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## MICHAEL PORTER'S COMPETITIVE STRATEGY

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**Aharkov M.V., Kalishchuk L.G., Oliynyk N.A. Michael Porter's competitive strategy.** The article focuses on Michael Porter's model of five main competitive forces and its practical usage by the case of the Ukrainian mobile market. It gives a detailed theoretical background of the model and analyzes its practical application by the case of the three main mobile operators in Ukraine: Kyivstar JSC, Vodafone Ukraine (Vodafone Group Plc) and Lifecell (LifeCell International Private Limited).

**Keywords:** five main forces of competition, Michael Porter, Ukrainian mobile market.

**Агарков М.В., Каліщук Л.Г., Олійник Н.А. Конкурентна стратегія Майкла Портера.** У статті розглянута модель Майкла Портера про п'ять основних конкурентних сил та її практичне використання на прикладі українського мобільного ринку. Надано теоретичні засади моделі та аналіз її практичного застосування на прикладі трьох основних операторів мобільного зв'язку в Україні: АТ «Київстар», Vodafone Україна та Lifecell.

**Ключові слова:** п'ять головних сил конкуренції, Майкл Портер, український мобільний ринок.

**Агарков М.В., Калищук Л.Г., Олейник Н.А. Конкурентная стратегия Майкла Портера.** В статье рассмотрена модель пяти основных конкурентных сил Майкла Портера и ее практическое применение на примере украинского рынка мобильной связи. Представлено теоретическое обоснование модели и анализ ее практического применения на примере трех ведущих мобильных операторов в Украине: АО «Киевстар», Vodafone Украина и Lifecell.

**Ключевые слова:** пять основных сил конкуренции, Майкл Портер, украинский мобильный рынок.

According to Michael Porter's competitive strategy there are five main forces to increase profitability. In Porter's opinion the task of each

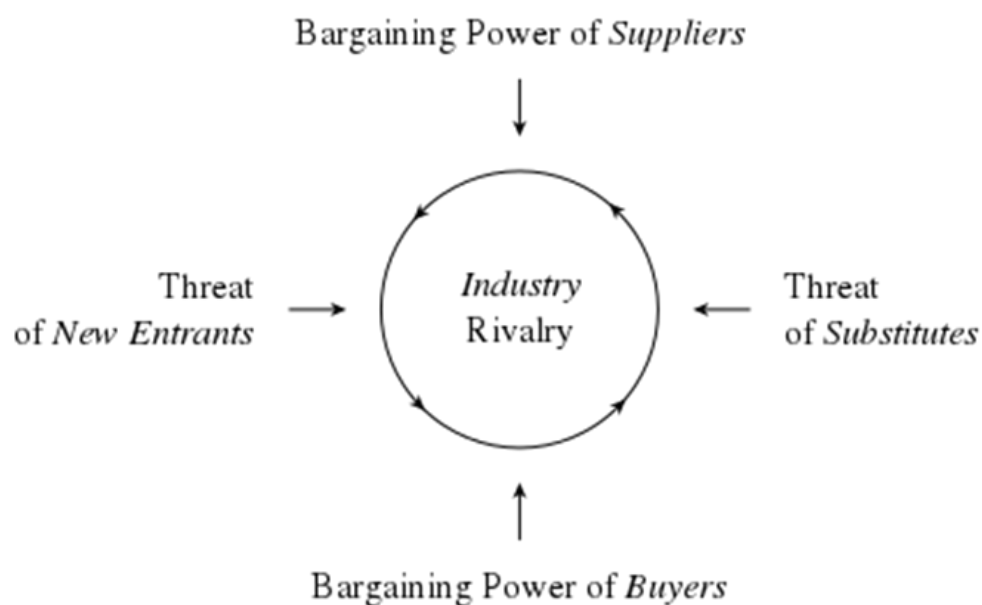
company is to find such a field of activity and apply strategies that will give an opportunity to face the least pressure from competitors.

The o b j e c t of the study is five main forces of the competitive strategy by Michael Porter. The s u b j e c t of this article is Ukrainian mobile market. The m a i n p u r p o s e is to study the feasibility of Porter's model in Ukrainian mobile market and work out a competitive strategy for the market under consideration.

The Porter model is a tool for analyzing the competitive conditions on the market and identifying the degree of influence that each of the five forces has on the company and how attractive this or that industry is for the company's activities [4].

Five main competitive forces:

- Threat of New Entrants (when new players enter to the market)
- Bargaining Power of Suppliers (influence of suppliers)
- Threat of Substitutes (risk of similar goods)
- Bargaining Power of Buyers (influence of consumers)
- Industry Rivalry (competition on the market)



Source: *Competitive Strategy* [2].

Figure 1. A graphical representation of Porter's five forces.

According to M. Porter [4], “the capacity of any market is not limitless, the entrance of new players can lead to a decrease in product prices as well as the profits of matured companies, a reduction in market share and increasing of the competition, etc. Therefore, the companies must set up the barriers in order not to let new players expand successful activities. Entrance barriers such as economies of scale, differentiation, creation of new distribution channels, technology patenting, etc. can be effective”.

In his model, M. Porter identified a number of factors affecting the intensity of competition between existing companies that operate in the industry which are as follows:

- it goes up with the increase in the number of competitors with the same size and capabilities;
- it is tougher if the demand grows up slowly;
- it is more intense if competitors have to reduce prices or production costs;
- it is stronger if one or several competitors are not satisfied with their market position and take measures to improve it at the expense of other market participants;
- it is tougher if the cost of leaving the industry are higher than the cost of staying and continuing to compete;
- it is dangerous and unpredictable if differences in competitors increase according to the applied strategies, corporate priorities and resources;
- it significantly grows up if large companies from other industries take small firms in this industry and begin financing them in order to transform these businesses into the huge leaders in the industry.

In this case, effective strategies are aimed at launching new types of products and improving already manufactured ones; decreasing prices and changing ways of promoting goods, etc.

As to the competition with duplicates, substitute products can compete as they satisfy the same customers’ needs but in a different way. Duplicate goods are also competitive that almost copy the product and its usage. The development of the strategy which is aimed at the decrease of



the product's price and the improvement of its quality is the measure that can slow down the promotion of such products.

In terms of power of suppliers the product's price is highly dependent on a price for raw materials and that is why the strength of the supplier's position is determined by a number of suppliers; proportion of the number of suppliers and manufacturers; differentiation of suppliers' goods; availability of substitute goods and the fact whether there is a threat of the suppliers' integration into the production industry.

In Porter's opinion customers are also competitors in the industry, because they require constant reduction of prices, improvement of the products' quality and improvement of the service quality. Satisfaction of their requirements is achieved by reducing the company's profit, so the consumers' competition can be expressed:

- in price pressure to reduce prices in wholesale market;
- in requirements to improve the goods' quality;
- in requirements of the better service, i.e. delivery to the warehouse or store, guarantee service;
- in facing intra-industry competitors with each other [4].

In the Ukrainian mobile market there are three main players – Kyivstar (Private Joint Stock Company Kyivstar (Kyivstar JSC), Vodafone Ukraine (Vodafone Group plc) and Lifecell (LifeCell International Private Limited). Vodafone Ukraine (the former UMC) was the first who entered this market and retained leadership until 2001. As of 2017, the Kyivstar company is the market leader in terms of subscribers and revenue as it serves 26.5 million subscribers and earned UAH 16.5 billion last year. At the same time, Vodafone Ukraine's subscriber base has 20.8 million subscribers, and their annual revenue is just under UAH 12 billion [3].

Over the past few years, new communication standards (3G and 4G) have emerged in Ukraine, which has become the impetus for the development of the market and increased competition between players [3] in the mobile market of Ukraine.

Right now, competition is intensive and strong due to a small number of players on the market, so the companies have to introduce new ways of promoting their products and services. For example, Vodafone is investing all capital investments in Long-Term Evolution (4G LTE) in expanding

coverage throughout Ukraine. For 3 years they have invested UAH 19 billion in data-technology, 3G and 4G. In modern times data is one of the most valuable resources and operators start to sell this information to other companies, banks and cities. This technology allows you to implement any technological solutions that the city needs in the areas of safety, ecology, public transport, utility infrastructure and in general to improve the quality of life [3]. This type of activity will help the companies to increase their profit and keep their leading positions on the mobile market of Ukraine.

To sum up, due to highly competitive conditions on the Ukrainian mobile market companies start competing not only in providing their main services but also in introducing new technologies and selling information as it is suggested by Porter's model introducing new technologies and selling information. Mobile phone operators analyze five main forces of competition in order to understand their need for new ways of expanding market and solving problems of high level of competition.

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## THE PROBLEM OF CREATING A POSITIVE IMAGE OF CHINA ON THE INTERNATIONAL ARENA

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**Andrieieva K., Karlyuk S. The problem of creating a positive image of China on the international arena.** The article is devoted to the research of the problem of forming a positive image of the People's Republic of China (hereinafter – the PRC) on the international arena. The theoretical bases of the international image of the country and the role of tourism in building up the country's image have been elucidated, the social, political, and economic pre requisites for building up the image of PRC have been revealed.

**Key words:** brand, international image, People's Republic of China, positive image, Tibetan conflict, tourism.

**Андрєєва К., Карлюк С. Проблема створення позитивного іміджу Китаю на міжнародній арені.** Статтю присвячено дослідженню питання створення позитивного іміджу Китайської народної республіки на міжнародній арені. Висвітлено теоретичні основи міжнародного іміджу країни і роль туризму в його створенні, розкрито соціальні, політичні, та економічні передумови для створення іміджу КНР.

**Ключові слова:** бренд, Китайська народна республіка, міжнародний імідж, позитивний імідж, Тибетський конфлікт, туризм.

**Андреева Е, Карлюк С. Проблема создания положительного имиджа Китая на международной арене.** Статья посвящена исследованию вопроса создания положительного имиджа Китайской народной республики на международной арене. Освещены теоретические основы международного имиджа страны и роль туризма в его создании, раскрыты социальные, политические и экономические предпосылки для создания имиджа КНР.

**Ключевые слова:** бренд, Китайская народная республика, международный имидж, положительный имидж, Тибетский конфликт, туризм.

The image of a country is formed in public consciousness on the basis of its real image, repeatedly emphasized by relevant information and communicative technologies and ideological constructs. The brand of a

territory represents a self-respecting image, which has widespread popularity and established fixation in public consciousness. One way or another, the effectiveness of the use of various communication tactics of individual image strategies becomes not only an object of scientific research, but also the widespread practice of many countries, even regardless the level of their socio-economic development. This is especially true for the creation of an international investment and political image of states [2]. The image of China at the present stage of its development has a number of peculiarities related to the rapid development of economic and socio-political processes, with the uniqueness of increasing prportion of China in the context of effectiveness of its international influence [4].

The question of analysis of the transformation of the international image of PRC is a separate aspect of study of such scholars as Bodruk O.S., Shevchuk O.P., Martsun O.V., and others. Scientific problems of structuring of new components of China's foreign policy have been reflected on in analytical developments of foreign politicians and political scientists Hill C.R., Menges K., Aichorn R.J., Kissinger G., and others [4].

The Chinese economy is becoming a potential leader on the world stage and has a rather significant impact on both individual countries and the global economy as a whole [5, p.73]. Over the past 10 years, China has achieved significant economic results. The average annual growth rate of Chinese GDP was 10.7%. China ranks second in the world in terms of GDP, and GDP per capita has grown fivefold. More than 50% of the population lives in cities. The volume of investments in education, health care, social security, employment programs, and construction of affordable housing is increasing. The prospects for the development of the Chinese tourism market are enormous and optimistic [3]. China has achieved rapid economic development, and is facing new strategic challenges, one of which is to strengthen the international image of the country.

As noted, branding is viewed today as a tool for creation of a country's reputation. A recognized expert in the field of territorial branding is the British expert Simon Anholt, who in the 1990s became the founder of the Nation Brands Index study and now plays the key role in this area. According to him, in a global world, every city, region, country should "compete for tourists, investment, trust, reputation, and respect from the

world media. The image of a country is its competitive advantage. Branding a country is a strategic approach to development of this advantage and vision of where the country can move. Without such a vision a country will not be able to compete". S Anholt and the American research company Global Market Insight offer annual estimates of the value of brands, or reputations, of countries around the world. According to the National Symbol Index of S. Anholt for 2014 – 2015, China ranks 28<sup>th</sup>, apparently not consistent with its economic and political influence in the world [6].

The main problem in shaping the political image of China is the official communist ideology. Including the country's pressing problems of bureaucracy and corruption – all this does not affect the positive image of China on the world stage. At present, a new generation of Chinese leaders is forced to take into account the complexity of political contradictions, especially in the context of aggravation of social problems in the national areas of PRC, the growth of foreign policy ambitions in China. The PRC recognizes the need for political reform in the country [1]. A special place in inter-ethnic relations is the Tibetan problem. In the Chinese paradigm, the Tibetan question is considered to be the fabrication of separatist-minded Tibetan diaspora and hostile Chinese forces, while in Tibetan, it's the problem of historical and political status of Tibet. At the core of the main paradigms of the Tibetan question is the conflict over the status of Tibet in relation to China, which is expressed in various forms, but the most fierce – in the struggle for the right of representation or ideological struggle for the right to represent the Tibetan people and its history. An important issue for PRC is settling down the Tibetan conflict [7].

One of the most effective factors in improving the foreign policy image of China is tourism and a significant attraction of the country's culture. Cultural exchange of China with foreign countries is expected to intensify, but in practice, it encounters resistance in a large part of foreign audiences. In some countries of the world, where the PRC has established the Confucius institutions for dissemination of Chinese language and culture, part of foreign audience for ideological reasons refuses to perceive Chinese culture. This seriously impedes its proliferation and influence in the world community [5].

The country's leadership understands that in order to create a positive international image, it is necessary, first of all, to use internal capabilities of the country: development of economy, science and technology, culture, education, pursuing a policy of peace, friendship, and cooperation. Also, taking an active part in international forums, exhibitions, sport competitions, summits, conferences, and more. And, of course, China must adhere to positions of strengthening peace and promoting world development. All this will contribute to building a positive image of China.

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## IMPROVEMENT OF THE STATE REGULATION OF THE ECONOMY OF UKRAINE

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**Bal' D.O., Oliynyk N.A. Improvement of the state regulation of the economy of Ukraine.** The article deals with the methods of state regulation that Ukraine can learn from foreign experience. The socio-economic model of Brazil's development is analyzed and it is concluded that the country's achievements are closely linked to the system of the state regulation in the field of industry and services.

**Keywords:** Brazil, development, economy of Ukraine, foreign experience, state regulation.

**Баль Д.О., Олійник Н.А. Удосконалення державного регулювання економіки України.** У статті розглядаються методи державного регулювання, які Україна може перейняти із закордонного досвіду. Була проаналізована соціально-економічна модель розвитку Бразилії та зроблено висновок, що досягнення країни тісно пов'язані з системою державного регулювання в сфері промисловості та послуг.

**Ключові слова:** Бразилія, державне регулювання, економіка України, зарубіжний досвід, розвиток.

**Баль Д.А., Олейник Н.А. Совершенствование государственного регулирования экономики Украины.** В статье рассматриваются методы государственного регулирования, которые Украина может перенять из зарубежного опыта. Была проанализирована социально-экономическая модель развития Бразилии и сделан вывод, что достижения страны тесно связаны с системой государственного регулирования в сфере промышленности и услуг.

**Ключевые слова:** Бразилия, государственное регулирование, зарубежный опыт, развитие, экономика Украины.

Economies of both Ukraine and Brazil are focused on the export of commodities and the import of consumer goods and fixed capital belongs to steel, oil and other oligarchs. It has become necessary for Brazil to strengthen its economy and the welfare of their people to increase employment level and extend budget. All this has become possible through

the introduction of new technologies, the development of new industries and capital investments.

According to the classification of the International Monetary Fund (the IMF) based on the level of countries' development Ukraine is referred to a group of developing countries. One of the most economically developed countries in this group is the Federation of Brazil which is the most developed industrial sector in Latin America. The relevance of the study is determined by the possibility of applying the Brazilian practical experience to the economy of Ukraine.

The object of the study is the state regulation of the economy of Brazil and the subject is the potential application of Brazil's experience to the economy of Ukraine. The purpose of the article is to identify and analyze the peculiarities of the model of the state regulation in Brazil which can be implemented in the current domestic economic policy of Ukraine.

The Republic of Brazil is one of the most promising countries in the developing world. The active foreign policy activities in 2015 within the framework of BRICS and the World Trade Organization (WTO) provided a relatively favorable impact on the Brazilian economy in the context of the global financial and economic crisis. The country continued to pursue a consistent course to preserve its regional economic leadership by actively using the forums of political and economic integration of Southern Common Market (Mercosur), the Union of South American Nations (USAN) and the Community of Latin American and Caribbean States (CELAC).

There are four main aspects that Brazil is focused on in its development. Firstly, these are its investment activities. It should be noted that Brazil occupied the 6th place among the largest countries in the world in terms of foreign investment (9.5% of the world's total foreign direct investment). This country accounted for more than 40% of investments in the country of Latin America.

Among the forms of state regulation on investment activity in Brazil, the following should be noted [5]:

- an improvement of the tax system and the use of depreciation deductions;



- a provision of state guarantees for investment projects at the expense of the federal budget;
- an arrangement on a competitive basis of the federal budget and state budget funds to finance investment projects;
- the protection of investors' interests;
- granting of concessions to national and foreign investors on the basis of bids, realization of regional investment programs;
- an issue of bonded loans;
- a definition of spheres of activity in which the participation of foreign capital is prohibited;
- an examination of investment projects.

The Ministry of Finance (Fazenda) through the Department of External Relations and other subordinate institutions defines the entire policy of the state in the field of investments.

There are 3 areas in the mechanisms of the state support for investments:

- tax incentives for investments at the federal level;
- development of industrial policy and sectoral development programs;
- policy development in the area of regional development and free trade areas.

In developed countries, mostly free customs, transit zones and ports, technopolises and industrial parks are common. In the case of developing countries, most free zones are aimed at export production, while it is typical to use different types of combined (complex) zones for countries with transition economies [4, p. 324].

So, the largest scale in the development of free economic zones is observed in Brazil and China. The Amazon free economic zone Manaus occupies almost a quarter of Brazil's territory (3.6 million sq. km). It has become a powerful pole of growth for the Brazilian economy. The total investment in this area, starting in 1967, amounted to about \$ 14 billion, and the annual sales of products amounted to \$ 7 billion [4, p. 324].

Secondly, it is necessary to introduce Brazil's experience in the field of innovation. The program Inova Empresa (Innovate Enterprise), established in 2013, aims to increase the productivity and competitiveness of the Brazilian economy by supporting high-risk technology projects [2].

Nowadays the following sectorized scientific and technical programs are being implemented, the development of which is of priority and strategic importance for the entire Brazilian economy:

- pharmacology and medicine (the program Inova Saúde (Innovate Health) – the main goal is to conduct research and development to expand the national defense industry to meet the needs of the Brazilian Armed Forces and exports);
- aerospace industry (Brazilian space program – the main goal is to meet the national demand for telecommunications satellites, remote sensing satellites, meteorology);
- nuclear program (the main goal is to deploy the activities of the nuclear industry in Brazil for the safe and economic operation of the country's scientific, technological and industrial potential).

In Brazil, a number of measures have been set up to stimulate exports, research in the field of technology and the introduction of innovations. They are mainly related to a reduction in taxes or exemptions from income tax in the form of interest and dividends: special tax on the export of technological information services; special tax incentives for export-oriented companies when purchasing their fixed assets and equipment; special tax incentives for companies engaged in the production of computers when they invest in new technologies; financial incentives for new projects being implemented in the northern and northeastern regions of Brazil [1].

Thirdly, Brazil occupies the 3rd place in the world and the 1st in Latin America in terms of renewable energy market. Brazil's share of non-renewable energy in the Brazilian Electricity Matrix should increase from 16.5% in 2015 to 53% in 2040. The Brazilian National Energy Plan by 2030 sees renewable energy as a key to a more sustainable energy matrix. The renewable energy sector is an important sector of the country. Only in the development of wind energy in 2016 about 5.4 billion dollars was invested. USA accounts for 78% of total investment in this industry. The country takes the 9<sup>th</sup> place in the world in the development of wind energy and solar photovoltaic energy [2].

Fourthly, the government of Brazil dealt with the problem of the ever-increasing dependence on oil imports through the further development of alternative energy resources. Almost two-thirds of Brazilian motorists

today are refueling machines with bioethanol made from sugar cane and sold at almost all gas stations in the country. In 2003, Brazil's car market share of biofuel transport with flex-fuel engines was only 4% (data from the Ministry of Development, Industry and Foreign Trade of Brazil), and in five years, in 2008, the number of vehicles that used alternative fuel has risen to 87% [3].

**C o n c l u s i o n .** Various means and mechanisms for stimulating development are used in different countries in order to create maximum opportunities for the use of potential. Under the current conditions of the development of integration processes, there is a need to analyze the experiences of other countries in conducting an innovation, investment policy. For the development of Ukraine, it is necessary to use the advanced foreign experience of leading countries that have made significant progress.

Brazil's experience is possible to be applied to Ukraine as there are the same problems in Ukraine as in the Brazilian economy such as commodity dependence, corruption, social and economic inequalities. Brazil used investment-innovative activity as a useful tool for economic development, which helped it to overcome some of the most important issues of the economic and social life in the shortest time. Moreover, the example of the use of the Brazilian experience will enable Ukraine to enhance the investment-innovative capacity and develop the economy in the light of modern requirements.

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## DIRECTIONS OF INTERNATIONAL ASSISTANCE TO UKRAINE

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**Bezzubko Y.I., Oliynik N.A. Directions of international assistance to Ukraine.** The article describes the directions of international assistance to Ukraine in the field of innovative development and restoration of the territories of the Donetsk region from the consequences of the military conflict.

**Keywords:** Donetsk region, foreign investments, innovative development, international assistance, restoration.

**Безzubko Ю.І., Олійник Н.А. Напрями міжнародної допомоги Україні.** У статті дається характеристика напрямків міжнародної допомоги Україні у сфері інноваційного розвитку та відновлення територій Донецької області від наслідків військового конфлікту.

**Ключові слова:** відновлення, Донецька область, міжнародна допомога, іноземні інвестиції, інноваційний розвиток.

**Безzubko Ю.И., Олейник Н.А. Направления международной помощи Украине.** В статье дается характеристика направлений международной помощи Украине в сфере инновационного развития и восстановления территорий Донецкой области от последствий военного конфликта.

