level of a nation. The absence of these factors hinders the implementation of e-government initiatives. However, it is clear that national income does not, by itself, constitute or guarantee e-government development. There are many countries that have their significantly advanced e-government despite relatively low national income, just as there are many countries which are lagging behind despite their relatively high income and thereby have good opportunities for future improvement [2].

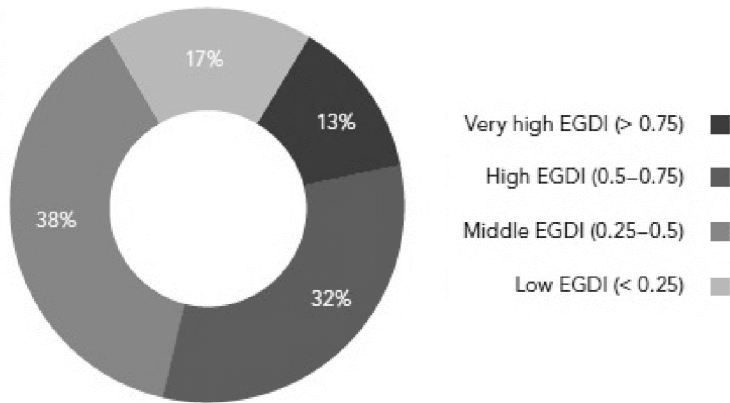


Figure 1. The percentage of countries grouped by EGDI in 2014 [5]

The Republic of Korea has retained the top spot in 2014 with its continued leadership and focus on e-government innovation. Australia (2nd) and Singapore (3rd) have both increased considerably (see table 1). As in previous years, in the figure 2 it is shown that Europe continues to lead with the highest regional EGDI followed by the Americas led by the United States of America (ranked 7th globally); Asia led by the Republic of Korea; Oceania led by Australia; and Africa led by Tunisia (ranked 75th globally) [5].

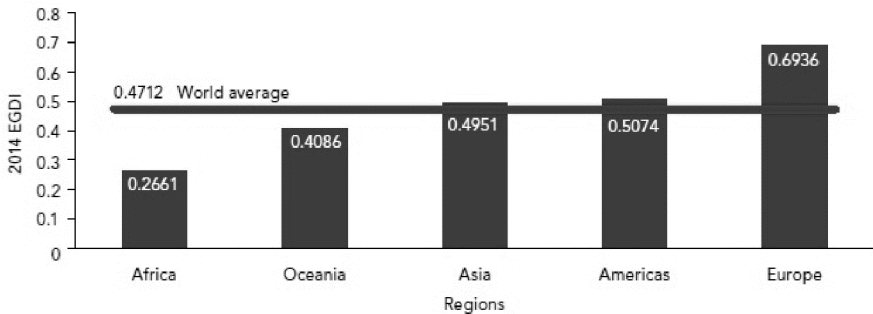


Figure 2. Regional averages of e-government development in 2014 [5]

Nevertheless, each geographical region exhibits high internal diversity. The leading nations in Europe include France (4th), Netherlands (5th), the United Kingdom (8th) and Finland (10th). There is little doubt that the level of economic, social and political development of the countries concerned is underpinning this aggregate snapshot, and one of the primary factors contributing to a high level of e-government development is past and current investment in telecommunication, human capital and provision of online services.

Top-10 world e-government leaders in 2014

<i>Country</i>	<i>Region</i>	<i>2014 EGDI</i>	<i>2014 Rank</i>
Republic of Korea	Asia	0.9462	1
Australia	Oceania	0.9103	2
Singapore	Asia	0.9076	3
France	Europe	0.8938	4
Netherlands	Europe	0.8897	5
Japan	Asia	0.8874	6
United States of America	Americas	0.8748	7
United Kingdom	Europe	0.8695	8
New Zealand	Oceania	0.8644	9
Finland	Europe	0.8449	10

Source: [5].

Concerning the perspectives of a research, there are some clear opportunities for the future improvement of e-government to be considered, including technology trends towards, for example, social media and mobile devices technologies which are inherently interactive, as well as crowdsourcing. Through such innovative approach public administrations around the world can be more efficient, provide better services and respond to demands for transparency and accountability. E-government can help governments go green and promote effective natural resource management, as well as stimulate economic growth and promote social inclusion, particularly of disadvantaged and vulnerable groups. ICTs have also proven to be effective platforms to facilitate knowledge sharing, skills development, transfer of innovative e-government solutions and capacity-building for sustainable development among countries. A further research may also discover the important benefits e-government can generate in the form of new employment, better health and education [3].

In conclusion, there are also severe challenges, including the digital divide, low user take-up and the lack of incentives to participate. These opportunities and challenges call for effective strategies to create an enabling environment for e-participation, including appropriate legal and institutional frameworks, capacity-development for digital media literacy for citizens and an integration of online and offline features for public participation. Thereby, e-government

and innovation can provide significant opportunities to transform public administration into an instrument of sustainable development in the context of increasing interaction efficacy between the government, citizens and business.

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UNIVERSAL CYCLICITY AS A FORM OF ECONOMIC DYNAMICS

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Melnichuk M.V., Kasianova V.G. Universal cyclicity as a form of economic dynamics. The article deals with the economic dynamics in the form of cyclicity of crises and economic growth historically and globally, it also covers such cycles in our modern political and economic environment in Ukraine.

Keywords: crises, cyclicity, economic dynamics, economic environment.

Мельничук М.В., Касьянова В.Г. Універсальна циклічність як форма економічної динаміки. Ця стаття присвячена проблемі економічної динаміки у вигляді циклічності криз та економічного зростання в історичному та світовому вимірі, також розкриває такі цикли у сучасному політико-економічному середовищі в Україні.

Ключові слова: економічна динаміка, економічне середовище, кризи, циклічність.

Мельничук М.В., Касьянова В.Г. Универсальная цикличность как форма экономической динамики. Эта статья посвящена проблеме экономической динамики в виде цикличности кризисов и экономического роста в историческом и мировом аспекте, а также раскрывает эти циклы в современном политико-экономическом окружении Украины.

Ключевые слова: кризисы, цикличность, экономическая динамика, экономическое окружение.

The study of the issues of some system's movements or developments is necessary to formulate effective development trends of a system in order to apply the derived results in practice for effective and optimal system's performance. Such an investigation is possible subjected to review and further use of the basic development laws and the essential characteristics of the system itself, in this case – the dynamics of the system. The modern world is characterized by dynamics of both economic and social and any other processes in society, by transformation of a society economic basis and its productive forces and production relations. Such dynamics of an economic system in general and development of a society in particular may occur due to certain features of an industrial stage of development. Such an industrial and political stage of our world development in general and of such a turbulent country as Ukraine in particular make knowledge of dynamic cyclicality actual nowadays. The aim of this article is to identify the tendency of crises' cyclicality both scientifically and practically, long ago and in modern environment in Ukraine.

There are societies with a fundamentally new transformed form of productive forces and with principally new form of the resource base of main elements, which moved from traditional objects of the environments to informational technology [3]. Such rapid modern life dynamics is due not only to rapid development of information technology. It is characterized by continuous emergence of new forms of production processes, different industries and types of services, reducing the required number of manufacturing operations per unit of time and per worker. The negative sides of such an accelerated rate of modern dynamics of economic systems are the growth of high uncertainty and volatility of economic activity. Thus, today we are witnesses of a new leap of a post-industrial society to a new technological one with attributes of information, increasing role of human factors, uncertainty and risk. The object of this study is to describe economic dynamics and the subject is to verify cycles of Ukrainian ups and downs in a modern century.

This topic is very relevant today as it is not long ago Ukraine had to go through a series of economic crises and the country still needs a clear anti-crisis

policy. In addition, the crisis in the country has a lot of specific features that are closely connected with the history of the state. Cyclical fluctuations in the economy is one of the most important economic problems, which attract attention of scientists and practitioners for nearly a half century and even earlier.

The term cyclical process as a process of a historical cycle with the underlying principle of periodization and repetition originated in antiquity and at the beginning was basically a mythological-religious form (considered in terms of the seasons, day and night, etc.). Similar ideas of a cyclic circuit were widely spread in ancient China, ancient Egypt, Babylon, as well as were developed by ancient philosophers and historians, moreover questions of cycles were widely used among researchers in the fields like mathematics, physics, etc. Ibn Khaldun, Arabic thinker of 14-15 centuries, was one of the first contributors to the development of cycling issues and sequential change in certain epochs. For example, he singled out 4 epochs in the history of the world, associated with activities of various people. In each of these periods he tried to identify patterns of development and decline of culture, change of dynasties, etc [6].

The origin of the theory of cycles and crises can be attributed to the beginning of the 19th century. This issue was covered in the works of Rodbertus and Malthus T. Then in the 20th century scientists attempted to systematize statistical information to support cycling of the entire economy, identifying onset patterns and a course of a crises in industrial production with examples of the crises in European states and removing the causes of the cyclical crisis in the form of over-expansion of trade. In the second half of the 20th century attention transferred from the cyclicity essence to the side of counter-cyclical policies, criticism of the cycle's theory.

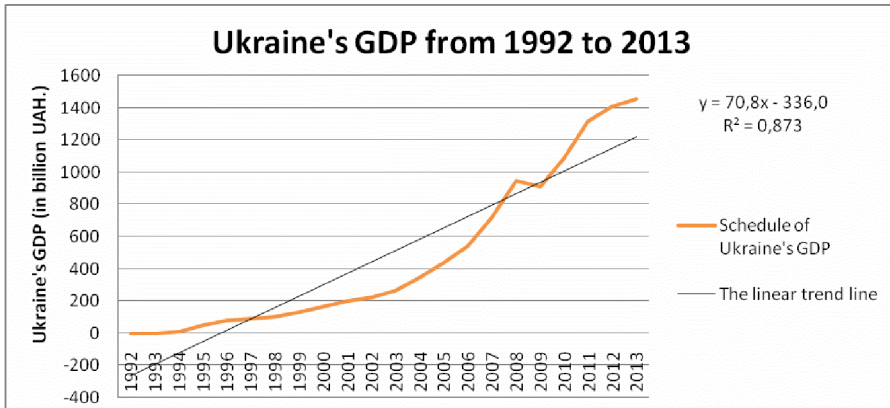
The idea of economic cycles was formed for the first time by a French scholar Clement Juglar long ago in the middle of the nineteenth century, which determined their length of 7-11years, or in average of 9years. This interval was observed in the last 30 years of the last century in the medium-term cycles of production volumes of the world's gross domestic product, the minimum rate of increase was with the crisis of 1973-74, 1981-82, 1990-91, 2000-01 [5]. A prominent Ukrainian economist Mikhail Tugan-Baranovsky was the world's first who developed the doctrine of fundamental laws of cyclical economic dynamics [2]. In 1894 his fundamental work "Industrial crises in modern Britain, their causes and impact on the future life of the people" was published, which laid the foundations for the study of economic long cycles (more than 10 years) and short cycles of Kitchen J. (2 – 4years). A

market economy is characterized by not only small (up to 10 years), but also large cycles and crises. We can say that Mikhail Tugan-Baranovsky was the world's first developed the doctrine of cyclical patterns of systemic economic dynamics associated with the frequency of industrial crises as a factor of influence on changes in human life, that is, the social sphere of the economy.

So, what is the economic cycle? Fluctuations in actual output around its potential value, achieved under conditions of full employment is called an economic or a business cycle. An economic cycle is a process of alternating ups and downs in the economy. All cycles in the real world do not resemble each other, each has its own specific features. There are several types of economic cycles which are called waves. They usually give the names of scientists who have devoted special studies to this issue [10]. The best known cycles of Kondratiev (40- 60 years), called "long waves", Kuznets cycles (16-25 years), "Medium wave" cycles of Zhuglyar K. (7-12 with long-term trends ("waves")). Their length is about 50-60 years old, and they also included a downward and upward phases.

Despite the abundance of papers on the issue of cycling, there is still no single concept about the reasons for the existence of this phenomenon. Some economists explain an economic cycle by external factors: the emergence of spots on the sun, leading to crop failures and general economic decline, wars, revolutions and other political upheavals, development of new territories and related migration, fluctuations in world population, powerful breakthroughs in technology that enable to change radically the structure of social production and other causes. Explanation of economic fluctuations reduces the problem to technical innovation and improvement to the involvement of new resources and the development of new territories. This view is spread within such economists as Wicksell, Shpitgof, Schumpeter. We all know that the modern market has a strong impact on the state of the economy. State regulation is aimed at mitigating the secular fluctuations, so it is countercyclical. The most important methods by which the state influences an economic cycle are monetary and fiscal levers. So, in order to weaken "overheating" of the economy in the recovery phase a state contributes to the further rise of the cost of a credit, introducing new taxes, increases old withdraws accelerating depreciation and tax credits for new investments. In a crisis, on the contrary, government measures are aimed at cheaper loans, reduced taxes, accelerated depreciation and tax credits for new investments.

For the analysis of the economy of Ukraine will consider a graph of GDP, the most important economic indicator, between 1992 and 2013.



The function has the form and is recorded by the following formula: $y = 70,8x - 336,05$. To clarify it, we conducted a trend line. As we see in the long term, namely in 1997–2007, GDP increased, a significant deviation from the trend line to the graph line shows it. But at certain time intervals, the graph of the trend of the deviations is exposed. And in 2008 there was the greatest deviation from the trend line, this was due to the global crisis that had a devastating impact on the economy of Ukraine and other countries. At present the national economy is going through another crisis. As we all know, at the turn of 2013–2014 in Ukraine there started the wave of protests caused by the divergence of views on the political forces vector towards the foreign policy of the state. And in connection with the ongoing armed confrontation in eastern Ukraine the fall of GDP in 2014 may reach 6.5%, said the head of the International Monetary Fund (IMF) Nikolai Georgiev. He explained that the reduction in tax revenues from the east of the country, the high cost of security will lead to a greater increase in the fiscal deficit. In order to ensure a stable real GDP growth against many problems facing Ukraine it should:

1. Provide political stability in the country, increase international rating.
2. Create a structural reform of Ukrainian economy, get rid of the tendency to extensive development and go mainly to intensive development which involves first a reorientation of the economy from the extractive industries (mainly energy: oil, natural gas) to high-tech manufacturing industries. Second, getting rid of old enterprises that were not viable in the market conditions. However, this process should not be a shock.
3. Fight against corruption, it also includes reduction of the shadow economy.
4. Use the experience of other countries in the reforms.

To sum up it should be noted that the economic cycles and crises do not exist outside the context of the objective conditions. Each cycle of crisis reproduces the economic environment in which it develops. But to characterize a given cycle or crisis we need a time distance. An economic cycle is an integral part of the modern economy. It is important to understand its problems and to study the objective laws for effective solutions to contemporary problems.

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THE HOSPITALITY INDUSTRY OF UKRAINE. PROBLEMS AND PROSPECTS OF ITS DEVELOPMENT

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Miazin N.V., Saprun I.R. The hotel industry of Ukraine. Problems and prospects of its development The article deals with the problems of the hotel industry in Ukraine. The characteristics of the Ukrainian hotel classification have been analyzed and compared with world experience (for example English, French and Hotrec experience). The necessity of using such experience while upgrading Ukrainian hotel classification has been pointed out, taking into account economic peculiarities of Ukraine. Double classification in Ukraine (the own one— for domestic tourism and the entire one – for flagman ship of industry aimed at constant work with international guests) has been suggested.

Key words and phrases: economic problems, further development, hotel classification, hotel industry, star system, world experience.

Мязін М.В., Сапрун І.Р. Готельна індустрія України. Проблеми та перспективи її розвитку. В статті розглянуті проблеми готельної індустрії України. Проаналізовано основні характеристики української класифікації готелів, які зіставлені з класифікаційними системами інших держав (Англії, Франції, а також системи класифікацій Hotrec). Виявлена необхідність використання іноземного досвіду в процесі модернізації готельної індустрії України, враховуючи економічні особливості України. Запропоновано ввести подвійну класифікацію (власну для внутрішніх відвідувачів та єдину європейську для флагманів індустрії, які спрямовані на роботу з іноземцями).

Ключові слова: готельна індустрія, економічні проблеми, зіркова система, класифікація готелів, подальший розвиток, світовий досвід.

Мязин Н.В., Сапрун И.Р. Гостиничная индустрия Украины. Проблемы и перспективы ее развития. В статье рассмотрены проблемы гостиничной индустрии Украины. Проанализированы основные характеристики украинской классификации отелей, сопоставлены с классификационными системами других стран (Англии, Франции, а также системы классификации Hotrec). Выведена необходимость использовать иностранный опыт при модернизации отельной индустрии Украины, с учетом экономической особенности Украины. Предложено ввести двойную классификацию (собственную для внутренних посетителей и единую европейскую для флагманов индустрии, которые направлены на работу с иностранцами).

Ключевые слова: дальнейшее развитие, звездная система, классификация отелей, мировой опыт, отельная индустрия, экономические проблемы.

Undoubtedly, tourism industry can be considered to be one of the most dynamic sectors of the world economy. Since 1950 the number of tourists who travel around the world had been growing steadily and increased by 40 times in 2012, having made a grand leap from 25 million tourists in 1950 to 1 billion tourists in 2012. As a result, the tourism industry began to outpace the automotive industry on economic indicators, and occupied the second place after the computer industry.

Clearly, that it is impossible to implement full-fledged tourist activity without accommodation facilities, so many countries have paid great attention to this issue, trying to meet the differentiated demand from residents of different countries and different social strata. It is not surprising, that it seems to be extremely difficult to attract tourists, without giving them clear information about this service. Many professionals develop various classifications of hotels, as this allows giving a clear idea about the level of individual service provided.

Apparently, Ukraine also wants to bite off a piece from the «global tourism pie». Therefore, it is crucial to create a clear system for assessing the level of hotels at this stage of its development, which will not leave tourists disappointed in terms of «price-quality» services and thereby build a positive image in the world's tourism arena. For this reason, the problem of Ukrainian classification of hotels is very actual nowadays.

The subject of the article is the system of Ukrainian hotel classification. The purpose is to examine the experience of hotel classification in the world's leading countries and adopt it at the Ukrainian scene.

Searching this problem, it is worth noting that there are many systems of classification of hotels in the world where each country tends to create the system suitable for it. The most popular classification systems are the star system, the system of letters, and the system of crown. The French national system of five stars is the most common classification system in the world. It establishes the categories; each category corresponds to the number of stars (from one to five). In Greece, the system uses the letters (A, B, C and D). Hotels Category A corresponds to four star level, B – to three star, etc. Summit assigned category «de Luxe». In England there is a system of crowns similar to the French, but with a different gradation of quality services. In China, each category has a name, such as «guest house», «house wine». Just as in China, Portugal has 8 categories. All categories have their own names. In Mexico, Ukraine, Russia there is a national five-star system, similar to the European one. However, in Mexico, in addition, there is a category of more than five stars – «Gran Turismo». In the US, there is no officially accepted system of

classification. There are five categories of system similar to the star system. Malta has also adopted a five-star system, but has its own national, in which there are only 3 categories: gold, silver, bronze.

Tracking such trends it is possible to identify 2 important points:

1. There isn't a common classification of hotels in the world
2. All the given classifications are similar to the French «star» system in one way or another.

The researchers noticed these trends decades ago and repeatedly to the public convenience and clarity a uniform classification for the whole world has been created. The most outstanding of these attempts was the adoption of the 2009 Uniform system of standards for the hotels – Hotel stars Union. It allows making the order in the definition of «star» of this or that hotel. That's why it had great success in the European market. It is suitable for both tourists and hoteliers help to adequately compare hotels in different countries participating in the system.

In January 1st, 2011 seven Founding Members (Germany, Netherlands, Austria, Sweden, Switzerland, Czech Republic and Hungary) joined the Baltic States – Estonia, Latvia and Lithuania.

Thus, the new «star» system currently covers 18 thousand hotels. It is planned that it will gradually join the new country. The system Hotel stars Union considers such factors as the size of the rooms, the availability of rooms for seminars and conferences, working with guest's complaints and reviews about the hotel. Total hotels measured at 270 criteria, that is much larger and fuller than in most national systems. For example, the Swedish voluntary hotel classification system has only 130 criteria.

According to the excerpt from the list of criteria Hotel stars Union, all rooms in one star hotel should have a bathroom, color TV with remote control, desk and chair, as well as soap and shower gel. Rooms have be cleaned every day. Reception service should be in the hotel, and of cause fax and phone have to available for guests. Also, customers are offered an expanded breakfast and the opportunity to purchase drinks. This level of service according to the system is minimal, and the requirements for other classes grow in the order of increasing star.

The logical question is why Ukraine has still not passed on this system? After a stellar classification works in Ukraine, and the adoption of an international scale will significantly simplify the selection of housing by tourists and increase their flows. It would seem so simple and beautiful. Why has not this system still been adopted in Ukraine?

Numerous national, political, economic characteristics, as well as the mentality should come into force. It is worth paying special attention to the economy taking into consideration all the characteristics. After all, even a bit more than 20 years ago, Ukraine was a part of the Soviet Union, which had a very different strategy. Consequently, it is impossible to transform any of its spheres in one motion according to international standards.

Supposing, Ukraine runs into international standard classification, as a result, next day completely all the hotels of one and two stars rating will disappear. The reason for this is obvious: the inability to satisfy basic European standards. For example, to provide guests with rooms equipped with a bathroom. In Europe, such facility is provided in one-star hotels, while in Ukraine, you are certain to obtain such facility only in a 3-star hotel. There are other issues concerning the room equipment, the staff qualification, etc. Generally speaking, budget tourists will not be able to find a quality certified accommodation. Those willing to pay more, are expected to pay more for services provided.

A further development seems absolutely clear. Many businesses of hotel industry just go into the shadow, which lead to lowering industry standards, the development of corruption.

Hotel upgrading is also not possible due to some objective reasons. The main thing is that the majority of constructions were erected during the times of the Soviet Union; therefore, they are not suitable for hosting tourists nowadays. Besides, in modern economic situation in the country their upgrading costs a pretty penny. There is another factor- tourists' inability to pay exorbitant prices for accommodation of an upgraded hotel.

Finally, the Hotel Union is supported by only a few European countries which high economic growth allows maintaining a similar level. The introduction of these standards in Ukraine would definitely kill the tourism industry.

Ukrainian hospitality industry cannot imitate the state of affairs adopted in European hospitality sphere. One template, but the possibilities are different. Therefore, we cannot live by their standards. We have to focus on the experience of other countries to make up our own something, as Western standards simply will not work in our country. As an alternative to hotels, willing and ready to support the global level, it is possible to hold a dual classification system according to European and Ukrainian model. Then, these places will become flagships. Such hotels will be an incentive for other businesses and then, over time, the hotel industry in Ukraine will come to a new level.

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BUSINESS PLANNING IN THE HOTEL BUSINESS

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Mosentseva M.V., Saprun I.R. Business planning in the hotel business. The article deals with the essence of business planning, actual problems of the theory of business planning. The key performance indicators of the hotels as business entities are been disclosed. The prospects of the use of planning in the development of the hotel business is been considered.

Keywords: business planning, development, enterprise, hotel business, problems.

Мосенцева М.В., Сапрун І.Р. Бізнес-планування у готельному бізнесі. У статті мова йде про сутність бізнес-планування, актуальні проблеми теорії бізнес-планування. Розкрито основні показники діяльності готелів як господарюючих суб'єктів. Розглянуто перспективи використання планування в розвитку готельного бізнесу.

Ключові слова: бізнес-планування, готельний бізнес, підприємство, проблеми, розвиток.

Мосенцева М.В., Сапрун І.Р. Бизнес-планирование в гостиничном бизнесе. В статье говорится о сущности бизнес-планирования, об актуальных проблемах теории бизнес-планирования. Раскрыты основные показатели деятельности гостиниц как хозяйствующих субъектов. Рассмотрены перспективы использования планирования в развитии гостиничного бизнеса.