**Ключевые слова:** восстановление, Донецкая область, международная помощь, инновационное развитие, иностранные инвестиции.

The development of nanotechnology, the reduction of energy intensity and material intensity of production, the design of materials and organisms with predetermined properties are considered to be important tasks for the Ukrainian economy and require both domestic and international investments to be solved. But restoration of the territory of the Donetsk region from the consequences of a military conflict is a national priority which is not possible to solve without international assistance.

The r e l e v a n c e of the article is determined by the need to study the directions and extent of international assistance to Ukraine in order to increase the innovation level of economic development and restore the territories from the consequences of a military conflict.

The o b j e c t of the study is the process of providing international assistance to Ukraine.

The s u b j e c t of the study is the direction of international assistance to Ukraine in the field of innovative development and rehabilitation of the territories of the Donetsk region.

The p u r p o s e of the study is to characterize the directions of international assistance to Ukraine in the field of innovative development and restoration of the territories of the Donetsk region from the consequences of a military conflict.

### **1. Characteristics of international assistance in the field of innovative development of the economy.**

Great assistance to Ukraine is provided by the Organization of Economic Cooperation and Development (OECD). With the help of the OECD, Ukraine improved its investment incentive schemes, made them more transparent, introduced innovations and joined the OECD Declaration on International Investments and Multinational Enterprises [1]. Moreover, Ukraine is actively developing innovative cooperation with industrialized countries which is demonstrated in Table 1 showing the total amount of foreign assistance from 2010 to 2018.

*Table 1*

#### **Dynamics of international assistance to Ukraine, in million USD**

Years	2010	2011	2012	2013	2014	2015	2016	2017	2018 plan
Amount of assistance	532,4	403,79	485,21	478,7	1056,82	975,14	1245,66	928,32	700

In 2017, 547 international technical assistance projects were implemented in Ukraine with a total estimated cost of \$ 5.7 billion (including a \$ 2.4 billion project funded by the Chernobyl Shelter Fund and the Nuclear Safety Account). The Government of Ukraine concluded 13 international agreements and other bilateral instruments on technical and financial cooperation with the EU, the USA, Japan, the UN and IBRD (International Bank for Reconstruction and Development) for a total amount of more than \$ 927 million. Among these agreements there is a large-scale Framework Partnership between the Government of Ukraine

and the United Nations for 2018–2022. Approximate amount of resources, which is expected to attract makes up \$ 675 million [3].

Also, the European Union (EU) has provided assistance in large volumes by approving a new Strategy Paper on Assistance to Ukraine for 2018–2020 guided by the European Commission. This document identifies four strategic sectors related to the general direction of the reform in Ukraine with the three-year funding budget of € 430-530 million, for which assistance will be provided by the EU:

1) strengthening institutions and good governance, including in the area of the rule of law and security;

2) economic development and development of market opportunities, including the private sector and improvement of the business climate;

3) improving transport links, energy efficiency, environmental protection and climate change prevention;

4) mobility and people-to-people contacts, including the implementation of a more effective social policy.

Assistance to EU projects was provided in various types and forms, including consulting assistance, training events, equipment and materials delivery, construction work for the reconstruction of various facilities, grant funding.

To encourage active innovation cooperation in the first half of 2018, 477 international technical assistance projects were implemented in Ukraine, which is 1.2% more compared to the first half of 2017, with a total estimated cost of \$ 4.9 billion (including 10 projects for the amount of \$ 1.3 billion funded from the Chernobyl Shelter Fund and the Nuclear Security Account).

Traditionally, the United States of America and the European Union are the largest donors to Ukraine. Other donors are Canada, Germany, Netherlands, Sweden, Switzerland, Japan, Denmark, United Nations system organizations, World Bank, EBRD.

The total volume of international technical assistance for the first half of 2018 increased by \$ 451 million in the first half of 2017. The number of projects in the EU increased the most in such countries as Germany, Norway and the Netherlands. It has grown by 38 projects and estimated cost has increased by \$ 160 million [2]. In the first half of 2018, 95 projects

of international organizations were implemented in Ukraine with a total estimated cost of \$ 850.6 million.

## **2. Cooperation in the area of the restoration of territories destroyed during the military conflict in the east of Ukraine.**

At a rough estimate of the Ukrainian government, at the initial stage over \$ 11 billion is needed for the restoration of the liberated territories in the Donetsk and Luhansk regions. In 2016, the state allocated \$ 3.8 billion for the restoration of the Donbas region [4].

Thus, a significant share in the amount of material assistance for the restoration of Donbass will belong to foreign investments and a special Department for the Coordination of International Programs of the Ministry of Economic Development and Trade of Ukraine (MERT) was established in Ukraine to coordinate foreign assistance in the following areas:

1) to ensure the attraction of the assistance to Ukraine in accordance with the national priorities in development and reforms;

2) to promote transparency and mutual accountability through monitoring as well as effectiveness of the provision and use of international assistance;

3) to improve the flow of information between stakeholders and effectively coordinate international assistance;

4) to assist and facilitate the cooperation with international partners, including registration of grant assistance and accreditation of performers [5].

The largest donors of international assistance for the restoration of the Donbas are the International Bank for Reconstruction and Development, the US and German governments. Grant assistance amounting to \$ 3.2 million provided by the International Bank for Reconstruction and Development (IBRD) for the restoration of the Donbas and assistance to internally displaced persons.

Emergency Response Office USAID and US Department of Defense continue to provide support for “Donbass Restoration and Support for Internally Displaced Persons”. There are 5 projects with a total contractual value of over \$ 2 million.

The Government of the Federal Republic of Germany provided assistance for the restoration of the Donbas and the support of internally displaced persons in the amount of € 106.5 million with the six projects



having been implemented amounting to € 38.8 million. The following assistance has been provided:

- 25 households received funds for the repair of houses; 199 households received funds for the renovation of the municipal and state economy;

- hygiene kits and hygiene items have been purchased;
- the water supply system for 8,865 people have been restored; 16,430 water storage tanks have been issued; 705 beneficiaries received assistance in the form of solid waste disposal; 1,200 households received cash assistance; trainings and psychological support are provided.

The measures listed above reduced the risk and prevented the damage to communities affected by the conflict [2].

**C o n c l u s i o n .** The international assistance provided positively influences the socio-economic development of Ukraine increasing its innovative development. All assistance provided by donors meets the international obligations of Ukraine in accordance with the international treaties in force, strategies of the country's social and economic development and the goals of sustainable development.

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## TRENDS IN THE WORLD TOURISM INDUSTRY

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**Bilenko Y.V., Nikolyuk A.V., Saprun I.R. Trends in the tourism industry.** The article discusses the main trends of tourist travel in 2018. The types and features of the tourism industry are identified. The factors influencing their occurrence and changes are researched. The most popular types of tourism in 2017–2018 are singled out.

**Keywords:** "bleisure" trend, booking trends, landmarks and sites, "personalization", travel industry, trends in tourism.

**Біленко Я.В., Ніколюк А.В., Сапрун І.Р. Тренди в туристичній індустрії.** У статті розглядаються основні тенденції туристичних подорожей у 2018 році. Визначені типи та особливості індустрії туризму. Досліджені фактори, що впливають на їх виникнення та зміни. Виділені найбільш популярні види туризму в 2017–2018 рр.

**Ключові слова:** знакові орієнтири та місця, "персоналізація", тенденції в туризмі, тенденції в туризмі, тенденції бронювання, тренд "bleisure", туристична індустрія.

**Биленко Я.В., Николюк А.В., Сапрун И.Р. Тренды в туристической индустрии.** В статье рассматриваются основные тенденции туристических путешествий в 2018 году. Определены типы и особенности индустрии туризма. Исследованы факторы, влияющие на их возникновение и изменения. Выделены наиболее популярные виды туризма в 2017–2018 гг.

**Ключевые слова:** тенденции в туризме, тенденции бронирования, тренд "bleisure", знаковые ориентиры и места, "персонализация", туристическая индустрия.

The o b j e c t of the article is the tourism market. The s u b j e c t is features and trends of tourism development. The p u r p o s e is the analysis of problems and prospects for the development of international tourism.

Tourism is one of the largest and fastest growing sectors in the world economy. It plays a key role in job creation, export revenue and domestic

value added, and directly contributes, on average, 4.2% of GDP, 6.9% of employment and 21.7% of service exports in OECD countries. In the past year alone, the world of travel has evolved significantly, and it shows no signs of slowing down in the year to come. In fact, there are some big trends for 2018 that travelers, travel agents and destinations around the world are bracing for.

Like any other industry, the travel industry is in a constant state of evolution. People will always seek for travelling and doing it affordably and in new exciting ways. This industry relies on travel professionals to be innovative and give their clients even more creative trips than have been booked in years past. With the rise of such tourism sectors as eco-tourism, the travel industry has to take on a new type of client and the good news is that this opens up different avenues to see some of the world's great sites in a brand new way or see entirely new destinations.

Concerning the latest booking trends in the tourism industry, it should be pointed out that "personalization" is the keyword for tourist travel in 2018.

1. Personalization is the name of the game in 2018 when it comes to the travel customer experience.

2. 57% of travelers feel that brands should tailor their information based on personal preferences or past behaviors.

Booking.com found out that 80% of customers prefer to self-serve in order to get the information that they need. 70% of requests to Google Assistant are made in native language, meaning that people are getting more comfortable having conversations with computers.

Last minute booking searches are up.

1. Travel-related searches for "tonight" and "today" have grown over 150% on mobile, over the past two years. (Google Data, 2017)

2. 72% of all mobile bookings made by U.S. travelers happened within a 48-hour window prior to the booking. Travelers want more flexibility, which mobile devices have delivered leading to a greater propensity to book last-minute. (Sojern Global Travel Insights, 2018)

3. More than 60% of U.S. travelers would consider an impulse trip based on a good hotel or flight deal. (Google/Phocuswright, 2017)

4. 38% of bookings are made on the same day or two-days before a trip, 53% are made within a week of a trip, and just 19% are made in advance. (PhocusWright, 2017)

5. Over 1 in 3 travelers across countries are interested in using digital assistants to research or book travel, and they're already searching for everything from hotels to flights, and things to do in-destination. (Google/Phocuswright, 2017)

Trips are no longer just about sightseeing and checking countries off your bucket list. One of next year's up-coming travel trends is all about achievement travel. Travelers tired of doing the same old thing will seek out travel experiences that will allow them to achieve a goal or accomplish something they have never done before. Challenging situations like completing a marathon for the first time, climbing Mt. Kilimanjaro or walking the Santiago de Camino for example will play a major factor in where travelers decide to go next year.

Rather than continuing last year's "bleisure" trend (mixing business with leisure), business travelers in 2018 will extend the concept for even longer periods of time. Nowadays more employees than ever before have the freedom to extend professional business stays by a couple extra days or even weeks for personal trips, which is why the "bleisure" trend really took off last year.

However, next year extending a business trip by a few days will not be enough. Instead, working full-time or even part-time as a digital nomad for a month or more will become the next thing to do. With access to reliable Wi-Fi almost all around the world, advances in online communication tools and professional co-working spaces in major cities around the world, it will be easier than ever to live and work in different destinations for longer periods of time.

Solo travel was a major theme in 2017, especially solo female travel. There will continue to be more options and inspiration for solo travelers next year, but travel in 2018 will see a major spike in interest in multigenerational travel. Family members of all ages, including parents, children and grandparents, will be traveling to reconnect and create new memories together. Options for all ages will be a necessity for travel

brands, whether it be accommodation or activities, they will need to cater to not just one age range.

In a recent Stats Canada survey, lone-parent families now make up 19.2% of Canadian households with children, and the United Kingdom's Office for National Statistics states that there are around two million lone-parent families today in the UK. The travel industry is quickly catching up. Virgin Holidays launched a new price program for single parents. Intrepid Travel, which has seen a 16% growth in family bookings, has launched six new family tours in 2018. These tours do not charge more for parents traveling without a spouse. Gone are the days of exclusively two-parent travel offerings – 2018 is the year for all families.

Undiscovered sites.

In light of the growing over tourism problem in major cities around the world, travelers will increasingly search for off the beaten path destinations in the coming year. The rapid growth of tourism in cities like Amsterdam, Paris and Venice has caused locals to feel pushed out of their own cities, with visitors taking over their city streets, public spaces and even housing, which naturally decreases the quality of life for residents.

With this in mind, more travelers than ever will opt for destinations that are similar to the major cities yet less crowded and less expensive. Rather than following the tourist trail to Barcelona for example, cities with impressive cultural offerings such as Seville and Valencia will be the next on the list.

Iconic landmarks and sites.

Travelers are becoming increasingly interested in new experience, but they are still loyal to the world's most iconic sites. In 2017 the most-booked experiences globally were a combined skip-the-line pass for the Vatican Museums, St. Peters, and Sistine Chapel, the Chicago River Architecture Cruise, and a skip-the-line pass for a walking tour of Ancient Rome and the Colosseum. Bookable options for The Sagrada Familia, the Eiffel Tower, and the Empire State Building also featured in the top ten (full list below).

The future of culinary tourism however will move away from expensive dining to more authentic food experience. Visiting local markets

and dining with locals in their homes. Moreover, food tours, cooking classes are seeing bookings skyrocket.

In 2018 culinary travel ruled the trends, and keeping along with that theme brings 2019's big food-related travel trend: foodie tours. Almost every big city provides at least one Foodie Tour, from Savannah's Southern Charm Sidewalk Tours to Brooklyn Chocolate Tour. Chicago, San Fran's Chinatown, New Orleans, Philadelphia, KC...all your favorite foods, in all your favorite cities.

The new adventure trend is the desire to experience new cultures, with a 20% rise in tourists opting for food adventure tours, including wine tasting, sampling local cuisine, and taking cookery classes.

Green Travel refers to both "ecotourism" and "sustainable travel", more and more travelers getting behind the "go green" initiative in every facet of their life, including travel. We have an increasing number of requests for trips to wildlife refuges, national parks, and other natural areas outside of big cities, and we also have an increasing amount of requests to get there in a sustainable manner. This simply means that if there are more cost-effective and carbon-reducing ways to get around, we'll find them for you. Travelers are opting to travel by boat, train, or car when possible. Smaller decisions like booking rooms in LEED-certified hotels help conserve energy. Habits like reusing a hotel towel do the same.

#### Long-haul at Low Cost.

Low-cost long-haul is set to become mainstream in 2018. To get away from overcrowded destinations nearer home, UK tourists are looking further afield. From booking further in advance to taking advantage of very favorable long-haul prices, destinations such as Africa, Asia, and the Caribbean are becoming increasingly popular. At only 6 hours flight time from the UK, holidaymakers can experience year-round sunshine without the jetlag when opting to visit Cape Verde for their vacation.

#### Cruises.

Cruises are also rising in popularity as travelers can visit different continents during the same trip, without the hustle and bustle of multiple airports. Mindful of the responsible tourism trend, cruise operators are overtly advertising their switch to cleaner fuel, staying in port for longer,

and visiting smaller towns to boost local economies and avoid the crowds. A hot spot for Cruise Operators worldwide,

With increased pressure from the International Maritime Organization (IMO), large ship cruises are scrambling to reduce their environmental footprint. The demand for cruise ship travel is projected to grow 4.5% from last year – and so is greener travel, according to the most recent Center for Responsible Travel report. Intrepid Travel will launch 10 small ship cruise itineraries and Peregrine Adventures will add 20 small ship tours to its existing range in 2018. Both companies' cruise range use cleaner fuel, port for longer periods and access more small towns. These tours have been featured in both The New York Times and The Guardian.

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## **LABOR MARKET IN UKRAINE: PROBLEMS AND DEVELOPMENT PROSPECTS**

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**Bilous O.K., Skrypnyk T.I. Labor market in Ukraine: problems and development prospects.** The article considers the current situation of the labor market in Ukraine, its main problems and development prospects. The main approaches to regulating and stabilizing the situation are noted.

**Keywords:** labor market, globalization, unemployment, development trends.

**Білоус О.К., Скрипник Т.І. Ринок праці в Україні: проблеми і перспективи розвитку.** У статті розглядається сучасна ситуація на ринку праці в Україні, її основні проблеми та перспективи розвитку. Відзначено основні підходи до регулювання та стабілізації ситуації.

**Ключові слова:** ринок праці, глобалізація, безробіття, тенденції розвитку.

**Белоус А.К., Скрипник Т.И. Рынок труда в Украине: проблемы и перспективы развития.** В статье рассматривается современная ситуация на рынке труда в Украине, ее основные проблемы и перспективы развития. Отмечено основные подходы к регулированию и стабилизации ситуации.

**Ключевые слова:** рынок труда, глобализация, безработица, тенденции развития.

The labor market is an essential element of a market economy. Due to the decline in production in the 90s as a whole since the labor market has become tense and unstable, as well as the globalization of the world economy, the structure of the Ukrainian labor market has changed. So, in our life there is such a negative phenomenon as unemployment. Unemployment has serious social consequences, since, on the one hand, work is a source of income, and on the other hand is a means of self-affirmation of a person in a society [1, с. 16].

In the market economy, labor is bought and sold in the labor market. Labor market is a socio-economic form of labor movement.

Sharp fluctuations in the labor market, resulting from cyclical interruptions in production, the backlog of labor from its offer lead to significant violations in the reproduction of labor.

Among the problems on solution of which the development of the economy depends, today one of the key places is occupied by problems related to the labor market system. The study of these problems is relevant both by the urgent needs of the practice, and by the necessity of the theoretical foundations of the restructuring of the market environment.

This predetermines the r e l e v a n c e of the thematic focus of this work, in which an attempt is made to link the growth objectives of the domestic market.

O b j e c t of the study: Labor market in Ukraine.

S u b j e c t of the research: Prospects for the development of the labor market in Ukraine.

A i m : to identify problems and prospects for the development of the labor market in Ukraine.

Recently, the labor market in Ukraine has faced with many problems and contradictions. This is especially true of the youth labor market sector, which means that people from 17–26 years old suffer from problems with employment. Every year in Ukraine about unemployed youth makes 18% of (over 200 thousand people), the reason of unemployment is the problem of finding a job at the end of higher and vocational schools. According to statistics, youth unemployment exceeds 12%, while the chance to get a job is two times less than that of other segments of the population [4].

Despite such discrepancies, many enterprises lack a skilled workforce. Furthermore, the level of staffing in enterprises below 40%. According to average data, every fourth person is a low-skilled worker.

It is for this reason that many young people with huge potential, go abroad – in search of a "better life", so they go to work for the economies of other countries. According to the State Statistics Service of Ukraine, about 3 million employable citizens of Ukraine have left their homeland in the past three years, every eighth of them aged 23-28 years [4].

It is worth noting that government policy in recent years has paid attention to the prevention of youth unemployment. But, it is very

important that all activities are long-term, otherwise the effect of social programs will not be achieved.

The prevailing of shared interests of the “goods” of the labor force and its consumers – the economy and the state – is the most important socio-economic feature of a market economy, creating a solid humanistic basis for the development of the national economy and the whole society [2, c. 47–48].

First of all, the ultimate goal of the labor market is the satisfaction of the professional, labor and vital interests of the economically active population, including social protection, and providing the national economy with the necessary personnel [3, c. 115].

In 2018, experts predict increased competition between companies. Therefore, more and more attention will be focuses on the economic results of the presence of a person in business. Companies will actively seek and attract people, and since many valuable specialists won't be left without a job, they can make repeated attempts to lure them.

One can say that the near future lies in the ability of specialists to get out of their “comfort zone” and learn new things, experiment and innovation, automate routine processes and conscious risks for the sake of breakthrough discoveries in business.

The following are among the main trends in the development of the labor market in the next year:

1. As in the past year, in 2018 the employer dictate the rules of the game of the labor market. There are vacancies on the market, but there are not so many of them that job seekers could influence the situation in the market.

2. Many international companies, in connection with the expectation of a second wave of crisis, have taken a wait and see position and are waiting for the adoption of budgets for the next year. However, it can be said with confidence that a small reduction in large international companies will still take place.

3. It is not a secret to anyone that the situation on the labor market is directly related to the political and economic situation in the state. At the beginning of 2018, individual experts believed that 2019 would be the year

of return of foreign investors to Ukraine. This was supposed to mean the emergence of new jobs.

4. At the same time, the most active in attracting new employees in 2018 are companies that operate in the production and sales of consumer goods (FMCG), information technology and services, and pharmaceuticals.

5. The greatest demand will be for managers in the field of direct sales. Banking specialists who are ready to show themselves in the development of banking retail (opening new branches) will be in demand too.

6. In 2018, employers actively attract professionals who are engaged in digital promotion and marketing. Employers are willing to offer these professionals high salaries and outbid them from each other.

7. A dramatic increase in wages next year should not be expected. Middle and top managers can expect an increase in income of no more than 10–15%.

8. The trend of moving Ukrainian top managers and qualified professionals abroad will continue. The Ukrainian personnel is in demand, first of all, by Poland, the Czech Republic, Germany, etc.

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## RURAL (GREEN) TOURISM IN FRANCE

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**Bilykh I.A., Gaponenko A.S., Saprun I.R. Rural (green) tourism in France.**

The history and the development of rural tourism in France have been examined in the article. The current state of the development of rural tourism in the country under consideration has been analyzed. Green tourism as one of the promising areas of tourism in Europe has been considered. The categorization of hotels and accommodation options in the countryside have been identified in the article. Rural tourism combined with cognitive and educational programs attracting tourists to French village have been characterized. The number of organizations engaged in its development rural tourism in France has been singled out.

**Keywords:** accommodation, agro-tourism, farmhouses, farm stay, guesthouses, household, rural tourism.

**Білих І.А., Гапоненко А.С., Сапрун І.Р. Сільський (зелений) туризм у Франції.** У статті розглянуто історію і розвиток сільського туризму у Франції. Проаналізовано сучасний стан розвитку сільського туризму в даній країні. Розглянуто зелений туризм як один з перспективних напрямків туризму в Європі. Визначено класифікацію готелів і варіанти розміщення в сільській місцевості. Схартеризовано сільський туризм у поєднанні з пізнавальними освітніми програмами, які приваблюють туристів для відпочинку в селі у Франції. Приведено декілька організацій, що займаються його розвитком сільського туризму Франції.

**Ключові слова:** агротуризм, будинки на фермі, сільський туризм, господарство, гостьові будинки, перебування на фермі, розміщення.

**Белых И.А., Гапоненко А.С., Сапрун И.Р. Сельский (зеленый) туризм во Франции.** В статье рассматриваются история и развитие сельского туризма во Франции. Проанализировано современное состояние развития сельского туризма в рассматриваемой стране. Рассмотрен зеленый туризм как одним из перспективных направлений туризма в Европе. Определены классификация гостиниц и варианты размещения в сельской местности. Охарактеризован сельский туризм в сочетании с познавательными образовательными программами, привлекающими туристов для отдыха в деревне. Выделено ряд организаций, занимающихся его развитием сельского туризма Франции.

**Ключевые слова:** агротуризм, гостевые дома, дома на ферме, пребывание на ферме, размещение, сельский туризм, хозяйство.

The o b j e c t of the article is the rural (green) tourism in France. The s u b j e c t of the article is history and development of rural tourism in France. The p u r p o s e of the article to draw attention to the development of tourism in rural areas and to show that rural tourism is developing today alongside with urban tourism. The r e l e v a n c e of this topic is the consideration of green tourism as one of the promising areas of tourism in Europe.

The following tasks need to be addressed: to consider how rural green tourism has evolved in France, to get acquainted with the current state of development of rural tourism in the country.

Green tourism is developing all over the world. Furthermore, there has been some interest in recreation in rural areas in the European Union for several decades. Every fourth consumer of tourist services prefers to have a rest in the countryside. The founder of the first European system of reception and accommodation of tourists in the countryside was France in 1954. [5]

Speaking about peculiarities of green tourism in France, it should be mentioned that it was associated with traditional village house with all conveniences, rented for a week or weekends refers to the guest house in the practice of the existing system. In such guesthouses, tourists are completely independent. Owning guest houses in France allowed farmers and other private individuals, often non-agricultural, to have additional revenues.

It is noticeable that rural tourism covers virtually all departments in France (rural areas occupy 80% of the country's area), although in the total income from tourism its share is less than 10%. However, with the development of rural tourism business activities in rural areas significantly accelerated, the number sales contracts of real estate increased. [6]

What is more, the birth of rural tourism also contributed to the crisis in the industry. There was a recession in the development of such industries as coal mining, metallurgy, textile and traditional local production of tile and furniture. Accordingly, there was no finance at all to restore the resorts, people voluntarily went to rest in rural areas. They had an interest in nature, their roots and cultural traditions. On the other hand, it became a source of income for rural municipalities.

Tourists started taking such kind of recreation as rural tourism in France seriously 10 years ago there were 35 thousand farms with mini-

hotels. So there was a public movement for outdoor recreation, supported by the government and regional authorities, banks. France has emerged as the world leader in promoting sustainable tourism, in a new report which ranks which countries are the best at preserving their social, cultural and environmental capital. In the Economist Sustainable Tourism Index, the podium is occupied by Europe, with France, Germany and Britain taking up the top three spots. [4]

Moreover, agro-tourism farms services in France are provided by the 50 years of the last millennium. In 1955 the National Federation of Apartments in France (Federation Nationale des Gites de France) the first organization which provided tourist services in the countryside was created. The next organization, which was engaged in the development of rural tourism, is the network "Greetings in the peasant household".

The national federation "Gites de France" not only coordinates the development of rural tourism in the country, but also provides a corresponding sign of quality to peasant farms. The symbol of this sign is spikes, the number of which determines the category. The most important categorization criteria are:

- location of the farm and conditions of the environment;
- quality of living rooms, furniture, equipment.[1]

In France there was program in accordance with which the villagers received financial support for the repair and renovation of their houses but in exchange for a commitment to accept and host tourists for at least 2 months per year for 10 years ahead. This program had a tremendous success. Farmers converted their old peasant houses, upgraded their look, keeping the architectural traditions of the area. Afterwards, not only French townspeople but also foreign guests visited these places to rest, and even began to buy these old buildings and arrange there their own country houses. [2]

Another good thing is that for 60 years the organization Village Movement has been developing. The Village Movement includes more than 2700 rural households and associations and 200,000 members, 200 volunteers and more than 1,000 full-time animators. It consists of two federations: the National Confederation of Rural Households and the Development of Rural Associations and Animations (FNFR) and the

National Federation of Sport in Rural Areas (FNSMR). The purpose of the organizations is the development of rural areas and animation.[1]

There are many variations in rural tourism in France. For example, the south of France is characterized by a combination of rural and swimming-beach tourism. So in rural settlements located in the coastal zone, entire cottage settlements for tourists are being built. Therefore, tourists are settled in small cottages-apartments. The French prefer to cook their own food, using environmentally friendly rural products.

Also, there is a very popular type of accommodation in the French countryside, where there is a large number of castles. Many chateaux are private and off-limits while others are open purely for sightseeing. However, many French castles operate little B&B operations, rental rooms, or cottages and a few were converted into castle-hotels. There are few enough Lords of the Manor these days to pay for their upkeep and keep them lived-in old homes as they deteriorate rapidly when vacant.

One argument in favour of green tourism is that annually 7 million tourists who prefer rest in the countryside visit France. The French Riviera, full of household names like St. Tropez, Cannes and Nice is very developed and is what most people associate with The South of France. But of course it is a huge area and there is plenty to do and see for those who do not want to be stuffed into pricey beach resorts.

The other side of the coin is that rural tourism has a wide variety of activities. If you have ever been camping, taken a tour of a vineyard or gone fly fishing with the family, you have already contributed to this branch of tourism. In France school visits a heritage sites and farms, bed and breakfasts and a work-stay programs such as grape picking that are more common forms of rural tourism.[4]

One should not forget that the country adopts high standards for rural housing. Thus, the accommodation is provided with 5th category in a respectably furnished manor with artistic decoration, a fireplace, a large amount of household appliances. There is an individual landscape park, swimming pool, sauna or jacuzzi, playgrounds for active recreation (for example, a tennis court), a garage for a car and so on.

Gîtes de France offer a wide choice of environment-friendly accommodation solutions, including for instance self-catering cottages,



chambres et tables d'hôtes (Guest houses), rest houses, leisure chalets or camping sites. [3]

Farm stay operations in France can range from a luxury tent in the Dordogne countryside at Farmstay Alpagâterie (from €65) to posh-rural rooms with a view over the pool to the peaks of Pyrénées at La Ferme aux Sangliers-Micalet (from €80), a gypsy caravan in the Pays de la Loire at La ferme de bohème (from €65) to a top floor apartment in a Normandy farmhouse at Ferme de la Tuilerie (from €80), rustic rooms at a cattle and deer farm in Provence at Domaine du Bas Chalus (from €64) to a treehouse or cabin in the Loire countryside at La ferme de Piardiere (from €50).

Even if you cannot afford your own farmhouse in the French countryside, staying on a working farm or agritourism—sometimes called *Séjours à la ferme*—gets you up close with the rural heart of a destination. You do not even have to milk the cows to make cheese or stomp the grapes for wine (though sometimes being a temporary farm hand for fun is an option). Many French farms charge between €50 and €100 per night for a B&B arrangement. Fancier places may charge more. A self-catering cottage on a farm in Provence or Normandy (or anywhere else) starts around €200–€400 per week.

Each stay has offered a different experience of farm life for a fraction the cost of a hotel. Many agritourism requires a three-night minimum stay (for some, a week). Sometimes you get four-star luxury and satellite TV. The most facilities, though, that you can expect from a farmhouse B&B are: simple comforts, solid country furnishings, and rural tranquility barnyard noises excepted. The hosts tend to be a sight friendlier than your average hotel desk clerk. Some invite guests to dine with them, family-style, in the farmhouse. Breakfast is usually awesome, farm-fresh and farmer-heartly.

Today, more than two million regular customers visit guesthouses. There is a tendency, that an average Parisian spends every 10 days a year in rural areas, while residents of other regions of the rest in rural areas is only 2-4 days. The villages of the French agrarian areas are divided not only by starry but also by ethnographic indication: the villages of Champagne, Provence, Gascony, Normandy and Savior. [3]

In general, the development of rural tourism in France contributes to a marked increase in the level of employment and profits, as well as taxes paid. It was calculated that the amount of money spent by tourists during the year is more than 735 million euro.

The Ministry of Overseas has set up a "green passport" to educate tourists to biodiversity that exists in these departments and make it an asset for sustainable tourism. This approach is an adaptation of "green passport", to sensitize tourists to the impact of tourism on biodiversity and the environment. [2]

To sum up, rural tourism is a domestic tourism that focuses on rural areas. It includes the development of tourist routes, places for recreation, agricultural and folk museums, as well as tourist service centers with guides and tour guides. The advantages of rural tourism are that there is a lot of open space, open air, tourism supports the citizens interests. However, there are drawbacks: rural tourism is influenced by the season, natural factors, such as disasters, poorly developed infrastructure. In addition, it is important that travel opportunities in small groups and family holidays are successfully combined in green tourism.[6] It is acknowledged that the person who prefers this type of rest lives in a tense time schedule. He or she tend to be mobile, well-informed.

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## **THE ANALYSIS OF OUTBOUND AND INBOUND TOURISM IN UKRAINE FROM 2012 TO 2017**

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**Bobrova M.A., Volkova I.I., Saprun I.R. Analysis of outbound and inbound tourism in Ukraine for the period 2012–2017 years.** The analysis of outbound and inbound tourism in the period from 2012–2017, the state and the dynamics of tourist flows changes in Ukraine have been considered in the article. The leading destinations for outbound and inbound tourism have been determined. The main influence of the tourism industry on the development of the national economy has been highlighted. The problems and opportunities of growth of the role tourism industry as a leading sector have been defined in Ukraine.

**Key words:** inbound tourism, national economy, outbound tourism, tourism, tourism industry.

**Боброва М.А., Волкова І.І., Сапрун І.Р. Аналіз виїзного та в'їзного туризму в Україні протягом 2012-2017 років. Стан, проблеми та можливості розвитку.** В статті зроблено аналіз в'їзного і виїзного туризму у період з 2012–2017 років, розглянуто стан та динаміку змін у туристичних потоках в Україні. Визначено провідні напрямки для виїзного та в'їзного туризму. Виділено основний вплив індустрії туризму на розвиток національної економіки. Визначено проблеми та можливості зростання ролі туристичної галузі як провідного сектору в Україні.

**Ключові слова:** виїзний туризм, в'їзний туризм, національна економіка, туризм, туристична галузь.

**Боброва М.А., Волкова И.И., Сапрун И.Р. Анализ выездного и въездного туризма в Украине в период 2012–2017 . Состояние, проблемы и возможности развития.** В статье осуществлен анализ выездного и въездного туризма в период с 2012–2017 годов, рассмотрены состояние и динамика изменений в туристических потоках в Украине. Определены основные направления для выездного и въездного туризма. Подчеркнуто основное влияние индустрии туризма на развитие национальной экономики. Определены проблемы и возможности роста роли туристической отрасли как ведущего сектора в Украине.

**Ключевые слова:** выездной туризм, въездной туризм, национальная экономика туризм, туристическая отрасль.

The o b j e c t o f the article is the state of tourism industry in Ukraine. The s u b j e c t is an inbound and outbound tourism as part of the Ukrainian national economy. The p u r p o s e of this article is to define the features of growth rates and indicators of outbound and inbound tourism in Ukraine during 2012–2017. In addition, the main problems and prospects of development should be defined to discover the main tourist destinations for incoming and outgoing visitors.

Tourism can be defined an economic and political phenomenon which provides an opportunity to get acquainted with the culture of other countries and regions, satisfies the curiosity of a person, enriches him spiritually, heals physically, promotes personality development. It allows you to combine leisure with the knowledge of the new. [2] The tourism has experienced continued growth and deepening diversification to become one of the fastest growing economic sectors in the world. Modern tourism is closely linked to the development and encompasses a growing number of new destinations. These dynamics have turned tourism into a key driver for socio-economic progress worldwide. [3]

Ukraine has all the potential to develop tourism. The country is located in the heart of the European continent, which is annually visited by 51% of all tourists on the planet. Ukrainian nation is rich in customs and traditions, while Ukrainians are said to be distinguished by their special temperament. Ukraine has a significant potential for tourist reserves which unfortunately is not used in full. Recently the market of tourist services has become increasingly important in the development of the national economy of the country. [3]

The period from 2012 to 2017 which has been taken as the subject under consideration in this article, its analysis from incoming tourist peak which as devoted for UEFA EURO 2012. It was the time when Ukraine obtained all the opportunities to became one of high-powered European country in terms of its tourism potential till present state.

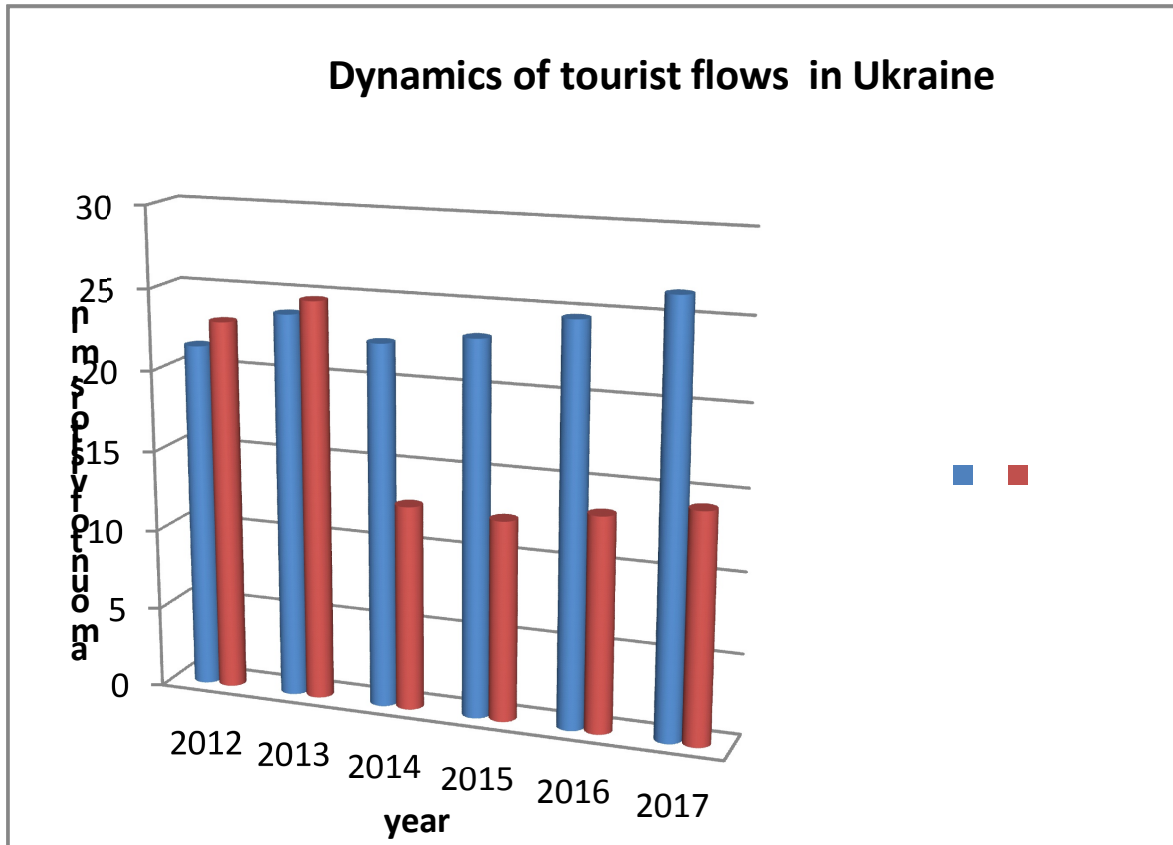


Fig.1. Dynamics of tourist flows in Ukraine for the period  
2012–2017 years

Created by the author for the resource [1]

The bar chart given above illustrates the dynamics of tourist flows from the number of outbound tourists and inbounds tourists in Ukraine from 2012 to 2017. The amount of visitors measured in millions. Overall, as it can be seen the number of outbound tourists increased during this period.

At the beginning of the period in 2012 the number of outbound tourists accounted for 21 million visitors whereas the figure for inbounds tourists exceeded this and totaled just over 23 million. During the next 2013 year both dates changed insignificantly. It is evident from the graph that the amount of inbounds tourists rose by 2 million while the number of outbound tourists went up to just nearly 24 million.

However, over the following four years, the patterns of the two components became noticeably different. The number of inbound tourists plummeted to 12, whereas the number of outbound tourists stayed almost the same. At the end of the period the number of outbound tourists surged to nearly 27 million visitors, while the number of inbound tourists remained nearly at the same level, having increased to only 14 million. To sum up, the number of outbound tourists was almost twice that one of the inbound tourists.

The pie chart provided below demonstrates that in 2017 the amount of overseas visitors declined dramatically as a result of an unsustainable economic and politic situation.

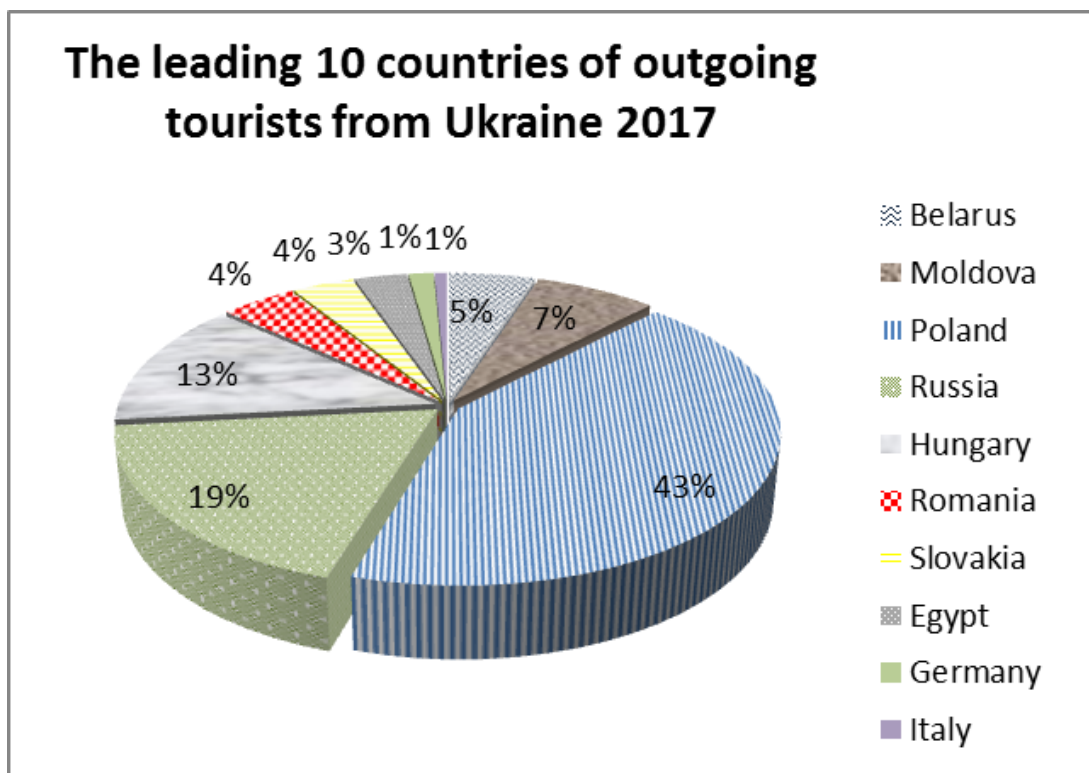


Fig. 2. The leading 10 countries of outgoing tourists from Ukraine 2017

Created by the author for the resource [1]

The pie chart shows the leading 10 countries of outgoing tourists from Ukraine. It is clear that out of the countries presented Poland occupied

the leading place and accounted 43%. The second leader was Russia with a large number of visitors, what makes up 19 %. The amount of visitors to Hungary was 13 %. Around 7 % of visitors chose Moldova. Other countries, such as Romania, Slovakia, Germany and Italy counted from 4 to 1% visitors.

Speaking about the problems of tourism in Ukraine, it seems possible to point out that the main problem of the development of inbound tourism in Ukraine is the inefficient and irrational use of resources, as well as the lack of a clear strategy and regulation for the tourism industry. The underdeveloped infrastructure, as well as the system of transport services for tourists and the population, inhibit the rise and spread of the country's tourist glory. Therefore, the development of tourism infrastructure and transport links in the country is one of the priorities for the revitalization of tourism enterprises and the tourism industry as a whole.

An equally important issue is the quality of tourist services. Judging by this indicator, Ukraine lags far behind many states with similar recreational and tourist potential. As a result, many residents of Ukraine prefer foreign resorts, which provide much higher level of service and comfort at the price, and at the same time becoming investors in the economy of foreign countries. Raising the level of quality of domestic tourism services to European standards would significantly accelerate the development of inbound tourism in Ukraine and would attract more people to relax from abroad. [4]

Therefore, Ukraine has a significant potential for tourist reserves, which, unfortunately, are not used in full. Recently the market of tourist services has become increasingly important in the development of the national economy of the country. The dynamics of tourist flows from the number of outbound tourists and inbounds' tourists was shown in Ukraine from 2012 to 2017. Overall, as it can be seen the number of outbound tourists increased during the period. This is not true in relation to inbound tourism. At the beginning of the period in 2012 the number of outbound tourists accounted for 21 million of visitors whereas the figure for inbounds tourists exceeded this and totaled just over 23 million. However, over the following four years, the patterns of the two components became noticeably different. The number of inbounds tourists plummeted to 12, whereas but



the number of outbound tourists stayed almost the same. At the end of the period, the number of outbound tourists surged to nearly 27 million visitors, while the number of inbound tourists nearly the same, having increased to only 14 million. To sum up, the number of outbound tourists was almost twice that one of the inbound tourists. The amount of overseas visitors were declined dramatically in consequence of an unsustainable economic and politic situation.

The main barriers hindering the development of the tourist sector in Ukraine are mainly the factors of the instability of the legal framework and the inconsistency of legislation in tourism with international standards, low quality of services in this area, which leads to the organization of mainly outbound travel abroad.

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## ENGLISH: ASPECTS OF GLOBALIZATION

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**Bobryshev N.M., Karpusenko M.V. English: Aspects of Globalization.**

The article discusses the characteristics of the English language in the context of globalization. The implications of the spread of English on a global scale.