Ключевые слова: бизнес-планирование, гостиничный бизнес, предприятие, проблемы, развитие.

Hotel business in Ukraine is at a stage of development and confidence grows annually realizing various hotel projects at regional, national and international levels.

Among the most urgent problems of planning in the hospitality industry are the problems of justifying strategic and current development of the enterprise, performance management innovation in the enterprise, integrating uncertainty of the external environment, the active development of business organizations in the hospitality industry, and others [2, c. 13].

The aim of this research is to reveal the concept of “business planning in the hotel industry” and to show its importance in the modern world.

It should be noted that the problems of the theory of business planning and its application in the hotel industry are considered in a lot of works of both domestic and foreign scientists. Among them are Paul Barrow, Dem’yanenko S.R., Popov V.M., Pivovarov K.V. and others. These problems are actively investigated in the works of scientists of the department of tourism business KNU in the National University of Karazin Dovgal G.V., Dan’ko N.I., Sidorov V.I. and others.

One of the gurus of modern management R. Ackoff believes that “... the planning of future and wishful ways of its achievement is one of the most difficult types of mental activity available to a human” [1, c. 348]. This point of view is shared by the author of this work.

We believe that the planning of the hotel enterprise’s activity should be understood like a continuous systematic information processing of qualitative, quantitative and temporal definition of future goals, means and methods of formation, development, enterprise development and its control. This process includes marketing analysis (the analysis of the new activities of the market and competition requirements); techno-economic analysis (the analysis of the new company’s specialization activities, its organization and technology requirements); financial analysis (the cost-benefit analysis of new activities) [4, c. 118].

The firm’s absence of the development plans is usually accompanied by variations in the state of affairs, mistaken maneuvers, the undue change of orientation, which is the cause of poor condition of an enterprise or its collapse. The practice of using business planning in the hotel industry creates the following important benefits:

- makes it possible to prepare for the use of future favorable conditions;
- clarifies the problems that arise at the enterprise;
- encourages managers to implement their decisions in the future work;

- improves the coordination of actions in the organization;
- creates the preconditions for increasing the level of education of managers;
- increases the opportunities of providing firms with the necessary information;
- contributes to a more efficient allocation of resources;
- improves control in organization [3, c. 215].

It is known that the main tool for managing the investment project is a business plan. It documents the accuracy of the initial information, calculations and analytical findings, ensures compatibility of individual investment plans with the overall development strategy of the company. Business plan is a description of the activity, its prehistory, comparative analysis, the calculation and analysis of the expected results.

Usually, business plans are classified according to the following characteristics:

- the scale of operation;
- the sectoral basis;
- the organizational and legal form of the enterprise;
- the type of investment;
- the method of financing [5, c. 72].

Today in Ukraine there is a tendency of ignoring simple rules of business planning, as a result of what, the most hotels and restaurants are opening without a preliminary estimate of the company's activity.

The owners of the hotel enterprises believe that a lot of people do not need any business plan. However, since the commissioning, one question always arises, what pricing policy needs to be applied, whether the loyalty programs are needed, how will the enterprise's marketing look like. And, in general, what kind of guests will be its clients?

Doubtfully, all of this reflects on the index of the enterprise, on the amount of working capital, on the inventories and finally forms the financial outcome of the enterprise. For the maximum use of available resources, the stocks should be kept to a minimum, respectively this "minimum" should be based on the performance of the last periods.

The analytical work is the basis for the successful operation of any enterprise. The introduction of different forms of evaluation, not only for accounting, but also for management accounting meets the modern needs of enterprises in the hospitality together with companies in other spheres of activity.

At the moment, almost every hotel in Western Europe and the United States manages the revenue and yield management. This function includes the analysis of the past periods indicators for forecasting the index in future periods. The rebooking of room stock, pricing, the maintenance of the season record is based on this analysis.

In this perspective, the close cooperation of the financial department and the marketing department of the hospitality enterprise can be considered. However, a lot of hotels have limited organizational structure, so either the director or the deputy director is able to manage such analytics [7].

Thus, based on the study we can make a conclusion that the business planning in the hospitality industry is an important tool for increasing the efficiency of its functioning and, ultimately, allows conducting a more socially-oriented economic policy, which is important for the present stage of the development of Ukraine.

Table 1

Hotels and other places for temporary residence in Ukraine [6]

Year	The number of enterprises of hotel type	The number of rooms	Floor area of all rooms, sq.m.
2006	1269	53645	1120,2
2007	1420	62165	1313,6
2008	1595	71580	1508,4
2009	1684	76019	1624,6
2010	1731	79833	1700,6

Table 2

Tourist flows in Ukraine in 2008 – 2012 years (person) [6]

Year	The number of Ukrainian citizens traveling abroad	The number of foreign nationals who visited Ukraine	Foreign tourists	Tourists, Ukrainian citizens traveling abroad	Domestic tourists
2008	15498567	25449078	372752	1282023	1386880
2009	15333949	20798342	282287	913640	1094170
2010	17180034	21203327	335835	1295623	649299
2011	19773143	21415296	234271	1250068	715638
2012	21432836	23012823	269969	1956483	807195

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CLEARING CURRENCY AS THE BASE OF INTERNATIONAL RESERVE CURRENCY SYSTEM

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Mykhaylenko K.M., Startseva N.M. Clearing currency as the base of international reserve currency system. This article is devoted to a mechanism of performance of reserve currency system. The preconditions of reforming of modern reserve system are analyzed. The most perspective variant of transformation of the system – implementation of clearing currency – is shown.

Keywords: clearing currency, Comecon, global reserve system, reserve currency system, transferable ruble.

Михайленко К.М., Старцева Н.М. Клірингова валюта як основа міжнародної системи резервних валют. Наведена стаття присвячена механізму функціонування системи резервних валют. Розглянуто передумови реформування сучасної міжнародної резервної системи. Описаний найбільш перспективний варіант трансформації системи – введення клірингової валюти.

Ключові слова: клірингова валюта, переказний карбованець, РЕВ, світова резервна валюта, система резервних валют.

Михайленко Е.М., Старцева Н.Н. Клиринговая валюта как основа международной системы резервных валют. Данная статья посвящена механизму функционирования системы резервных валют. Рассмотрено предпосылки реформирования современной международной резервной системы. Описан наиболее перспективный вариант трансформации системы – введение клиринговой валюты.

Ключевые слова: клиринговая валюта, мировая резервная валюта, переводной рубль, система резервных валют, СЭВ.

Relevance. Crisis developments of 2007–2009 have demonstrated that financial markets of the world leading economies can be perceived with extensive systematic shocks. One of the evidence of the crisis was the decrease of international trade volume and significant capital outflow from the developing countries. The crisis behavior showed the high degree of instability at the global currency market. There has been raised the issue of the existence of modern global currency system that is based on US dollar and some other reserve currencies, which are issued by central banks of developed countries independently. Primary focus is on the alternative variants of a new international reserve currency system.

The goal of this research isto describe the mechanism of a new international reserve currency system based on a clearing currency.

The object of studyis the international reserve currency system.

The object-matter is the international reserve currency based on clearing currency.

Analysis of recent research and publications. The subject is investigated by domestic and foreign scientists as well. Aspects of international reserve management and principals of reserve currency system have been analyzed by Ukrainian and foreign economists, notably V. Katasonov, J. Stiglitz, D. Aksionov, A. Anikin, V. Kigel, A. Kovalchuk, E. Mazin, A. Matios, I. Platonov, A. Rouz, M. Fanenko and others.

Since the breakdown of the Bretton Woods system with the suspension of the gold convertibility of the dollar in 1971, a system of flexible exchange rates among major currencies has predominated. Although alternative national and regional currencies (such as the euro) compete with each other as international reserve assets and means of international settlement, the dollar has maintained its predominant role in both regards. This system has proven to be unstable, incompatible with global full employment, and inequitable [2].

The preconditions of establishment of the new reserve currency system are the following:

- Triffin dilemma incidental to Bretton Woods currency system : the use of a national currency (the US dollar) as an international reserve currency;
- US dollar, the dominant international currency, has proved its instability as a store of value, and as a result the whole reserve system is perceived to be subject to crisis;
- unipolar world is becoming multipolar. The economies of developing countries are getting more competitive.

Many believe that the problems of the current reserve system could be eliminated by creating a supranational international reserve currency. Indeed, the idea of an international reserve currency issued by a supranational bank is not new. It was broached more than 75 years ago by John Maynard Keynes in his 1930 Treatise on Money and refined in his Bretton Woods proposal for an International Clearing Union.

The main idea of such a model of currency and reserve currency system would require countries to agree to exchange their own currencies for the new currency – say International Currency Certificates (ICCs), which could be SDRs – and vice-versa, in much the same way as IMF quotas are made up today (except that developing countries would only make their quota contributions in their own national currencies and would thus be exempted from making part of such contributions in SDRs or convertible currencies as is the rule today). This proposal would be equivalent to a system of worldwide “swaps” among central banks. The global currency would thus be fully backed by a basket of the currencies of all members.

There would be no “backing” for the global currency, except the commitment of central banks to accept it in exchange for their own currencies. This is what would give the ICCs (or SDRs) the character of an international reserve currency, the same way that acceptance by citizens of payments in a national currency gives it the character of domestic money. However, if the issues of global currency received by countries are considered deposits in the IMF or the Global Reserve Bank, and the institution in charge of managing the system is allowed to buy the government bonds of member countries or to lend to them, then these investments would be the “backing” of the global currency, just as domestic funds of money are “backed” today by the assets of national central banks [2].

There was the practice of clearing settlement between socialistic countries. When Bretton Woods currency system had been adopted and the USSR had not become the member country of IMF the Council for Mutual Economic Assistance (Comecon) was established in 1963. To minimize the dependence on US dollar the member countries – the countries of socialistic camp – used barter trade, currency clearing and transferable ruble that was the first large-scale project of creating a supranational currency.

The reason of abandonment of using currency clearing and transferable ruble was not because of its inefficiency but because the Comecon went into liquidation after the breakdown of USSR [1, p. 363–364, 373].

Summary. So, the modern reserve currency system has appeared to be ineffective and there are more and more discussions on the issue of establishment of a new one. There are a lot of alternative variants, but the most perspective one is a reserve currency system based on clearing currency. Such a global reserve system can also reduce global risks, since confidence in and stability of the reserve currency would not depend on the vagaries of the economy and politics of a single country.

Thus, a well-designed global currency system would go a long way to correct the “Triffindilemma” and the tendency of the current system to generate large global imbalances and the deflationary biases characteristic of balance of payment adjustments during crises. In setting up such a system, in perspective a number of details need to be worked out, including who would issue the reserve currency, in what amounts, to whom, and under what conditions.

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TOURISM IN GEORGIA: MAIN TENDENCIES AND PROBLEMS

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Nguen S.T., Kalyuzhna A.B. Tourism in Georgia: main tendencies and problems. The article gives an overview of tourism sector of the Georgian economy, analyzes existing development problems, considers the impact of tourism on GDP (gross domestic product), describes the prospects of further growth. Special emphasis is placed on the importance of human resource development, particularly knowledge of English.

Keywords: economics, English, GDP (gross domestic product), Georgia, tourism.

Нгуен Ш.Т., Калюжна А.Б. Туризм в Грузії: основні тенденції і проблеми. У статті дається оцінка туристичного сектора економіки Грузії, аналізуються існуючі проблеми розвитку, розглядаються результативність туризму в загальному обсязі ВВП (валовий внутрішній продукт), описуються перспективи подальшого зростання. Особливий акцент робиться на важливості розвитку людського потенціалу, зокрема знання англійської мови.

Ключові слова: англійська мова, ВВП (валовий внутрішній продукт), Грузія, економіка, туризм

Нгуен Ш.Т., Калюжная А.Б. Туризм в Грузии: основные тенденции и проблемы. В статье дается оценка туристического сектора экономики Грузии, анализируются существующие проблемы развития, рассматриваются результативность туризма в общем объеме ВВП (валового внутреннего продукта), описываются перспективы дальнейшего роста. Особый акцент делается на важности развития человеческого потенциала, в частности знания английского языка.

Ключевые слова: английский язык, ВВП (валовой внутренний продукт), Грузия, туризм, экономика

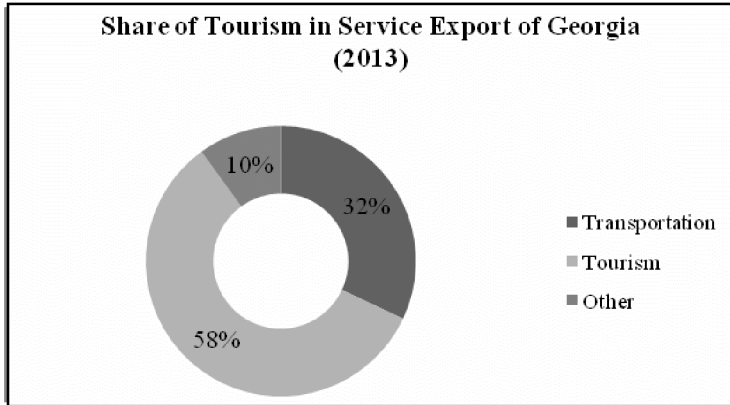
Travel and tourism is one of the largest and fastest growing service industries globally. The World Travel & Tourism Council (WTTC) assesses Travel and Tourism's total economic contribution to be 9.5% of world GDP in 2013; it is responsible for 1 in 11 jobs, 4.4% of total economic investment and 5.4% of world exports [6].

The fast-growing tourist industry in Georgia sets out the relevance of this article as modern Ukraine is also in search of its own innovative development model based on tourism.

The subject of this work is Georgian tourism sector and its tendencies and problems. The goal of this research is to analyze tourism sector of Georgia and oversee its growth prospects on the basis of such methods as description and comparison.

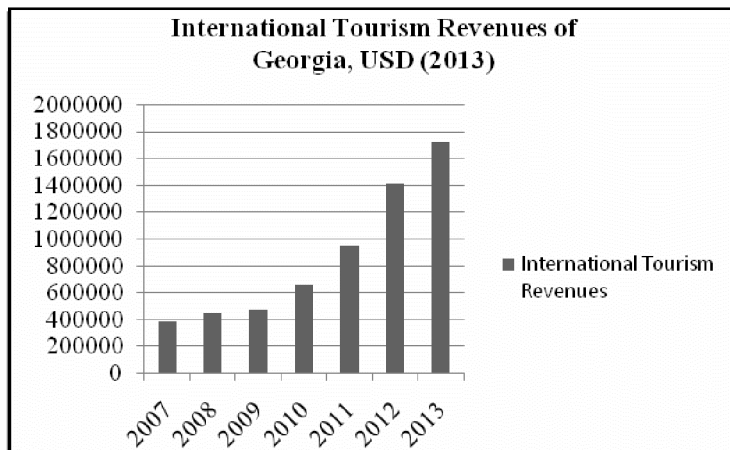
Tourism – an Invisible Georgian Export. The expenditure of foreign guests in Georgia has a huge impact on the balance of payments [4]. Approximately 58% of Georgia’s service export revenues come from tourism (chart 1).

Chart 1



In 2013, the foreign exchange income from foreign tourism in Georgia is estimated up to USD 1.72 billion [4]. Compared to 2012, this indicator increased by 22% (chart 2).

Chart 2

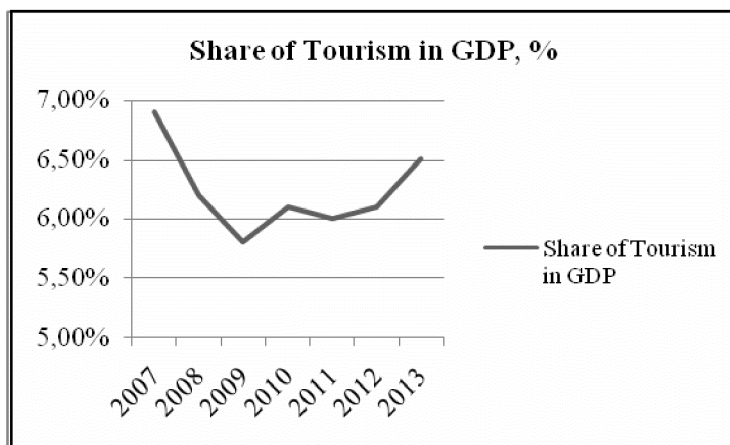


In 2013, the balance of foreign tourism in Georgia amounted to USD 1.43 billion compared to 2012, this indicator also increased by 23% [4].

Share of Tourism in the Economy. Between 2012 and 2013, the total value added in the tourism sector soared by 10% and reached GEL (Georgian lari – currency unit) 1.5 billion due to increased demand [4].

As a result, tourism's gross value added, as a proportion of GDP, increased from 6.1% to 6.5% (chart 3).

Chart 3



The additional value added in the tourism industry in 2013 was chiefly fueled by passenger traffic (air transport increase 28%, other transport increase 3%) and accommodation (increase 13%) [4].

Main Issues and Growth Potential. The development of tourism sector in Georgia is blocked by many problems [1]. According to the «National Concept of tourism development in Georgia», five were identified as those that require urgent solutions [2; 5]:

1. Georgia does not have a favorable international image, and this issue is the biggest obstacle. Minimal promotion funding of the market research of tourism is another important hurdle.

2. The limited range and poor quality of services in the field of tourism fuels a plunge in the sector's demand.

3. Security problem that is caused by the criminal situation in the country and overall instability makes doubtful the future prospects of Georgian tourism.

4. Lack of qualified personnel in the tourism sector. According to the information department of the Ministry of Internal Affairs of Georgia, the number of European tourists compared with 2012 increased by 82%. In this

light, the language issue becomes extremely relevant. English-speaking staff that can convert tourists' requests in cash revenues is small numbered. Georgia holds one of the lowest positions in the list of English-speaking population in the world. Unfortunately, the popularization of English in Georgia was begun relatively late. «Linguistic revolution» that was begun by former President Mikhail Saakashvili in 2010, is currently reluctantly adopted by some experts: the people of Georgia are afraid of losing their self-identity. Nevertheless, an increase in the level of knowledge of English in Georgia will have a positive effect on the prospects for economic development. It will become much easier to attract tourists and investors if Georgia has an English-speaking service sector – in other words, if Georgian public servants, lawyers, doctors, and hotel and restaurant service personnel are able to easily establish contact with visiting foreign guests who want to start a business or even those who have arrived for a holiday.

5. Insufficient capacity for seasonal tourist accommodation, including transportation problems.

However the potential of tourism sector in Georgia has considerable parameters: 103 resorts, 182 resort areas, 12 000 historical monuments, 4 of which are included in the list of UNESCO's cultural values, 2 operating and 8 prospective national parks, 2400 mineral springs, karst caves, the Black Sea coast, large and small mountain ranges of the Caucasus, biodiversity and climate [3].

Conclusion. Stable growth of key figures in Georgian tourism shows the inevitable restructuration in its economy. Despite the problems that are actually temporary, Georgia has great prospects to conquer the market of tourism services in Caucasus. Undoubtedly, Ukraine can reach its full touristic potential, using Georgian experience. The analysis of such experience adoption in Ukraine could be the focus of further research.

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EXTERNAL ECONOMIC RELATIONS: INTERNATIONAL TRADE OF UKRAINE

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Oleynik A.V., Davydenko I.V. External economic relations: international trade of Ukraine. The article reveals the issues of the Ukrainian external economic relations and studies the changes in the international trade of Ukraine.

Keywords: export, external economic relations, import, international trade, Ukraine.

Олійник А.В., Давиденко І.В. Зовнішньоекономічні відносини та міжнародна торгівля України. Стаття розкриває питання українських зовнішньо-економічних зв'язків, досліджує зміни міжнародної торгівлі України.

Ключові слова: експорт, імпорт, зовнішньоекономічні відносини, міжнародна торгівля України.

Олейник А.В., Давыденко И.В. Внешнеэкономические отношения и международная торговля Украины. Статья раскрывает вопросы украинских внешнеэкономических связей, исследует изменения международной торговли Украины.

Ключевые слова: внешнеэкономические отношения, импорт, международная торговля Украины, экспорт.

The object of the research is economic relations in the system of external economic relations of Ukraine. The purpose of the research is to study sectoral and territorial structure of foreign economic policy and the government activities and market structures of Ukraine within the open economy formation. The material of the study was derived from the Ukrainian statistical sources and books on international trade and economics of Ukraine.

Ukraine has a favorable geographical position, climate and natural resources in order to develop the economy [7]. A dense network of railways, roads and ports helps to development external relations with neighboring states [5].

During the formation of independent Ukraine (1992 and 1999), the economy experienced a decline in all industries, and real GDP declined by 55.4%. But in 2000, GDP grew by 5.9%, in 2001 – 9.2%, 2002 – 5.2%. In 2002, the growth experienced a strong decrease, because of the slow pace of modernization of the economy in general. That has become an obstacle to the development of external economic relations [6].

Our country is making significant efforts to integrate into the world community. Ukraine has become a member of several international organizations. Thus, membership in the International Monetary Fund, the World Bank, and the European Bank for Reconstruction and Development provides Ukraine with the opportunity to get the best loans [1; 2].

The main component of the external economic relations is international trade. Since 2004, the balance between export and import has had a negative indicator, causing the impact on the financial stability of the state [3].

During the years of independence Ukraine has started to carry out the reoriented foreign trade operations with CIS countries, Europe, Asia, America and Africa. In 2002 (compared to 2001) the share of European countries in external-economic turnover of goods and services increased from 31.7% to 34%, in Asia – from 13.9% to 16.3%, in Africa – from 2.7% to 3.2%. In 2002 (compared with 2001) the volume of imports from CIS countries grew by 2.2%, while exports decreased by 0.3%. 72% of the total import belongs to mineral products, 92% of which is natural gas and oil [10].

In 2003 there were also positive trends in the external economy of Ukraine. Exports of goods and services in 2003 increased by 21% (compared to 2002). In 2004 exports of goods amounted to 29482,7 million dollars. Exports increased by 42.7% (compared to 2003), import – by 28.2%. The positive balance was about 3412,4 million dollars (compared to 2003, when it was 324,3 million dollars). External operations were carried out with partners from 198 countries. And in 2005, exports increased by 6.4% [4; 11].

By 2012, the international trade of Ukraine had the following situation: the volume of exports – 69 bln. dollars; the volume of imports – 84.7 bln. dollars:

In 2013, there was a decrease of both imports and exports, with imports decreasing faster. The main reason for the decline was the reduction of mineral products purchases – by 30% (January–August 2013) [11].

The decline of exports in 2014 was 12.3% (compared to 2013), while imports – 11.7%. Moreover, due to the deep political crisis, both Eastern and Western vectors of foreign trade of Ukraine experience some difficulties [11]. The growth of imports in 2014 is observed only from Belarus (+14%). Imports from Russia decreased by 14.9%, from Turkey – 17.8%, Poland – 6%. The largest decrease of imports was USA – 23.3% and China – by 24.8% [11].

Summing up, the current pattern of international trade of Ukraine is in a rather difficult position; it does not provide any clear sign of the future development. The project, which includes aspects of foreign relations of Ukraine, is the large-scale Presidential program “Strategy 2020”. Due to radical reforms in all spheres and aspects of the state, the government can achieve higher standards of living and will possibly get a rightful place on the political map of the world. This large-scale, multi-faceted program of reforms can lead the country to considerable changes, especially if we are talking about the international arena. However, it’s not obvious that the focus on Europe should be a key position of international trade relations of Ukraine, especially taking into account serious problems of the EU and the natural potential of Ukraine [12].