**Keywords:** globalization, English, distribution, languages, culture.

**Бобришев М.М., Карпусенко М.В. Англійська: аспекти глобалізації.** В статті розглядаються характерні риси англійської мови в умовах глобалізації. Досліджуються наслідки розповсюдження англійської в глобальному масштабі.

**Ключові слова:** глобалізація, англійська, розповсюдження, мови, культура.

**Бобрышев Н.М., Карпусенко М.В. Английский: аспекты глобализации.** В статье рассматриваются характерные черты английского языка в условиях глобализации. Исследуются последствия распространения английского в глобальном масштабе.

**Ключевые слова:** глобализация, английский, распространение, языки, культура.

The o b j e c t of this article is the spread of the English language in the modern world. The s u b j e c t is English in the context of globalization. The p u r p o s e of this article is to characterize English in the context of globalization; to define problems associated with the spread of English; to explain the meaning of English today.

Nowadays we are confronted with English at almost every turn. The world community has accepted it as international, and almost all the young people of civilized countries can express their thoughts in English (of course, at different levels). Why has this trend become so large-scale and comprehensive? Which process is characterized by similar signs? And how should English be perceived in such conditions?

Authors consider globalization as a process that leads to such an active spread of English. Globalization means strengthening the density and

depth of transnational and supranational interests in the economic, cultural, political and other spheres of human activity. At the same time, the density means an increase in the number of cross-border interactions, and the depth means an extent to which societies influence international interdependence, and vice versa. However, it should be noted that authors consider globalization processes as decisive but not the only ones in the context of the spread of the English language as an international.

The emergence of a unified international language, in addition to such reasons as the desire of nations to unite, the development of international and, as a result, language contacts, is explained by properties that are reflected in language and are important to understand its development [5, p. 27]. Identified by B. Serebrenikov, these properties are as follows: the special nature of interaction with the environment; the special nature of the interaction between the components of the system; the relative autonomy of individual links of the system in the process of its general transformation; the relative independence of the internal structure of the system from its real substrate [5, p. 21].

English is no longer used as a tool for achieving certain political goals, it is the language of sciences and new technologies. The release of almost every new invention is accompanied by instructions in English. In addition, with the appearance of a number of international organizations, movements and actions, a need arose for a single language of communication, which English has become. By international agreement, English is used in the work of air traffic controllers, maritime navigation, communications, business, and it is the working language of the UN [4, p. 28]. Of course, the diversity of the areas where the English language is used makes it international.

Obviously, this process of globalization is associated with the dominant role of the United States in the world, finally established after the collapse of the USSR. In the heart of globalization there is the American model of society, its economy, politics and culture. Such model of society and culture is closely related to the English language, which claims to be the first universal language in the history of mankind [3, p. 19–20].

In the USA, the concept of a single language for the whole country has always been prevailed. In the UK, minority languages were not

accepted until the second half of the twentieth century and were severely supplanted. In the era of globalization, such a policy gradually becomes global. However, in the USA (unlike Europe) mono-speaking (of course, English) is considered to be a characteristic of well-to-do people. And the bilingualism is a characteristic of poverty and backwardness [3, p. 84]. Of course, we are still far from the English monolingual in the world. In the course of globalization English is spreading primarily as a universal second language.

The prospects of English in globalization processes are controversial. Some believe that the domination of the English language has no external obstacles, which means that English will eventually become the “second native tongue” and then the first – if not for all humanity, then for its most culturally and socially active part. Others question the reality of such prospects.

The worldwide spread of the English language has implications for the development of world languages and the entire world community and for the processes taking place in the English language. Effects of globalization are as follows:

1. Changes occurring in the structure of the global English language compared to the standard English. Getting spread in various areas of communication and being used by carriers of different cultures, English is a subject of simplification changes. Unlike many of its variants, global English will strive for standardization and simplification [1, p. 28].

2. The second consequence of the globalization of the English language is its influence on the development of world culture. Culture in this case means the uniqueness of various forms of human activity at this stage of social development [1, p. 29].

Currently, in linguistics, the problem of “language and culture” acquires a new interpretation. A. Wierzbicka, for example, while analyzing the semantic structure of cultural-specific concepts in different languages, proves that by analyzing the language, we can understand the specificity of cultures [3, p. 36].

The globalization of the English language contributes to the spreading of the moral values of the countries in which it is official. The social factor plays an important role in the acquisition of global status by

the language, that is, the military, economic, and political power of the state distributing it. And to the greatest extent these characteristics are developed in the USA. So, this country has the most significant impact on processes of cultural globalization [6, p. 87].

Globalization per se means not only unification and simplification, but also absorption and disappearance. In the case of English, it implies disappearance of minority languages. Possible disadvantages of globalization also include: the formation of an elite monolingual language class in a society whose representatives will treat everyone else condescendingly; the selection of a special, more privileged class of native speakers who have an advantage over language learners; the reduced interest in the study of other languages [2, p. 63].

The question of the danger of extinction of unique languages and the need for national identity has become particularly acute in recent years, although the process of extinction of languages has been occurring since their appearance, and has always been conditioned by the social, military or economic dominance of certain communities. The influence of global English on the development of local languages has the opposite effect. The problems associated with the development of local languages become more apparent [2, p. 18].

The global spread of English does not reduce interest in other languages. Thus, according to the research conducted, Japanese is studied as the main foreign language in Australian schools; and in the USA more attention is paid to learning Spanish, which can be explained by extralinguistic reasons [2, p. 17].

In c o n c l u s i o n , we would like to mention that the significance of the English language now, in the face of irreversible processes of globalization, can be depicted as follows: a large factory functions positively because of a developed and appropriately applied management toolkit and the distribution and use of capital, the international relations factory, which is increasingly similar to the financial company system, will function fruitfully due to the constructive dialogue implemented by the unified and generally accepted English language tool.

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## HOW GLOBALIZATION AFFECTS DEVELOPED COUNTRIES

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**Bosenko B.G. Lavrinenko I.M. How Globalization Affects Developed Countries.** The article reveals the essence, characteristics, potential benefits, and favorable effects. Special attention is paid to the constituent elements of globalization and economic impact on developed countries.

**Keywords:** globalization, impact, favorable effects, industrialization, implementation, multinational business.

**Босенко Б.Г. Лавріненко І.М. Як глобалізація впливає на розвинені країни.** У статті розкривається сутність, особливості, потенційні вигоди, сприятливі для впливу. Особлива увага приділяється розгляду складових елементів глобалізації та економічного впливу на розвинені країни.

**Ключові слова:** глобалізація, вплив, сприятливі ефекти, індустріалізація, реалізація, багатонаціональний бізнес.

**Босенко Б.Г. Лавріненко И.Н. Как глобализация влияет на развитие страны.** В статье раскрывается сущность, особенности, потенциальные выгоды, благоприятные воздействия. Особое внимание уделяется рассмотрению составных элементов глобализации и экономического влияния на развитие страны.

**Ключевые слова:** глобализация, воздействие, благоприятные последствия, индустриализация, реализация, многонациональный бизнес.

Globalization is defined as a process that, based on international strategies, aims to expand business operations on a worldwide level, and was precipitated by the facilitation of global communications due to technological advancements, and socioeconomic, political and environmental development.

The goal of globalization is to provide organizations a superior competitive position with lower operating costs, to gain greater number of products, services and consumers. This approach to competition is gained

via diversification of resources, the creation and development of new investment opportunities by opening up additional markets, and accessing new raw materials and resources. Diversification of resources is a business strategy that increases the variety of business products and services within various organizations. Diversification strengthens institutions by lowering organizational risk factors, spreading interests in different areas, taking advantage of market opportunities, and acquiring companies both horizontal and vertical in nature.

Industrialized or developed nations are specific countries with a high level of economic development and meet certain socioeconomic criteria based on economic theory, such as gross domestic product (GDP), industrialization and human development index (HDI) as defined by the International Monetary Fund (IMF), the United Nations (UN) and the World Trade Organization (WTO). Using these definitions, some industrialized countries in 2016 are: United Kingdom, Belgium, Denmark, Finland, France, Germany, Japan, Luxembourg, Norway, Sweden, Switzerland and the United States [2].

Next is the components of globalization that include GDP, industrialization and the Human Development Index (HDI). The GDP is the market value of all finished goods and services produced within a country's borders in a year, and serves as a measure of a country's overall economic output. Industrialization is a process which, driven by technological innovation, effectuates social change and economic development by transforming a country into a modernized industrial, or developed nation. The Human Development Index comprises three components: a country's population's life expectancy, knowledge and education measured by the adult literacy, and income [3].

The degree to which an organization is globalized and diversified has bearing on the strategies that it uses to pursue greater development and investment opportunities.

Next step is the economic impact on developed nations, so globalization compels businesses to adapt to different strategies based on new ideological trends that try to balance rights and interests of both the individual and the community as a whole. This change enables businesses to compete worldwide and also signifies a dramatic change for business



leaders, labor and management by legitimately accepting the participation of workers and government in developing and implementing company policies and strategies. Risk reduction via diversification can be accomplished through company involvement with international financial institutions and partnering with both local and multinational businesses.

Globalization brings reorganization at the international, national and sub-national levels. Specifically, it brings the reorganization of production, international trade and the integration of financial markets. This affects capitalist economic and social relations, via multilateralism and microeconomic phenomena, such as business competitiveness, at the global level. The transformation of production systems affects the class structure, the labor process, the application of technology and the structure and organization of capital. Globalization is now seen as marginalizing the less educated and low-skilled workers. Business expansion will no longer automatically imply increased employment. Additionally, it can cause high remuneration of capital, due to its higher mobility compared to labor [1].

The phenomenon seems to be driven by three major forces: globalization of all product and financial markets, technology and deregulation. Globalization of product and financial markets refers to an increased economic integration in specialization and economies of scale, which will result in greater trade in financial services through both capital flows and cross-border entry activity. The technology factor, specifically telecommunication and information availability, has facilitated remote delivery and provided new access and distribution channels, while revamping industrial structures for financial services by allowing entry of non-bank entities, such as telecoms and utilities.

Deregulation pertains to the liberalization of capital account and financial services in products, markets and geographic locations. It integrates banks by offering a broad array of services, allows entry of new providers, and increases multinational presence in many markets and more cross-border activities [1].

In a global economy, power is the ability of a company to command both tangible and intangible assets that create customer loyalty, regardless of location. Independent of size or geographic location, a company can meet global standards and tap into global networks, thrive and act as a

world class thinker, maker and trader, by using its greatest assets: its concepts, competence and connections.

Now let's turn to beneficial and harmful effects. Let's start with beneficial effects, Some economists have a positive outlook regarding the net effects of globalization on economic growth. These effects have been analyzed over the years by several studies attempting to measure the impact of globalization on various nations' economies using variables such as trade, capital flows and their openness, GDP per capita, foreign direct investment (FDI) and more. These studies examined the effects of several components of globalization on growth using time series cross sectional data on trade, FDI and portfolio investment. Although they provide an analysis of individual components of globalization on economic growth, some of the results are inconclusive or even contradictory. However, overall, the findings of those studies seem to be supportive of the economists' positive position, instead of the one held by the public and non-economist view [4].

Trade among nations via the use of comparative advantage promotes growth, which is attributed to a strong correlation between the openness to trade flows and the affect on economic growth and economic performance. Additionally there is a strong positive relation between capital flows and their impact on economic growth.

Foreign Direct Investment's impact on economic growth has had a positive growth effect in wealthy countries and an increase in trade and FDI, resulting in higher growth rates. Empirical research examining the effects of several components of globalization on growth, using time series and cross sectional data on trade, FDI and portfolio investment, found that a country tends to have a lower degree of globalization if it generates higher revenues from trade taxes. Further evidence indicates that there is a positive growth-effect in countries that are sufficiently rich, as are most of the developed nations.

The World Bank reports that integration with global capital markets can lead to disastrous effects, without sound domestic financial systems in place. Furthermore, globalized countries have lower increases in government outlays and taxes, and lower levels of corruption in their governments.

One of the potential benefits of globalization is to provide opportunities for reducing macroeconomic volatility on output and consumption via diversification of risk.

Harmful effects are non-economists and the wide public expect the costs associated with globalization to outweigh the benefits, especially in the short-run. Less wealthy countries from those among the industrialized nations may not have the same highly-accentuated beneficial effect from globalization as more wealthy countries, measured by GDP per capita etc. Although free trade increases opportunities for international trade, it also increases the risk of failure for smaller companies that cannot compete globally. Additionally, free trade may drive up production and labor costs, including higher wages for more skilled workforce [4].

Domestic industries in some countries may be endangered due to comparative or absolute advantage of other countries in specific industries. Another possible danger and harmful effect is the overuse and abuse of natural resources to meet new higher demands in the production of goods [4].

**C o n c l u s i o n .** One of the major potential benefits of globalization is to provide opportunities for reducing macroeconomic volatility on output and consumption via diversification of risk. The overall evidence of the globalization effect on macroeconomic volatility of output indicates that although direct effects are ambiguous in theoretical models, financial integration helps in a nation's production base diversification, and leads to an increase in specialization of production. However, the specialization of production, based on the concept of comparative advantage, can also lead to higher volatility in specific industries within an economy and society of a nation. As time passes, successful companies, independent of size, will be the ones that are part of the global economy.

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## ENGLISH LANGUAGE AND ITS INTERNATIONAL STATUS

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**Bulgakova O.O., Broslavska Y.M. English language and its international status.** The article deals with the problems of studying the international languages of the world, among which the leading place is occupied by English. The study determines the main historical and geographical territories (circles) of its distribution and use taking into account the speech specificity and other peculiarities of these regions. Also, the article considers its main lexical, grammatical, morphosyntactic, phonological and other manifestations that characterize this language not only as national and international, but also pluricentric.

**Keywords:** circles of English using nations, English-speakers, international language, plucentricity, popularization, speech verification.

**Булгакова О.О., Брославська Є.М. Англійська мова та її міжнародний статус.** У статті розглядаються проблеми вивчення міжнародних мов світу, серед яких передове місце займає англійська. Було визначено основні історичні та географічні території (кола) її поширення та використання з урахуванням мовленнєвої специфіки та інших особливостей цих регіонів. Також було розглянуто основні її лексико-граматичні, морфосинтаксичні, фонологічні та інші прояви, що характеризують дану мову не тільки як національну й міжнародну, а і плюріцентричну.

**Ключові слова:** англійськомовні носії, міжнародна мова, мовленнєва верифікація, національні кола використання англійської мови, плюцентричність, популяризація.

**Булгакова О.А., Брославская Е.М. Английский язык и его международный статус.** В статье рассматриваются проблемы изучения международных языков мира, среди которых передовое место занимает английский язык. Были определены основные исторические и географические территории (круги) его распространения и использования с учетом речевой специфики и других особенностей этих регионов. Также были рассмотрены основные его лексико-грамматические, морфо-синтаксические, фонологические и другие проявления, характеризующие данный язык не только как национальный и международный, а и плюрицентрический.

**Ключевые слова:** англоязычные носители, международный язык, национальные круги использования английского языка, плюцентричність, популяризація, речевая верифікація.

The o b j e c t of the article is the process of English language development under the conditions of historical background, globalization and migration influence, lexical, grammatical, morphosyntactic, phonological and other speech manifestations. The s u b j e c t is generally accepted standards that allow English to keep the status of national, international and pluricentric language. T h e p u r p o s e of the article is to research the main principles of linguistics, which predetermine the international status of different languages of the world, among which the leading place is occupied by English. Moreover, it is necessary to research the main issues of language transformations, which constantly appear due to global international processes, in which the role of the international language grows and becomes dominative.

A language achieves a genuinely international status when it develops a special role that is recognized in every country [4]. This might seem like stating the obvious, but it is not, for the notion of ‘special role’ has many facets. Such a role, based on geographical-historical and socio-cultural backgrounds, will be most evident in countries where large numbers of the people speak the language as a mother tongue – in the case of English, this would mean the USA, Canada, Britain, Ireland, Australia, New Zealand, South Africa, several Caribbean countries and a sprinkling of other territories.

When we begin to study a foreign international language, we naturally want to start using it like a native speaker does as soon as it will be possible. We involuntarily begin to emulate a native speaker, by copying his manner of thinking, understanding, speaking, reading, writing and even behaving like him or her [3].

This peculiarity everybody, who begins to study the international language and is aimed to succeed in, finds out after a while. This means, that in this way people on the subconscious level want to internalize not only the system of the target language but also beliefs, worldviews, values of the people, and the society of the language, they start to study.

Therefore, it is understandable, why the teachers and the learners of English tend to think that only mother-tongue English-speakers are the only

“real, natural and authentic” and best ones fit as the models to learn the language after.

Another one important fact for foreign-language learners always to remember is that English and other international languages are not used exclusively by native speakers, but by much larger quantity of non-native speakers over the world. In this way, the main aim of each foreign language you’ve decided to study is to be able to express yourselves, your society and your culture by dint of this language after you’ve mastered in it.

English is the international language par excellence: today, much more people learning English use it in international contexts rather than in just English-speaking ones and this tendency continues. But the estimates of the number of speakers are still debatable.

Nowadays it is believed, that near 380 million have English as their first language but more than a billion citizens use it as a second (or additional) language, mostly to communicate with other second language users with whom they do not share a cultural and linguistic background. According to world authority on the English language, David Crystal English has been lauded as the most ‘successful’ language ever, with 1,500 million speakers worldwide.

Thus, people from the so-called “core” English speaking countries are now in the minority among English-users. This means, that true “native speakers” of the language do not determine how the language is being used internationally anymore.

In a report commissioned by the British Council (2006 year) the researchers expressed the view, that English now is “a new phenomenon, and if it represents any kind of triumph it is probably not a cause for celebration by native speakers”. This opinion is absolutely understandable, taking into account that English is very much tied to globalization and is profoundly affected by all of its associated processes [1].

Moreover, English is a pluricentric language with different norms – phonological, morphosyntactic, lexical, pragmatic – applying to different national varieties.

And, as the most part of the languages from this category, is characterized by asymmetric relations between one or two dominant national varieties and the rest. Among the brightest manifestations of this are [1]:

1. The dominant nations underestimate the identity functions of one small language variation.

2. They tend to believe that variation between national varieties is mainly restricted to the spoken language.

3. They often confuse national and regional variation (for instance identifying Australian English as “really Cockney”).

4. The dominant nations believe themselves to be the norm-setters and view the other national varieties as deviations from their norm.

5. They consider their own norms to be more rigid than those of the non-dominant nations.

6. They have better means of codification and are better able to export their national varieties through publishing houses and language institutes.

7. The elites in the non-dominant nations tend to defer to the language norms of the dominant ones.

World-famous Indian linguist Braj Bihari Kachru identified three circles of English using nations more than thirty years ago (1986) and his area-definition of using this language is still the best and the most specific one.

He used the term “Inner Circle” (IC from now on) speaking about the countries where English is used as the primary language, such as in the United States, the United Kingdom, Australia, and Canada. The determination “Outer Circle” (OC) was used to characterize the countries where English was and is used as a second language (ESL), such as India and Singapore. The “Expanding Circle” (EC), is reserved for countries in which English is learned as a foreign language (EFL), such as in China, Japan, Korea, and Egypt, etc. The EC is spreading constantly because of growing number of the countries, where people begin to study the language of Shakespeare. All previous republics-members of Soviet Union, including Ukraine, fall into this category.

Historically English owes much of its position as an international language to the demographic, economic and political power of the English-speaking countries, especially the U.S., and also their “moral” advantage over Russia, Germany and France because of either atrocities or nationalist conceit [5].



The mentioned processes of language-spreading started initially due to historical migrations of native English speakers and then, due to the growth of the role of English language in international political and economic spheres and globalization.

A lot of people, speaking English, still don't feel comfortably within their traditional circles and use to travel worldwide finding new homes in other language circles. In such a way the popularization of English language continues constantly, assuring its status of international language.

If we cannot predict the future, we can at least speculate, and there are some fascinating speculations to be made. It may well be the case, as was intimated earlier, that the English language will soon become independent of any form of social control [2].

If there would happen major social changes in the Motherland of this language, Great Britain, which affected the use of English there, would this have any real effect on the world trend? Due to our research, we found out that it is unlikely.

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## **TOURISM AS A VITAL FACTOR AFFECTING ECONOMIC GROWTH IN GERMANY**

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**Chin T.K., Litovchenko Y.M. Tourism as a vital factor affecting economic growth in Germany.** The article analyzes the influence of tourism on the economy of the country on the example of Germany. The work examines how high tourism turnover in Germany is, how many jobs are dependent on tourism, how many international tourists come to Germany, what forecasts for the travel market in Germany are.

**Key words:** economic factor, flights and accommodation, travel industry, travel market.

**Чинь Т.Х., Літовченко Я.М. Туризм, як найважливіший фактор економічного росту Німеччини.** У статті аналізується вплив туризму на економіку країни на прикладі Німеччини. В роботі досліджується наскільки високі є оборотність з туризмом у Німеччині, скільки робочих місць залежить від туризму, скільки міжнародних туристів приїжджають до Німеччини, які прогнози для туристичного ринку Німеччини.

**Ключові слова:** економічний фактор, польоти та проживання, туристична індустрія, туристичний ринок.

**Чин Т.К., Литовченко Я.Н. Туризм, как важнейший фактор экономического роста в Германии.** В статье анализируется влияние туризма на экономику страны на примере Германии. В работе рассматривается, насколько высок оборот с туризмом в Германии, сколько рабочих мест зависит от туризма, сколько иностранных туристов приезжает в Германию, каковы прогнозы для туристического рынка в Германии.

**Ключевые слова:** экономический фактор, перелеты и размещение, туристическая индустрия, туристический рынок.

The object of the article is tourism as an economic factor affecting the country's growth. Tourism is one of the most efficient economic branches that successfully compete with the other farm branches of production and trade products. According to Navickas and Malakauskaite, it is one of the most fast growing economic segments that

deals with challenges and opportunities of global competitive market. Skuras, Petrou, Clark (2006) state that tourism demand has more than doubled in Europe during the last 20 years, and “its economic impact is equally impressive”. Rural tourism is a significant part of Lithuanian tourism sector, which differs with its originality, provided services and competitive features. These qualities are very important in shaping regional and state image of tourism; moreover, it promotes the growth of inbound tourism. In recent years, more and more growing rural tourism becomes a real competitor to resorts and hotels. It also became inexpensive alternative for holidaymakers. It is business, which covers various activities in one rural tourism farmstead and also forms whole tourism market. Lopez, Garcia point out that rural tourism is one of the fastest spreading areas of tourism. It mostly appears in less developed countries, where the number of people living is relatively big. It is a specific branch of tourism, for which exclusive attention has to be shown. Rural tourism is based on the development of the whole farm offering the services as well as on the economic and social development of rural areas. Jaszczak, Žukovskis (2010) highlights “the livelihood of country people and stopping their migration to cities has become important factors determining this development.”