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DIVERSIFICATION OF FOREIGN ECONOMIC ACTIVITY – A WAY TO REDUCE THE RISKS OF THE ORGANIZATION

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Oliinyk O.I., Skrypnyk T.I. Diversification of foreign economic activity – a way to reduce the risks of the organization. This article covers an analysis of importance of diversification of international activity of Ukrainian manufacturers using a Kharkiv enterprise as an example. It distinguishes parameters using which companies can analyse their potential markets.

Key words: diversification of international activity, enterprise, potential markets.

Олійник О.І., Скрипник Т.І. Диверсифікація зовнішньоекономічної діяльності – засіб скорочення ризиків організації. У даній статті розглядаються аналіз важливості диверсифікації міжнародної діяльності українських виробників, на прикладі підприємства з Харкова. Приведені параметри, за допомогою якого компанії можуть аналізувати свої потенційні ринки.

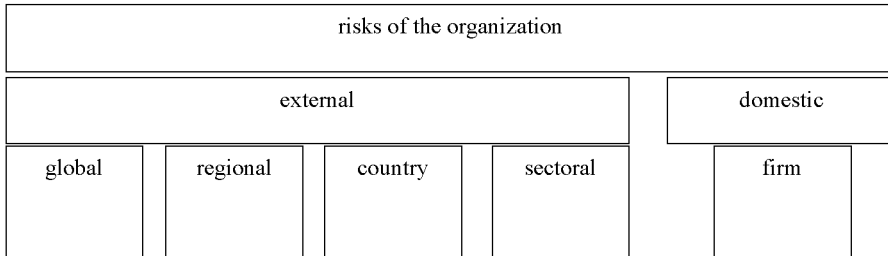
Ключові слова: диверсифікація міжнародної діяльності, підприємство, потенційні ринки.

Олейник А.И., Скрыпник Т.И. Диверсификация внешнеэкономической деятельности – способ сокращения рисков организации. В данной статье рассматриваются анализ важности диверсификации международной деятельности украинских производителей, на примере предприятия из Харькова. Представлены параметры, с помощью которых компании могут анализировать свои потенциальные рынки.

Ключевые слова: диверсификация международной деятельности, потенциальные рынки, предприятие.

The uncertainty of the economic system led to the transformation of the risk management activities in the mandatory component of the modern organization.

Theoretical basis for improving enterprise risk management is primarily their classification [2]. There are a significant number of approaches to risk classification, we used the approach presented in the figure.



External to the organization uncontrollable risks generating factors are a growing concern of practitioners and the focus of the expert community.

The analysts of the World Economic Forum have been monitoring risks since 2005 [5].

To estimate the country risk several generally accepted methods are used [3]. A significant role is allocated to assessing the stability of the political, economic, monetary and foreign exchange areas.

Organization of small and medium-sized businesses find themselves in a particularly difficult situation, as the threat of an environment affects such their weaknesses as limited financial resources, lack of professional managers.

The object of the conducted study is a private enterprise in Ukraine, in the city of Kharkov. This company produces leather gloves. There are both male (classic, kid, etc.) and female collections (classic, short, fingerless gloves). At present, the organization has mastered sufficiently wide, long and deep range. Capacities allow manufacture 40,000 pairs of gloves per year. For the manufacturing of products used mainly imported raw materials from South Africa, England, Ethiopia, Czech Republic, and Italy are used.

The main competitive advantage of the company – is the quality of the product which is the synthesis of high-quality resources, fashionable design, high-quality performance products. Foreign economic activity is considered by the organization's management as a way to compensate for reduced income and increased competition due to the active penetration of the Chinese counterparts.

Two potential markets have been identified as the most attractive foreign markets: Russia and Poland on the basis of PEST and SWOT analyses [1]. Comparative study and evaluation of the attractiveness of the markets of the selected countries was carried out in terms of:

- Market Size,
- Market access,
- Perception of the market,
- Stability of the market,
- Ease of doing business,
- The level of risk.

To determine consumer preferences, shopping motivations, choice of buying gloves on selected markets market research was conducted in the form of a survey on social networks online.

The results of the study related to the new brand are the following:

- 74% of buyers determine the quality of the gloves according to the type and strength;

- 26% of respondents preferred import gloves.

In Russia, most buyers prefer to buy gloves in clothing stores, with the proportion of people who buy gloves in supermarkets and shopping centers being approximately equal to the average share of the Internet and the markets, fairs and exhibitions.

Among the citizens of Poland the majority of customers get gloves on the Internet. This is facilitated by less complicated procedures, compared to the Russian and Ukrainian ones:

- The method of producing goods,
- The possibility of determining the size of the gloves.

In developing the recommendations for the introduction of the products of this company to the Russian market we considered the following factors:

- Similar climatic conditions;
- Requirements of consumers;
- Low cost of transporting the goods;
- No language restrictions;
- Low amount of customs duties;
- Growing consumer market.

Thus, the study shows that, in the conditions of increasing threats to economic and political issues in the domestic market, to significantly reduce the risk of business income of the national small business manufacturer allows the determination of opportunities in foreign markets and further diversification of destinations international economic activity.

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MAJOR DEVELOPMENT STAGES OF THE U.S. NATIONAL INNOVATION SYSTEM

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Osadchuk M.A., Startseva N.M. Major development stages of the U.S. national innovation system. The article provides major development stages of the U.S. national innovation system as well as reveals the key factors of its innovation competitiveness. The role of government and the private sector for the formation of the U. S. NIS was analyzed. Based on summarizing the main results of the study the key principles of effective innovation policy were identified.

Key words: the U. S. NIS, innovation development, innovation policy, innovations, national innovation system.

Осадчук М.О. Старцева Н.М. Основні етапи розвитку національної інноваційної системи США. У статті надано основні етапи розвитку національної інноваційної системи США, а також визначено основні чинники забезпечення її інноваційної конкурентоспроможності. Проаналізовано роль уряду та приватного сектору протягом становлення НІС США. На основі узагальнення основних результатів дослідження визначено ключові принципи проведення ефективної інноваційної політики в контексті глобалізації.

Ключові слова: інновації, інноваційна політика, інноваційний розвиток, національна інноваційна система (НІС), НІС США.

Осадчук М.А. Старцева Н.Н. Основные этапы развития национальной инновационной системы США. В статье описаны основные этапы развития национальной инновационной системы США, а также определены основные факторы обеспечения ее инновационной конкурентоспособности. Проанализирована роль правительства и частного сектора в становлении НИС США. На основе обобщения основных результатов исследования определены ключевые принципы проведения эффективной инновационной политики в контексте глобализации.

Ключевые слова: инновации, инновационная политика, инновационное развитие, национальная инновационная система (НИС), НИС США.

Relevance. In order to understand the U.S. innovation system better, it's worth examining the history of the United States in terms of innovation and innovation policy.

The goal of the article is to illustrate major development stages of the U.S. national innovation system.

The theme of national innovation system is really relevant nowadays, the country needs to develop in the world of globalization, and the example of the formation of the U.S. national innovation system gives experience, which can be used at national practice.

Methods of research are analysis of current documents and forecasting.

For its first 125 years after independence, the United States was not at the global technology frontier – that advantage was held by select European nations, first the UK and then Germany. However, with the emergence of the steel-based industrial revolution of the late 1890s, the United States joined the ranks of the world leaders, producing a host of leading-edge innovations. The large American market enabled U.S. firms to successfully enter new mass production industries, such as chemicals, steel, and meat processing, and later autos, aviation, and electronics [3, p. 230].

The scale helped, but the United States had other advantages too. The first was the “greenfield” nature of development. Unlike Europe, which had to overcome a pre-industrial craft-based system, the American economic canvass was newer, enabling new forms of industrial development to be more easily established. Another advantage was the unrelenting commercial nature of the American culture and system, where commercial success was valued above all else. As President Calvin Coolidge famously stated: “The business of America is business”.

In the early half of the nineteenth century, government support for canals, railroads, and other “internal improvements” helped create larger markets. In

the 1860s the federal government created the system of research-based land grant colleges through the Morrill Act. Funding for agricultural research helped power agricultural productivity, which freed up tens of millions of farm workers to power America's growing factories and helped create larger markets for industrial producers. But notwithstanding these factors, by and large America's industrial innovation prior to WWII was principally powered by private inventors and firms [1, p. 559–577].

This changed dramatically after WWII with the emergence of a more science-based system of innovation, which would become dominated by large firms and the federal government. The establishment of large, centralized corporate R&D laboratories helped drive innovation in an array of industries, including electronics, pharmaceuticals and aerospace. On top of this, the massive federal support for science and technology in WWII helped develop the “arsenal of democracy” that the Allies used to beat back the Axis powers threat. Federal funding of research helped drive innovation and played a key role in enabling U.S. leadership in a host of industries from software, hardware, aviation to biotechnology [2, p. 51].

In fact, the explicit promotion of innovation and productivity as an economic goal was largely ignored and even rejected through most of the post-war period. The first major post-war federal effort to explicitly support industrial innovation was made by the Kennedy administration in 1963 with its proposal for a Civilian Industrial Technology Program (CITP). The administration proposed CITP to help balance the overriding focus of federal R&D on defense and space exploration, both of which had increased as the United States sought to counter the Soviet Union in the Cold War [4, p. 153].

Two years later the Johnson administration was able to get a redesigned effort through Congress, but only after making a number of changes. The new program, the State Technical Services program, was to fund university-based technology extension centers in the states that would work with small and mid-sized companies to help them better utilize new technologies. However, the Nixon administration proposed its own initiative, the new Technology Opportunities Program, again to support technology in solving pressing social challenges, like developing high-speed rail and curing certain medical diseases. But again the program was not funded by Congress.

This system began to gradually change in the late 1970s with the emergence of competitiveness challenges from nations like Japan and Germany. It was with the election of President Jimmy Carter in 1976 that the federal government began to focus in a more serious way on the promotion of technology, innovation,

and competitiveness. The motivation for this was the major recession of 1974, the shift in the U.S. balance of trade from the one of surplus to the one of deficit, and the growing recognition that nations like France, Germany, and Japan now posed a serious competitiveness challenge to U.S. industry [5, p. 74].

These efforts were followed up by efforts of Congress and the Reagan and Bush I administrations. Indeed, policymakers responded with a host of major policy innovations, including passage of the Stevenson-Wydler Act, the Bayh-Dole Act, the National Technology Transfer Act, and the Omnibus Trade and Competitiveness Act. They created a long list of alphabet soup programs to boost innovation, including SBIR (Small Business Innovation Research), NTIS (National Technical Information Service – expanded), SBIC (Small Business Investment Company – reformed), MEP (Manufacturing Extension Partnership), and CRADAs (cooperative research and development agreements). They put in place the R&D tax credit and lowered capital gains and corporate tax rates. They created a host of new collaborative research ventures, including SEMATECH, the National Science Foundation (NSF), Science and Technology Centers and Engineering Research Centers, and the National Institute of Standards and Technology (NIST) Advanced Technology Program.

Moreover, it wasn't just Washington that acted. Most of the 50 states transformed their practice of economic development to at least include the practice of technology-led economic development. Many realized that R&D and innovation were drivers of the New Economy, and that state economies prosper when they maintain a healthy research base closely linked to commercialization of technology.

But by the time Bill Clinton was elected in 1992, America's competitiveness challenge appeared to be receding. Japan was beginning to face its own problems, in part stemming from the popping of its property bubble and increasing value of the yen. And Europe was preoccupied with its internal market integration efforts. Moreover, with the rise of Silicon Valley as a technology powerhouse and the rise of the Internet revolution and companies like Apple, Cisco, IBM, Intel, Microsoft, and Oracle, America appeared to be back on top, at least when it came to innovation. As such, the pressures for Washington to focus on industrial innovation and competitiveness policy receded.

Soon after, information technology entered into a new phase, with more powerful microprocessors, the wide-scale deployment of fast broadband telecommunications networks, and the rise of Web 2.0 social network platforms. As a result, it became clear to many policymakers that IT (or ICT) was now

a key driver of growth and competitiveness, and that effective economic policy now had to get IT policy right.

In conclusion we can say that the Great Recession, both a result of this loss of competitiveness and a cause of further industrial decline, may represent a watershed moment in U.S. history, the one that represented the high-water mark of U.S. industrial leadership.

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UKRAINE AND INTERNATIONAL FINANCIAL INSTITUTIONS: PROBLEMS AND PERSPECTIVES OF COOPERATION

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Pobochiy O.V., Vlasenko M.O. The article analyzes the cooperation of international financial institutions with Ukraine, the influence of this cooperation for the implementation of Ukraine's stabilization policy.

Key words: cooperation, International Financial Institutions, recession, stabilization policy, Ukraine.

Побочій О.В., Власенко М.О. Україна та міжнародні фінансові установи: проблеми та перспективи співпраці. У статті досліджена співпраця міжнародних

фінансових організацій з Україною, розглянуто вплив цієї співпраці на реалізацію Україною своєї стабілізаційної політики.

Ключові слова: економічний спад, міжнародні фінансові інститути, співпраця, стабілізаційна політика, Україна.

Побочий О.В., Власенко М.А. Украина и международные финансовые структуры: проблемы и перспективы сотрудничества. В статье изучено сотрудничество международных финансовых организаций с Украиной, рассмотрено влияние этого сотрудничества на реализацию Украиной своей стабилизационной политики.

Ключевые слова: международные финансовые организации, сотрудничество, стабилизационная политика, Украина, экономический спад.

The object of the study is the cooperation between Ukraine and the International Financial Institutions. The purpose of the study is the theoretical justification and the development of practical recommendations for improving the forms, methods and mechanisms of cooperation between Ukraine and the International Financial Institutions to improve its effectiveness and efficiency at the present stage. The material of the study was derived from Ukrainian and European statistical sources, Ukrainian scientific publications.

Activities of international financial organizations (IFO) have a meaningful impact on the implementation of stabilization policy in Ukraine.

The main reason for this is a recession, a need of structural reforms at unformed financial market with its limited possibility of using these methods but also state budget of public sector privatization, internal debt and other borrowings.

Deepening cooperation with leading IFO meets the needs of elimination of disparities, balance of payments and government deficits of countries with transition economies, including Ukraine, which could not be achieved only through internal macro stabilization factors. In addition, the involvement of Ukraine to the credit quicker assistance reflects the desire to integrate into the world economy and is related to expectations for a country advisory and financial assistance to overcome the crisis.

The biggest impact on the stabilization policy of Ukraine performs such leading IFO as the International Monetary Fund (IMF), World Bank. The main areas of stabilization and adaptation influence of these organizations are fiscal, monetary and exchange rate policy.

Principles which are based on cooperation of Ukraine with IFO are:

- Speed up the process of market transformation, financial stabilization and integration of Ukraine into the EU;

- Compliance with the terms of credit to Ukraine with IFO priorities of social and economic development;
- Encouraging country's foreign direct investment, and highly effective mobilization of internal resources;
- Referrals to financial resources to ensure sustainable growth, structural transformation, the formation of developed domestic market and the elimination of the practice of using them to finance current expenditure;
- Compliance with generally recognized and economically reasonable limits and rapid level of external debt, according to the international standards of solvency of the country [7, p. 35].

IMF – a monetary and financial organization of the intergovernmental cooperation, which regulates monetary settlement relations between states and implements financial assistance to member countries by providing in case of foreign exchange difficulties caused by the violation of balance of payments, short-term loans in foreign currency. IMF operates as a specialized agency of the United Nations and the institutional basis of the current international monetary system [6].

In collaboration with Ukraine the IMF loan programs can be divided into several stages:

The first phase (1994–1995). During this period Ukraine has received financial assistance in the form of systemic transformation loans worth 498.7 million SDRs or 763.1 million dollars to support the balance of payments of Ukraine. However, due to non-fulfillment of certain conditions Ukraine's program was completed on time.

The second phase (1995–1998 years). Ukraine received IMF loans totaling \$ 1,318,200,000 SDRs in three year program “Stand-by”. The main purpose of these loans was to support the national currency and finance deficit in Ukraine.

The third phase (1998-2002). EFF program provided credit for Ukraine totaling 2.6\$ billion. In December 2000, the term of the EPP Program has been extended until September 2002, but eventually Foundation never gave Ukraine residual sum of credits (recognizing the negative conclusions of the recent review of the implementation of the program). Thus, Ukraine has received in the framework of the EPP 1193.0 million SDRs., Which were designed to replenish foreign exchange reserves of the National Bank of Ukraine.

The fourth stage (2004-2008). After the completion of EPP Program the government of Ukraine found ways of further cooperation between Ukraine and the IMF on a credit basis chosen without warning program “Stand-by” [2].

Cooperation with the IMF is a large economic positive thing for Ukraine:

Firstly, the economic reforms started (financial, tax, pension), which caused some resistance, but allowed to demonstrate positive dynamics in the economy of Ukraine, dynamically increasing the domestic demand. Overall inflation has fallen to single digits primarily due to fall in food prices.

Secondly, one of the uses of IMF loans is the formation of foreign exchange reserves. Formation of these reserves using the IMF has allowed Ukraine to maintain the stability of the national currency, to successfully carry out a monetary reform, the hryvnia enter convertibility for current transactions. In addition, the increase in foreign exchange reserves and their high level is a proof of the stability of the financial system and increases credibility.

Thirdly, Ukraine needs to pay its obligations under the IMF loans and interest thereon. And state cannot dispense without another credits. There is no cheaper money than the World Bank and the IMF can propose.

Fourth, in case when the situation on foreign markets escalates, Ukraine with its export-oriented sectors of the economy will be in a difficult situation, the release of which may be:

- The development of the internal market should be followed by normal payment and increase of wages and pensions;

- Attracting investors with the absence of IMF programs is problematic.

Ukraine's Cooperation with the World Bank has evolved through following phases [1]:

The first phase (1992 – December 1994) mainly attributable exposure and research mission of the World Bank, which resulted in a report on economic and social situation in Ukraine and the introduction of the first investment project of about 17\$ million.

The second phase (late 1994 – 1997) covers the preparation and realization of the World Bank system projects aimed at the reforming of certain sectors of the economy and social sphere. These funds were used to improve the pension system, administrative reform, management of public resources. At the same time enlarged the investment portfolio of the World Bank, in particular the modernization of road infrastructure, heat and water systems and so on [3, p. 340].

The third phase (1998 – 2000) is characterized as an increase in lending by the World Bank and the beginning of indebtedness repayment.

Ukraine cooperates with the World Bank Group portfolio of projects implemented jointly with an agency in Ukraine that consist of systematic and investment projects. During the period from 1993 to 2011 loan agreements

totaling more than 9 \$ billion were signed [4]. Of these, more than 7\$ billion were provided by the International Bank for Reconstruction and Development, more than 1.6\$ billion – International Finance Corporation.

Among the World Bank projects which were realized at the beginning of 2012 are:

a) additional funding for the project “Second Export Development Project.” Its purpose is to promote exports of private enterprises in Ukraine through the medium and long term lending investment needs of enterprises that export their products. Loan Amount was 154.5\$ million.

b) “Public Finance Modernization Project.” The purpose of this project is to strengthen public financial management in Ukraine by improving operational efficiency and transparency. Loan amount was 50 \$ million.

c) The project “Urban Infrastructure”. The aim of this large-scale project is promoting utilities to improve the quality and reliability of services and reducing maintenance costs through a series of institutional improvements. The amount allocated by the World Bank funds for this project was 140.0\$ million [5, p. 93].

Conclusions. IFO are important for the implementation of Ukraine for stabilization and improvement of the economic situation. Ukraine’s cooperation with IFOs leads to a competitive market environment, improved macro-financial indicators of stabilization, the investment processes, and promotion of private enterprise.

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SOME PR PECULARITIES IN HUMAN COMMUNICATION

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Pogorelova A.S., Horoshilova P.D., Goldina A.N. Translation problems in international marketing. The article reveals some features of international marketing and identifies main elements of the international marketing environment that become problematic for the company, that enters the market of another country. Particular attention is paid to the language barrier and the problem of translation of firm names, trademarks, advertising texts. Some examples of typical mistakes in the translation and the choice of companies names are given.

Keywords: international marketing, naming, national marketing.

Погорелова А.С., Хорошилова П.Д., Голдіна О.М. Проблеми перекладу в міжнародному маркетингу. Стаття розкриває деякі характеристики міжнародного маркетингу та виявляє основні елементи міжнародного маркетингового середовища, які стають бар'єрами для виходу компанії на ринок іншої країни. Особлива увага приділяється мовним бар'єрам і проблемі перекладу назв фірм, торгових марок, рекламних текстів. Наведені приклади помилок в галузі перекладу і вибору найменувань компаній.

Ключові слова: міжнародний маркетинг, національний маркетинг, неймінг.

Погорелова А.С., Хорошилова П.Д., Голдіна А.Н. Проблемы перевода в международном маркетинге. Статья раскрывает некоторые характеристики международного маркетинга и выявляет основные элементы международной маркетинговой среды, которые становятся барьерами для выхода компании на рынок другой страны. Особое внимание уделяется языковым барьерам и проблеме перевода названий фирм, торговых марок, рекламных текстов.

Приведены примеры ошибок в области перевода и выбора наименований солидных компаний.

Ключевые слова: международный маркетинг, национальный маркетинг, нейминг.

Human communication is a complex process. Basically, it involves a sender, a message, a channel through which the message travels, and a receiver. However, effective communication is difficult to achieve. Both verbal and written communication include coding into words and typographic (printed) symbols, transmitting and decoding by the recipient. Various audience are to receive information and messages, understand them, retain to remember and, in case of necessity, be able to answer them.

One of the most important and developed spheres of human communication has always been and remains trade relations. Though, of course, in the course of time the ways, methods, approaches, types of these relations have crucially changed. Because of the greatly grown level of competition an urgent need appears to find and use the most efficient ways of sales expansion and, as a consequence, profit increases.

Advertising is considered to be one of the most popular and effective ways. By itself, this method involves representation of a specific product with the most advantages for a potential buyer. Product description should most clearly emphasize all of its positive characteristics. Qualitative advertising is able to motivate the buyer to purchase this very product excluding all doubts about the correctness of his choice. In fact, people do not very much think about the names some foreign goods have, and you can often find rather absurd translation.

Unfortunately, manufacturers do not always wish to spend a considerable sum of money to hire a qualified PR specialist in advertising for translate their products names and brands abroad. Thus, ignoring the basic principle of naming *«As you you're your bed, you must lie on it!»* (“What do you call a boat, so it will float!”), they doom themselves to failure.

A striking example of this is the media industry. Many consumers are misled by the most of the translated names of broadcast movies. For example:

- «Some like it hot» – «В джазе только девушки»;
- «Danin real life» – «Влюбиться в невесту брата»;
- «Public Enemies» – «Джонни Д.»;
- «The Hurt Locker» – «Повелитель бури»;
- «The Water Horse» – «Мой домашний динозавр».

Also, not always under sansable translations of books are:

- «A Walk to Remember» – «Спешите любить»;
- «House Rules» – «Последнее правило»;
- «We Need to Talk About Kevin» – «Цена любви»;
- «Scorpio Races» – «Жестокие игры».

Even well-known companies sometimes get into such situations when an incorrect translation restrains the growth of sales. For example, a well-known company General Motors was a fiasco, trying to get to the markets of Latin America, a new car Chevrolet Nova. And as it soon became known, *No va* in Spanish means “can not move.”

Coca-Cola Company for a long time could not find the name for its production in China. The fact is that the Chinese pronounce the name of the drink as “Kekukela”, meaning “Bite Waxy Tadpole.”

The world-famous car company Ford also had a financial loss because of wrong translation. So, “Fierra” is a cheap truck designed for developing countries, was poorly sold in Latin America. The matter is that the Spanish “fierra” means “old woman”.

When the company Kentucky Fried Chicken opened its first restaurant in Beijing in 1987, the Chinese have accidentally translated the famous slogan KFC, “So delicious that Yum!” As “We will bite your fingers!”

It’s not strange that people were puzzled with the above-mentioned names, so the expected amount of sales have not been realized completely. The term of the company functioning on the market depends very much on the names of the firm and brands translation. It is absolutely necessary to take into account various values, national and linguistic peculiarities. These problems should be paid attention to as much as possible. The company shouldn’t economize concerning these factors, as in future thanks to the well-organized PR advertising and trade mark it can be very much effective.

As a result of this problem spreading among manufacturers there was formed a special advertising branch, namely, localization of advertising. Specialists in this sphere are engaged in translation as well and should obligatory know various peculiarities of the problem. Before they begin translating PR text they should find information of the company, i.e. manufacturer and the goods advertised and analyze the needs of people concerning these goods.

This not very much complicated procedure of naming formed a separate trend, as in requires not just creativity, good taste, a certain educational level, but also wide and deep professional competence in the industry of PR business.

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INTEGRATIVE PRIORITIES OF UKRAINE: FOREIGN TRADE

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Popova O.V., Davydenko I.V. Integrative priorities of Ukraine: foreign trade. The article studies the integrative position of Ukraine within the European integration and main integrative priorities; carries out the analysis of the positive and negative consequences of integration for Ukraine's economy.

Keywords: European Union, integration, foreign trade, Ukraine.

Попова О.В., Давиденко І.В. Інтеграційні пріоритети України в контексті зовнішньої торгівлі. У статті проаналізовано стан зовнішньої торгівлі України і виявлено головні інтеграційні пріоритети. Приведено позитивні та негативні наслідки впливу інтеграції на економіку України.

Ключові слова: Європейський Союз, зовнішня торгівля, інтеграція, Україна.

Попова А.В., Давыденко И.В. Интегративные приоритеты Украины в контексте внешней торговли. В статье проанализировано состояние внешней торговли Украины и выявлены основные интегративные приоритеты. Приведены положительные и отрицательные последствия воздействий интеграции на экономику Украины.

Ключевые слова: внешняя торговля, Европейский Союз, интеграция, Украина.

One of the distinctive features of recent decades is the steady growth of the role and importance of foreign policy among many other areas of economic activity of the state. It is important to investigate this in order to find out the concept of trends and directions of national economy development, economic strategies and to establish an adequate policy. Integration is among these processes.

Current relations between Ukraine and Europe can be considered the leading factor of Ukrainian foreign policy strategies and the main vector of national foreign policy. They are thought to be the most important element of the modern system of international relations, including its continental and regional segments.

Everybody's attention to foreign policy issues has reasonably increased recently, mainly due to the tendency to form and create economy mostly taking into account external factors, as a result of the integration of national economies.

Works of famous Western scholars such as V. Berens, M. Bromvyeh, J. Keynes, R. Markowitz, F. Modigliani, D. Norkott, A. Tobin, W. Fisher, P. Havranek, W. Sharp and Ukrainian and Russian researchers: I.O. Blanc, Z.S. Varnaliya, A.S. Halchynskiy, B.V. Gubskiy, V.M. Degtyarenko, V.V. Kovalev, V.V. Kossov, D.G. Lukyanenko, J.G. Lysenko, J.S. Melkumova, P.S. Rogozhkin, E.V. Saveliev, V.D. Shapir are dedicated to these issues.

Integration processes weigh much in the ongoing economic development. However, it should be mentioned that before you choose the direction and prepare to-do-plan you should weigh the pros and cons of the process and take into account the side-effect of taking this step to reach the goal.

The press now clearly reveals two opposing tendencies of European integration. There are two groups – supporters and opponents of European integration in Ukraine. European integration is closely connected with the issue of trade, especially with Russia and Poland. This is not surprising, because the share of Russia, for example, is approximately 30% of export and import trade volume. Today it is the largest partner of Ukraine. But many scientific sources, including Russian, give the idea of Ukrainian movement only towards Russia. Pro-Russian scientists harshly criticize the idea of ?? Ukraine's joining European community, proving inability of the economy to achieve this goal. In particular, Professor V.P. Kolesov explains the failure of Ukraine to join the European community with the fact that a large part (45-50% according to experts) of the Ukrainian economy is “shady” [5].

The main positive effects of integration are: international companies establishment; globalization of financial activity, which makes it possible to overcome a number of significant legal restrictions and norms that exist within national borders; improved business and market forms; liberalization of trade policy regime for commodity and services markets; capital and stock markets will be able to reduce the level of tariffs and cancel many restrictions; global impact of external factors on the development of the national economy will become more powerful than the influence of internal factors of national development; entrepreneurship can acquire the status of popular and

multinational; growing influence of new information and communication technologies can reduce costs, which can lead to new investments and increase welfare, etc. [4, p. 66].

Apart from positive effects, the impact of integration on the economy has also negative ones. That is, in particular, the destruction of national foundations, mostly in connection with the activities of global entrepreneurship, enhancing differentiation of countries, leading to new conflicts and crises. Therewith:

- economic integration leads to crises and contradictions while seeking to overcome them;

- global business activities, subordinated to the principles of global economic strategy, can impact negatively on national interests;

- business under the influence of globalization becoming global, there is a need for a coherent policy at all levels of state and interstate system in order to meet the interests of the population, rather than selfish goals of capital business;

- it is necessary to find a compromise between national and international interests and ways of optimal combination of all existing market mechanisms, etc. [2].

Effects of external economic factors of integration are proved by development of foreign economic activity on the one hand and conditions of the environment – on the other.

Recently economy of the Ukraine has maintained the negative long-term structural trends in the goods and services export-import, namely: raw material orientation of export, the prevalence of resource-equipment exports of engineering products; irrational commodity structure of imports; deformed geographical structure of exports and imports, e.g. monopoly dependence upon particular countries; extremely uneven allocation of export potential.

The conditions of international labor migration and formation of full-fledged monetary relations are among foreign economic factors of integration.

While establishing its own integration policy, Ukraine has to decide about the appropriate medium and long-term priorities, based on current conditions and effective functioning of the national economy [1, p. 204].

Some measures are being taken to facilitate trade with the EU. On April, 3 this year the European Parliament supported the European Commission proposal to introduce a package of autonomous trade preferences, which the EU has to offer to Ukraine. These preferences mean expansion of custom privileges on Ukrainian export, stipulated by the provisions of the Association Agreement between Ukraine and the EU in terms of FTA (Free Trade Agreement).

According to the procedure, the package of autonomous trade preferences, which the EU provides Ukraine with, will come into force after its approval by the European Union Council. The positive economic impact for Ukrainian exporters in connection with the cancellation or tariff reduction under this decision is estimated approximately 487 million euros per year [6].

Thus, it is clear that the integration process for economy of Ukraine is necessary. The first steps towards integration have been made. Ukraine should determine their priorities and move this way.

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EVALUATION OF CROSS-BORDER COOPERATION IN SOCIAL AND ECONOMIC STATUS OF RUSSIAN-UKRAINIAN BORDERLANDS

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Prokhorov N.O., Litovchenko Y.M. Evaluation of cross-border cooperation in social and economic status of Russian-Ukrainian borderlands. The article deals with the problems of Russian-Ukrainian cross-border relations. Analysis of development of these regions in economic, agricultural and social spheres is provided. All cross-border regions are compared, the most and the less developed of them are found.

Keywords: Cross-border region, development, diagnosis, population, region.

Прохоров Н.О., Літовченко Я.М. Оцінка впливу транскордонного співробітництва на соціально-економічний стан українсько-російського порубіжжя. У статті розглядаються проблеми російсько-українського прикордонного співробітництва. В цій статті зроблений аналіз розвитку цих регіонів в економічній, сільськогосподарській та соціальній сферах. В ній порівнюються всі транскордонні регіони, виявляються найбільш і менш розвинені з них.

Ключові слова: діагностика, населення, прикордонні області, регіон, розвиток.

Прохоров Н.А., Литовченко Я.Н. Оценка влияния трансграничного сотрудничества на социально-экономическое положение украинско-российского пограничья. В статье рассматриваются проблемы российско-украинского приграничного сотрудничества. В этой статье сделан анализ развития этих регионов в экономической, сельскохозяйственной и социальной сферах. В ней сравниваются все трансграничные регионы, определяются наиболее и наименее развитые из них.

Ключевые слова: диагностика, население, пограничные области, регион, развитие.

One of the stages of conceptual and strategic framework of regional development is a regional diagnosis. Regional diagnosis is a way to assess the current state of the region in many ways. D.M. Stechenko believes that the diagnosis involves identifying regional disproportions, structural deformities and deficiencies in social and economic development [3, p. 63]. The main objective of the study in this case is a kind of certification in the region, the main objectives are:

- Firstly, building information model territory, natural resources, population, economy and infrastructure of the region;
- Secondly, means to design further control of regional information flow [5, p. 105].

Diagnostic results are needed to develop national regional policy, identifying problem depressed regions, regions with significant economic potential and marketing information [3, p. 63].

The nature of cross-border cooperation is largely determined by a gap in the structure of economy, employment, income, lifestyle and culture of the people on both sides of the border. Although the level of development of the border regions of both countries is quite different, however, Russia is in the vicinity of the most developed regions of Ukraine.

Territory of cross-border regions of Russia is significantly bigger than the surrounding Ukrainian ones, but in terms of population they are comparable: on the Ukrainian side of the border are as that are part of the Russian-Ukrainian

Euroregion are inhabited by 13.5 million. People who live on the Russian side account for 15.9 million. But Ukrainian border region is more urbanized, there are 165 cities there (in Russian there are only 99 cities), and the proportion of the urban population is under 76.9 and 66.7%. Accordingly, the population density in most Ukrainian regions is higher than in neighboring Russian (with the exception of the Chernigov and the Bryansk regions, where the population density is almost identical).

Table 1

**The main factors of natural increase in population
in regions of Ukrainian-Russian borderlands**

	Birth rate	Mortality	Population growth	Migration gain
Donetsk	9,8	18,1	-8,3	-0,2
Lugansk	9,5	18,3	-8,5	-1,5
Sumy	9,1	19,3	-9,6	-1,1
Kharkiv	9,8	16,5	-6,4	1,6
Chernihiv	8,9	21,6	-12,2	-0,7
Belgorod	11,0	14,7	-3,7	76
Bryansk	10,9	17,7	-6,8	0,5
Voronezh	9,8	17,7	-7,9	33
Kursk	10,7	18,3	-7,6	15
Krasnodar region	12,2	14,2	-2,0	60
Rostov	10,8	15,0	-4,2	13

Compiled by the author [3]

Indicators of natural movement in Russian and Ukrainian regions are very bad: mortality is much higher than the birth rate. Yet the situation in the Ukrainian border regions is generally worse than in Russia. The record lowest rate belongs to the Chernihiv region with the rate of natural increase (- 12.2) [1; 4].

Overall the proportion of pensioners in the Russian regions is lower.

Analysis of demographic indicators shows a significant advantage of Russian regions. In particular, the rate of natural population growth and migration shows some problems in the regions of Ukraine and especially in the Lugansk and the Sumy regions. In terms of human resources, the greatest difference observed in average wages and per capita money income of households with a preference for Russian regions.

When comparing the cost figures presented in the statistics of both countries it's clear that Russia and Ukraine have the same pricing structure (which is not very far from reality, except for agricultural products). The indicators in roubles (local currency) using the average conversion factor NBU show that, in terms of industrial production for 5 years, many Ukrainian border regions, which are among the most developed in the country, surpassing Russia. The Donetsk region is the leader in Ukraine. It produced 21.2% of the total industrial output. About 9.5% of the output was produced in the Zaporizhzhya region and by more than 6.5% belonged to the Lugansk and the Kharkiv regions. In aggregate, these four areas have more than 40% of the Ukrainian industrial production [1; 4].

As for comparable social indicators Russian regions are ahead. Average nominal wages in Russia are on average about twice as high as in Ukraine (6710 and 3265 UAH in 2014). But in all Russian regions along the Ukrainian border the wage level is less than the average national one (75.9% in Belgorod region) [1; 4].

Ukrainian border regions, by contrast, are regions with relatively high wages among the country (except for the Chernihiv and the Sumy regions), which mitigates some gradient in the level of wages between the two countries.

But it should be noted that the wage level in the Bryansk region, with the lowest average salary among all regions of the border, is still higher than in the “richest” border region of Ukraine, Donetsk. In all Russian regions an average salary is higher than in neighboring Ukrainian regions. For example, in the Kharkiv region it accounts for 70% of the wage level in Belgorod and 57% in the Sumy region correspondingly [1; 4].

A lower level of material wealth of population in Ukrainian areas results in lower retail sales and lower volume of paid services as compared to the Russian border regions.

Social development in the Belgorod region shows the best figures among the Russian border regions. Average monthly nominal wages are higher than in the neighboring regions (though below average in Russia) and the wage proportion to the cost of the minimum consumer basket is the best in the country after Moscow. There are relatively low unemployment and crime rates in the Belgorod region too.

However it is difficult to identify the regional leader among the Ukrainian border regions. Still the Donetsk region comes first for its level of wages, but it is only third as for unemployment and crime rates. On the other hand, the Chernihiv region stands out for its relatively low rate of unemployment and

crime, citizens are provided with housing, but wages are the lowest among all border regions.

The analysis of natural resource block showed approximate equivalence between regions of Russia and Ukraine, but with a slight preference to the Ukrainian side. The only advantage the Russian regions have is their significantly better environmental situation.

The analysis of the economic situation of border regions indicates the superiority of Russian regions and finally revealed regions-outsiders, the Chernihiv, Sumy and Bryansk regions, which have the lowest rates.

Table 2

**Outcome indicator of regional economic development
of Ukrainian-Russian borderlands**

	GDP, USD	Share of value added	The volume of investments, USD	The coverage ratio of export-import
Donetsk	4039,4	11,5	982,34	2,93
Lugansk	2725,6	4,0	769,52	3,57
Sumy	2049,8	1,7	507,58	1,67
Kharkiv	3129	6,1	852,26	0,63
Chernihiv	2016,2	1,6	545,18	1,11
Belgorod	6641,0	0,9	2826,96	0,75
Bryansk	3368,3	0,4	783,38	0,32
Voronezh	4165,1	0,9	1687,50	1,07
Kursk	4718,4	0,5	1621,25	1,75
Krasnodar region	5341,8	2,7	2612,17	1,21
Rostov	4426,0	1,7	1730,50	0,62

Compiled by the author [3]

According to the data given in table, the Russian regions greatly outweigh the level of GDP comparing with Ukrainian regions. The leader is the Belgorod region, an outsider is the Sumy one. The attractiveness of the investment climate is much higher in the Russian regions, due to the more stable economic and political situation of the country. It is also possible to group regions according to the general indicator of socio-economic development:

Areas with the highest regional ranking: the Donetsk, Belgorod, Voronezh, Kursk and the Krasnodar regions.

Areas with the lowest regional ranking: the Luhansk, Sumy, Chernihiv, Bryansk and the Rostov regions [3].

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FEATURES OF TOURISM INFRASTRUCTURE OF THE CARPATHIAN REGION

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Pysemska N.O., Saprun I.R. Features of tourism infrastructure of the Carpathian region. This article is devoted to the study of current state of affairs of tourism infrastructure development of the Carpathian region. The components of tourism infrastructure of the region have been analysed. The main problems which take place in the tourism infrastructure nowadays have been highlighted.

Keywords: hospitality infrastructure, sanatorium infrastructure, tourism infrastructure, wellness infrastructure.

Писемська Н.О., Сапрун І.Р. Особливості туристичної інфраструктури Карпатського регіону. Роботу присвячено дослідженню сучасного стану туристичної інфраструктури регіону. Проаналізовані складові туристичної інфраструктури регіону. Висвітлені основні проблеми, які є характерними для туристичної інфраструктури на сьогоднішній день.

Ключові слова: готельна інфраструктура, оздоровча інфраструктура, санаторно-курортна інфраструктура, туристична інфраструктура.

Писемская Н.А., Сапрун И.Р. Особенности туристической инфраструктуры Карпатского региона. Работа посвящена исследованию современного туристической инфраструктуры региона. Проанализированы составляющие туристической инфраструктуры Карпатского региона. Отражены основные проблемы, которые характерны для туристической инфраструктуры на сегодняшний день.

Ключевые слова: гостиничная инфраструктура, оздоровительная инфраструктура, санаторно-курортная инфраструктура, туристическая инфраструктура.

The article focuses on researching the main features of tourism infrastructure development in the Carpathian region. The subject of the article is the development of tourism infrastructure in the Carpathian region.

The Carpathian Region is one of the most developed tourist regions in Ukraine. It consists of Zakarpattya, Ivano-Frankivsk, Chernivtsi and Lviv region.

The region has a huge resource base needed for the development of resort and recreational activities. Also region is popular as a center of business, cultural and sport tourism.

Sanatorium and wellness infrastructure of the region includes 2721 institutions for children and adults. 93% of these centers are for children and only 7% – for adults. The total number of sanatoriums of treatment is 97. The bulk of them is in Lviv region (55). AS an examples, in summer 2011 2524 child care centers of rehabilitation and recreation (49 of them are rehabilitation centers) – almost 15% of the total number in Ukraine operated in the Carpathian region. It should be noted that the number of health centers and health institutions has increased mainly due to children's health camps.

Over the past 16 years there has been a relatively stable trend in the number of health centers and health institutions in the Carpathian region.

Since the sanatoriums of treatment are characterized by fluctuations in their number, the growing amount of them continued until 2000-2003, afterwards there was a decline that continued until 2011 in some areas. In 2011, their number in the region is 97 (compared to 104 in 1995, and 112 in 2002).

The number of sanatoriums in the Carpathian region tends to decrease over the past 16 years. In 1995, 62 institutions of this type functioned in the region. By 2011 this number decreased to 22 (almost 3 times).

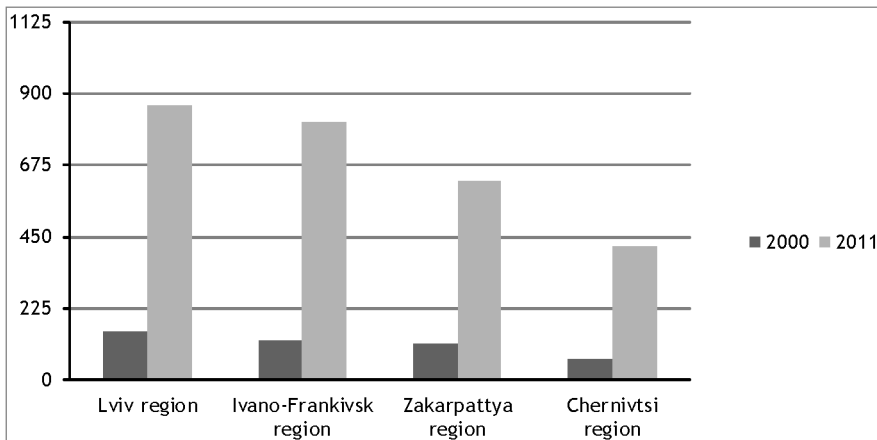
The number of health institutions in the Carpathian region is 78. Most of them (88%) are bases and other recreational institutions. Houses and pensions of rest are much inferior to them and make up only 12% of all health institutions for adults.

There are minor variations in the number of health centers in most areas: every 3-4 years undulating changes in the number of institutions is observed.

Baby health and recreation facilities in all areas of the region tend to a rapid growth. Compared to 1995, when there were 169 centers in the region, their number increased 15 times and in 2011 reached the mark in 2524 [3–6].

The largest number of health centers and health institutions are located in Lviv region. The second is Ivano-Frankivsk region, then – Zakarpattya and Chernivtsi regions. The main resorts in Lviv region are Truskavets, Morchyn, Nemiroff, Slavs’ke and Skhidnytsia. In Ivano-Frankivsk region special attention is drawn to Cherche resorts, Vorochta, Yaremcha [1]. But we should outline that when we calculate the number of beds, Zakarpattya region goes second after Lviv region. This means that the number of spa health institutions in Zakarpattya region is smaller. However they are larger in size which allows us to serve 1.7 times more tourists compared to Ivano-Frankivsk region. Moreover, Ivano-Frankivsk region takes the second place in the ranking due to the large number of children’s health and recreation facilities. If we take into account only medical and recreational facilities for adults, Zakarpattya region is second only after Lviv. The most famous resorts in Zakarpattya are Svaljava, Polyana, Pigeon, Golubyne and Soimy [3–6].

Chernivtsi region has only local importance health centers and health institutions. But the region is perspective for the development of medical and health tourism due to the availability of undeveloped resources. The information described can be observed in the bar chart one given below.



Bar chart 1. Number of Sanatorium and wellness centers in the Carpathian region [3–6]

It is advisable to compare the infrastructure of the Carpathian region with tourism infrastructure of the Azov-Black Sea region and the Crimea. Sanatorium branch of Ukraine consists of 20,662 establishments with 633 thousand beds. 36% of institutions and 63% of beds are located in the Carpathians, Azov and Black Sea regions and the Crimea. For these regions in the first place takes the Azov-Black Sea region due to its dimensions. The region occupies 113.6 thousand square km, that is 2 times greater than the Carpathian region and 4.4 times more than the Crimea. Despite relatively small size, the Crimea has to offer tourists 153.7 thousand beds with medical treatment in 1267 health centers. The Carpathian region yields the Crimea (24%) and the Azov-Black Sea region (42%) in the number of beds in sanatorium and resort facilities, they make up only 7% of the territory of Ukraine. It should be noted that the Crimea includes only one administrative territorial unit. Comparing these regions with each region the Crimea, it is a leader on par with the Odessa region [2–6].

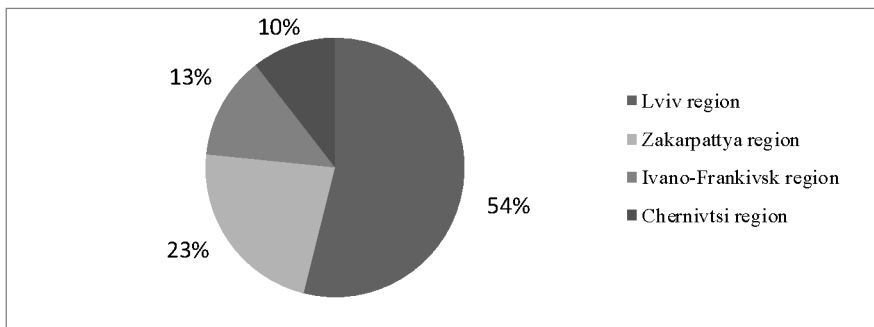
Infrastructure in hospitality industry for many tourists is an important factor in choosing future vacation destination. Over the past ten years the number of hotels and similar accommodation in Ukraine has increased significantly. In particular, in the Carpathian region the figure rose more than 5 times. In 2011, the total number of hotels in the region reached 800, compared to 146 in 2000. In 2011, the hospitality company served 795.5 thousand visitors. This is 17% of this index in Ukraine. The region has a large number of private hotels, especially in Zakarpattia and Ivano-Frankivsk regions. Most of them operate in winter and serve tourists coming to ski resorts.

Provision of places in hotels of the region is 2.07 places per thousand inhabitants. This figure is high for Ukraine (it reaches 1.67 on average). The largest number of hotels are located in Lviv region. Due to the development of mountain tourism, Zakarpattia region has the second largest number of accommodation facilities, however their number is 2 times smaller than in Lviv region [3; 5].

Dragobrat, Pylypec, Racheiv are among the most outstanding ski resorts in Zakarpattia region. The main resorts in Ivano-Frankivsk region are Bukovel, Vorochta, Yablunytsya, Kosiv, Werchowyna. Ski resorts in Lviv region: Tysovyts, Play, Rozluch, Skole.