The travel industry in Germany is more extensive than mechanical engineering, so a deeper insight into tourism field reveals its exceptional importance for the welfare of a whole country.

There are many good reasons to visit Germany. European tourists opt for trips to Berlin, Munich or Hamburg because of the exciting culture and lively cities. Business people from all over the world are attracted to Germany as the top destination for international trade fairs. The ever-growing number of visitors have long-since become an important economic factor [4].

How high is turnover with tourism in Germany?

A study published jointly in 2017 by the Federal Ministry of Economic Affairs and the Federal Association of the German Tourism Industry (BTW) entitled Tourism as an Economic Factor in Germany shows that tourism generated an annual turnover of 290 billion euros in 2015. The largest share came from the restaurant and catering industry with around 18 percent. 14

percent of the turnover was contributed by visitors from abroad. They spent around 40 billion euros on their visits to Germany [9].

With a 3.9 percent share of gross value added, the travel industry is bigger than both mechanical engineering (3.5 percent) and the retail trade (3.3 percent) [1].

How many jobs are dependent on tourism?

About three million people in Germany provide services or manufacture products for tourism. That's 6.8 percent of Germany's workforce.

How many international tourists come to Germany?

The German National Tourism Board (DZT) counted 84 million overnight stays by international travellers in hotels, guest houses and camp sites in 2017: the eighth record result in a row. The largest percentage of tourists come from Germany's neighbouring country Netherlands (11.2 million), followed by Switzerland (6.7 million) and USA (6.2 million) [5].

What are the forecasts for the travel market in Germany?

The DZT expects the annual number of overnight stays by international guests to rise to about 121.5 million by 2030. Most will still be from European countries. In addition, the experts expect more tourists from South America and Southeast Asia [2].

What is the tourism industry's biggest challenge?

Digitalization. Travellers are organizing flights and accommodation via international booking platforms. The 'sharing economy' is thus competing with traditional companies. As a result, German service providers are losing revenue. On the other hand, 'big data' analysis enables the industry to respond more quickly to trends and to be closer to the customer [3].

Holidays are for many Germans the best time of the year. And most Germans carefully plan them already at the beginning of the year. Germans' most popular holiday destination? Quite simple: Germany. Most Germans are drawn to the North Sea or the Baltic Sea, the Alps or the Alpine foothills with their many lakes. But as beautiful as Germany is, so many Germans also travel to other countries that they, after travel champion China, are the nation fondest of travelling in the world [8].

Most Germans want to rest and pass their holidays relaxed and comfortable, with lots of sunshine and good food. No wonder then that the beach holiday in a hotel is Germany's most popular sort of vacation [10].

The most frequent destination of Germans is the Mediterranean. Spain, especially the Balearic island of Mallorca, has been the favourite country of many German holidaymakers for many years, with Italy and Turkey in places two and three. In the summer of 2017, Greece, Croatia and Morocco are also in trend. Families and hiking enthusiasts like spending their holidays in Germany's neighbour Austria [6].

Germans are enthusiastic cruise-takers. More and more young travellers appreciate the amenities of the floating hotels, with their varied programme of entertainment and shore excursions. According to a statistic of the German Travel Association, more than two million Germans took a cruise in 2016. Every year the booking figures rise to new records.

You can run into German tourists eager to make discoveries in every corner of the earth, but by far the most popular travel destination is the United States. Closely followed by Canada. In Southeast Asia, Germans' favourite holiday country is Thailand [6].

Because employees in Germany get long holidays by comparison with those in other countries – 26 to 30 days as a rule – many go on vacation twice a year. Many take advantage of a short holiday to take a city tour. In Germany, the most attractive urban destinations are Berlin, Hamburg and Munich; in the rest of Europe, London, Rome, Vienna, Paris and Prague.

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## **SPECIAL ASPECTS OF LABOUR MIGRATION FROM UKRAINE**

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**Demydenko R.A., Skrypnyk T.I. Special aspects of labour migration from Ukraine.** The article analyses the problem of increase in the labour migration flow during last five years and explains its positive consequences and negative effects. The influence of labour emigration in basic factors of standard of living is researched. Some recommendations to address the issues of labour migration are also provided, which include a job creation, a reduction of the shadow economy, improving financial situation of working population and a continuous analysis of the scale of illegal labour migration from Ukraine.

**Keywords:** job creation, labour emigration, shadow economy, standards of living, working population.

**Демиденко Р.А., Скрипник Т.І. Особливості трудової міграції з України.** У статті описується роблема збільшення міграційного потоку робочої сили за останні п'ять років і пояснюються його позитивні та негативні наслідки. Досліджено вплив трудової еміграції на основні показники рівня життя населення. Також пропонуються деякі рекомендації щодо вирішення питань трудової міграції, які включають створення робочих місць, скорочення тіньової економіки, поліпшення фінансового становища працездатного населення і постійний аналіз масштабів незаконної трудової міграції з України.

**Ключові слова:** працездатне населення, рівень життя, робоча сила, тіньова економіка, трудова еміграція.

**Демиденко Р.А., Скрипник Т.И. Особенности трудовой миграции с Украины.** В статье описывается роблема увеличения миграционного потока рабочей силы за последние пять лет и объясняются его положительные и негативные последствия. Исследовано влияние трудовой эмиграции на основные показатели уровня жизни населения. Также предлагаются некоторые рекомендации по решению вопросов трудовой миграции, которые включают создание рабочих мест, сокращение теневой экономики, улучшение финансового положения трудоспособного населения и постоянный анализ масштабов незаконной трудовой миграции из Украины.

**Ключевые слова:** рабочая сила, теневая экономика, трудовая эмиграция, трудоспособное население, уровень жизни.

The object of the article is the process of labour migration flow from Ukraine. The subject is impact of labour migration on Ukraine's economic development. The purpose of the present paper is to study the characteristics of migration and its positive and negative effects on the economic development, as well as some recommendations to address the problems of labour migration. Ukraine is one of the largest labour donor countries in Europe. As shown in an assessment by The World Bank, it is among the five largest suppliers of migrants in the world, preceded only by Mexico, India, China and Russia. Foreign labor migration has become an objective reality today [1]. According to a labour migration research conducted in 2017, 1.2 million Ukrainian citizens are working abroad. However, an analysis of data from the European Union and Russia indicates that this estimate is too low. The number of Ukrainian migrant workers abroad is closer to 1.5–2 million, which is 6.8–9.1% of the economically active population of Ukraine. The increase of labour migration occurred in the crisis period, associated with low wages, rising unemployment and involuntary part-time employment, the spread of poverty and high levels of property resettlement of the population. As a result, many Ukrainians have already chosen long-term labour migration to European countries or are considering the opportunity to secure stable earnings by migrating abroad.

Unemployment appears to be a less important reason for seeking work abroad than low wages in Ukraine and the possibility of earning quick money abroad [3]. This is not surprising because unemployment rates defined according to the ILO methodology are lower in Ukraine than in many destination countries, whereas average wages are significantly higher in all destination countries. The average wage of migrant workers abroad amounted to US \$ 930 per month, which was, of course, much higher than the average salary of a staff member at a Ukrainian enterprise (US \$ 200 in 2016). In addition, the highest income sector in Ukraine has an average level of income that is in fact lower than most unskilled jobs abroad. This implies that for a skilled Ukrainian with relatively low migration costs it may be attractive to take an unskilled job abroad, thus avoiding integration costs. More than 40 per cent of Ukrainian people who live abroad have completed higher education (Master's degree or equivalent) compared to 31



per cent amongst the non-migrants. There are many other causes of migration, such as discomfort at the general instability in the home country, widespread corruption, lack of opportunities for development and self-realisation, vulnerability to abuse by the authorities. As a result, people leave their homes and families for searching opportunities to find a higher-paid than in Ukraine job.

There is a large variation across administrative regions. The most active participation in external labour migration is taken by the citizens of the western regions (12.9% of the working-age population), those of the northern regions are the least-engaged (1.7% of the working-age population). The widest geographical range of labour migration of the inhabitants of the western regions (Volyn, Rivne, Khmelnytsky, Ternopil, Ivano-Frankivsk, Chernivtsi, Transcarpathian, Lviv regions) is due to their bordering with many European countries. In general, immigrants from the western regions make up the vast majority of migrant workers, the Foreign Labour Migration of Ukraine's population 57.4% of their total. The prevalence of labour migration among the population of these regions has deep historical roots [4].

Significant differences are observed in the employment structure of labor migrants. Among the illegal and legalized migrants, the vast majority are engaged in construction and agriculture (for men), in agriculture and in domestic service (for women). The structure of employment varies significantly across the host countries. In most countries, the proportion of men working in construction is significant (Russia – 73%, Poland – 65%, Czech Republic – 88%). In Poland, an essential proportion of men (up to 30%) work in agriculture. For women, employment is relatively more diverse. For example, in Italy, about 90% of Ukrainian women work as domestic servants. In Poland, women predominantly work in agriculture to 70% of the total number of Ukrainian female workers, in the Czech Republic – in the hotel and restaurant business (more than 45%), in Russia – in trade (up to 35%).

Labour migration should be considered as a natural aspect of the development of social relationships that leads to both positive and negative consequences; in the case of Ukraine, the former include:

- more foreign currency flowing into Ukraine in the form of remittances from the labour immigrants and foreign investments through joint ventures,
- promotion of Ukraine's integration with the global labour market,
- opportunity for the working population to realize their talents abroad, to improve their skills and their financial situation,
- reduction of the unemployment rate and of the social tension, opportunity to promote Ukrainian culture in the world and to create new centres of Ukrainian diaspora.

The latter include:

- reduction of the population,
- loss of part of the finest workforce (especially academics and professionals), which leads to a slowdown in technological progress,
- loss of skills, as people with a high level of training perform mainly unskilled work abroad,
- investment of the state funds in the education at all levels, which then creates value added outside the country,
- discrimination and exploitation of Ukrainian citizens by employers abroad,
- emergence of political and economic claims to Ukraine by the recipient countries due to the increase of illegal Ukrainian labour migration,
- re-integration issues faced by the workers who return home and find themselves unaccustomed to the Ukrainian conditions of work and life.

According to the researchers, consequences of such double nature – both positive and negative – also affect the Ukrainian state [2]. These include, for example, the fact that, on the one hand, labour migration relieves tension in the home labour market, while on the other hand it leads to the loss of a significant number of professionals. This also applies to the cultural aspect of labour migration: undoubtedly, the Ukrainians carry their traditions and customs into other parts of the world; yet many of them, studying foreign languages to obtain high-paying work, lose their Ukrainian identity.

The impact of labour migration on Ukraine's economic development is ambiguous. On the one hand, the additional money flowing into the

country contributes to poverty reduction, stimulates the domestic production and supports the balance of payments; on the other hand, the outflow of workers abroad reduces the supply of the domestic labour market and creates risks for the stability of the social security system. In addition, migration leads to the loss of skills, as highly trained people who perform mainly unskilled work abroad. The main ways of solving these problems include the creation of new jobs, enhanced labour remuneration, limitation of the shadow economy and shadow employment, civilised forms of leaving abroad for work, prevention of human trafficking, continuous analysis of the scale of illegal labour migration from Ukraine and carrying out measures to prevent this phenomenon. Of particular importance is the signing of the relevant international agreements and improving existing legislation regarding licensing of firms for employment abroad.

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## **“SOFT POWER” AS AN INSTRUMENT FOR EXTERNAL POLITICAL INFLUENCE OF THE SOUTH KOREA**

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**Dotsenko A., Karlyuk S. “Soft power” as an instrument for external political influence of the South Korea.** An alternative approach to exercising political influence through “soft power” by South Korea is viewed. Instruments used by Korean diplomacy in its pursuit of its goals are described.

**Key words:** foreign policy, national interests, positive image, soft power, South Korea,

**Доценко А., Карлюк С. «М’яка сила» як інструмент зовнішньополітичного впливу Південної Кореї.** Розглянуто альтернативний підхід здійснення Південною Кореєю політичного впливу через т.зв. «м’яку силу». Описано інструменти, застосовані корейською дипломатією задля досягнення своїх цілей.

**Ключові слова:** зовнішня політика, м’яка сила, національні інтереси, Південна Корея, позитивний імідж.

**Доценко А., Карлюк С. «Мягкая сила» как инструмент внешнеполитического влияния Южной Кореи.** Рассмотрен альтернативный подход осуществления Южной Кореей политического влияния на международной арене посредством т. наз. «мягкой силы». Описаны инструменты, применяемые корейской дипломатией для достижения своих целей.

**Ключевые слова:** внешняя политика, мягкая сила, национальные интересы, положительный имидж, Южная Корея.

In our time, replacing the military (rigid) methods of implementing the foreign policy of the state, countries have long been using the elements of "soft power". This approach was first formulated on a scientific and theoretical level by Professor of Harvard University – Joseph Nye. In his view, the ability to achieve leadership among other states depends on the availability of certain resources to exercise power and the ability to use them effectively. In many cases, the desired results can be achieved by

factors such as spiritual and material culture, social and political principles, the quality of the foreign and domestic policies carried out, and so on. These factors have a crucial bearing on increasing the attractiveness of the country's image, forming a special resource, identified by Joseph Nay as “soft power” [5, p. 76].

It should be noted that the main thesis of the concept of “soft power” is the thesis that in the modern world the state can influence international relations by means of fundamentally different methods, which can be divided into two groups: "hard power" and “soft power”. The first group includes military-technical potential, while the second group consists, on the one hand, of indirect methods, for example, economic sanctions, on the other – factors that create a positive image of the state in the international arena. Mechanisms and tools of soft power are more difficult to implement than “hard power” mechanisms and require significant efforts from the state, however, according to J. Nay, only the use of “hard power” tools does not enable the state to take a stable leading position in the international arena [3, p. 23–25].

Republic of Korea – a country in East Asia, which occupies the southern half of the Korean Peninsula, in connection with what it is often called South Korea, the capital is Seoul.

The South Korean version of the implementation of the soft power policy primarily consists in the important role played by the Republic of Korea in its region and, secondly, in the ability to identify the hidden mechanisms of the foreign policy of the Republic of Korea that are not implemented directly through traditional instruments of foreign policy. South Korea, having the status of a “New Industrialized Country”, participates in various formats of multilateral economic and political cooperation in the Asia-Pacific region [2, p. 2]. South Korea has enough resources to create a "soft power" that does not restrict its geographical boundaries, but which prevented the spread of tough force throughout the country's history. As a result, the state tries to design its foreign policy in such a way as to play a more important role in the international institutions and networks necessary for global governance [8, p. 45].

From the point of view of the development of mechanisms and instruments of soft power policy, South Korea is confidently moving

forward today. In addition to the status of one of the leading technology centers, the country also enjoys a certain diplomatic authority that was gained after the Korean summit of the G20, as well as the successful promotion of the brand “Made in Korea”. In addition, an important factor that allows us to speak about the “soft power” of South Korea is the political system. Now South Korea is a democratic state that possesses the necessary attributes for a democratic system [1, p. 15].

As it turned out, South Korea is a state with highly developed mechanisms of “soft power”, including those reflected in the program of foreign policy documents of the country. The Korea’s tendency to apply the main mechanisms of “soft power” that will allow the country to realize its national interests in the medium and long term, determines public diplomacy. Among these mechanisms are Korean culture (including the “Korean wave”), Korean sports, and the system of education and economic levers as determinative factors [4, p. 23–25]. In addition, it is worth paying attention to the positive image of the state, which is created thanks to Korean cuisine, automotive and electronics products. “Soft Power” is an important resource for Korea, since the state is located in a region characterized by numerous conflicts and contradictions that have long been frozen. In this sense, the creation of its own positive image in the eyes of both neighboring countries and on a non-regional scale allows Korea to realize its national interests in a non-conflict way and pursue a foreign policy, based primarily on the harmonization of interests, rather than on the confrontation or threat of use of force [7, p. 56–58].

On the whole, the Republic of Korea has a large toolkit of “soft power” and has a strong resource base in order to win the title of regional leader of Southeast Asia. At present, the foreign economic and foreign policy doctrines of the Republic of Korea are witnessing a trend towards more productive cooperation with the ASEAN countries and strengthening its economic impact in the Asia-Pacific region, which has reduced the role of APEC in the strategic planning of South Korea. At the moment, the country’s economic course is aimed at forming a free trade zone from Chile, Singapore, India, China, Japan. The liberalization of the economy and the expansion of South Korean markets, the establishment of long-term trade cooperation relations and the development of customs legislation,

reducing barriers to the movement of goods and investment – all this will remain pressing issues for the Republic of Korea for a long time. The key to the success of the Republic of Korea in the way of regional, and in the future and global, leadership in our opinion is to increase the proportion of political and economic resources of “soft power” that will promote its competitiveness on the world stage [9, p. 228].

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## THE EVALUATION OF THE INNOVATIVE ACTIVITY OF UKRAINE AT THE INTERNATIONAL LEVEL

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**Dvornik L.O., Davydenko I.V. The evaluation of the innovative activity of Ukraine at the international level.** The author represents the analysis of the innovative activity in Ukraine, researches the place of the Ukraine in the ranking of innovative development of the economy. The study reveals the dynamics of innovative potential of the country. The results of comparative analysis of positions of Ukraine and other countries in the sphere of innovative activity are given in the article.

**Key words:** analysis, development, economy, innovative activity, Ukraine.

**Дворнік Л.О., Давиденко І.В. Оцінка інноваційної діяльності України на міжнародному рівні.** У статті проаналізовано інноваційну активність в Україні. Досліджено місце України в рейтингах інноваційного розвитку економіки. Дослідження демонструє динаміку інноваційного потенціалу країни. Приведено результати порівняльного аналізу позицій України та інших країн в сфері інноваційної активності.

**Ключові слова:** аналіз, економіка, інноваційна активність, розвиток, Україна.

**Дворник Л.А., Давыденко И.В. Оценка инновационной деятельности Украины на международном уровне.** В статье проанализирована инновационная активность в Украине. Автор изучает место Украины в рейтингах инновационного развития экономики. Исследование демонстрирует динамику инновационного потенциала страны. В исследовании приведены результаты сравнительного анализа позиций Украины и других стран в сфере инновационной активности.

**Ключевые слова:** анализ, инновационная активность, развитие, Украина, экономика.

The o b j e c t of the article is the global innovation cooperation and its role in the modern world. The s u b j e c t of the research is the innovative activity in Ukraine within the international context. The p u r p o s e of the study is to define the fundamental components of the



innovative development of Ukrainian economy under the conditions of its further integration into the global economic and technical areas taking into account the comprehensive study of the state of innovation in the country and analysis of the relevant world trends.

The implementation of the innovative model of development is a major component of economic growth dynamics. This is the way, which will enable Ukraine to save and make the most effective use of the existing scientific and technological capacity in order to have an important place in the international community. That is why the evaluation of the innovative activity in Ukraine and determination of its level are most relevant.

The economic growth of the country and the population's standard of living depend heavily on the efficiency of scientific and innovative activity. The innovative activity is aimed at the usage and commercialization of the scientific results and developments. It leads to the release of competitive goods and services.

In highly developed countries, science-based products and services provide more than 85 per cent of the total increment of their gross domestic product [5]. For the past two or three decades, these countries have been implementing policies aimed at creating a competitive advantages of national and regional economic systems. One of the main priority strategic areas for improving Ukrainian competitiveness is the transition to an economy based on utilization of human capital, intellectual resources and high technology.

Evaluation of innovation development is an integral part which allows determining the efficiency of the economy, which is carried out by independent rating of innovative and relevant indicators [6].

The innovativeness level of Ukrainian economy is further relatively low, which is proved by the lowest level of innovativeness among EU countries. Maintaining this state for a longer period, very likely, can lead to worsening the competitive position of Ukrainian companies on the European market, as well as their replacement by international competitors at domestic market of Ukraine. These conclusions are evidenced additionally by the European Innovation Scoreboard, which can help to make an objective assessment of the innovative development of Ukraine [4].

According to the Summary Innovation Index which amounted to 0,14, in terms of the level of innovations Ukraine was in the fourth and last group called Modest Innovators in 2017. The rates of the countries which belong to the group of Innovation Leaders (Sweden holds top positions in the ranking – 0,71) are five times higher, the second group Strong Innovators has the rates which are four times higher (Germany – 0,6) and the rates of the third group Moderate Innovators are three times higher than Ukrainian rate (Czech Republic – 0,42). It is necessary to note that the Summary Innovation Index value of Ukraine increased slightly comparing to the previous year (0,12). Actually, the highest rates were observed in 2015, 2011 and 2010 (0,15) [1].

The low level of innovative activity is also proved by ratings obtained from international rating agency Bloomberg Rankings in 2016. According to it, Ukraine occupied 41 place of the innovation level among other countries (figure was 56,77 out of 100). Our country has only gone further than Malta, Bulgaria, Serbia, India, Tunisia, Morocco, Argentina and Kazakhstan. South Korea has been ranked first (91,31), and Germany took the second place (85,54) [2].

In accordance with the report Global Innovation Index 2018 of the World Intellectual Property Organization (WIPO), Ukraine is among the lower middle-income countries in terms the innovation performance (64 place out of 141) [3]. 80 indicators of this index explore a broad vision of innovation, including political environment, education, and infrastructure and business sophistication. The Global Innovation Index is one of the most important indicators for assessing the innovative potential of the country. It reflects the real state of investment and innovation development in the context of the economies of several countries and identifies its dynamics.

In March 2015, Ukraine became a full-fledged participant of Horizon 2020 programme. Horizon 2020 is the biggest EU research and innovation programme, which is open for participation not only for EU member states but also for some associated and candidate countries. It is necessary to note that such international scientific and technical programmes help to stimulate the process of a commercialization of research and the further development of scientific, technological and innovative activities in Ukraine.

Since Ukraine became the associate member of Horizon 2020 programme, a lot of new possibilities appeared under which the country is able to:

- participate in Horizon 2020 on equal terms with EU member states and some other third countries;
- take part in defining the scientific and technological priorities of EU;
- receive funding from the European Commission under the same conditions as EU member countries;
- have full access to the Ideas programme intended for the development of fundamental research;
- take part in all Programme Committees of EU Framework Programme, Joint Research Centre (JRC), Scientific and Technical Research Committee (CREST) [7].