Chernivtsi region ranks last in the Carpathian region by the number of hotels and other temporary locations and reaches 31. The number of hotels is 5 times smaller than in the Lviv region, and they serve 7 times fewer visitors than in Lviv. Hotels in Chernivtsi region are relatively large in size (number of

rooms is 3.5 times less than in Lviv region [6]. The pie chart given below show the figures described.



Pie chart 2. Hotels and other places of temporary accommodation for areas in the Carpathian region [3–6]

Summing up, the Carpathian region is one of the leading in Ukraine in terms of infrastructure development. In the region under consideration there are uneven providing facilities of spa and hotel industry. The leading positions occupy Lviv, Zakarpattya and Ivano-Frankivsk regions especially attractive for tourists. Chernivtsi region is considered to be perspective, however at present it is the least developed in the region.

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**INTERNATIONAL
FINANCIAL CENTRE (IFC)
IN MOSCOW: MYTH OR REALITY**

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Samardina A.S., Davydenko I.V. International financial centre (IFC) in Moscow: myth or reality. The article identifies major problems and core perspectives of IFC formation in Moscow, which are based on IFC development research in terms of world economic globalization. The article also reveals possible ways of development for Moscow as a future IFC and emphasizes some obstacles, which the city may face on its way to IFC transformation.

Key words: competitive advantage, competitiveness, globalization, IFC, industry, securities, stock exchange, world economy.

Самардіна О.С., Давиденко І.В. Міжнародний фінансовий центр (МФЦ) у Москві: міф чи реальність. Стаття має ціллю виявити основні проблеми та перспективи формування МФЦ у Москві, також дослідити розвиток МФЦ в умовах всесвітньої глобалізації економіки. Стаття розкриває можливі шляхи розвитку для Москви як для майбутнього МФЦ та демонструє деякі перешкоди, з якими місто може зіштовхнутися на шляху трансформації у МФЦ.

Ключові слова: глобалізація, конкурентоспроможність, конкурентна перевага, МФЦ, промисловість, світова економіка, фондова біржа, цінні папери.

Самардіна А.С., Давьденко И.В. Международный финансовый центр (МФЦ) в Москве: миф или реальность. Статья раскрывает основные проблемы и перспективы формирования МФЦ в Москве, исследует развитие МФЦ в условиях всемирной глобализации экономики. Статья раскрывает возможные пути развития для Москвы как для будущего МФЦ и демонстрирует некоторые препятствия, с которыми город может столкнуться на пути трансформации в МФЦ.

Ключевые слова: глобализация, конкурентоспособность, конкурентное преимущество, мировая экономика, МФЦ, промышленность, фондовая биржа, ценные бумаги.

IFCs have become the most powerful and important elements of international financial system in recent 30 years. Along with the growth of world-wide economy the importance and influence of IFC is also growing rapidly. The domain of IFC, which nowadays embraces financial markets, monetary and financial relations services and insurance services etc. is growing dramatically nowadays. Existence of IFC in the country is an

important aspect of country's economy competitiveness, so the development of IFC in Moscow is a crucial element of total streamlining of the RF in financial field [3, p. 14–17].

Major issues of the IFC formation are the following: efficient use of country's competitive advantages; integration of financial innovations and innovative economy development; cooperation of well-established stock exchange and scientific and research centers with high-tech industries [2].

In terms of economy globalization the presence of leading IFC is a crucial factor of economy's competitiveness, its importance and eventually its sovereignty. Composition of such elements is a significant part of modernization of social-economic institutions strategy, which operates in the financial field. The situation, seen on Russian market, demands immediate and total changes due to low level of financial market development [8].

Russia should deeply integrate into world markets, becoming not only favorable for investments but also convenient for running big international business. It should begin with a detailed analysis of terms, which influence the choice of interested in foreign investment centers and other members of financial market. Today the "first of all" target is to attract foreign investors, and in order to achieve this goal, a wide range of problems should be solved: development of the law-base; improvement of enforcement practice; enforcement of the protection of rights and interests of investors and businessmen; creation of comfortable working conditions, etc.

Moscow, certainly, features in international ratings as an IFC, however is still not on the edge. So, according to the recent data (March 2013) of GFCI (Global Financial Centers Index), the first place belongs to London, the second – to NY and the third – to Hong-Kong [7].

GFGI has been published regularly since march 2007, however ratings data were published only for 50 best IFCs, in September the list was widen to 75 IFCs and Moscow was the 57th. Soon after that, on 5th February 2009, a new concept of IFC creation was approved by the RF government, however it didn't give any results. Moscow was 3 points lower in this list (CRGI 5). Sometime later the government implemented a plan on creation of IFC in the RF, unfortunately the result became even worse, and Moscow's rating fell by 7 points (CRGI 6). Further rating changes are given in table 1:

Table 1

Moscow's dynamics in the rating of IFC

	CFCI4	CFCI5	CFCI6	CFCI7	CFCI8
Time	Sept. 2008	March 2009	Sept. 2009	March 2010	Sept. 2010
Place	57	60	67	68	68
Place	-1	-3	-7	-1	0
Points	414	363	462	516	506
Points	-8	-51	+99	+54	-10
	CFCI9	CFCI10	CFCI11	CFCI12	CFCI13
Time	March 2011	Sept. 2011	March 2012	Sept. 2012	March 2013
Place	68	61	65	64	65
Place	0	+7	-4	+1	-1
Points	506	581	583	585	606
Points	0	+75	+2	+2	+21

Source: [10].

Organization of IFC in Moscow demands a wide range of different problems to be solved: unfavorable investment climate in the RF, absence of adequate work conditions for domestic and foreign investors; low level of financial market development, absence of proper infrastructure and top-quality financial regulations, absence of adequate urban environment, transport and engineering infrastructure do not provide a well-developed urban environment for operation of IFC; lack of experts, etc. [10].

The major aim is to create an IFC in Moscow. This idea looks difficult to be achieved, a great amount of eminent international finance specialists consider that it is impossible for Moscow to be at the same level like London and New-York [8]. According to the international experience, leading IFCs provide favorable conditions for financial operations and concentration of international capital, unlike the Moscow does. Main obstacles on this way are: poorly developed civil liberties, leadership of natural monopolies, corruption, businesses' mistrust to authorities [2]. Furthermore, the process of transformation into the IFC is followed by a wide range of dangers: Russian financial market can be filled with foreign derivatives, top quality foreign securities can undermine the interest of locals to traditional Russian papers, uncontrolled work of non-residents, most of which chase only speculative purposes [4, p. 19–22].

In conclusion, it should be emphasized, that the presence of independent IFC is an important aspect of country's economy competitiveness, so the development of IFC in Moscow is a significant element of multipurpose

modernization of Russia in the financial field. So, some positive and negative prospects of this economic issue should be highlighted: first of all, transformation of Moscow into a global IFC is a rather complicated process due to poor competitiveness of Russian economy and domination of natural monopolies, multifarious corruption and stated distrust of business elites to Russian government; secondly, Moscow matches core demands of IFC, here we have the biggest stock exchange, and Moscow takes part in investment projects and is probably an attractive place for investors; so, the IFC of Moscow has a great potential for steady growth; finally, formation of IFC in Moscow faces a sharp necessity to solve a wide range of problems, the most crucial of which are the following: unfavorable investment climate in the RF, poor development of the financial market, absence of adequate city environment, lack of specialists, etc. [9; 5, p. 47–49].

Taking everything into account, it can be stated that Moscow has all the potential features to become IFC, however a great amount of efforts should be implemented into life in order to have a prosperous and powerful IFC in Moscow in the nearest future [1, p. 23–25].

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TOURISM DEVELOPMENT IN JAPAN

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Shatokhina I.R., Shapovalova O.O., Saprun I.R. Tourism development in Japan. The article deals with the peculiarities of tourism development and its spread in Japan, its current state and prospects of development of event tourism. The current state of development of tourism in general and the impact of event tourism in Japan in particular have been analyzed. The dynamic of domestic and international tourist flows from 2000 to 2012 has been analyzed.

Keywords: event tourism, Japan, prospects of development, tourism development, tourist flows.

Шатохіна І.Р., Шаповалова О.О., Сапрун І.Р. Розвиток туризму в Японії. У статті розглядаються особливості розвитку та поширення туризму в Японії, сучасний стан та перспективи розвитку подієвого туризму. Проаналізовано поточний стан розвитку туризму в цілому і вплив подієвого туризму Японії, зокрема. Проаналізована динаміка внутрішніх та міжнародних туристичних потоків з 2000 по 2012 р.

Ключові слова: переваги розвитку, подієвий туризм, розвиток туризму, туристичні потоки, Японія.

Шатохина И.Р., Шаповалова Е.А., Сапрун И.Р. Развитие туризма в Японии. В статье рассматриваются особенности развития и распространения туризма в Японии, современное состояние и перспективы развития событийного туризма. Проанализировано текущее состояние развития туризма в целом и влияние событийного туризма Японии, в частности. Проанализирована динамика внутренних и международных туристических потоков с 2000 по 2012 г.

Ключевые слова: преимущества развития, развитие туризма, событийный туризм, туристические потоки, Япония.

Tourism plays a significant role in the formation of gross domestic product. Enhancing of trade balance, creating of new jobs and providing employment it has great impact on key industries such as transport and communications, construction, agriculture, production of consumer goods and others, in other words, it is a kind of stabilizer of socio-economic development in Japan [2].

According to WTTC (World Travel and Tourism Council), today Japan occupies the 8th place for the biggest expenses for international tourism in global tourism ranking, based on the contribution of various travel and tourism in GDP (according to 148 countries). Due to Competitiveness Index, the country occupied the 14th place in 2013, which is almost twice as good as in 2011, when the country ranked the 22nd place. Share of GDP in 2012 is \$58.665 trillion. Japan ranks the 11th place in respect to the criterion of “cultural heritage”, the 7th ? in respect to the “state of land transport and infrastructure”. According to long-term forecasts for the 2012-2022 Japan will occupy the 8th place in respect to of Competitiveness Index (Fig.1.1) [4].

Japan draws the most of its tourists by unique nature, ethno-confessional identity, historical and cultural monuments.

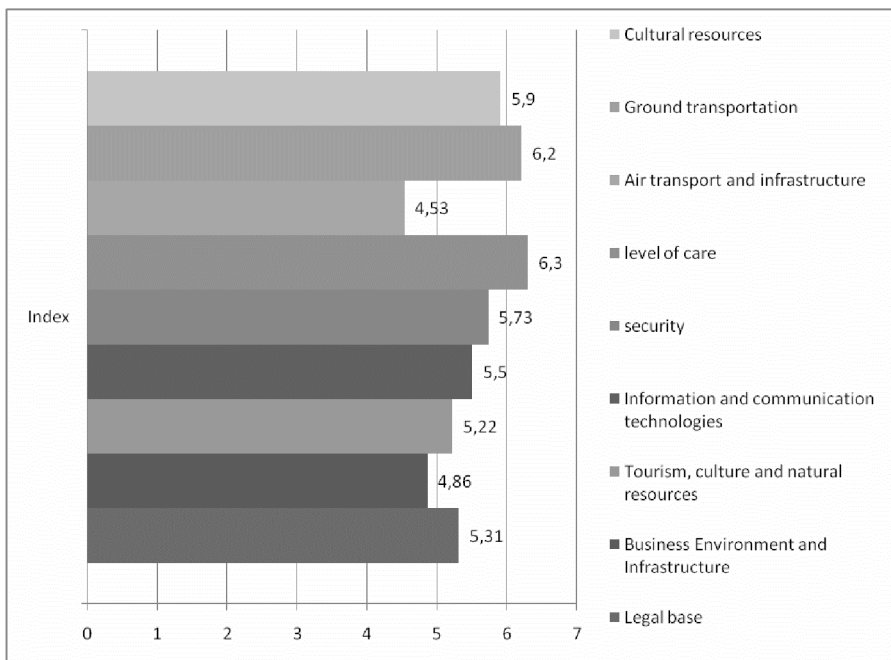


Fig. 1.1. Competitiveness Index of Japan (according to the report “The Travel and Tourism Competiveness Report 2013”) [4]

Such stable positioning of the country in the tourist market is the result of a well thought-out policy of tourism. Key areas of tourism development in Japan are the creating of attractive destinations, enhancing the pleasure of traveling all over Japan at foreign visitors and stimulating repeat visits. Information presented in Figure 1.2. demonstrates that such tourist policy has a positive impact on the dynamics of domestic and foreign tourist arrivals (Figure 1.2.).

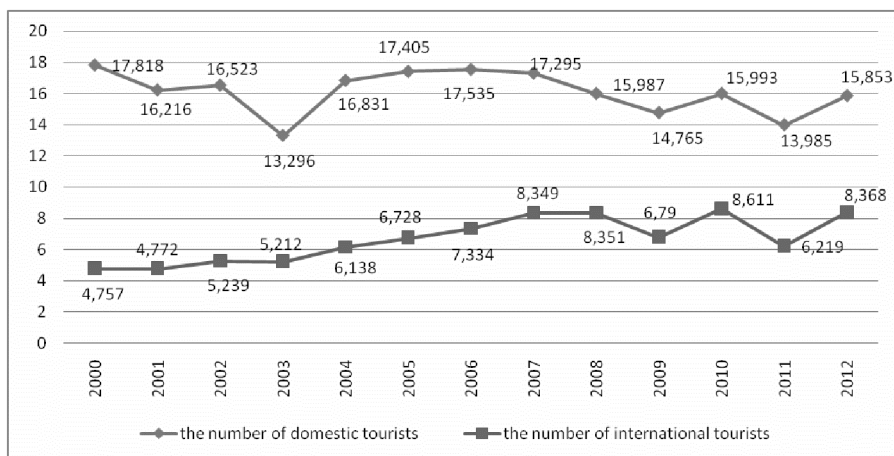


Fig. 1.2. Dynamic of domestic and international arrivals (2000-2012 g). [3]

Domestic tourism in Japan is the second most popular type of entertainment after a picnic. In 2011, on average each inhabitant of the country traveled around the country with a stop at the hotel 1.16 times a year. There were registered 269 million visits, 55% of which were performed with tourist purposes. Tourism got a national scale. Country gets 3.6 million of tourists annually that brings \$3.8 billion income [3].

Inbound tourism also occupies an important place. The residents of South Korea (more than 2.2 million each year), Taiwan (1.4 million) and China (1.36 million) dominate among foreign tourists. Moreover, the growth of tourists from these countries, range from 34 to 40%, that is much higher than the growth rates of the US and European countries. Thus, more than half of all current tourists to Japan account for Asians. Speaking about the number of tourists from Russia and Ukraine, who visited Japan in 2011, amounts to 33.9 thousand people, according to statistics from the National Tourism Organization

of Japan (JNTO). In March 2012 Japan was visited by 53.3% less Russians compared with the March previous year. Totally 27.8% (6.2 mln. people) international tourists visited Japan in 2012 in comparison with 2011 [4].

It is interesting to note that in 2012 Japanese government lifted to the rank of national task of transforming the country into a “Great tourist state.” At this time there is a widely deployed campaign “Visit Japan”, which is a part of the strategy of tourism development and is aimed at reducing the gap between outbound and inbound flows. To reach this aim the system “Welcome card” is used more and more widely. A special ticket for railway entitles unlimited travel around the country for a definite period of time. New tourism products emerge, “industrial” or “manufacturing” tourism is improved. For instance, in Japan, everyone who has got a desire can to be provided a tour to any automobile, brewing and other plant just making a phone call. Attracting foreign tourists to the country also contributes to duty-free sales of traditional Japanese goods, photos, audio, video and radio goods, products of wood and ceramics, pearls and dolls [1].

Therefore, despite the fact, that in today’s world that is going through a powerful process of globalization, there is some erasing of boundaries, active movement of people, constant expanding of the availability of a wide range of information, including the countries and regions, Japan is a country with a high resource potential and reserves of tourist industry is ultimate. In 2011 the country became a leader in the field of tourism among such countries as Italy, the USA, Spain, France, Switzerland, Thailand, Austria, and the Maldives. Every year country gets 3.6 million tourists and generates \$3.8 billion profits. The tourism industry is one of the priority sectors of the Japanese economy.

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CONFIDENCE-BUILDING MEASURES AND EUROPEAN SECURITY

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Shevchenko O., Manzhos Y.Y. Confidence building measures and European security. The article deals with the issue of confidence and security building measures in Europe, giving the definition of these measures and their classification. It also analyses the initiatives of the United Nations (UN) and Organisation for Security and Co-operation in Europe (OSCE) in this field.

Key words: confidence building measures, OSCE, security, UN.

Шевченко О., Манжос Я.Ю. Заходи по укріпленню довіри та європейська безпека. У статті розглядаються питання, пов'язані із заходами по укріпленню довіри та безпеки у Європі, надано дефініцію та класифікацію цих заходів, проаналізовано ініціативи Організації об'єднаних націй (ООН) та Організації з безпеки та співробітництва в Європі (ОБСЄ) у цій галузі.

Ключові слова: безпека, заходи по укріпленню довіри, ОБСЄ, ООН.

Шевченко Е., Манжос Я.Ю. Меры по укреплению доверия и европейская безопасность. В статье рассмотрены вопросы, связанные с мерами по укреплению доверия и безопасности в Европе, предоставлены определение и классификация таких мер, проанализированы инициативы Организации Объединенных Наций (ООН) и Организации по безопасности и сотрудничеству в Европе (ОБСЕ) в этой сфере.

Ключевые слова: безопасность, меры по укреплению доверия, ОБСЕ, ООН.

The issues of European security and confidence-building measures among the States are topical nowadays, because on the one hand European security acts as a regional set of rules and principles based on a system of treaties and measures for reinforcing the trust and security that has been negotiated since 1990 and on the other hand confidence-building measures as a special legal institute of European security law provide an effective functioning by establishing measures of information and control measures to achieve mutual understanding, to prevent surprise attacks or unauthorized conflict and ensure the disarmament process.

The aim of the article is to define what the confidence-building measures are and to show their relations with European security law.

Limiting or reducing the level of fear among parties in conflict is essential for building confidence and a sense of security. Confidence-building measures

(CBMs) aim to lessen anxiety and suspicion by making the parties' behavior more predictable. In international relations CBMs, which are the subject of this article, are actions that reflect goodwill towards or a willingness to exchange information with an adversary. The purpose of such measures is to decrease misunderstanding, tension, fear, anxiety, and conflict between two or more parties by emphasizing trust and limiting conflict escalation as a form of preventive diplomacy. Confidence-building measures have traditionally been discussed in connection with wars, national security, and peacekeeping and are now relevant within political and diplomatic spheres [6].

The Henry L. Stimson Center in Washington, D.C., outlined four main types of confidence-building measures: communication, constraint, transparency, and verification. Communication prevents crisis through averting tension. The methods involved in communication measures are hotlines – either presidential or military-based, regional communication centres, and consultations. Constraint measures control levels and types of power; this has been achieved in military spheres through decreasing deployment in certain areas – specifically borders – and prenotification of military activities. Transparency measures generate openness between parties by establishing requirements for prenotification and information exchange. Verification reduces vulnerability and mistrust of goodwill in the military sphere through aerial and ground-based sensors. In areas of diplomacy, verification is attained through written agreements, independent observations, inspections, and treaties [6].

CBMs can be formal or informal, unilateral, bilateral, or multilateral, military or political, and can be state-to-state or non-governmental. They are particularly pertinent in addressing and working towards the resolution of long-term political stalemates [1]. CBMs are recognized as any steps, regardless of their nature and character if they meet at least one of three objectives:

- a) improve the overall international climate for achieving progress in arms control and disarmament;
- b) reduce the risk of war by increasing linkages and predictability in order to avoid sharp conflicts that can arise as a result of misunderstanding or misinterpretation of military or political action of the State;
- c) promote arms control and disarmament [2].

According to the scope of confidence building measures all of them are divided into two groups: the first group includes confidence-building measures in the political sphere (negotiations, meetings, consultations, etc.), the second one covers confidence-building measures in the military field (notice inviting observers and others) [1].

It is obvious that the military field occupies a special place in this classification, because of its importance and the ability to directly affect the atmosphere and the level of security. Therefore, the confidence-building measures in the narrow sense include: notification, monitoring of military activities, organizing and conducting monitoring of certain military activities, restrictions on military activities, implementation of the plan visits by military officials and others [2].

Political sphere takes a special place in the system of confidence-building measures acting through negotiations, meetings, meetings of representatives of states, consultation, explanation of foreign shares, practical steps to promote the normalization of the international situation, et al. All these measures cover different areas of interstate communication, but still do not have clear criteria by which they can be distinguished from other measures (measures of economic cooperation, disarmament measures, etc.) [2].

It is clear that a comprehensive security can be built only on the belief of states – one and all – that they can trust each other, to solve any of their business without relying on force or threat of force. Under these conditions, the problem of trust acquires a new dimension: requires the transition from the individual measures in this area to the general policy and strategy of confidence, and on this basis – to the formation of a complex of such measures.

The UN noted in the early 80s that the establishment of trust is an important activity related to political, economic and social issues, including respect for the sovereignty, independence and territorial integrity, non-aggression and non-interference in the internal affairs of States; termination of the policy of aggression and colonialism; respect for human rights and fundamental freedoms in accordance with existing international instruments; establishment of a new international economic order; respect for the sovereignty of States over their natural resources, etc [1]. The UN working group of the Disarmament Commission included measures such as the creation of nuclear-free zones, zones of peace, consistent reduction of military budgets, the continuation and expansion of the development process control procedures as an integral part of confidence-building measures and agreements on arms control and disarmament, and others [1].

Based on the need to create a comprehensive system of international security confidence should be strengthened in two directions. In a broad sense – it is the policy of trust with the development and implementation of various measures in the economic, political and humanitarian spheres, in a

narrow sense it includes some agreed measures to build confidence and security in the area of military operations.

As for the European security, nowadays confidence-building measures mainly spread to the so-called EU-wide measures of confidence-building measures (CBMs), that originated from the Helsinki Final Act (1975) and further developed at the Stockholm Conference and the negotiations in Vienna [4].

The Conference on Confidence-Building Measures and Disarmament took place in Stockholm (1984-1986), brought a significant improvement of the CBMs, namely the political obligation to abide by the provisions; lowered thresholds and introduced a longer time frame for the prior notification of military activities, obligatory notifications of military activities and invitations of observers; provisions on annual calendars and constraints and finally compulsory on-site inspection [4].

OSCE Vienna Documents of 1990 and 1992 significantly expanded the list of confidence-building measures as well as their scope. In November 1990, further negotiations led to the first Vienna Document on CBMs. The scope of mutual information was broadened beyond the area of “dynamic” information on military activities, by providing the obligation for an annual exchange of “static” information on existing forces. Furthermore, the scope of verification was enlarged by providing the obligation to accept evaluation visits of military formations or units [4].

Then in 1992, the Forum for Security Co-operation (FSC) was established to deal with politico-military aspects of security within the OSCE. It is the body in which all the negotiations about the further development of CBMs take place on a weekly basis. The FSC is also responsible for overseeing the implementation of CBMs by all participating States. For that reason, it has established an Annual Implementation Assessment Meeting, in which the FSC, together with experts from capitals, evaluate the overall level of implementation of Vienna Document activities during the previous year [4; 7].

Since then the Vienna Document has been further developed and updated three times, improving upon existing measures and introducing new ones. As a logical pre-condition for confidence, transparency and security, there is the exchange of information on military forces including personnel strengths, equipment types and numbers, as well as the locations of troops. In addition, the provision of information on annual defence budgets, budget plans and the dissemination of military doctrines and defence policies greatly contributed to making participating States aware of the military situation within their geographical region and throughout the whole area of application [4; 5].