**C o n c l u s i o n .** To sum up, national economy without considerable innovation basis has narrow limits for development and practically is unable to produce competitive products. Unfortunately, at the present stage, innovation in Ukraine is characterized by negative trends and difficult problems whose resolution would allow our country to take its rightful place in the new post-industrial society. It is not possible to accelerate the process of the approval of the innovative model without the harmonious development of the innovative activity of the companies, industries, regions and the state as a whole. Innovation activity in Ukraine requires technological exchange, development of international scientific and technical cooperation, creating the innovative infrastructure and widespread use of information technologies.

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## **MODERN TRENDS OF GASTRONOMIC TOURISM DEVELOPMENT**

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**Eivazova E.E., Litovchenko Y.M. Modern trends of gastronomic tourism development.** The article reveals the content of gastronomic tourism and its role in the tourism industry. The basic objects of gastronomic tourism are determined, the potential for the development of gastronomic tourism as a destination is investigated. The concept "gastronomic tour" and prospects for the development of gastronomic tourism as an object of tourist trip are grounded.

**Key words:** eco-tourism, gastronomic tour, gastronomic tourism, World Food Travel Association

**Ейвазова Е.Е., Літовченко Я.М. Сучасні тенденції розвитку гастрономічного туризму.** У статті розкривається зміст гастрономічного туризму та його роль у туристичній індустрії. Визначено основні об'єкти гастрономічного туризму, досліджено потенціал розвитку гастрономічного туризму як дестинації. Обґрунтовано поняття "гастрономічний тур" та перспективи розвитку гастрономічного туризму як об'єкту туристичної подорожі.

**Ключові слова:** Всесвітня асоціація гастрономічного туризму, гастрономічний тур, гастрономічний туризм, еко-туризм.

**Эйвазова Э.Э., Литовченко Я.Н. Современные тенденции развития гастрономического туризма.** В статье раскрывается содержание гастрономического туризма и его роль в туристической индустрии. Определены основные объекты гастрономического туризма, исследован потенциал развития гастрономического туризма как дестинации. Обосновано понятие "гастрономический тур" и перспективы развития гастрономического туризма как объекта туристической поездки.

**Ключевые слова:** Всемирная ассоциация гастрономического туризма, гастрономический тур, гастрономический туризм, эко-туризм.

The object of the article is tourism industry whereas the subject is a development of gastronomic tourism. The purpose of the

research is to identify the current state and prospects for the development of gastronomic tourism.

Gastronomic tourism is an emerging phenomenon that is being developed as a new tourism product, due to the fact that over a third of tourist spending is devoted to food. Therefore, the cuisine of the destination is an aspect of utmost importance in the quality of the holiday experience. It tells the story of a destination's history, culture, and people. Eating is essential for human survival, tourism presents an important part of everyday life – it is the *modus vivendi* of the modern man. These two inevitabilities lead to the conclusion that eating outside home is becoming part of human habits. At the same time standards in all areas of life are being risen. The development of culture constantly increases and multiplies different human needs, many of them being luxurious and hedonistic. The food tourism industry comprises nearly 20 sub-sectors.



Figure 1: World's food tourism industry

Therefore we can speak of the gastronomic tourism industry when people travelling, put simply, seek “good food and beverages”- such that will not only satiate basic needs, but also give pleasure. This is a type of tourism, which comprises an individual's activities, whose main motive is linked to the culture of food and the tasting of traditional local specialties

(food and beverage), specific for a certain region or country. According to World Food Travel Association, a culinary tourism grows exponentially every year. It certainly is compatible with the "eco-tourism", "slow food tourism", "sustainable tourism" and "sustainable agriculture".

Gastronomic tourism may also be a significant contributor to processes of localization as a response to increased global competition. For example, outsider interest in local produce may serve to stimulate local awareness and interest, and assist not only in diversification, and maintenance of genetic diversity and heirloom varieties, but may also encourage community pride and reinforcement of local identity and culture. In addition, the development and promotion of regional food products have also become part of a process of the protection of geographical places through intellectual property law. The commercial reification of place identity in international trade agreements for wine and food also helps reinforce the place branding and marketing processes that are integral to contemporary tourism. With growing international interest in slow food and sustainable agriculture, gastronomic tourism can be seen as an eco-tourism at its best helps promote environmental stewardship and locally controlled cultural preservation. Food tourism can range from self-styled informal visits to local farmers markets in New Zealand, to a 2-week formal cooking class in Paris. Thailand offers a plethora of small cooking schools where tourists (or locals) can take one day classes in basics such as Pad Thai, or regional specialties involving fish, coconut milk, and special blends of spices. In the US and Europe, some farmers are offering "on the farm" meals that are open to travelers.

As with eco-tourism, travellers interested in gastronomic tourism should keep their critical eyes open, as some tour providers are not truly committed to the highest environmental standards of the industry. Visitors are advised to beware of experiences that offer foods such as veal, shrimp, or fish that are not sustainably harvested.

Food can therefore provide the basis for the development of tourism experiences in a number of ways:

- Linking culture and tourism;
- Developing the meal experience;
- Producing distinctive foods;

- Developing the critical infrastructure for food production and consumption;
- Supporting local culture.

Gastronomic tourism can also be seen as an auxiliary tool for learning cultural heritage of countries and regions of the world, since national cuisine is one of the elements that reflects a lifestyle, worldview, traditions of ethnic groups.

During a gastronomic tour, a tourist has a good opportunity:

- 1) to visit restaurants and other national cuisine;
- 2) to participate in gastronomic festivals;
- 3) to get acquainted with the history and recipes of the national cuisine according to the season;
- 4) to try yourself in the preparation of national dishes.

Tourists who attend gastronomic tours are represented by the following categories of population:

- 1) tourists who are tired of ordinary tourism;
- 2) tourists who want a variety in their diet;
- 3) gourmets;
- 4) tourists whose work is related to cooking and food;
- 5) representatives of travel agencies who are interested in organizing their own tourists [7].

Consequently, the target audience of gourmet tourism includes:

- Exquisite tourists;
- Tourists who use culinary tourism for the purpose of studying and obtaining professional skills (chefs, sommelier, restaurateurs, tasters, bloggers);
- representatives of travel agencies traveling to study the tourism industry;
- Tourists who want to enter the culture of the country by studying the national cuisine.

Studies show that the average culinary tourist is demographically similar to the culture tourist. He is more knowledgeable, aged between 30 and 50 years old. The largest outbound countries are the United Kingdom, the Benelux countries, Germany, Italy, France, the Scandinavian countries and the United States. In Europe, the culinary tourism is the most



widespread in Spain Italy, France, in Asia this is Japan, India and Thailand. There are also quite a few culinary tour operators in the world offering culinary packages. Gastronomic tourism is clearly in a growth phase, often combined with compatible categories of tourism, such as culture, sport, etc., so a wider range of consumers get interested. Many companies, such as Jadranka Yachting or sailing magazine Playboy, offer "gourmet" events, where, in addition to sailing, a visit the most famous "taverns" on the Croatian Adriatic is included.

In conclusion, eating culture is changing, people travel more, and the pace of life is always faster, more and more people eating away from home. All these factors affect the growth of the culinary tourism, which is based on the cultural tourism combined with the need to take delight in life. The art, which is experienced by all the senses, learning about the various food and beverages, learning about the numerous different ways of preparing food and beverages, attending culinary events – due to the media influence all these things are becoming mandatory parts of the tourist offers. Notwithstanding the unpredictable future, I can say that it is a culinary tourism, which still has the status of a niche and is still in the stage of deployment, it presents the best way to develop into an important branch of tourism which will continually grow.

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## FEATURES OF THE CURRENT STAGE OF INTEGRATION PROCESSES IN THE EUROPEAN UNION

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**Ermakova E.V., Skrypnyk T.I. Features of the current stage of integration processes in the European Union.** The article discusses the main problems of the modern stage of integration processes in the European Union. Was adduce that the EU budget, the dynamics of EU GDP growth and the EU debt describe the main agreements and the causes of most EU problems.

**Keywords:** European Union, single domestic market, GDP (gross domestic product), GNP (gross national product), onshore trading.

**Єрмакова Є.В., Скрипник Т.І. Особливості сучасного етапу інтеграційних процесів у ЄС.** У статті розглядаються головні проблеми сучасного етапу інтеграційних процесів в Європейському Союзі. Розглянуто внески в бюджет ЄС, динаміка зростання ВВП ЄС, борг ЄС, описані основні угоди і причини більшості проблем ЄС.

**Ключові слова:** Європейський Союз, єдиний внутрішній ринок, ВВП (валовий внутрішній продукт), ВНП (валовий національний продукт), внутрішня торгівля.

**Ермакова Е.В., Скрыпник Т.И. Особенности современного этапа интеграционных процессов в ЕС.** В статье рассматриваются главные проблемы современного этапа интеграционных процессов в Европейском Союзе. Рассмотрены взносы в бюджет ЕС, динамика роста ВВП ЕС, долг ЕС, описаны основные соглашения и причины большинства проблем ЕС.

**Ключевые слова:** Европейский союз, единый внутренний рынок, ВВП (внутренний валовый продукт, ВНП (внутренний национальный продукт), внутренняя торговля.

The s u b j e c t of the research is problems and prospects for the development of the European integration process.

The p u r p o s e of the analysis: to identify the prospects for the development of the EU and the CIS (Commonwealth of Independent States) in the modern world.

The relevance – integration processes are a qualitatively new form of interstate interaction, which characterized by a general focus on the occurrence interstate and supranational beginnings. The dynamic development of integration processes is the most important characteristic of the modern world economy. In this regard, it becomes necessary to study the patterns of integration development to build a complete picture of the world.

At the present moment, two major integration associations have emerged on the territory of modern Europe, the European Union and the Commonwealth of Independent States. The EU consists of 28 countries (Figure 1), but in 2016 the UK announced its withdrawal from the EU, which should be completed in 2019. There are also several countries that are bidding for membership in the community: Serbia, Montenegro, Macedonia, Turkey and Albania. Bosnia and Herzegovina is included in the official expansion program [6].

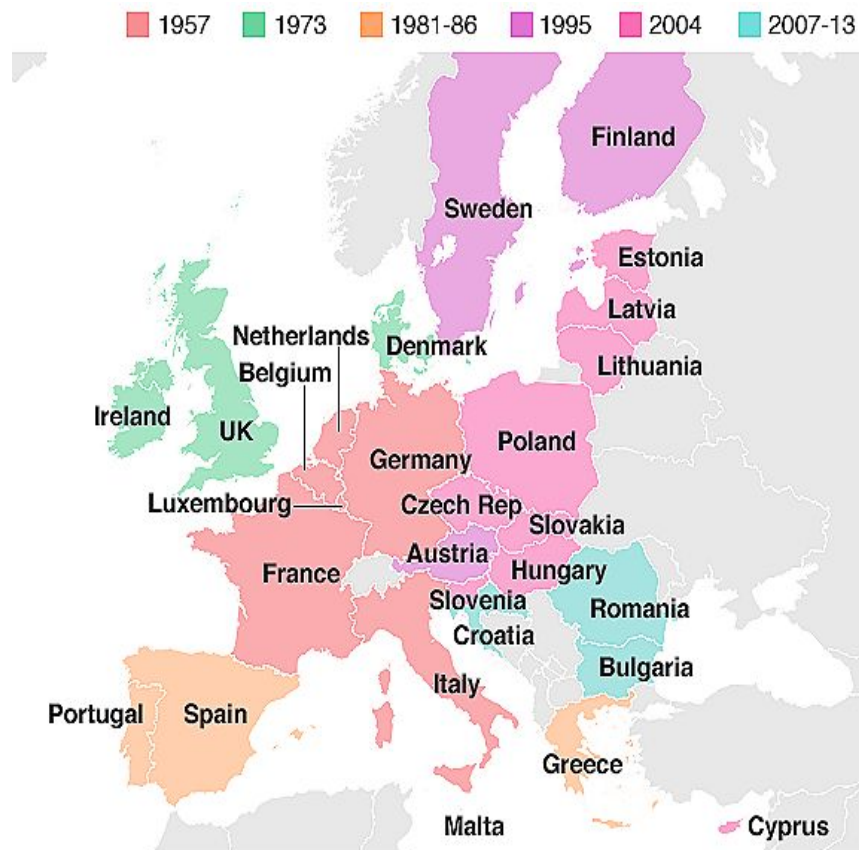


Figure 1. Member countries of European Union

The union was created with the goal of bringing countries closer together, building a single internal market and creating a closer union of European nations. It has a dual organizational status, that is, it is an international entity that combines both the signs of an international organization and the signs of a state. In some areas decisions are made by independent supranational institutions, and in others through negotiations between member states. Decisions made within the EU are binding for all member countries. This made it possible to create an effective institutional structure within the Union.

In the European Union, contributions to the budget are calculated on the basis of countries' GNP. Also, the budget is replenished due to income from trade in agricultural products with third countries and customs duties on goods brought to the EU from the outside. At present, the EU economy is the second largest in the world, showing moderate GDP growth in 2014-2017, recovering from the global economic crisis of 2008-2009 and the sovereign debt crisis in the euro zone in 2011. According to 2017 data, the European Union's GDP is estimated at \$ 17.1 trillion, growing at 2.9% per year [8]. However, the deterioration of relations and the imposition of sanctions against Russia have a negative impact on the economic situation of the union. The most important sector of the economies of the participating countries is the service sector and amounts to 70.7%, while the manufacturing industry in turn amounts to only 24.5%, and agriculture with only 1.5% of the total GDP [5]. The European Union is the largest exporter in the world and the second largest importer. Domestic trade between member states is facilitated by the removal of barriers such as tariffs and border controls. The official currency of the euro zone union is the euro, the second largest reserve, as well as the second most traded currency in the world after the US dollar. The European Union is actively fighting unemployment, as seasonally adjusted unemployment in the EU in March 2018 was 7.1% [7]. For comparison, in 2013, it was 10.9%.

Most of the problems of the EU focus on several related issues: the aging of the population, the increase in life expectancy and the influx of immigrants. "Over the past two decades, the proportion of children in the EU countries has decreased by 3.7%, while the elderly have increased by 3.6%. If current trends continue, the working-age population of the

continent will decrease by 40 million people by 2050 ” [4]. Thus, the EU faces challenges in its demographic future. According to Eurostat, the population of the European Union in 2017 is 511.8 million [7]. In the international arena, the EU seeks to increase its presence in the Asian region, primarily in Central Asia. This will provide the economic and political growth of the European Union and help to strengthen its influence. To achieve this goal, the EU has concluded agreements with Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Turkmenistan. These countries are interested in cooperation in the field of education and the media. In Southeast Asia, the EU relies on the ASEAN-EU Action Plan, which is designed for 2018-2022. Also in this direction there are meetings of Asian and European countries in the G20. The main objective of the expansion of cooperation between the EU and ASEAN in the areas of security, energy, economy in the framework of the free trade agreement. Thus, as N.V. Eremina, “European diplomacy is at the stage of forming its image in the region. Accordingly, it will mainly continue to do this in 2018, also promoting security and energy logistics issues on agenda ”[1, p. 20]. The European Union also actively participates in international actions aimed at maintaining peace, developing cooperation, protecting rights and freedoms. The European Neighborhood Policy regulates relations with the nearest eastern and southern neighbors, based on the values of democracy and respect for human rights. The Union’s humanitarian policy is aimed at reducing world poverty. According to T.V. Zonova, the share of EU countries in humanitarian assistance programs currently exceeds 50% [2, p. 224]. In 2017, French President Emmanuel Macron made a proposal to reform the EU, which was supported by Brussels. As part of the reform, it was proposed to create a unified rapid reaction force, which will strengthen the collective security of the union. At the present time, according to Information Agency RIA Novosti, France’s proposal to establish an expeditionary force for action outside the union was supported by 9 countries (Germany, Great Britain, Italy, the Netherlands, Spain, Belgium, Denmark, Portugal and Estonia) [3] . For the actions of the agreement outside the union, the approval of all EU member states is not required, but only the project participants. From the above, we can conclude that the EU countries are ready for further mutual integration and for joint solution of

existing problems. In addition, according to a 2013 survey, 44% of EU citizens support the idea of creating a federation of European states in the future, 35% oppose this [9 p. 128]

**C o n c l u s i o n :** the most likely scenario is the continuation of deepening integration processes within the European Union, as today it represents the main and most effective format for economic, political and cultural cooperation, as well as for collectively countering global and regional security challenges and threats. However, the EU needs to pursue a cautious and balanced policy in order not to cause a growth of contradictions in the region. It is important to note that the EU is full-fledged union, which continues to actively develop.

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## **PROPAGANDA TECHNIQUES AND FEATURES OF THEIR USE IN THE MODERN WORLD**

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**Fesyk V.A., Broslavska Y.M. Propaganda techniques and features of their use in the modern world.** The article discusses the issue of propaganda in the modern world, techniques of its application and the level of influence it can have on the public. The article also marks an influence propaganda has on different spheres of civic life and methods of its production.

**Keywords:** information, propaganda, manipulation consciousness, spheres of vital functions of society, methods

**Фесик В.А., Брославська Є.М. Пропагандистські методи в сучасному світі та особливості їх застосування.** У статті розглядається проблема пропаганди у сучасному світі, методи її застосування та рівень впливу на громадськість. Відзначено вплив пропаганди на різні сфери громадської життєдіяльності та методи її проведення.

**Ключові слова:** інформація, маніпулювання свідомістю, пропаганда, пропагандистські методи, сфери громадської життєдіяльності, цільова аудиторія.

**Фесик В.А., Брославская Е.М. Пропагандистские методы в современном мире и особенности их применения.** В статье рассматривается проблема пропаганды в современном мире, методы ее применения и уровень влияния на общественное сознание. Отмечено влияние пропаганды на разные сферы общественной жизнедеятельности и методы ее проведения.

**Ключевые слова:** информация, манипуляция сознанием, пропаганда, пропагандистские методы, сферы общественной жизнедеятельности, целевая аудитория.

The o b j e c t of the article is the issue of propaganda and features of its use in the modern world. The s u b j e c t is propaganda techniques and methods of influencing people's consciousness. The p u r p o s e of the article is to analyze various ways of spreading propaganda, understand



how it is communicated, and study the goals and purposes propaganda is produced for.

Propaganda is information that is not objective and is used primarily to influence an audience, often by presenting facts selectively to encourage a particular perception, or using loaded language to produce an emotional rather than a rational response to the information that is presented. Propaganda is often associated with material prepared by governments, but activist groups, companies, religious organizations and the media can also produce propaganda.

Propaganda is used to manipulate the viewer's emotions and reason, alter the viewer's psychological state, whether it be to instill fear, a sense of safety, or anything in between, persuade the viewer to believe in something or someone, convince the viewer to buy an item, or influence the viewer to vote a certain way.

A wide range of materials and media are used for conveying propaganda messages, which changed as new technologies were invented, including paintings, cartoons, posters, pamphlets, films, radio shows, TV shows, and websites. More recently, the digital age has given rise to new ways of disseminating propaganda, for example, through the use of bots and algorithms to create computational propaganda and spread fake or biased news using social media.

A number of techniques based on social psychological research are used to generate propaganda. Many of these same techniques can be found under logical fallacies, since propagandists use arguments that, while sometimes convincing, are not necessarily valid.

A commonly used technique is name-calling, which takes its cue from playground behavior. Often, this technique is utilized to divert attention when someone is trying to avoid answering a question or providing hard facts. Name-callers frequently use labels like terrorist, traitor or hypocrite. They also utilize negatively charged words to describe ideas or beliefs, including radical, stingy and cowardly [8].

The bandwagon technique encourages the viewer or listener to join the crowd by aligning with the most popular, successful side of an issue. This type of persuasion, often used in religious and political propaganda, plays to the human desire to be on the winning team.

Glittering generalities are very common in political propaganda. Glittering generalities combine words that have positive connotations with a concept that is particularly beloved. Few people are willing to denounce any idea that purports to defend democracy or preserve freedom. The idea is that by using these terms in tandem, people will accept them as they are and avoid looking for supporting evidence. Other words used commonly in this technique include liberty, dream and family.

Card stacking is the presentation of only the details, statistics and other information that impacts public opinion positively. In other words, the bad stuff is left out entirely. Experts maintain that although the information that is presented is usually true, this type of propaganda technique presents a lopsided and unrealistic viewpoint that is dangerously deceptive. Card stacking is often used in political campaign advertisements.

The plain folks technique is designed to get ordinary citizens to identify with a political candidate or other figure that they otherwise may have nothing in common with. For example, many politicians come from prestigious backgrounds and sport hefty bank accounts. However, they often present themselves as humble people with ordinary lives by doing "ordinary Joe" activities in public, like hunting, fishing or kissing babies.

Propaganda based on fear is designed to scare people into choosing sides. Often, worst-case scenarios are presented of horrible things to come if a particular action is not taken. Special interest groups use this technique to encourage people to avoid behaviors such as smoking, drinking alcohol and driving recklessly.

The transfer technique is more subliminal (operating on a subconscious rather than conscious level) than the other techniques we have discussed. Using this method, a group or person attempts to align themselves with a beloved symbol in an effort to transfer the status of the symbol to the cause they represent. Some people see parallels between propaganda and subliminal messaging, in which images or words are presented too quickly or abstractly for people to consciously recognize and process them. This method is really more common in advertising than in political propaganda, although some political ads utilize subliminal messaging.

Many other propaganda methods exist, but they subsist on the same basic principles as the ones listed above: manipulate the message to portray

an issue or person in the most favorable light possible, and when necessary, make the opposing side look shabby in comparison.

Propaganda is communicated through a variety of outlets, including television, film, radio, the Internet and print communications (which include brochures, posters and newspapers). According to Professor M. Lane Bruner, broadcast propaganda – communicated through television, radio and film – is the most dangerous kind. These messages are developed and broadcast by producers, directors, writers and news anchors or disc jockeys whose personal beliefs creep into ideas that are viewed and heard by a massive audience. Since the audience has little or no opportunity to respond or provide feedback to these messages, they become fact in the minds of many. "Furthermore," Bruner says, "given the wide range of choice of programs, people oftentimes only tune in to the programs that reinforce their own beliefs" [2].