So, the organization responsible for the maintenance and development of the regime of confidence and security in Europe is OSCE. This work is carried out through the Forum for Security Co-operation, established in 1992. Now this Forum works to increase military security and stability in Europe and covers some of the most fundamental politico-military agreements of the OSCE participating States. It helps implement landmark confidence and security-building measures to regulate the exchange of military information and mutual verification between states, as well as the Code of Conduct, the key document ensuring the democratic control of security forces. The Forum also develops norms and provides practical assistance to address the proliferation of illicit small arms and light weapons; deals with non-proliferation of weapons of mass destruction; and oversees the regular contact, co-operation, and sharing military information among the participating States [7].

The OSCE helps implement United Nations Security Council Resolution 1540 (2004) on the non-proliferation of weapons of mass destruction. It runs a project that assists participating States interested in producing national action plans and in building up the legislative basis required. The Organization also undertakes awareness-raising activities and tailored training, and helps improve legislation, promote best practices, and intensify co-operation with other international organizations [1].

Recognizing the importance of democratic civilian control of the armed and security forces, the Forum adopted a Code of Conduct on Politico-Military Aspects of Security in 1994. This unique document represents a landmark in security sector governance, by obliging participating States to provide for democratic oversight of their armed, internal, paramilitary, intelligence and police forces. The Code of Conduct also includes the key principles of relations among states. States are obliged to ensure that their armed forces remain politically neutral and to guarantee that the human rights of security personnel are respected. States report back on national practices annually, helping to build confidence and security in the OSCE region.

The politico-military aspects of security in the OSCE area include a confidence-building regime, disarmament and arms control, as well as regional and sub-regional frameworks. This is not only an integral part of the OSCE's comprehensive and co-operative approach to security, but has far reaching consequences for European and global security.

In the Charter for European Security (Istanbul 1999), Heads of State and Government declared, that the politico-military aspects of security remain vital to the interests of participating States. They constitute the core element

of the OSCE's concept of comprehensive security. Disarmament, arms control and confidence-building measures are important parts of the overall effort to enhance security by fostering stability, transparency and predictability in the military field. Full implementation, timely adaptation and, when required, further development of arms control agreements and CBMs are key contributions to political and military stability [3].

Set forth in the documents adopted within the CSCE – OSCE for confidence-building measures, the principles and objectives give a general idea of their importance in solving the most important problems of modern international relations. However, clear criteria for determining the confidence-building measures have not been worked out yet.

Along with the many positive aspects of peacemaking the OSCE has its weaknesses. It concerns the mandatory implementation of decisions within the Organization. This refers to the fact that agreements within the OSCE are of “politically binding” nature, i.e., non-binding and do not involve negative consequences in case of violation. Another weak point is the fundamental rejection of the use of coercive measures.

This leads to the conclusion that the European security system needs to improve some of the mechanisms of the OSCE in order to oblige Member States to fulfill their obligations within the Organization. The perspective of the research is the analysis of CBMs in non-European countries.

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HUMAN RESOURCES MANAGEMENT (HRM) IN THE HOSPITALITY INDUSTRY

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Shevchuk E.A., Litovchenko Y.M. Human resources management (HRM) in the hospitality industry. The article deals with peculiarities of Human Resources Management (HRM) in the hospitality industry. The main concepts and components of HRM in the hotel industry are highlighted. The basic requirements to the hotel staff service are offered.

Key words: hospitality industry, hotel, management, staff.

Шевчук Е.А., Літовченко Я.М. Управління персоналом в індустрії гостинності. У статті розглянуті особливості управління персоналом в індустрії гостинності. З'ясовані основні поняття та складові управління персоналом. Виявлені основні вимоги до персоналу готелів.

Ключові слова: готель, індустрія гостинності, персонал, управління.

Шевчук Е. А., Литовченко Я.Н. Управление персоналом в индустрии гостеприимства. В статье рассмотрены особенности управления персоналом в индустрии гостеприимства. Выявлены основные понятия и составляющие управления персоналом. Выявлены основные требования к персоналу гостиниц.

Ключевые слова: гостиница, индустрия гостеприимства, персонал, управление.

The hospitality industry today is one of the most important sectors of tourism industry. Hospitality industry is not only a set of institutions that provide tourists with accommodation (hotels, motels, hostels, campsites etc.) but it also offers different kinds of services in restaurants, beauty salons, gyms, hairdressers', SPA and guide services, translator's services and a lot of other services that the guests need.

Popularity of a hotel among tourists depends not only on its geographical location, interior design and fittings, but also on personnel qualification. Human Resources managers who work in the tourism and hospitality industry face real challenges in recruiting, developing and maintaining committed, competent, well managed and well-motivated workforce that are focused on offering a high-quality 'product' to the increasingly demanding and discerning customer [5].

HRM is an actual and even essential issue in the hospitality industry. To survive in the conditions of fierce competition the hotel should provide high

quality services that are better than in other hotels. So, the quality of the hotel services depends on human resources managers and the CEO.

HRM is aimed at providing the organizations with highly-qualified personnel, who can deliver their duties. HRM assumes that people are an asset to any organization, a kind of resource that should be used effectively to achieve its goals and objectives.

Here is a range of HR practices which are suggested as being important to organizational strategies aimed at securing high-quality service:

- *Recruitment and selection*: Recruiting and selecting staff with the correct attitudinal and behavioral characteristics. A range of assessments in the selection process should be utilized to evaluate the work values, personality, interpersonal skills and problem-solving abilities of potential employees to assess their 'service orientation'.

- *Retention*: The need to avoid the development of a 'turnover culture', which may be particularly prevalent in tourism and hospitality. For example, the use of 'retention bonuses' can encourage employees not to leave their work places.

- *Teamwork*: The use of semi-autonomous, cross-process and multi-functional teams.

- *Training and development*: The need to equip staff with team working and interpersonal skills to develop their 'service orientation'. Managers, in their turn, have to possess a new leadership style which encourages a move to a more facilitative and coaching style of managing.

- *Appraisal*: Moving away from traditional top down approaches to appraisal and support such as customer evaluation, peer review, team-based performance and the appraisal meetings. Generally, all of these performance appraisal systems should focus on quality goals of the organization and employees' behaviors.

- *Rewarding quality*: A need for a much more creative system of rewards and in particular the need for payment systems that reward employees for achieving quality goals.

- *Job security*: Promises of job security are seen as an essential component of any overall quality approach.

- *Employee involvement and employee relations*: By seeking greater involvement from employees the emphasis is on offering autonomy, creativity, co-operation and self-control in work processes. The use of educative and participative mechanisms, such as team briefings and quality circles are allied to changes in the organization of work, which support 'empowered'

environment. In simple terms best practice is likely to entail attempts to enhance the employees' skills base through HR activities such as selective staffing, comprehensive training and broad developmental efforts like job rotation [5].

There are several major areas for recruitment, which include:

1. searching among friends;
2. searching through ads;
3. searching with special services(employment services);
4. poaching staff from competitors.

The hotel consists of many departments to serve guests. Each hotel presents its own requirements for personnel and develops its own system of education. Departments can be divided into 2 levels:

- 1) departments which are in close contact with the guest;
- 2) departments which are rarely in contact with the guest [3].

Tourist services are provided mainly by Front of Office, Housekeeping and Commercial Departments, Food and Beverage Service, Technical Service and Administrative Service Departments.

This is a minimum set of services aimed to satisfy basic tourists' needs. However, a number of services in deluxe hotels and hotel complexes is much bigger and larger and each of them has specific functions [1].

HRM is carried out through a variety of methods to influence the employees. These methods are a system of rules, techniques, and approaches that reduce the time and other resources on the formulation and implementation of goals.

Staff of all categories of hotels should be able to create an atmosphere of hospitality in the hotel, to be ready to meet different kinds of guests' requests. Employees, who serve guests, must be polite, attentive and helpful.

Staff also should be well aware of the hotel and its surroundings. In the event of a conflict situation the employee should deal with complaints immediately.

Kitchen staff, technical services and cleaners should not appear in front of the visitors in sanitary and special clothes, if it is not connected with the performance of duties (carrying out urgent repairs).

Well established cooperation between all services of the hotel will help to create the first favorable opinion about the hotel. There are special requirements for the staff's health that should match all medical requirements. Staff of all categories of hotels must undergo periodic medical examinations to obtain the appropriate certificate.

Staff should wear uniforms, in some cases, including personal badge with the name and surname. The form must always be clean and ironed. Staff should be neat, cheerful and have smart appearance [2].

Thus, the quality of services depends on reputation of the hotel, which is a guarantee of competitiveness. To operate successfully, the staff of the hotel must be good performers and provide comfort and convenience to the guests [3].

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ENGLISH IN BUSINESS NEGOTIATIONS

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Shkonda V.V., Oliynyk N.A. English in business negotiations. This article indicates the communicative difficulties of negotiating with foreign partners and possible solutions: by appointing a foreign language negotiator or an interpreter. The issues of translating, resulting in both cases, confirm the need of high ESP proficiency to conduct negotiations which are an integral part of international cooperation at all levels.

Key words: business negotiations, ESP (English for Specific Purposes), a foreign language negotiator, negotiation process, proficiency.

Шконда В.В., Олійник Н.А. Англійська мова у бізнес-переговорах. У статті розглядаються проблеми ведення переговорів з іноземними партнерами комунікативного характеру і можливі засоби їх вирішення: використання

англійської мови як іноземної особою, що веде переговори або використання перекладача. Труднощі перекладу, що виникають в обох випадках, підтверджують необхідність високого рівня володіння англійською мовою спеціального спрямування, щоб проводити переговори, які є невід'ємною частиною міжнародного співробітництва на всіх рівнях.

Ключові слова: англійська мова спеціального спрямування, бізнес-переговори, особи, що ведуть переговори іноземними мовами, процес переговорів.

Шконда В.В., Олейник Н.А. Английский язык в бизнес-переговорах. В статье рассматриваются трудности ведения переговоров с иностранными партнерами коммуникативного характера и возможные способы их решения: использование английского языка как иностранного лицом, ведущим переговоры либо использование переводчика. Трудности перевода, возникающие в обоих случаях, подтверждают необходимость высокого уровня владения английским языком для специальных целей, чтобы вести переговоры, которые являются неотъемлемой частью международного сотрудничества на всех уровнях.

Ключевые слова: английский язык для специальных целей, бизнес-переговори, лица, ведущие переговоры на иностранных языках, процесс переговоров, уровень владения.

Nowadays a key to success in business is knowledge of English, because English is becoming a really world language. English continues its spreading all over the world, reaching far beyond the borders of English-speaking nations. So this language is also known as a link between people of different cultures. That is why it is really popular among representatives of business sphere. In this article we would like to determine the importance of using English in business negotiations which stipulates its actuality. The goal that we set up in this paper is to identify those challenges that negotiators may face and work out possible solutions.

It should be noted that negotiation is a process where two or more parties with different needs and goals discuss an issue to find a mutually acceptable solution. In business, negotiation skills are important in both informal day-to-day interactions and formal transactions such as negotiating conditions of sale, lease, service delivery, and other legal contracts [3].

As we can see from the definition above negotiation is a vital part of business at all levels. Unless the companies negotiate with local partners there is no need in using nothing but native language, while in multinational corporations English plays an essential role. Moreover, if we consider the problems arising

at the stage of preparation we will see that the first issue to be solved is whether to conduct negotiations in English or in the opponent's native language. And this is where multinationals face the following problems [1]:

- forcing a subject to wrestle with formulating thoughts in an unfamiliar language greatly reduces the opportunity for displaying real emotions of opponent;
- the mechanics of translating thoughts into English keeps both parties a bit stressed and thereby increases fatigue;
- a loss of idiomatic nuance in the verbal exchange;
- diminished opportunities for negotiators to express empathy.

Therefore, the company may consider other options and one of them could be using a foreign language negotiator (native speaker).

It would be perfect if the negotiation team could have a negotiator who is fluent in the partner's language and can negotiate directly with the individual. Unfortunately, companies may have difficulty in finding a trained negotiator who can communicate with subjects in a given language [1].

Another issue is that by using this way of negotiating can lead to feelings of isolation for the negotiator who converses with the partner in a foreign language. The negotiator must translate for other team members, who find themselves in the poor position of being spectators to the negotiations. Not being able to understand the content creates a lack of suggestions, brainstorming, stress-relieving humor, and mutual support that normally help negotiation teams move smoothly towards a peaceful resolution.

There is another alternative which is to engage a professional interpreter to assist in the negotiation process. This option offers several advantages [2]:

- the choice of languages is limited only by the number of available interpreters. Companies can, in fact, develop a pool of qualified interpreters to be available in case of negotiations, but another option is to outsource an interpreter.
- using interpreters rests with the pacing of the negotiation. Translation typically slows the pace considerably. This not only promotes reflection on the part of the subject, but it also gives the negotiation team all of the advantages that time brings.
- being highly acquainted with the nuances of language, a trained interpreter can provide the team with useful information that a negotiator may miss.

However, the use of interpreters presents its own set of potential drawbacks: interpreters untrained in business negotiations may find difficulties in using or

understanding special terms used in negotiations, so in case of outsourcing the choice should be really wise [2].

Another potential drawback may emerge as the negotiations proceed. Interpreters may grow impatient and come to believe that they have a better approach to resolving the situation. Having an interpreter influence on negotiations is tantamount to allowing a third party intermediary to become personally involved with the negotiation process. Either scenario compounds the danger because the negotiation team may be unaware of new turns that the negotiations have taken.

To counteract these potential problems, the negotiation team should instruct interpreters to convey only the team's comments and act solely as a conduit of prescribed information. Under no circumstances should interpreters be allowed to editorialize. Likewise, they should be told to refrain from expressing personal sentiments or revealing any show of emotions to the opponent [2].

Taking into account all the facts stated in the article we could make a conclusion, that nowadays it is hard to underestimate the role of English in business sphere and in negotiations, in particular, as it is considered to be the best possible means of communicating between representatives of two different countries. The use of English for doing business in multinational settings is a fact of life for most people doing business internationally.

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ENGLISH LANGUAGE FOR THE DEVELOPMENT OF TOURIST BUSINESS IN UKRAINE

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Sierikova A.V., Oliynyk N.A. English language for the development of Tourist Business in Ukraine. The article provides statistical analysis of the level of tourist traffic in Ukraine for the last years. There have been also considered possible reasons for poor results and the role of English have been estimated in terms of the development of tourist business in Ukraine.

Key words: English language, Goskomstat of Ukraine, language competence, tourism market.

Серикова А.В., Олійник Н.А. Англійська мова в розвитку туристичного бізнесу в Україні. У статті викладені результати статистичного аналізу туристичного потоку за останні 5 років. Були також розглянуті можливі причини низьких показників і була визначена роль англійської мови з точки зору розвитку туристичного бізнесу України.

Ключові слова: англійська мова, Держкомстат України, рівень володіння мовою, ринок туризму.

Серикова А.В., Олейник Н.А. Английский язык в развитии туристического бизнеса в Украине. В статье изложены результаты статистического анализа туристического потока за последние 5 лет. Были также рассмотрены возможные причины низких показателей и была определена роль английского языка с точки зрения развития туристического бизнеса Украины.

Ключевые слова: английский язык, Госкомстат Украины, рынок туризма, уровень владения языком.

*“Those who know many languages live
as many lives as the languages they know”.
Johann Wolfgang von Goethe*

In a new XXI century announced by UNESCO as the multilingual age the whole civilized world strives for openness and mutual understanding so the role of foreign languages is increasing to make it possible for an individual to take part in international communication. The basis of being and thinking of the XXI century is a new dialogue between different cultures: “... modern civilization of which we are speaking is actualized as <...>a dialogue of cultures” [1].

In the modern conditions of the global community, the perspective of social and political integration, political unification and cultural cooperation gains its crucial importance. The aim of the article is to investigate what role international tourism plays in the interaction and mutual enrichment of cultures as the contacts with other countries are becoming closer and knowledge of foreign languages is gaining its importance.

As you can see from the table below [3] the number of visitors to Ukraine has been going down for the last 5 years from 335835 in 2010 to 232311 in 2013 and continues falling dramatically in 2014 due to the current political situation in the country. So the problem of the development of tourism and promoting this country stipulates the actuality of the article as well as the object of the paper, i.e. the perspectives of the tourism development in Ukraine. So by using the data identifying those reasons for low assessments of Ukraine's image in the world.

Table 1

Total number of tourists in Ukraine for 2009–2013

Year	Foreign visitors	Number of Ukrainian citizens who went abroad	Home tourists ---
2009	282287	913640	1094170
2010	335835	1295623	649299
2011	234271	1250068	715638
2012	270064	1956662	773970
2013	232311	2519390	702615

Source: [3].

According to the statistics provided by Goskomstat of Ukraine for 2013 the most frequent visitors were from Poland (1259209 people), Hungary (771038 people) and Germany (253318 people) while there were only 90819 visitors from Italy, 81324 visitors from the UK and 64510 people from France [3]. The conclusion is obvious: Ukraine should take great efforts in order to attract foreign tourists from the developed countries and language competence plays an essential part in integration of Ukraine into EU. Moreover, the data show that the most popular reason for visiting this country was cultural, sport or religious exchange with the total 5841872 people while tourism made up only 488496 people, which is 12 times more.

Table 2

Entrance of Ukraine by foreign citizens in 2013

Country	Total number entered the country	Purpose of visit						
		Business	Tour sm	Private	Studies	Employment	Immigration	Cultural, sport or religious exchange, etc.
Azerbaijan	111897	642	3806	61957	11	50	128	45303
Bulgaria	56082	2157	780	32689	–	–	2	20454
China	18128	169	2084	2527	5	6	41	13296
Czech	52707	305	1253	15411	–	1	1	35736
France	64510	120	6087	9472	–	–	1	48830
Georgia	52221	3536	1399	10240	–	–	50	36996
Germany	253318	1764	30354	94265	–	3	56	126876
Hungary	771038	321	325	5022	3	–	30	765337
Israel	120913	363	8950	18526	–	–	57	93017
Italy	90819	167	5619	16743	–	–	12	68278
Lithuania	83355	1901	1687	60419	1	5	66	19276
Moldova	5417966	25173	3057	4793326	3	56	90	596261
Poland	1259209	6670	17908	1133406	–	1	38	101186
Russia	10284782	55224	270689	7827097	91	29	3280	2128372
Serbia	43680	3067	791	7165	8	14	8	32627
Turkey	151706	12070	24615	60379	59	147	527	53909
Great Britain	81324	186	14271	10671	–	–	3	56193
Total	24671227	167416	488496	18167742	283	330	5088	5841872

Source: [3].

Today tourism is considered to be the most popular phenomenon of the XXI century as one of the most striking phenomena of our time, which really penetrates into all the areas of our lives and changes the world around us. Ukraine is a very promising country in terms of the development of the tourism industry as its geopolitical position provides competitive advantages that are not used efficiently: in 2013, in terms of competitiveness in the global tourism market Ukraine occupied 76th place out of 140 countries [4]. This indicates that the country has not reached a sufficient level of development of the tourism industry in comparison with other countries in the global tourism market.

To increase tourist flows both internationally and locally the locally the following measures should be taken [3]:

- Improve the infrastructure of tourism industry;
- Simplify customs and visa procedures;
- Develop state programs on tourism developing;
- Increase the quality of service in accommodation, food and entertainment;
- Identify the correct position in the global tourism market;
- Reduce excessive prices for hotel services in Ukraine;
- Provide state aid for the development of tourism;
- Use the best European practice and develop programs to attract foreign experts in tourism.

In order to develop tourism must make great efforts in both private and public sectors and be based on international experience to provide a high-quality education to the employees of tourism where English is number one priority. An individual should know at least one foreign language to provide smooth interaction between nations as a part of successful tourism and without this knowledge this cooperation is almost impossible.

In conclusion, we would like to point out that to become competitive in the world tourism market Ukraine should follow competition, gain the experience of European developed countries where tourism makes up a significant share of their GDP. It is also necessary to regulate prices for services to become attractive to a wider range of tourists and work out a strategy for the development of national tourism and financial support for its implementation. Tourism in Ukraine today means not only the presence of historical and cultural heritage, but also a high level of development of tourism infrastructure and services. It is possible to achieve this only if we can attract investments in the most promising tourist destinations, after all, every region in Ukraine can be of particular interest to tourists.

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THE ROLE OF TRANSPORTATION IN ECONOMIC DEVELOPMENT

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Slauta V.Y., Startseva N.N. The role of transportation in economic development. The article notes the relevance of transport in the development of economy and society. The advantages, in particular the increased capacity and productivity of the market as well as disadvantages, i. e., contamination of the environment, of the transport services are shown and described. Investment in transport infrastructures is seen as a tool of regional development.

Key words: economic development, efficiency, environment, impact, transportation.

Слаута В.Ю., Старцева Н.М. Роль транспорту в економічному розвитку. У статті зазначається актуальність транспорту в розвитку економіки та суспільства. Наведені й описані як переваги – збільшення місткості ринку і продуктивності, так і недоліки – забруднення навколишнього середовища, ринку транспортних послуг. Інвестиції в транспортну інфраструктуру розглядаються як інструмент регіонального розвитку.

Ключові слова: вплив, економічний розвиток, ефективність, навколишнє середовище, транспорт.

Слаута В.Ю., Старцева Н.Н. Роль транспорта в экономическом развитии. В статье отмечается актуальность транспорта в развитии экономики и общества. Приведены и описаны как преимущества – увеличение емкости рынка и производительности, так и недостатки – загрязнение окружающей среды, рынка транспортных услуг. Инвестиции в транспортную инфраструктуру рассматриваются как инструмент регионального развития.

Ключевые слова: влияние, окружающая среда, транспорт, экономическое развитие, эффективность.

Relevance. The transportation system plays a key role in the economy. It serves as the backbone of the economy, connecting markets and providing for the movement of people and goods. A well-developed and maintained transportation system can help businesses, people reduce travel times and costs, improve safety and reliability, and increase the accessibility of market areas. The extent to which a state can facilitate the efficient flow of goods and people directly impacts productivity and economic competitiveness; thus, future economic growth and increases in the standards of living will be directly related to the quality of its transportation system [4].

The goal of research is to identify and describe the importance of transportation.

Transport also carries an important social and environmental impact, which cannot be neglected. From a general standpoint, the economic impacts of transportation can be direct and indirect:

- direct impacts are related to accessibility change where transport enables larger markets and enables to save time and costs.
- indirect impacts are related to the economic multiplier effect where the price of commodities or services drop and/or their variety increases.

The impacts of transportation are not always intended, and can have unforeseen consequences such as congestion and accident.

Mobility is one of the most fundamental and important characteristics of economic activity as it satisfies the basic need of going from one location to the other, a need shared by passengers, freight and information.

Providing this mobility is an industry that offers services to its customers, employs people and pays wages, invests capital and generates income. The economic importance of the transportation industry can thus be assessed from a macroeconomic and microeconomic perspective:

At the macroeconomic level (the importance of transportation for a whole economy), transportation and the mobility it confers are linked to a level of output, employment and income within a national economy. In many developed countries, transportation accounts between 6% and 12% GDP [2].

At the microeconomic level (the importance of transportation for specific parts of the economy), transportation is linked to producer, consumer and production costs. The importance of specific transport activities and infrastructure can thus be assessed for each sector of the economy.

Transportation links together the factors of production in a complex web of relationships between producers and consumers. The outcome is a more efficient division of production by an exploitation of geographical comparative advantages, as well as the means to develop economies of scale and scope [3].

The productivity of space, capital and labour is thus enhanced with the efficiency of distribution. It is acknowledged that economic growth is increasingly linked with transport development. For example, transport development helps to increase market size (access to a wider market base where economies of scale in production, distribution and consumption can be achieved) and productivity (increases in productivity from the access to a larger and more diverse base of inputs (raw materials, parts, energy or labour) and broader markets for diverse outputs (intermediate and finished goods) [1].