Another medium for propaganda is the Internet. The Internet disperses broadcast and print propaganda on a worldwide scale; however, it is a medium that provides audiences the chance to exchange ideas, discuss information and research the topic at hand. On the flip side, the Internet enables the widespread dissemination of unchecked information, which can lead to the formation of uninformed opinions.

Of all these propaganda mediums, one of the most recognizable is radio. Radio relies more on repetition of the message simply because it doesn't have the powerful visual tools at its disposal that print and other forms of media do, according to Vanderbilt University professor Mark Wollaeger, Ph.D. Propaganda typically uses music and images to elicit an emotional response, but it's designed in such a way that audiences don't realize they're being manipulated by experts like "speech writers, marketers, spin doctors and spokespeople" [2]. Because of this, it can be very difficult for the untrained eye to spot propaganda. And that is the hallmark of propaganda: persuasive messages that win over unwitting people.

Now that we have a handle on propaganda techniques and mediums, let us look at a few types of propaganda.

Political propaganda has been around as long as there have been politicians angling for votes and public approval. Although the term propaganda was not coined until 1622, similar techniques of persuasion

were employed regularly throughout history. The Bible recounts the story of how an Assyrian King used fear propaganda in an effort to persuade the Kingdom of Judah to surrender to him [7]. Julius Caesar is said to have penned the "Gallic Wars" for the express purpose of furthering his career, increasing his power and broadening his reputation. Today, political propaganda is commonly used to recruit and retain voters via a seemingly endless stream of television commercials. Sometimes these commercials depict only the best qualities of the candidate shown, while other commercials utilize name-calling, fear and other techniques to discredit opposing candidates or ideas. The glittering generalities technique is also common in political propaganda, as are political cartoons.

As we have already learned, religious propaganda was actually the first official type of propaganda. Missionaries have been working for centuries to recruit others to their respective faiths, whether it is through face-to-face communications, pamphlets, posters or broadcast media. Religious propaganda is also used to spread the word about particular moral and ethical issues, including abortion and the controversy over religion in schools.

Cults use extreme propaganda to influence people into accepting particular beliefs, often through methods of thought reform. This type of brainwashing is what convinces people that it is a good idea to drink the poison Kool-Aid or commit ritualistic murders.

No matter what type of propaganda is used, it is pretty much all impossible to avoid. The simple truth is that few organizations, politicians or religions are going to voluntarily disclose information that disputes their beliefs and goals. To be truly informed on any given topic, it is necessary to do background research using credible, reliable sources.

When it is a piece of government propaganda, however, it is another story. According to Vanderbilt University professor Mark Wollaeger, Ph.D., the use of government funds to push propaganda has been illegal in the United States since 1951. But it was not until 2005 that the George W. Bush administration signed the "Stop Government Propaganda Now" bill into law. The bill was created due to some outright acts of propaganda committed by government agencies, such as paying television reporters to skew their messages. The bill requires all audio and printed press

communication releases to state clearly the government agency that funded its creation and dissemination. Under this law, it is illegal to manipulate the news media financially.

Thus, in conclusion it may be stated that only after studying all of the key components of a piece of propaganda (such as who's paying for the message, which organization or person created the message and what words and images are working to play on your sentiments and sympathies) can a person sincerely make an informed decision about whether the message is true or has a covert agenda.

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## GLOBALIZATION AND THE BUTTERFLY EFFECT

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**Fishich M.U., Skrypnik T.I. Globalization and the butterfly effect.** The article is devoted to the formation of a global vision of the world. The focus is on the origin and meaning of the butterfly effect. Examples of the butterfly effect in the markets are given.

**Keywords:** butterfly effect, examples, formation, global world, market.

**Фішич М.Ю., Скрипник Т.І. Глобалізація та ефект метелика.** Стаття присвячена розгляду становлення глобального бачення світу. Основна увага приділяється походженням і змісту ефекта метелика. Наведені приклади ефекта метелика на ринках.

**Ключові слова:** глобальний світ, приклади, ринок, становлення глобалізації, ефект метелика.

**Фишич М.Ю., Скрипник Т.И. Глобализация и эффект бабочки.** Статья посвящена рассмотрению становления глобального видения мира. Основное внимание уделяется происхождению и смыслу эффекта бабочки. Приведены примеры эффекта бабочки на рынках.

**Ключевые слова:** глобальный мир, примеры, рынок, становление глобализации, эффект бабочки.

Today, globalization is one of the exciting issues in the economy.

The butterfly effect concept has become important in the finance world as globalization continues to increase and capital markets connect. Volatility in one small area of the international markets can grow rapidly and bleed into other markets, and a hiccup in one corner of the international markets can have global consequences. Improvements in technology and wider access to the Internet has increased the degree to which international markets influence each other. This has led to more episodes of extreme market volatility.

The butterfly effect has become well-known in popular culture, and the concept has clear applications to finance. It and chaos theory may provide a partial explanation for the unpredictability of capital markets.

Origin and Meaning of Butterfly Effect:

The phrase “the butterfly effect” was first coined during a scientific meeting in 1972. Scientist Edward Lorenz gave a talk on his work regarding for customer models. The phrase suggests that the flap of a butterfly’s wings in Japan could create a small change in the atmosphere that might eventually lead to a tornado in Texas.

Lorenz studied how small differences in initial values led to large differences in weather models at the Massachusetts Institute of Technology. In 1961, he had entered an initial condition in a weather model as 0.506, rather than the precise number of 0.506127, which resulted in a completely different and unexpected weather pattern. In 1963, he wrote a paper on this concept, titled “Deterministic Nonperiodic Flow.” The butterfly effect concept shows how difficult it is to predict dynamic systems, such as weather and financial markets. Study of the butterfly effect has led to advances in chaos theory.

#### Application of Chaos Theory to Markets:

Capital markets go through alternating periods of calm and storminess. However, they are not always chaotic, and the shift between calm and chaos is often sudden and unpredictable. Some believe that these concepts of chaos theory can be used to understand how financial markets operate.

Markets tend to grow bubbles that eventually pop with drastic consequences. Financial bubbles often grow because of positive feedback. When investors make money during a rise in the financial markets, other observers think the investors must have made a smart decision, which leads the observers to invest their own money in the markets. The result is more buying and stock prices going higher. The positive feedback loop leads to prices beyond any logical or justifiable level. The loop eventually ends, and the last investors in are left hanging with the worst positions.

The same concept can explain volatile bear markets. The markets can suddenly shift due to outside factors, which causes investors to pay attention only to negative news. Initial selling leads to more selling as market participants liquidate their positions. The negative feedback loop tends to accelerate quickly, often resulting in a market full of undervalued stocks.

#### Fractals and the Markets:

Prominent scientist Benoit Mandelbrot applied his work in fractals in nature to financial markets. He found that examples of chaos in nature, such



as the shape of shorelines or clouds, often have a high degree of order. These fractal shapes can also explain chaotic systems, including financial markets. Mandelbrot noted that asset prices can jump suddenly with no apparent cause.

Many in the markets tend to dismiss the extreme events that occur less than 5% of the time. Mandelbrot argued that these outliers are important and play a significant role in financial market movements. Traditional portfolio theory tends to underestimate how often these high-volatility events occur. While his fractals cannot predict price movements, he argued that they could create a more realistic picture of market risks.

#### Examples of the Butterfly Effect in Markets:

Although technology has increased the impact of the butterfly effect in global markets, there is a long history of financial bubbles going back to the tulip market bubble in Holland during the 17th century. Tulips were a status symbol among the elite. They were traded on exchanges in Dutch towns and cities. People sold their belongings to begin speculating on tulips. However, prices began to drop and panic selling ensued.

There are more recent examples of bubbles. On October 1987, known as Black Monday, the Dow Jones Industrial Average (DJIA) lost around 22% in one trading day, the largest percentage drop ever for that market. There was no apparent cause for the drop, though the DJIA had some large down days the week before, and there were international issues in the Persian Gulf. In retrospect, issues with panic selling and perhaps program trading might be partly to blame.

In 2015, the Chinese stock market encountered significant volatility, dropping over 8% in one day. Similar to Black Monday, there was no single event or cause for the drop. This volatility quickly spread to other markets, with the S&P500 and the Nikkei losing around 4%. Also like Black Monday, there had been weakness in the Chinese markets in prior months.

Chinese officials had begun devaluing the renminbi. However, the main cause was likely the high degree of margin used by Chinese retail investors. When prices began to drop, investors received margin calls from their brokers. Retail investors were forced to liquidate their positions quickly to meet the margin calls, leading to a negative feedback loop of selling. In years prior, the Chinese government encouraged people to put their money in

the market. Markets will only become more interconnected as technology continues to improve, and the butterfly effect will continue to be a factor in global markets.

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## **IMPORTANCE OF TOURISM INDUSTRY FOR ANY COUNTRY**

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**Gaeva E.R., Litovchenko Y.M. Importance of tourism industry for any country.** The article analyzes the influence of tourism on the development of economy and infrastructure in any country and what benefits tourism brings to people. The article provides examples of World Tourism Organization and reveals it as an engine of economic development. The work examines the impact of tourism on generating economic benefits to the country.

**Key words:** economic benefits, international tourism, tourist infrastructure, tourist flow.

**Гаєва Є.Р., Літовченко Я.М. Важливість туризму для будь-якої країни.** У статті розглядається, як туризм впливає на розвиток економіки та інфраструктури у будь-якій країні. Було наведено приклади Світової Туристичної Організації та висвітлено туризм як двигун економічного розвитку у країнах світу. Також розглянуто, вплив туризму на залучення потоку економічних вигод до країни.

**Ключові слова:** економічні вигоди, міжнародний туризм, туристична інфраструктура, туристичний потік.

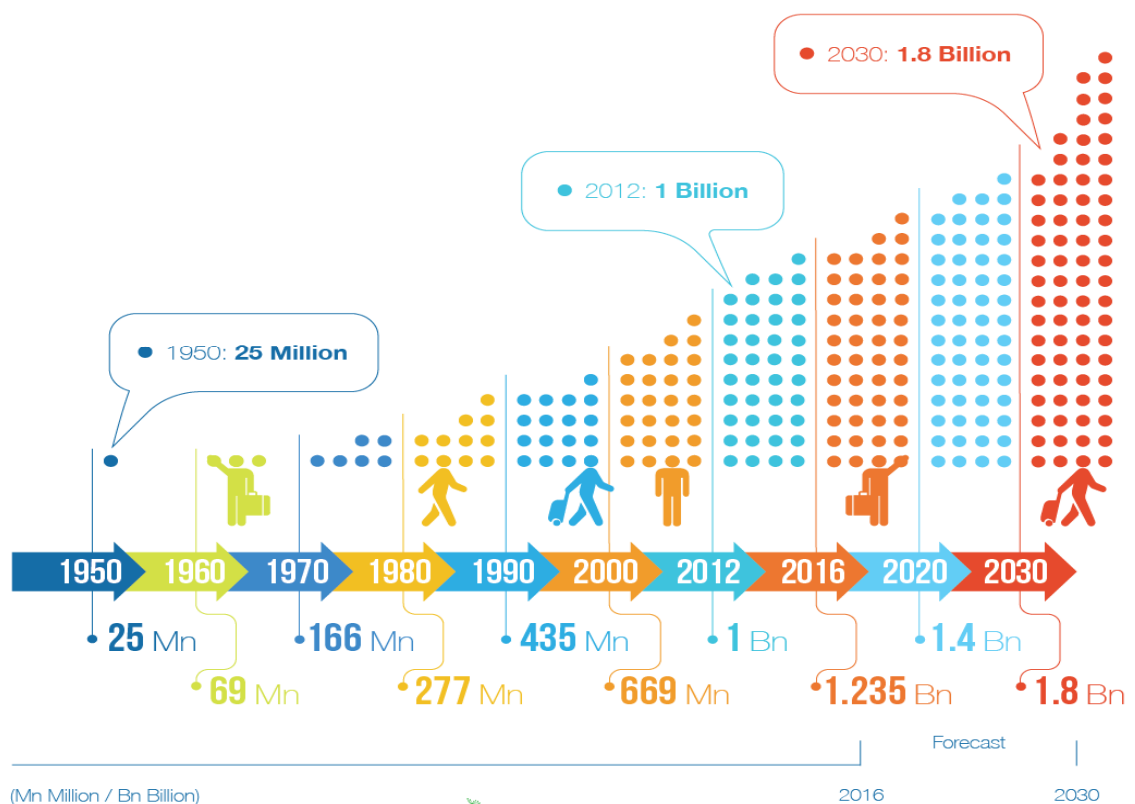
**Гаєва Е.Р., Литовченко Я.Н. Важность туризма для любой страны.** В статье рассматривается, как туризм влияет на развитие экономики и инфраструктуры в любой стране. Были приведены примеры Мировой Туристической Организации и освещено туризм как двигатель экономического развития в любой стране. Также рассмотрено, влияние туризма на привлечение потока экономических выгод в страну.

**Ключевые слова:** международный туризм, туристическая инфраструктура, туристический поток, экономические выгоды.

The o b j e c t of the article is international tourism whereas the s u b j e c t is an impact of tourism on economic development. Tourism is possibly the greatest people-moving pursuit on the planet today, as well as one of the highest-grossing industries. The World Tourism Organization reported that in 2017 alone, 1,2 billion international tourist arrivals were

registered, and by 2030 their number will increase to 1.8 billion. Tourism is often viewed as something secondary, but for many countries it is the engine of economic development. The largest donor countries were China, South Korea, the United States and Canada. The United States reported over \$90 billion in international tourist receipts. The top ten most visited cities included Bangkok (about 23 million visitors), London (19.8 million people), Singapore, Macau, Dubai, Paris, New York, Shenzhen and Kuala Lumpur. Based on the size, global presence, and continuous growth of the tourism industry, the importance of tourism research cannot be overstated. Such research is required to understand how to harness the benefits while avoiding the disadvantages associated with tourism.[1].

## INTERNATIONAL TOURIST ARRIVALS 1950 - 2030



Tourism is a vast industry which provides a number of ancillary services. It helps generate a considerable amount of revenue for each country whether the person is travelling within a country or outside a country,

e.g:- before a person travels either within the country or abroad, one buys the air tickets, gets visa, books a cab or a space at airport parking, does shopping for various travel accessories etc.

It also helps create employment opportunities especially for countries who rely a lot on tourism for revenue generation. Apart from this, tourism helps in understanding the various cultural, geographical and historical facts of each country. It opens a whole new window to the world for the traveler enabling in broadening one's horizon [2].

Tourism has become an important sector that has an impact on development of country economy. The main benefits of tourism are income creation and generation of jobs. For many regions and countries it is the most important source of welfare.

Because it brings in a lot of people who are willing to pay for things naturally found in that country, like fudge, and lava rocks. They pay for food, hotels, and other specialties at slightly higher prices than the natives would pay, as they are on vacation, and have money to burn, mostly. They then leave, and more come in, it creates jobs, and as long as there are a reason for people to come, then they will.

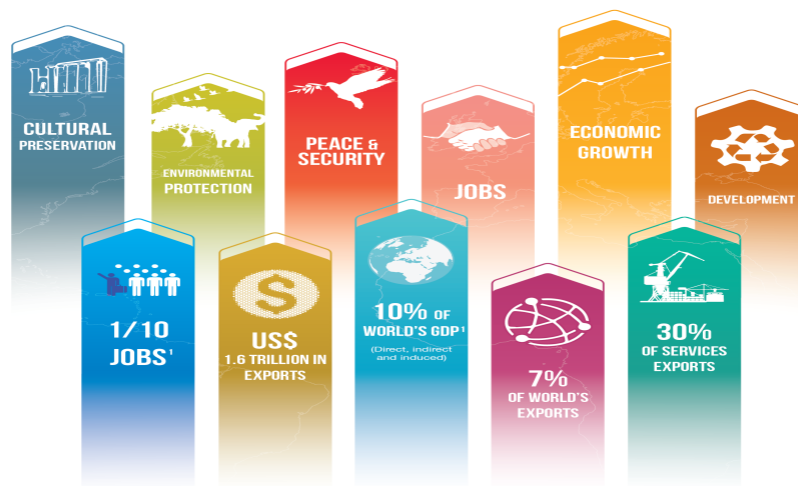
Tourism is backbone in financial hubs many countries in world because they earn tons of dollars every year. The other factor is to show your culture and living style to other peoples of worlds and promote their good things. London is best city in the world that attracts many travelers every year and one of the leading city in world most visited by travelers [3].

Tourism is an indispensable part of the service sector in an economy due to the following reasons:

1. It adds to the national income (the GDP) of the country.
2. It has enormous potential to create jobs and thus combat widespread unemployment in the country. In fact, a survey conducted by the NITI Aayog confirms that investment in the travel and tourism sector can create an additional 35 lakh jobs every year.
3. Transport and communication facilities are improved, especially in the tourist hotspots. Better infrastructure is developed, and attention is paid to cleanliness in order to enhance aesthetic appeal.

4. Many other enterprises in the tertiary sector experience a boost, for example- hospitality (hotel-chains), gastronomics etc.
5. Tourism plays a quintessential role in the socio-cultural integration of a country. While domestic tourism encourages intermingling of members of different communities, international tourism leads to the creation of an international understanding regarding the culture, traditions and values of tourist destinations.
6. Tourism is a huge source of encouragement to cottage industries associated with textiles and local handicrafts, for example- unique styles of embroidery.
7. Eco-tourism has increased capacity-building programmes and employment opportunities for the local communities, inspiring and driving them to battle against poverty, malnutrition, hunger etc and achieve sustainable development goals.
8. Heritage and culture tourism increase our appreciation and knowledge of arts, artefacts and architecture, while stressing on the need to preserve these symbols of our history [4].

## WHY TOURISM MATTERS?



Tourism is more than you imagine

Over the decades, tourism has experienced continued growth and deepening diversification to become one of the fastest growing economic sectors in the world. Modern tourism is closely linked to development and encompasses a growing number of new destinations. These dynamics have turned tourism into a key driver for socio-economic progress.

Today, the business volume of tourism equals or even surpasses that of oil exports, food products or automobiles. Tourism has become one of the major players in international commerce, and represents at the same time one of the main income sources for many developing countries. This growth goes hand in hand with an increasing diversification and competition among destinations.

This global spread of tourism in industrialised and developed states has produced economic and employment benefits in many related sectors – from construction to agriculture or telecommunications [7].

In c o n c l u s i o n , the contribution of tourism to economic well-being depends on the quality and the revenues of the tourism offer. UNWTO assists destinations in their sustainable positioning in ever more complex national and international markets. As the UN agency dedicated to tourism, UNWTO points out that particularly developing countries stand to benefit from sustainable tourism and acts to help make this a reality.

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## THE INTERNATIONAL IMAGE OF THE STATE

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**Gasanova N.E., Davydenko I.V. The international image of the state.**

The article studies the concept and the essence of the country image and its role in representative activity on the international arena. The article mentions the factors that may affect the image of the state, and also gives the detailed classification of them. The research considers effective ways and methods of improving and popularizing the image of the country in the global community.

**Keywords:** country image, image-making, international community, international scene.

**Гасанова Н.Е., Давиденко І.В. Імідж держави на міжнародній арені.** В даній статті розкрито поняття і суть іміджу держави та її роль в репрезентативній діяльності на міжнародній арені. У роботі позначені фактори, які можуть вплинути на імідж країни, а також надано їх детальну класифікацію. Розглядаються актуальні дієві способи і методи поліпшення іміджу країни, та її популяризації у всьому світовому співтоваристві.

**Ключові слова:** імідж держави, міжнародна арена, міжнародне співтовариство, створення іміджу, сфери діяльності.

**Гасанова Н.Э., Давыденко И.В. Имидж государства на международной арене.** В данной статье рассматриваются понятие и суть имиджа государства и его роль в репрезентативной деятельности на международной арене. В работе обозначены факторы, которые могут повлиять на имидж страны; дается их детальная классификация. Рассматриваются актуальные действенные способы и методы улучшения имиджа страны, и ее популяризации во всем мировом сообществе.

**Ключевые слова:** имидж государства, международная арена, международное общество, создание имиджа, сферы деятельности.

The o b j e c t of the article is the process of image-making of the country on the international arena. The s u b j e c t of the article is factors of formation and the main components of the image of the state in the international arena. The p u r p o s e is to define the theoretical aspects of the image of the state and the process of image-making.



Today, almost no type of activity is complete without image-making. The image includes a certain number of features by which it is possible to estimate or characterize a certain person, company, activity.

The concept of image has been studied by many scientists and it has long been included in the conceptual apparatus of such sciences as economics, sociology, political science, psychology, philosophy, cultural studies, etc. And each of these sciences studies the image in accordance with the scope of application and use. In addition to the above, the concept of the image is becoming more and more widespread and it is used in new spheres of experience and scopes of activities.

The formation of a political image has several levels, namely:

- the development of the desired image of a political object for the audience;
- the creation of a certain opinion about this object;
- the formation of attraction – drawing attention to this object on the basis of a positive opinion about it (or, as an exception, rejection, when an inverted image of a competitor is formed) [2, c. 95].

Also the image of the state has a special basis. The basis includes structural elements, that are combined in a special way. And this combination gives an opportunity to create a positive or negative image, if it is necessary. There are several structural elements for the state image; they are:

- geographical rates
- political rates
- law rates
- economic rates
- scientific and technological developments
- image of population
- history of the country
- cultural rates
- religious rates
- personalized character (related to a certain person, who is associated with a particular country) [4, c. 69].

The factors influencing the formation of the country image can be divided into two groups: internal (endogenous) and external (exogenous).

The internal factors include ones that are related to the historical processes and cultural development of the country as well as all activities of the state and society within different spheres.

The external (exogenous) factors greatly influence the formation and transformation of the international image of the country. The important global standards are among external forming factors of international figure. These standards are established by the international community in the norms of international law, they are fixed by annual rates of international organizations and rating agencies. They illustrate the attractiveness / unattractiveness of the community and are related to economic indicators, welfare, quality of life, human rights, press freedom, level of corruption, etc.

At the present stage, the international image of any state testifies to its political and economic strength, prosperity and high level of cultural development. Moreover, it is an indicator of the credibility and success of a country's activities. The positive image of the country is directly related to the attitude to it by both the citizens and other countries. The level of patriotism of its inhabitants depends on the image of the state. It should be noted, the reputation gains particular importance only for the developing countries, trying to catch up with the developed countries. The developed countries mainly maintain the already established reputation.

Negative factors hinder the formation of a transparent, reliable international image of any country, and create obstacles to the establishment of long-term relations between a particular state and foreign partners.