Transportation and Economic Development

Transportation developments that have taken place since the beginning of the industrial revolution have been linked to growing economic opportunities. At each stage of human societal development, a particular transport mode has been developed or adapted. Transport by itself is not a sufficient condition for development, however the lack of transport infrastructures can be seen as a constraining factor on development. Investment in transport infrastructures is thus seen as a tool of regional development, particularly in developing countries and for the road sector.

Socioeconomic Impacts

While many of the economic impacts of transportation are positive, there are also significant negative impacts that are assumed by individuals or by the society in one way or another. Among the most significant are:

Costs differences. Locations that have low levels of accessibility, tend to have higher costs for many goods (sometimes basic necessities such as food) as most have to be imported, often over long distances.

The resulting higher transport costs inhibit the competitiveness of such locations and limits opportunities. Consumers and industries will pay higher prices, impacting on their welfare (disposable income) and competitiveness.

Congestion. With the increased use of transport systems, it has become increasingly common for parts of the network to be used above design capacity. Congestion is the outcome of such a situation with its associated costs, delays and waste of energy.

Accidents. The use of transport modes and infrastructure is never entirely safe. Every motorised vehicle contains an element of danger and nuisance. Due to human errors and various forms of physical failures (mechanical or infrastructural) injuries, damages and even death occur. Accidents tend to be proportional to the intensity of use of transport infrastructures which means: the more traffic, the higher the probability for an accident to occur [2].

They have important socioeconomic impacts including healthcare, insurance, damage to property and the loss of life. The respective level of safety depends on the mode of transport and the speed at which an accident occurs. No mode is completely safe but the road remains the most dangerous medium for transportation, accounting for 90% of all transport accidents on average (Statistics for Organisation for Economic Co-operation and Development (OECD) countries).

China has one of the highest car accident death rates in the world, with more than 110,000 fatalities per year (300 per day), a factor mainly due to recent growth in vehicle ownership.

Environmental Impacts of Transport

Air quality. Atmospheric emissions from pollutants produced by transportation, especially by the internal combustion engine, are associated with air pollution, acid rain and the potential for global warming. Some pollutants (CO, O₃, VOC, etc.) can produce respiratory troubles and aggravate cardiovascular illnesses. In urban regions, about 50% of all air pollution emanates from automobile traffic.

Noise. A major irritant, noise, can impact on human health and most often human welfare. Noise can be manifested in three levels depending on emissions intensity; psychological disturbances (perturbations, displeasure), functional disturbances (sleep disorders, loss of work productivity, speech interference) or physiological disturbances (health issues such as fatigue, and hearing damage). Noise and vibration associated with trains, trucks, and planes in the vicinity of airports are major irritants.

Water quality. Accidental and nominal runoff of pollutants from transport such as oil spills, are sources of contamination for both surface water and groundwater.

Land take. Transport is a large consumer of space when all of its supporting infrastructure and equipment are considered. Furthermore, the planning associated with these structures does not always consider aesthetic values as is often the case in the construction of urban highways. These visual impacts have adverse consequences on the quality of life of nearby residents [2].

Conclusion. In the article the importance of transport services in the economy and society was considered. By its nature, transport is an integral part of modern world. None of the foreign trade transaction cannot be imagined without the participation of transport – in any case, it is necessary to deliver the goods from one point to another.

Potential. The study of this theme can be continued from the point of view of the impact of transportation on the Ukrainian economy.

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PROBLEMS OF THE OVER-THE-COUNTER (OTC) MARKET DEVELOPMENT IN UKRAINE

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Surin D.V., Zmiyova I.V. Problems of the over-the-counter (OTC) market development in Ukraine. The article deals with the development of the OTC market in Ukraine. The features of forex-companies activity and control over foreign exchange transactions in Ukraine are determined.

Keywords: financial monitoring, foreign exchange transactions, forex companies, over-the-counter market (OTC), Ukraine.

Сурін Д.В., Зміїова І.В. Проблеми розвитку позабіржового ринку в Україні. У статті проаналізовано стан розвитку позабіржового ринку в Україні. Визначені особливості діяльності форекс-компаній та контролю за проведенням валютних операцій в Україні.

Ключові слова: валютні операції, позабіржовий ринок, фінансовий моніторинг, форекс-компанії, Україна.

Сурин Д.В., Зміёва И.В. Проблемы развития внебиржевого рынка в Украине. В статье проанализировано состояние развития внебиржевого рынка в Украине. Определены особенности деятельности форекс-компаний и контроля над проведением валютных операций в Украине.

Ключевые слова: валютные операции, внебиржевой рынок, финансовый мониторинг, форекс-компания, Украина.

Securities trading on the financial markets is quite effective, due to the increased reliability of the capital investments because of strict control of transactions and detailed inspection of emitter's financial state.

The over-the-counter (OTC) market exists along with the stock market. The essence of the OTC stock market is expressed by its name – it is a part of the stock market outside the scope of stock exchanges activity. Despite the fact that the exchange and the OTC markets compete with each other they should be considered not as being mutually exclusive but as being complementary to each other [1].

The purpose of this research is to analyze the problem of the OTC market development in Ukraine and evaluate its existence level using such methods as description and comparison. The subject of the article is to analyze aspects of stock markets using works of Ukrainian and Russian economists as the material for our work.

The issue of the OTC market development is very important for the Ukrainian economy stabilization owing to the importance of its functions:

- it increases investments as due to their diversification, mass character and efficiency they bring the stock market to retail investors;
- it finds the most profitable objects of capital investment for investors;
- it promotes the stock market development at the regional level (provinces, districts, cities);
- it is a useful economic tool for local governments;
- it accelerates the development of the stock market infrastructure in a country particularly for the development of electronic information channels and networks that provides the transparency of the process securities issue and turnover and validity of the decisions as to their sale and purchase;
- it assists the development of services for the stock market participants: investment consulting, management of investment portfolio and other types of stock exchanges activities;
- it raises the work level of the stock exchanges to survive in the competition with the OTC market.

The tendency to increase the OTC market sales are seen worldwide. But we should not assume that the current role of the stock exchange in securities trading decreases. The exchange continues to play an important role in the accumulation and mobilization of money capital. This market with quick and qualified information has a system of specialized brokerage and consulting firms. The exchange is a kind of service for maintenance of the capital market and credit system. That is why there are many individual market investors at the exchanges.

The OTC market differs from other financial markets by the fact that anyone who has relatively small previous contributions (deposits) can actually become its member. To have a share on the market neither special education nor initial capital nor powerful material base is required [5].

The National Bank of Ukraine (NBU) controls foreign exchange operations in this country. The issue of providing individuals with services in the area of arbitrage operations on a margin trading basis is regulated by the Resolution № 327 of 03.08.2012 adopted by the NBU Board. This resolution has vested

the right in authorized banks only to conduct such arbitrage operations [3].

Nevertheless, so-called forex companies operate in Ukraine. Unlike banks most of forex companies operate as firms that provide information services, while a foreign company that is usually registered offshore signs contracts with clients. Such a company has no responsibility – legal or financial – and therefore it can give no guarantees to fulfil its obligations [2].

The activities of offshore companies allow them to implement unfair policy that leads to additional risks for clients. Thus, client applications often are not met at market rates or met at all. Clients often suffer losses due to non-repayment of profits. Besides, such status of these offshore companies allows them to cease their activity without any problems. In this case it would be impossible to return customers' own funds, because these funds would be transferred abroad not as a guaranteed fee in order to conduct arbitrage operations but as payments for services the company offered to clients. Usually a client of such company has no real possibility to complain about its actions and get legal protection in conflict situations [3]. Forex companies attract our citizens because of simplified system of account opening, lack of financial monitoring and lack of necessity for tax payments. These questionable benefits are not commensurable with the risks that forex companies expose to their clients. This causes an urgent need for clear regulation of all the relationships arising in this area on legislative level [4].

Securing the rights and obligations of this market at the national level will allow to tighten control over the activities of such companies. Also it would be necessary to expand the powers of the National Bank of Ukraine concerning the regulation of operations on the Forex market namely to establish the relevant executive authorities. British Office of the Financial Regulation and Observation and the Commission on Futures Trading in the United States can serve as examples of such authorities.

To sum up it should be noted that the scheme of Forex market and its clients activities are not legally regulated and sometimes even entails violation of the current legislation of Ukraine (in particular the Civil Code of Ukraine). The result is that citizens of Ukraine who decide to play on the Forex market, and thus enter the appropriate relationship in the first place create danger and threat for their investors own interests as in case of problems the person can not seek protection for their rights. Therefore it is necessary to establish the appropriate legal framework that will regulate the activity of such market that would directly regulate relations between a trader and investor. In its turn it would give more options for investors to protect their rights in case of certain disputes.

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MEDICAL AND HEALTH TOURISM IN SINGAPORE

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Svitailo A.P., Saprun I.R. Medical and health tourism in Singapore. The article analyzes the republic of some aspects of medical and health tourism in Singapore. Factors influencing the intensive development of this type of tourism have been highlighted. Problems and prospects of the development of medical and health tourism in Singapore have been determined.

Keywords: medical and health tourism, tourist destination, travel competitiveness.

Світайло А.П., Сапрун І.Р. Лікувально-оздоровчий туризм в Сінгапурі. У статті проаналізовано деякі аспекти лікувально-оздоровчого туризму в Сінгапурі. Висвітлено фактори, які впливають на інтенсивний розвиток даного виду туризму. Визначені проблеми і перспективи розвитку медичного та оздоровчого туризму у в Сінгапурі.

Ключові слова: лікувально-оздоровчий туризм, туристична дестинація, туристична конкурентоспроможність.

Светайло А.П., Сапрун И.Р. Лечебно-оздоровительный туризм в Сингапуре. В статье проведен анализ некоторых аспектов лечебно-оздоровительного туризма в Сингапуре. Высветлены факторы, влияющие на интенсивное развитие данного вида туризма. Определены проблемы и перспективы развития медицинского и оздоровительного туризма в Сингапуре.

Ключевые слова: лечебно-оздоровительный туризм, туристическая дестинация, туристическая конкурентоспособность.

Singapore has marked an incredible breakthrough in the economy and tourism industry over the past decade. Medical and health types of tourism are getting more and more popular in Singapore and have become as an integral part of the rest for people who care about their physical and psychological health. The country has acquired the title of one of the most popular destinations for recreation and treatment in Asia, providing a wide range of services for rehabilitation and restoration of inner balance, for both tourists and locals. The object of the article is some features of medical and health tourism in Singapore.

The subject of the study is to analyze and study the main factors that influence the development of intensive medical and health tourism in Singapore, exploring the data of therapeutic companies in the country and identify problems and future prospects of Singapore as the Asian center of medical and health tourism.

The problem of medical and health tourism in Singapore hasn't been researched well enough among Ukrainian specialists of tourism sphere, making Singapore still an unknown tourist market for our visitors, both as a medical and recreational destination. Therefore, the author tries to analyze the most outstanding features of medical and health tourism in Singapore using some foreign sources of the most relevant information.

It should be pointed out, that medical and health tourism is one of the leading and fastest growing sectors of the global tourism industry. The leading factors for generating the dynamic development of this type of tourism are the massive public demand for treatment and rehabilitation, through the awareness of modern society of the importance of maintaining health, keeping fit and being in favorable emotional state. The medical and health tourism include both medical and SPA, Wellness, tourism. This type of tourism is one of the oldest and consists of the physical and mental recovery of a person. [4]

The resort base of medical and health tourism is widespread. Europe gained extensive experience in the development of medical and health tourism, as one of the first regions where medical and health resorts were opened. For example, ancient history and old traditions have therapeutic resorts in Western Europe. Among them are the most popular resorts in Baden-Baden and Wiesbaden (Germany), Vichy (France), Davos and St. Moritz (Switzerland), Spa (Belgium), where in the nineteenth century was plenty of foreign tourists. However, nowadays the global trends in medical and health tourism have changed drastically. Surprisingly, it doesn't depend on the availability of natural resources. [5]

The Republic of Singapore is a well-recognized center of international tourism with the annual number of tourists two times more than the indigenous population. The island is one of the most visited places of the world. Singapore has won great victories in the development of the tourism industry in recent years, and has a program for further growth of the number of tourists in 2015. Singapore has a leading first place in the tourism competitiveness in the Asia-Pacific region, which is a significant indicator of the quality and level of services which are provided. The main generators of tourism flows to Singapore can be divided into Asia and Europe. Government policy on the development of tourism industry promotes tourism intensively, launching a new advertising campaign that focuses on key market generators for spreading and establishing of a positive image of Singapore as the best tourism destination in the region.

Medical and health tourism is a major component of the tourism industry in Singapore, and is one of the priority industries, according to the revenue got from it. Singapore has the most diverse base of companies which focus on treatment, rehabilitation and wellness procedures. Even picky client will be satisfied with high quality care and service.

In recent years, Singapore has gained the title of one of the most popular destinations for rehabilitation and treatment in Asia, providing a wide range of services for rehabilitation and reconstruction of inner balance, both for tourists and locals. According to the research company «Intelligent Spas», the number of spas and hotels in 2007 increased by 63% compared with 2003. This surge is directly linked with the increase in demand for this specific type of tourism, as well as with acquisition of mass popularity [4].

In Singapore, there are three spa associations, many family reflexology centers. The country is known for its coastline, which stretches to the stunning Sentosa island resort. It is one of the most visited tourist regions of Singapore and is a promising area for the promotion of wellness and spa tourism.

Noticeable is an active government position aimed at supporting and investing in wellness-tourism industry, which never ceases to progress. Local authorities have made up their minds to erect two resorts, namely «Marina Bay Sands Integrated Resort» and «Resorts World Sentosa Integrated Resort». The design, a range of services and support, intend to strike and delight even the most demanding tourist.

But health tourism is not confined to a narrow-profile hotels and resorts. A key and integral part of wellness-tourism is a spiritual and moral recovery. That is why social sphere of this type of tourism in Singapore does not remain

on the sidelines, the country hosts many events and activities associated with a healthy lifestyle and inner harmony. One of the brightest events is the «Sun Festival» organized by the World Organization «IMG Artists» under the motto “The Art of a healthy life.” The program of the event included meetings, activities that will certainly affect both the physical and spiritual rest and development. Guests enjoy a large list of different classes, such as yoga, class on literature, various spa treatments [3].

Concerning the problems and prospects, Singapore has significant advantages in the competitive environment which include high-quality infrastructure as well as a great number of highly qualified hospitals with English speaking staff. But there are minor drawbacks that are currently used by competing countries to lower the image of Singapore, these include: a little higher price for the services, more expensive residence rate than in most regions of Asia, uncomfortable airline connections from the US, Canada. There is one more negative tendency that should be singled out. It has been repeatedly reported in Singapore papers that the number of visitors arriving in the country, particularly from the Oceania and Europe, is on the decline due to a variety of reasons such as high costs and the high exchange rate of the Singapore dollar. However, the medical and health tourism still attracts a large number of tourists and for attracting greater flows; government regulation has taken the system of steps to improve perception of Singapore as affordable medical and wellness destination. Thus, the experience of Singapore can be used for Ukraine, as a vivid example of successful development of medical and health tourism.

In conclusion, medical and health tourism is one of the most profitable and popular sectors of the tourism industry in Singapore. High tourist attraction and a large influx of tourists from around the world gave a strong impetus to the dynamic growth and prosperity of wellness-tourism in the country. This trend is going to continue, especially, in connection with the construction of two new resorts, active social activities aimed at promoting a healthy lifestyle, intensive government support of health tourism development.

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CONTROVERSIAL ROLE OF FOREIGN LOANS IN US ECONOMY

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Tarasenko I.V., Davydenko I.V. Controversial role of foreign loans in US economy. The article deals with the following issues: the theoretical basis and genesis of external debt, the analysis of the loan current practice and its controversial impact on the US economy.

Keywords: debt crisis, external borrowing, external debt, fiscal deficit, loan, the USA.

Тарасенко Ю.В., Давыденко И.В. Суперечлива роль зовнішніх запозичень в економіці США. У статті проаналізовано сутність та генезис поняття зовнішнього боргу, проведено аналіз сучасної практики запозичень та суперечливість їх впливу на економіку США.

Ключові слова: боргова криза США, дефіцит державного бюджету, зовнішні запозичення, зовнішній борг, позика.

Тарасенко Ю.В., Давыденко И.В. Противоречивая роль внешних заимствований в экономике США. В статье проанализированы сущность и генезис понятия внешнего долга, проведен анализ современной практики заимствований и противоречивость их влияния на экономику США.

Ключевые слова: внешние заимствования, внешний долг, дефицит государственного бюджета, долговой кризис США, заем.

The object of the study is foreign loans in the United States economy. The purpose of the study is to identify the essence of scientific category 'loan', to describe the contradictory impact of the external debt on the U.S. economy.

The theory of government borrowing is inextricably linked with the theory of the state budget and uses a number of key budget concepts that are fundamental to consider the public loan. The fiscal deficit means the excess of the state spending over the budget income [2].

Most governments either in developed or developing countries cannot cover their income expenses. The presence of government deficits is the need to resort to public credit. Government borrowing is the main form of credit and the way of voluntary mobilization of additional state funds in state revenue. Government loan is the main source of cost-effective budget deficit [3].

Since the government has to raise additional funds to cover their expenses, the emergence of public debt (which in terms of raising funds can be divided into internal and external) is a natural phenomenon. Gross external debt consists of state (official) external debt and publicly guaranteed debt and private non-guaranteed one [8].

There are main reasons, which force the state to resort to borrowings: the lack of internal resources to finance investment and budget deficit, the excess of gross investment over gross savings; changes in STP in the structure of demand, which leads to changes in production and increases capital requirements; increase of public spending (military and social sectors); tax cuts to stimulate the economy; popular macroeconomic policy of government spending [5].

First US debt was recorded in 1790. Despite pessimistic predictions, the growing debt of the United States still has one of the highest credit rating of AAA (Moody's and Fitch Group) and AA + (Standard & Poor's in August 2013) [1].

United States is a highly developed post-industrial country. It's a leader of the world economy, as well as the leader in terms of gross external debt, which rocked the record in April 2014 and reached 109.9% of the current GDP (table 1).

It shows that the US belongs to countries with an excessive debt. Most of the debt is the legacy of American wars, economic downturns and unreasonable financial policies [1; 7].

Table 1

**External debt of the United States
as a percentage of GDP from 1910 to 2014**

Year	U.S. external debt, billions \$	% GDP
1910	2,653	8,0
1930	16,19	16,6
1950	256,853	94,0
1970	380,921	37,6
1990	3206,290	55,9
2000	5628,700	58,0
2001	5769,881	57,4
2002	6198,401	59,7
2003	6760,014	62,6
2004	7354,657	63,9
2005	7905,300	64,6
2006	8451,350	65,0
2007	8950,744	65,6
2008	9985,757	70,2
2009	11875,851	83,4
2010	13786	96,5
2011	15144	100
2012	16432	103,8
2013	17453	106,6
2014	17832	109,9

Source: [8].

The contradictory of external debt in the U.S. economy means it has both negative and positive effects on it. To use the SWOT-analysis is the best way to demonstrate pros and cons (table 2).

SWOT-analysis

Positive impact	Negative impact
<p data-bbox="342 244 453 269"><u>Strengths:</u></p> <ul data-bbox="182 277 595 447" style="list-style-type: none"> • additional resources; • ensuring the economic security of the United States; • the improvement of international cooperation and understanding 	<p data-bbox="761 244 872 269"><u>Weaknesses:</u></p> <ul data-bbox="638 277 1038 583" style="list-style-type: none"> • increasing of national economy dependence from creditor countries (international organizations and non-residents who purchase government securities in the United States); • rising up a large external debt; • the need to pay interest of foreign loans.
<p data-bbox="330 596 465 621"><u>Opportunities:</u></p> <ul data-bbox="182 629 570 868" style="list-style-type: none"> • investment financing; • non-inflationary sources of financing government deficits; • covering the previous financial borrowings (previous debts); • loans to importers, buyers of American products. 	<p data-bbox="798 596 884 621"><u>Threats:</u></p> <ul data-bbox="638 629 1013 968" style="list-style-type: none"> • destabilization of the financial system of the United States; • risk of causing a tax increase (destabilization of the budget system); • diversion of budgetary funds on the needs of economic and social development; • loan burden for future generations.

Source: [4; 9].

Conclusion. Taking into account those fact that external loans have a controversial impact on the whole economy of the country, we can definitely state that the only use of an effective debt management strategy will promote the efficient use of borrowing and create the necessary conditions for the optimization of the debt burden.

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YOUTUBE AS A SOCIAL MEDIA PLATFORM

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Tsaguriya M.R., Vlasenko M.A. YouTube as a social media platform. This article suggests a survey of social media analysis and online platforms (in this case – YouTube), their influence on society and the development of communications at the moment. YouTube is observed as a video hosting service for content creators, audience and their exchange of information, as well as the launch pad for creators in their development in the field of public relations and media of mass communication.

Key words: content, media of mass communication, online platforms, social media, video hosting.

Цагурія М.Р., Власенко М.А. YouTube як платформа соціальних медіа. У статті поданий аналіз соціальних медіа та інтернет-платформ (в даному випадку – YouTube), їхній вплив на суспільство і розвиток комунікацій в даний

момент. YouTube розглядається як сервіс відео-хостингу для творців контенту, аудиторії і їх обміну інформацією, а також як стартовий майданчик для творців у їх розвитку у сфері зв'язків з громадськістю та медіа-комунікацій.

Ключові слова: відео-хостинг, інтернет-платформи, контент, медіа-комунікації, соціальні медіа.

Цагурия М.Р., Власенко М.А. YouTube как платформа социальных медиа. В статье подан анализ социальных медиа и интернет-платформ (в данном случае – YouTube), их влияние на общество и развитие коммуникаций в данный момент. YouTube рассматривается как сервис видео-хостинга для создателей контента, аудитории и их обмена информацией, а также как стартовая площадка для создателей в их развитии в сфере связей с общественностью и медиа-коммуникаций.

Ключевые слова: видео-хостинг, интернет-платформы, контент, медиа-коммуникации, социальные медиа.

The article focuses on one of the biggest free social media platform YouTube, its diversity, growth in the past years and impact on the society, media and information.

The object of the research is internet social media, internet platforms and its advantages over other forms of mass media.

The subject of the research is particularly YouTube as a biggest free video hosting platform and one of the easiest ways of communication and entertainment for over than 1 billion people all over the world.

The objective of the research is the analysis of YouTube culture as unique and brand new phenomenon that is currently changing the way of viewing mass media, sharing opinions and exporting information to a viewer.

YouTube is the world's largest video platform. It has been created in 2005 and it took a year for Google to see a huge perspective in it and buy it. It currently has over 1 billion viewers with 1 trillion views. 100 hours of video are uploaded to YouTube per minute and 6 billion hours of video are watched every month [9]. Most of the content is uploaded by individuals, but it's been a while since YouTube started being acknowledged by large corporations such as CBS, the BBC, Vevo, Hulu and other organizations.

YouTube's Partner Program enables owners of popular video channels to earn money from adverts on their videos. If you have more than 1000 subscribers and more than 1000 views on each channel's video you can start making money from YouTube. So it seems obvious that it has so much interest from people, especially young individuals who can share their life online and make profit.

Basically, video blog or vlog is a blog in a form of a video. Although, the concept of a vlog is more diverse. The “base” is pretty simple – it is always a person or a group of people talking to a camera. What makes these videos different from each other is, certainly, the variety of topics: people are expressing their opinions, talking about their life experiences, showing their hobbies and interests and, most of all, having fun. Surprisingly, in the past few years this form of conversation became extremely popular among viewers and, what is even more surprising, the main concern of content creators is not money. The word “conversation” is more appropriate here than anything else despite the fact that there is only one person talking to a gadget. The comment section is a huge part of every YouTube channel and feedback is extremely important for creators – youtubers. In opposite to television, every person can express their opinion in the comment section and start a discussion with other viewers or even with a youtuber himself. Of course, internet is more frank than any other form of mass media, so it would not be clever to wait for intelligent, kind and reasonable words from every single viewer, so it is more difficult to make a decent well-pronounced video than it seems. “If the TV is a monologue, YouTube is a conversation,” says British journalist Benjamin Cook in his weekly documentary series “Becoming YouTube”, where he tried to analyze “anatomy of youtuber” in every aspect possible [4].

At the end of the day this feedback is what people started filming videos for and not money. To be completely honest, most vloggers started making their content for becoming famous and, as been said by many of them, not to feel that lonely and have the opportunity to express themselves. For the luckiest ones this became their jobs and careers. Vlogs are an enormous platform for creativity, but they are just a start for content creators. For instance, the winner of “The best British vlogger of 2014” Zoe Sugg, also known as Zoella, became well-known for her simple beauty videos that were not particularly professional, but, apparently, her sincerity and ability to brighten up the day of her subscribers by making them smile did their job. Now she is not making that many videos due to her new beauty line and her fiction book “Girl Online” that tends to be extremely popular despite the rumors of a book being ghostwritten [3]. We can ask ourselves a question: would these things be that popular, if they did not have the name of Zoe on them, who just hit 7 million subscribers on her main channel?

There are plenty of other examples. The first popular British vlogger Charlie McDonnell (2.5 million subscribers) puts lots of effort to become a better filmmaker – he directed five short films in the past year that got great feedback

from the audience. 17-year-old ambitious Bertie Gilbert is called young genius of cinematography. Best friends Dan Howell and Phil Lester (4 million and 2 million subscribers) are BBC Radio 1 DJs and have their own weekly radio show featuring many other youtubers [5]. 19-year-old Troye Sivan released EP that reached top of many charts and sold 30,000 copies after only three days of sales. A lot of vloggers have their podcasts and stage shows. Apparently, people whose boredom one day somehow made them started talking to camera in their bedrooms are real-life celebrities now. How did this happen? Why people decide to spend their precious time on watching a person on the Internet?

Clearly, what attracts audience is bright individuals and fresh thoughts. People like watching someone who seems to be normal person that has something to share with the world and enjoys doing that. Youth tends to prefer quite sincere YouTube above TV with its fake reality shows and endless sitcoms. Teenagers definitely trust those people on the screen, so that is a question of responsible use of credit, too. Frankly, some people manipulate their fans to get what they want. As ridiculous as it sounds, they ask teenagers to buy clothes and shoes for them. It is incredibly upsetting: there is so much they can do with this power! Vloggers like John and Hank Green (2.5 million subscribers) have an annual “Project for awesome” – international movement on YouTube that raises money for different charities (in 2014 the total amount of donations was \$1,226,382). [8] Tyler Oakley (6 million subscribers) raised \$500,000 for Trevor Project (organizations that helps preventing suicides among LGBT+ youth) [1]. The most subscribed person in the world, Swedish gamer Felix Kjellberg (33 million subscribers) raised over \$1,000,000 for charity. Above all, youtubers definitely advocate kindness and loyalty. They encourage their fans to be better people: caring, friendly, gentle, and gracious. In the case of brothers Hank and John Green, they even have a catch-phrase that became a distinctive feature of their YouTube channel: “Don’t forget to be awesome” [2].

The future of youth entertainment is not in broadcast or cable TV but in short-form digital videos, particularly on YouTube. [6] Will YouTube eventually become the death of television? Or will TV use it for their commercial purposes? We can predict this with the high level of doubt: TV might need YouTube, but YouTube does not necessarily needs TV as YouTube and vloggers are making a big amount of money every day (1 million views equals about 3 thousand dollars) and, more importantly, they enjoy what they are doing; their hobby has turned into their source of income, the bunch of shy people in front

of a webcam have transformed into celebrities who have to deal with loud screaming, permanent stalking and crowds of fans everywhere they go [2].

Despite all of this, we can hope that YouTube is still primarily a website for talented people to find their listeners and not a commercial project. New interesting topics occur constantly, webcams were replaced by expensive professional cameras, audience expands rapidly (last year's YouTube biggest convention VidCon was attended by 18,000 people and the number of tickets was limited!), but most of videos remain the same by their structure and atmosphere of pleasant conversation with an old friend. "If YouTube stars are swallowed by Hollywood, they are in danger of becoming less authentic versions of themselves, and teenagers will be able to pick up on that," says celebrity brand strategist Jeetendr Sehdev. "That could take away the one thing that makes YouTube stars so appealing."

After all, YouTube is also a great way of learning foreign language, English in particular. A person can be too shy to actually talk to native speakers on the internet, so they can give a go to this kind of improving your skills. What can be better than entertaining yourself and listening to the speech of real people with different accents from all over the globe? It can be more effective than constantly trying to figure out what people on learning CDs are saying – some basic phrases will stuck in your head, making you remember new words and expressions.

To sum up, YouTube is not art itself, it is just a platform for creating it. We do not know who was the first person to make the first ever vlog , but at the same time, "Me at the zoo" – first video uploaded to YouTube by its creator in 2005 [7] – is about person talking to a camera for less than a minute, so we can say that vlogging culture was meant to be born. It is evolving rapidly and last year it was completely different from what it is now. YouTube is a great start for filmmakers who want to find their audience; for amateur beauty gurus to start their professional career; for comedians whose sketches often capture an attention from comedy shows' creators who constantly seek for new talents.

So if you have something to share with a world, what can be better and easier than creating your channel and making quality content? And the audience will eventually find the creator. The perspective is enormous: Hollywood is already trying to recruit YouTube content creators for their purposes, but most people are still certain that YouTube will always remain the unique free platform for endless opportunities and new ideas, which it is now.

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THE EUROPEAN DEBT CRISIS

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Yukhnovets T.I., Startseva N.M. The European debt crisis. The article considers the European debt crisis of 2009–2012, its causes and political consequences. The unprecedented rise in interest rates, the elimination of banks and liquidity problems, along with the change of governments in a number of countries and early parliamentary elections are just a few of them.

Key words: debt crisis, default, government debt, International Monetary Fund, politics, private debt, Treaty of Maastricht.

Юхновець Т.І., Старцева Н.М. Європейська боргова криза. У статті розглянута європейська боргова криза 2009–2012, її основні причини та політичні наслідки. Безпрецедентне зростання процентних ставок, ліквідація банків і проблеми ліквідності разом зі зміною урядів у ряді країн і достроковими парламентськими виборами – лише деякі з них.

Ключові слова: боргова криза, державний борг, дефолт, Маастрихтський договір, Міжнародний валютний фонд, політика, приватний борг.

Юхновец Т.И., Старцева Н.Н. Европейский долговой кризис. В статье рассмотрен европейский долговой кризис 2009–2012, его основные причины и политические последствия. Беспрецедентный рост процентных ставок, ликвидация банков и проблемы ликвидности наряду со сменой правительств в ряде стран и досрочными парламентскими выборами – всего лишь некоторые из них.

Ключевые слова: государственный долг, дефолт, долговой кризис, Маастрихтский договор, Международный валютный фонд, политика, частный долг.

The relevance of article. The European debt crisis is the most undesirable phenomenon in the world economy which has long-lasting effects on the economies of not only the less developed countries but on those of the highly developed as well.

The goal of this article is to consider the structure and determinants of the spread of the European debt crisis and its consequences. The subject of this paper is the factors of emergence of the European debt crisis.

The European debt crisis (often referred to as the euro crisis or the sovereign debt crisis) is an ongoing crisis that has been affecting the countries of the eurozone since early 2009, when a group of 10 central and eastern European banks asked for a bailout. The main issues shaping the crisis are: weak actual and potential growth; competitive weakness; liquidation of banks and sovereigns; large debt-to-GDP ratios; and considerable liability stocks (government, private, and non-private sector) [2].

The crisis made it difficult or impossible for some countries in the eurozone to repay or refinance their government debt without the assistance of third parties like the European Central Bank or International Monetary Fund. Banks in the eurozone were undercapitalised and have faced liquidity and debt problems. Additionally, economic growth was slow in the whole of the eurozone and was unequally distributed across the member states. Governments of the states most severely affected by the crisis have coordinated their responses with a committee dubbed “the Troika” formed by three international organizations: the European Commission, the ECB and IMF [4].

The crisis had adverse economic effects for the worst hit countries, with unemployment rates in Greece and Spain hitting 27%, and also had a major political impact on the ruling governments in 8 out of 17 eurozone countries, contributing to power shifts in Greece, Ireland, Italy, Portugal, Spain, Slovenia, Slovakia, and the Netherlands.

Evolution of the crisis

In the first few weeks of 2010, there was renewed anxiety about excessive national debt, with lenders demanding ever higher interest rates from several countries with higher debt levels, deficits and current account deficits. This in turn made it difficult for some governments to finance further budget deficits and service existing debt, particularly when economic growth rates were low, and when a high percentage of debt was in the hands of foreign creditors, as in the case of Greece and Portugal [3].

To fight the crisis some governments have focused on raising taxes and lowering expenditures, which contributed to social unrest and significant debate among economists, many of whom advocate greater deficits when economies are struggling. Especially in countries where budget deficits and sovereign debts have increased sharply, a crisis of confidence has emerged with the widening of bond yield spreads and risk insurance on credit default swaps between these countries and other EU member states, most importantly Germany. By the end of 2011, Germany was estimated to have made more than €9 billion out of the crisis as investors flocked to safer but near zero interest rate on German federal government bonds. By July 2012 also the Netherlands, Austria and Finland benefited from zero or negative interest rates. Looking at short-term government bonds with a maturity of less than one year the list of beneficiaries also includes Belgium and France. While Switzerland (and Denmark equally benefited from lower interest rates, the crisis also harmed its export sector due to a substantial influx of foreign capital and the resulting rise of the Swiss franc. In September 2011 the Swiss National Bank surprised currency traders by pledging that “it will no longer tolerate a euro-franc exchange rate below the minimum rate of 1.20 francs”, effectively weakening the Swiss franc. This is the biggest Swiss intervention since 1978 [5].

Despite sovereign debt having risen substantially in only a few eurozone countries, with the three most affected countries Greece, Ireland and Portugal collectively only accounting for 6% of the eurozone’s gross domestic product (GDP), it has become a perceived problem for the area as a whole, leading to speculation of further contagion of other European countries and a possible

break-up of the eurozone. In total, the debt crisis forced five out of 17 eurozone countries to seek help from other nations by the end of 2012 [4].

In mid-2012, due to successful fiscal consolidation and implementation of structural reforms in the countries being most at risk and various policy measures taken by EU leaders and the European Central Bank, financial stability in the eurozone has improved significantly and interest rates have steadily fallen. This has also greatly diminished contagion risk for other eurozone countries. As of (from October) October 2012 only 3 out of 17 eurozone countries, namely Greece, Portugal and Cyprus still battled with long-term interest rates above 6%. By early January 2013, successful sovereign debt auctions across the eurozone but most importantly in Ireland, Spain, and Portugal, shows investors believe the ECB-backstop has worked [4]. In November 2013 ECB lowered its bank rate to only 0.25% to aid recovery in the eurozone. As of from May 2014 only two countries (Greece and Cyprus) still need help from third parties [3].

Political impact

Handling of the ongoing crisis has led to the premature end of several European national governments and influenced the outcome of many elections:

- Ireland – February 2011 – After a high deficit in the governments budget in 2010 and the uncertainty surrounding the proposed bailout from the International Monetary Fund, the 30th Dáil (parliament) collapsed the following year, which led to a subsequent general election, collapse of the preceding government parties, Fianna Fáil and the Green Party, the resignation of the Taoiseach Brian Cowen and the rise of the Fine Gael party, which formed a government alongside the Labour Party in the 31st Dáil, which led to a change of government and the appointment of Enda Kenny as Taoiseach.

- Portugal – March 2011 – Following the failure of parliament to adopt the government austerity measures, PM José Sócrates and his government resigned, bringing about early elections in June 2011 [1].

- Finland – April 2011 – The approach to the Portuguese bailout and the EFSF dominated the April 2011 election debate and formation of the subsequent government.

- Spain – July 2011 – Following the failure of the Spanish government to handle the economic situation, PM José Luis Rodríguez Zapatero announced early elections in November. “It is convenient to hold elections this fall so a new government can take charge of the economy in 2012, fresh from the balloting” he said. Following the elections, Mariano Rajoy became PM [1].

- Slovenia – September 2011 – Following the failure of June referendum on measures to combat the economic crisis and the departure of coalition partners,

the Borut Pahor government lost a motion of confidence and December 2011 early elections were set, following which Janez Janša became PM.

- Slovakia – October 2011 – In return for the approval of the EFSF by her coalition partners, PM Iveta Radičová had to concede early elections in March 2012, following which Robert Fico became PM.

- Italy – November 2011 – Following market pressure on government bond prices in response to concerns about levels of debt, the right-wing cabinet of the long-time Prime Minister Silvio Berlusconi, lost its majority: Berlusconi resigned on 12 November and four days later was replaced by the technocratic government of Mario Monti [1].

- Netherlands – April 2012 – After talks between the VVD, CDA and PVV over a new austerity package of about 14 billion euros failed, the Rutte cabinet collapsed. Early elections were called for 12 September 2012. To prevent fines from the EU – a new budget was demanded by 30 April – five different parties called the kunduz coalition forged together an emergency budget for 2013 in just two days.

- France – May 2012 – The French presidential election, 2012 became the first time since 1981 that an incumbent failed to gain a second term, when Nicolas Sarkozy lost to François Hollande.

Conclusion. The European debt crisis has become a new risk factor for the global economy. Each state should conduct ongoing monitoring of the dynamics of debt payments to prevent crises.

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GREEN TRANSFORMATION OF THE DANISH ECONOMY

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Zaporizskiy N.V., Oliynyk N.A. Green Transformation of the Danish Economy. The article considers the status and development of the Danish economy. Efficient economic development has been provided by thoroughly planned economic policies in agriculture, welfare sector and has unique perspectives in terms of low and climate friendly energy consumption.

Key words: climate friendly, cost-effective, energy consumption, industrially agrarian country.

Запорізький Н.В., Олійник Н.А. Перетворення економіки Данії, що забезпечить захист довкілля. Стаття розглядає статус і розвиток економіки Данії. Ефективний економічний розвиток забезпечується ретельно-продуманою економічною політикою в сільському господарстві, в секторі соціального захисту і має унікальні перспективи щодо екологічного та економічного вжитку енергії.

Ключові слова: індустриально-аграрна країна, нешкідливий для довкілля, прибутковий, споживання енергії.

Запорожский Н.В., Олейник Н.А. Преобразования экономики Дании, обеспечивающие защиту окружающей среды. Статья рассматривает статус и развитие экономики Дании. Эффективное экономическое развитие обеспечивается тщательно-продуманной экономической политикой в сельском хозяйстве, в секторе социальной защиты и имеет уникальные перспективы в плане экологически чистого и экономного потребления энергии.

Ключевые слова: безвредный для окружающей среды, индустриально-аграрная страна, потребление энергии, прибыльный.

The objective of the article is to give a comprehensive view of Denmark's competitive position addressing both the targets set out by the Government and other conditions relevant to maintaining Denmark as one of the richest countries in the world and a society with strong cohesion.

The main features of the economic development of Denmark as an industrially agrarian country with high level of development make up the subject of the study.

This thoroughly modern market economy features a high-tech agricultural sector, state-of-the-art industry with world-leading firms in pharmaceuticals,

maritime shipping and renewable energy, and a high dependence on foreign trade. Denmark is a member of the European Union (EU); Danish legislation and regulations conform to EU standards on almost all issues. Danes enjoy a high standard of living and the Danish economy is characterized by extensive government welfare measures and an equitable distribution of income. Denmark is a net exporter of food and energy and enjoys a comfortable balance of payments surplus, but depends on imports of raw materials for the manufacturing sector. Within the EU, Denmark is among the strongest supporters of trade liberalization. After a long consumption-driven upswing, Denmark's economy began slowing in 2007 with the end of a housing boom. Household indebtedness is still relatively high at more than 275% of gross disposable income in the first half of 2013 [1]. Though the global financial crisis has exacerbated this cyclical slowdown through increased borrowing costs and lower export demand, consumer confidence, and investment. Denmark's fiscal position remains among the strongest in the EU with public debt at about 46% of GDP in 2013. Despite previously meeting the criteria to join the European Economic and Monetary Union (EMU), so far Denmark has decided not to join, although the Danish krone remains pegged to the euro.

Among those amazing figures and data stated above there is another very specific feature of Denmark's economy is its ambitious commitment to climate change targets. These targets are in line with global efforts to address the effects of climate change [2].

On 22 March 2012, the government established an ambitious and politically broad energy agreement with Denmark's Liberal Party, the Danish Red-Green Alliance, the Danish People's Party and the Conservative Party which the period up to 2020. With its broad political support and, in an international context, very high level of ambition, the agreement will establish a stable framework, which is crucial with respect to making important investments in renewable energy, energy efficiency, the energy system and research, development and demonstration of new green-energy technology. The energy agreement will therefore be a cornerstone in the green transition of Danish energy for many years to come.

The energy agreement contributes to creating green growth in Denmark. The initiatives point towards the long-term goal of full conversion to renewable energy in 2050.

Having had the decades of experience when it comes to energy technology and knowledge about greening their energy system Danish companies play

a key part in delivering green technological solutions to China's green transition e.g. within wind energy, energy efficient building, district heating and counselling. A recent example are the two Danish companies, COWI and Danfoss, who have engaged in one of the largest commercial Sino-Danish district heating projects in China. These efforts will help to reduce the amount of coal that needs to be burned for heating and thus will cut emission of carbon dioxide by 240.000 tons per year.

Danish enterprises generally have a low energy consumption compared with enterprises in other countries. This is shown in many analyses, for example from Denmark's National bank and the International Energy Agency (IEA). However, there remains considerable energy-savings potential in the business community. Many of the savings are cost-effective, if they are realised in connection with renovation, for example. An analysis in 2010 showed that there are savings potentials of 10%, 15% and 32% respectively on the basis of a simple payback period of 2, 4 and 10 years. Realisation of these energy savings will benefit enterprises even more, if oil prices increase in the future, as expected. Furthermore, better energy efficiency will contribute to the objective of 100% renewable energy in 2050 [3, p.5].

In conclusion, a green transformation of the Danish economy presents both significant challenges and new opportunities. Denmark is off to a good start as Danish production is highly energy efficient – and therefore climate friendly.

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THE INNOVATIVE DEVELOPMENT OF AN ENTERPRISE: THE PRIMARY AREAS AND CONDITIONS

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Zimneva E.A., Katsanenko O.A., Skrypnyk T.I., The innovative development of an enterprise: the primary areas and conditions. The necessity of innovative development is discussed as a method of improvement of product quality and increasing competitive ability of an enterprise and necessary conditions for its providing.

Keywords: development, increase, innovation, manufacturing, reduction.

Зімнева Е.О., Кацаненко О.О., Скрипник Т.І. Інноваційний розвиток підприємства: первинні сфери та умови. Розглянута необхідність інноваційного розвитку як засобу покращення якості продукції та збільшення конкурентоспроможності підприємства, а також необхідні умови для його забезпечення.

Ключові слова: виробництво, інновація, підвищення, розвиток, скорочення.

Zimneva E.O., Katsanenko O.O., Skrypnyk T.I. Инновационное развитие предприятия: первоочередные сферы и условия. Рассмотрена необходимость инновационного развития как средства улучшения качества продукции и повышения конкурентоспособности предприятия, а также необходимые условия для его обеспечения.

Ключевые слова: инновация, повышение, производство, развитие, сокращение.

In the current context, while world economy is changing to innovation-based development of enterprise activity, the implementation of innovation by the enterprise is the main way to increase competitive ability of manufactured products, to keep high rate of development and return. The enterprises should respond rapidly and properly to market changes by launching a new or improved product, implementation of new manufacturing and selling technologies, improving of intercompany management system and using the up-to-date strategy of marketing. However, the innovation is a source of development only if it's used extensively and effectively, and also if there is positive environment for its implementation.

The goal of this research is to show the importance of innovative development of an enterprise and its major ways and conditions. In this article, the authors conducted analysis of basic directions of the innovative development, investigated characteristics and results of their accomplishment, determined essential conditions for effective innovative development of enterprises.

The innovative development is considered as a sum-total of goal-oriented and interconnected events, which provide necessary economic growth to achieve goals of enterprise development [3]. The innovation of enterprise is a form of appearance of the scientific-and-technological advance at microeconomic level. The effective implementation and using of the innovation in financial and economic activity allows enterprises to strengthen their position on the market due to improvement of quality of manufactured products and provided services, to increase the level of technical and technological development, and also expand the knowledge-based capital of enterprise [2].

At present there are the following principal directions of enterprise innovative development:

- 1) complex mechanization and automation of manufacturing is large-scale implementation of interconnected and interdependent machines, devices, equipment in all production areas, operations and types of work. It works towards intensification of manufacturing, increase of labour productivity, manual work rate reduction, alleviation and improvement of working conditions, decrease of labour-consumption of product. As a result, the mechanization puts out the manual work and replaces it by the machines in major and secondary technological operations;
- 2) chemicalization of manufacturing is perfection of manufacturing processes due to implementation of chemical technologies, raw materials, units for the purpose of intensification, production of new products and improvement of quality. It reduces expenses on production and increases efficiency of company activity in the market;
- 3) electrification of manufacturing is the large-scale implementation of energy as a power-supply source of an industrial power unit. On the basis of electrification there are complex mechanization and automation of manufacturing and implemented innovative technology. Electrophysical and electrochemical processing methods give the opportunity to make units of complex geometric shapes;
- 4) electronization of manufacturing is supporting all company departments with highly effective electronic devices from PC to artificial intelligence, satellite communications and information system. On the basis of ECM

(electronic computing machine) and microprocessors technological complex machines and equipment, measuring, automatic control and information systems are created, design-and-engineering work and scientific research are conducted, information services and education are provided. It increases labour productivity, reduces the time of getting information, improve efficiency of manufacturing process;

- 5) the creation and implementation of new materials with new effective qualities such as heat-resistance, superconductivity, corroding and radiation resistance allow increase of the competitiveness of products which improves the profitability of organization.
- 6) the implementation of new technologies solves many industrial and socio-economic problems. New technologies allow increasing of the output without involving extra factors of production. Development of new biotechnologies will help solve the famine problem in developing countries, struggle with plant pests without damaging the environment, supply all regions of the world economy with raw materials and create the non-waste production.
- 7) the development of information technologies form not only a new production potential based on computerization, but also new social relations [1].

In order to succeed in innovative process and development enterprises have to follow to following conditions:

- adopting a strategy and following the principle of goal-orientation of the enterprise innovative development, that allows reduction of the consumed resources: financial, human, material and technical;
- considerable investment in the future production and as a result balancing day-to-day operation and strategic innovation development;
- forecasting cycles of innovation development based on the enterprise life cycle and renovation cycles of production systems;
- organizing training courses for employees or outsourcing highly qualified personnel;
- active using and developing theoretical approaches and scientific methods of management;
- creating a special labour motivation system because innovative changes result in high uncertainty in the period of innovation [3].

Conclusion. Thus in today's conditions innovation is the main way for companies to improve the competitiveness of products, maintain high growth rates and profitability rate. However, innovation becomes the source of progress only if used intensively and efficiently, and also needs creation of favorable

conditions for its implementation. Enterprises have to be economically stable with sufficient financial, human and intellectual resources. Also development of the innovation sphere requires significant public financing.

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Наукове видання

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