Mass media plays a significant role in shaping the image of the country. Many scientists believe that the facts of interpretation and the images, that are done by the media, prevent the society from creating its own opinion about the object. On the other hand, with the help of the media many variations of the image can be formed such as a positive image of the country, a feeling of sympathy towards it, and, if it is necessary, antipathy and condemnation towards other states [3, c. 38].

At the present stage, counties actively use instrumental factors in shaping the international image of the state – political technologies, namely: marketing, image-making and PR. They give the possibilities to consciously change, modernize and construct the image of the country in a given direction. They can form an attractive image of the state in certain fields of activity (for example tourism, education etc.) and contribute to the transformation of the international image of the country as a whole.

Migration of the population (including labor migrants), which is a manifestation of modern globalization trends, is another significant factor in the formation of the international image of the country. The outflow of the working population abroad (especially the educated strata of the population – “brain drain”) is an indicator of dissatisfaction with the low living standards of society and it negatively affects the reputation of the state in the international community.

Expat communities and their organizations are another important factor in the perception and formation of an international image of the state. Through their activities and lifestyles, they represent the image of their historic homeland, the features of a national character in the societies of which they have become citizens. Spreading and promoting national culture and values, lobbying national projects and programs with the help of the media, they actively intervene in the processes of interstate and global communication in the global space. So they can influence the perception of the image of the state by other participants of international relations.

The intensive development of tourism was the result of the openness of communities and the “blurring of borders” between states. Therefore, at the present stage, the main representative of the society and the state abroad is more likely to be “tourist and terrorist” (J. Rosenau), rather than “diplomat and soldier” (R. Aron). Numerous tourists form or consolidate the perception of the country, its image abroad [1, c. 73].

Creating a positive image becomes an important task for the leaders of any of the state. Therefore, the successfully and correctly created image shows that the social, economic, political and other areas of the country’s life are functioning successfully.

Actually, today the image is one of the main assistants for the state. It can serve as a support for the credibility and strength of the country on

the international arena. It is possible to testify that the image of a country is like its face in front of other countries.

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## INFORMATION AGENCIES WITHIN GLOBALIZATION

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**Gogol M.R., Davydenko I.V. Information agencies within globalization.**

The article deals with the essence, features and principles of activity of information agencies under the modern conditions of life. The particular attention is paid to the development trends of news agencies, especially to the Internet aspect.

**Keywords:** globalization, information agency, information technologies, news agency.

**Гоголь М.Р., Давиденко І.В. Інформаційні агентстві в умовах глобалізації.** У статті розкривається сутність, особливості та принципи діяльності інформаційних агентств у сучасних умовах. Особлива увага приділяється тенденціям розвитку інформаційних агентств, в особливості інтернет-аспекту.

**Ключові слова:** глобалізація, інформаційне агентство, інформаційні технології, новинні агентства.

**Гоголь М.Р., Давыденко И.В. Роль информационных агентств в условиях глобализации.** В статье раскрывается сущность, особенности и принципы деятельности информационных агентств в современных условиях. Особое внимание уделяется тенденциям развития информационных агентств, в особенности интернет-аспекту.

**Ключевые слова:** глобализация, информационное агентство, информационные технологии, новостные агентства.

The subject of the study is the role of information agencies in terms of globalization. The purpose of the study is to consider information agencies' as a part of the process of globalization, its features and trends. The relevance of the research is determined by the development of information technologies and the necessity to get reliable information and news regarding national and global events and phenomena.

The information agency (also called “news agency” or “press agency”) is the main link of any national media system, which forms

agenda, focusing on the main news within the global information space. Press agencies are the first to respond to any media environment changes whether it is amendments in political climate, technological innovations and achievements, market conditions or preferences of information consumers, etc. Information agencies create and store professional standards dealing with information sources and information itself [4]. They have all the rights to make amendments in these standards if necessary. So, the work of news agencies reflects the work of the whole media system and, in a certain sense, the position of the community in general.

A news agency is a networked organization that collects, produces and distributes large amount of news items to vast numbers of global and local audience [1]. The basis function of a news agency is to deliver up-to-date, impartial and well written news. An additional aim is to keep intact as much of each original story as possible, so that material already set in type may be retained. News agency has its own sources of news including its separate reporting section and foreign based correspondents. News agency's writers and editors usually work under time pressure.

Press agencies play a pivotal role influencing on the modern mass media image. Information agencies can be national and global. National ones operate within a specific country, having minor impact on global public opinion and international situation at large [3]. Whereas global news agencies such as Reuters, Associated Press, Kyodo News (Japan) not just gather and edit domestic news but they also distribute foreign news and international scope information. Such agencies have its own network all over the world and global information messages are able even to effect on the international public opinion. To put it simply, international press agencies have an extremely great impact.

News agencies have definitely occupied a special place as the main suppliers of information to the media, but with the use of the Internet they have an opportunity to contact the audience directly; they also have gained other features which significantly change their qualitative characteristics. Modern news appears in digital format, and only then they appear in print, so the trend of news agencies is particularly relevant today.

In terms of developing technologies and globalization news agencies evolution trends have changed significantly. For example, nowadays press

agencies join efforts with international radio and broadcasting and having its own specialized facilities, they gather and process news and information for the radio and television. Except providing graphical and visual materials, for example, Reuters and Associated Press have their own channels and broadcast news internationally on daily basis.

In addition, working principles of agencies are the same as they were in the past, but there is a slight change: today authenticity and accuracy are more important than efficiency, that is, the rush and the speed are not as important as before, and apparently because unverified or misleading information can lead to more serious consequences.

It is fair to say that with the technological development the main focus of distributing news is taken by the Internet. Besides, with the Internet technologies there are no borders between traditional communicator and his audience. In the Internet era every internet user can be a correspondent, i.e. after getting the initial data, he (user) may post it on his own personal page. So, every internet user may operate as tiny news agency.

One more advantage of the internet aspect is that the cost price of distributing news via the World Wide Web is considerably lower which means that any country, any person or organization can be a part of the global news distribution process [5]. Primarily, it is crucial for developing countries because, in the past, just to transmit global information, they had to invest a large amount of money to launch a publishing house or a broadcasting company, etc. It was all time and cost consuming.

Furthermore, internet “broadcast” has almost no state frontiers – the information on the Internet is available to all users for reading and repeat distribution. It can be said that territorial borders are not the obstacle anymore for transmitting news. In general, the World Wide Web became a new platform to share news and information and it created unprecedented conditions for globalization. There is another important new trend, which belongs to the development of technologies: some news agencies began to prepare specific applications (programs), news releases for modern smartphones and tablets. Using tablets and smartphones, you can easily read feeds of BBC News, Reuters, Euronews, etc. This greatly increases the popularity of websites of news agencies [2].

However, it would be fair to say that nowadays news agencies occupy a strategically important place in the system of modern mass media but they face a lot of problems: among them there is a frank plagiarism of materials from different sites and a growing dependence on advertising, but the main problem is the preservation and development of high quality content. The material of agencies often becomes subjected to fast-copying. The same phenomena used to happen before, but more rarely. Today, via the Internet, there is an opportunity to copy without attribution.

At the same time news agencies face that very problem, which is to be solved by all the media under the new conditions of the post-modern era. News pollution and information noise, global locality, struggle for ratings and quality of published material represent only a part of everyday problems growing day by day. One should single out a negative trend, namely, a marked decrease in demand of individual media for materials of news agencies. Today it results in a reduction of staff journalists in some Western countries. This phenomenon can be related to the activities of bloggers.

**C o n c l u s i o n .** News agencies still remain the main suppliers of news and many of them are being successfully developed. At the same time today we face difficult problems of functioning within the modern world – copyright, hacker attacks, complex financial problems, improvement of news sources, the need for constant search for new ways of functioning and information retrieval, frank plagiarism of materials from sites of news agencies, etc. Despite the successful development of new features of functioning there is another important challenge, it is competitiveness of news agencies, which is going to expand in the future. The basic working principles of modern news agencies are not speed and quantity, but accuracy and quality of the material. Anyway, the role of information agencies is still crucial in our fast-moving world.

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**DIPLOMACY OF THE PROJECT  
“ECONOMIC BELT OF THE GREAT SILK ROAD”  
IN MODERN FOREIGN POLICIES OF CHINA**

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**Hasparian Ye., Karlyuk S. Diplomacy of the project “Economic belt of the Great Silk Road” in modern foreign policy of China.** The authors consider the Chinese policies of promoting the Silk Road Economic Belt project as a means of expansion of China’s influence on the global scale in general and as a means to find new markets for its goods. China’s strategies to implement its project are viewed.

**Key words:** Eurasian cooperation, free trade economic areas, megaproject. Silk Road.

**Гаспарян Є., Карлюк С. Дипломатія проекту «Економічний пояс Великого шовкового шляху» в сучасній зовнішній політиці Китаю.** В статті розглядається політика просування Китаєм проекту «Економічний пояс Великого шовкового шляху» як засіб глобальної експансії і впливу Китаю як в цілому, так і задля пошуку нових ринків збуту своїх товарів. Пояснюється стратегія Китаю стосовно шляхів реалізації даного проекту.

**Ключові слова:** вільні торгові економічні зони, мегапроект, Шовковий шлях, євразійська співпраця.

**Гаспарян Е., Карлюк С. Дипломатия проекта «Экономический пояс Великого шелкового пути» в современной внешней политике Китая.** В статье рассматривается внешняя политика продвижения Китаем проекта «Экономический пояс Великого шелкового пути» как средство глобальной экспансии и влияния Китая как в целом, так и для поиска новых рынков сбыта своих товаров. Объясняется стратегия Китая относительно реализации данного проекта.

**Ключевые слова:** евразийское сотрудничество, мегапроект, свободные торговые экономические зоны, Шелковый путь.

The Silk Road Economic Belt project was presented by Xi Jinping in Kazakhstan in autumn 2013. At the same time, during his visit to the countries of Southeast Asia, the head of the People’s Republic of China

suggested to Association of South-East Asian Nations member-states the idea of joint construction of the “Sea Silk Road of the XXI century”. Both initiatives – the Silk Road Economic Belt and the Sea Silk Road – were united into the general strategic concept of China, entitled “One Belt – One Way”, whose implementation today is one of the main directions of the foreign economic and foreign policy of China.

This mega project covers most of Eurasia, attracting active economies of East Asia, developed European economies, and (among them) vast territories of countries with huge potential for development. According to official figures from China, 63% of the planet’s population lives in the megaproject, rich resources are concentrated, and the estimated economic scale may amount to \$21 trillion [6].

Within the framework of the project, the creation of three Trans-Eurasian “economic corridors” is envisaged: the northern (China – Central Asia – Europe), the central (China – Central and Western Asia – Persian Gulf and the Mediterranean Sea) and southern (China – South-East Asia – Indian Ocean).

Two new financial institutions were created in China to fund “One Belt – One Way” concept project: the Asian Infrastructure Investment Bank and the Silk Foundation (2014) [5].

The Chinese megaproject is gaining popularity in the world. So, at the latest forum “One Belt, One Way” (May 2017), there were leaders from 29 countries in Europe, Asia, and Latin America [2]. However, some foreign experts consider this project very restrained, because its main goal is the construction of a new world transport infrastructure as the basis for “broad economic expansion of Chinese capital” [1, p.9].

The Silk Road concept expands the “strategic space” of security around China, stabilizes supply of energy resources, and provides economic security and a breakthrough policy of “strategic containment” of the People’s Republic of China. The Great Silk Road marked one of the fundamental vectors in promoting China to a new global role. It is anticipated that this “diplomatic brand” will combine logistics, energy, cultural and humanitarian projects, which together will contribute to the creation of a belt loyal to Peking states in the Eurasian space.

The concept of the “Silk Road Economic Belt” is designed for a long-term perspective – several next decades. At the present moment, its implementation has not yet become systematic, and today it is more like one of the vectors in promoting China to a new global role.

Nevertheless, the Chinese mega-project forced Russia to somewhat correct its strategy for the creation of the Eurasian Economic Union, a draft of which was presented by V. Putin in early 2015. Initially, this draft envisioned (including) creation of the Free Trade Area of the Eurasian Economic Union with China. But in a few months, Russia and the People’s Republic of China made a joint statement on cooperation in the combination of the construction of the Eurasian Economic Union and the Economic Belt of the Silk Road (that is, they committed themselves to supporting each other’s efforts to implement their own project) [4, p.9].

Its diplomacy is developing in an environment of sharp competition from a number of other countries. Yes, there is evidence that the construction of two maritime channels is planned for the Naval Silk Road: in Nicaragua (which will be an alternative to the Panama Canal) and in Thailand (in the narrow part of the Malay Peninsula, which will be an alternative to the existing route along the Malacca Strait) [2]. Of course, this will cause resistance from the states that are interested in preserving the current status quo.

Interestingly, the representatives of public diplomacy – first of all, the leaders of the western provinces and autonomous regions of the People’s Republic of China – are important “lobbyists” of this project. Far from the coast, internal territories have been the least successful in the years of reform. In order to equalize regional imbalances in the early 2000s, special program for the development of western regions was begun in China, including the construction of transport infrastructure. The launch of the Silk Road Economic Belt has significantly increased the need in logistics centers, highways, high-speed railways, and more. The Xinjiang Uygur Autonomous Region has proposed the creation of a free trade area on its territory focused on the states of Central Asia. A draft of the creation the Sino-Arab Free Trade Zone (in conjunction with the Arab Gulf Cooperation Council) was prepared in Ningxi Hui Autonomous Region. Similar projects not only contribute to the overall socio-economic growth

of the regions, but also, according to foreign experts, increase the political weight of their leaders in the Chinese nomenclature [3].

Diplomacy, which China uses as a tool for promoting its megaproject, is characterized by complexity and scope and allows to solve a number of important tasks: to expand the market for Chinese products, to increase the yuan's share in world trade (without thereby shifting the place of the dollar), to stimulate the development of the economy of China and its modernization, promote the development of China's internal provinces, create a recognizable positive brand associated with China, etc. The successful implementation of the Silk Road Economic Zone may lead to the creation of a new model of international relations in which China can turn from an object of globalization into its subject, the active creator of the new world order.

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## THE ANALYSIS OF THE CURRENT STATE OF FOREIGN ECONOMIC SECURITY OF UKRAINE

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**Havrylova A.O., Davydenko I.V. The analysis of the current state of foreign economic security of Ukraine.** The article deals with the essence of the external economic security of the state, its importance in international economic relations and the necessity of its ensuring in the increasingly integrated global economy. The analysis of main indicators of the general state of Ukrainian foreign economic security shows their compatibility with threshold requirements, that confirms a significant level of economic openness of the country. The special focus of the article is to identify the main threats, which must be minimized in order to create favorable conditions for the further development of the national economy.

**Key words:** economy openness, export and import dependence, external threats, foreign economic security, foreign economic security indicators, internal threats.

**Гаврилова А.О., Давиденко І.В. Оцінка сучасного стану зовнішньоекономічної безпеки України.** Стаття розглядає сутність зовнішньоекономічної безпеки держави, її значення у міжнародних відносинах і необхідність забезпечення в умовах посилення інтеграції глобальної економіки. Аналіз основних показників загального стану зовнішньоекономічної безпеки України вказує про їх відповідність граничним значенням, що підтверджує значний рівень відкритості економіки держави. Особлива увага в статті приділяється визначенню основних загроз, які необхідно мінімізувати для створення сприятливих умов для подальшого розвитку національної економіки.

**Ключові слова:** відкритість економіки, внутрішні загрози, експортна та імпортна залежність, зовнішні загрози, зовнішньоекономічна безпека, індикатори зовнішньоекономічної безпеки.

**Гаврилова А.А., Давыденко И.В. Оценка современного состояния внешнеэкономической безопасности Украины.** Статья рассматривает сущность внешнеэкономической безопасности государства, ее значимость в международных отношениях и необходимость обеспечения в условиях усиления интеграции глобальной экономики. Анализ основных показателей

общего состояния внешнеэкономической безопасности Украины указывает об их соответствии пороговым значением, что подтверждает значительный уровень открытости экономики государства. Особое внимание в статье уделяется определению основных угроз, которые необходимо минимизировать для создания благоприятных условий для дальнейшего развития национальной экономики.

**Ключевые слова:** внешнеэкономическая безопасность, внешние угрозы, внутренние угрозы, индикаторы внешнеэкономической безопасности, открытость экономики, экспортная и импортная зависимость.

The o b j e c t of the article is the foreign economic security of the state and its main indicators The s u b j e c t of the article is the special aspects of foreign economic security in Ukraine and main difficulties of its provision. Foreign economic security is an important characteristic of the national economy. In the context of globalization, namely, the growing interdependence of economies of different countries, it has become impossible to make important political decisions without taking into account factors of foreign economic security of the country. That is why this topic is particularly relevant and requires further study. The p u r p o s e of the article is to examine the modern state of foreign economic security of Ukraine and to reveal main threats of an economic nature.

Foreign economic security of the country refers to the investment attracting state of the country's economy, which is able to produce competitive goods and provide services as well as to support the balance of foreign trade and the resilience of the country's financial system in the world economy. However, the clear definition of foreign economic security is still at the nascent stage [3].

Economic security depends on the set of conditions which encourage or hamper the dynamic development of the national economy. In general, security threats can be divided into two groups: external and internal.

To reveal these threats, it is necessary to analyze the state of the main indicators of foreign economic security in Ukraine. Export-import coverage ratio is generally regarded as the most important one. In 2005 this indicator took negative value and has been getting worse up to now. Such a tendency brings lots of threats, the main ones of them are to search and provide external resources that can correct the balance of payments. That can be

done mostly by means of foreign borrowings. As a result, another external threat to national economy, the high gross and public debt, may appear [4].

The openness of the economy is a second indicator and can be defined as the ratio of foreign trade turnover to gross domestic product of the country. Concerning this indicator Ukraine has become more stable, but, nevertheless, is still excessively open. Such openness of Ukrainian economy reflects the high rate of dependence on foreign trade and other factors, which influences on state of foreign economic security. The recent dramatic growth of this indicator has happened due to the signing of European Union Association Agreement and military actions in the East of Ukraine [1].

Although foreign direct investments into Ukrainian economy have been increasing recently, they remain insufficient for the stable development. In terms of foreign economic security, the way, these foreign direct investments are being divided between different businesses, remains an important issue. In Ukraine the biggest share is invested into financial activity and metallurgical industry. While at the same time the amounts of investment into engineering, food industry, chemical and petrochemical industries are limited. The main reason is that Ukraine is of high risks for foreign investors, who prefer to invest money into industries with quick turnover. Ukrainian high-tech industries are unattractive to foreign investment. Therefore, Ukraine remains out of the world technology development [6].

With the regard to the foreign debt, it has been growing for 15 years. Even though the state foreign debt is within reasonable boundaries, the dependence of credit terms on foreign financial market situation and arrangements with IMF causes concerns.

Commodity composition of export currently shows that Ukrainian goods are not competitive on the foreign market of high value added goods. The base of Ukrainian export of goods is low value added raw materials, that makes our country «a resource colony» for other developed countries [5].

There are the following threats to the national interests and the national security of Ukraine at the legislative level:

- significant reduction of gross domestic product, decrease of investment and innovative activity;
- weak system of governmental control of the economy;
- instability of legal regulation of the economy;



- absence of the efficient program to prevent any financial crisis;
- increase of credit risk;
- critical state of main production assets in leading industries and agricultural sector;
- inadequate pace of reproduction process;
- catastrophic dependence of the national economy on foreign market situation;
- unsustainable structure of export, which mainly has commodity dependence and low share of high value added products;
- high level of debt bondage;
- growth of foreign capital in strategic industries of the national economy, which is particularly dangerous for economic independence of Ukraine;
- ineffective antimonopoly policy;
- inefficient use of fuel and energy resources.

Consequently, nowadays the foreign economic security is one of the most important qualitative characteristics of the Ukrainian economic system, which determines its ability to support satisfactory living conditions, stable supply of resources and consistent implementation of national and state interests [4].

**C o n c l u s i o n .** The main indicators of foreign economic security of Ukraine are in pre-crisis state or are coming close to it. External threats are caused by the financial, technological and resource dependence on foreign partners and the break of tight economic relations with the Russian Federation. Recently Ukraine has had a negative foreign trade balance, which is constantly growing. Export and import dependences of the Ukrainian economy do not tend to go down and demonstrate the critical state of foreign economic security [3]. All these factors and the growing integration of Ukraine into the global economy require some further development of the issue of foreign economic security. If Ukraine cannot guarantee its own foreign economic security, it will not be able for the country to become a full and equal member within the world economic relations, to occupy a prominent place in international labor division and to have a powerful system of protection against global challenges [2].

Thus, the Ukrainian government is to respond to modern foreign economic challenges by instituting structural reforms into all main directives of external economic activity at the same time. Only this way Ukraine may have the sufficient rate of foreign economic security.

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## PERSPECTIVE TRENDS FOR DEVELOPMENT OF DOMESTIC TOURISM IN THE KHARKIV REGION

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**Herehiiieva H. Y., Litovchenko Y.M. Perspective trends for development of domestic tourism in the Kharkiv region.** The article analyzes main trends for development of domestic tourism in the Kharkiv region. The Kharkiv region has important preconditions to become one of the most developed tourist destination in Europe. The work examines geopolitical location, microclimatic conditions, landscapes, flora and fauna, historical and cultural, architectural heritage, network of transport, human, material, natural and recreational resources.

**Key words:** domestic tourism, tourist attraction, tourist flow, type of tourism.

**Герегієва Г.Є., Літовченко Я.М. Перспективні напрямки розвитку внутрішнього туризму в харківському регіоні.** У статті розглядаються основні напрямки розвитку внутрішнього туризму у Харківській області. Харківська область має вагомі передумови, щоб увійти до найбільш розвинутих у туристичному відношенні регіонів Європи. Були вивчені геополітичне розташування, комфортні мікрокліматичні умови, різноманітний ландшафт, флора і фауна, історико-культурна, архітектурна спадщина, розвинута мережа транспортного сполучення, людські, матеріальні, у т.ч. природно-оздоровчі ресурси.

**Ключові слова:** вид туризму, внутрішній туризм, туристична пам'ятка, туристичний потік.

**Герегієва А.Е., Литовченко Я.Н. Влияние спортивно-событийного туризма на развитие туристической инфраструктуры.** В статье рассматриваются основные направления развития внутреннего туризма в Харьковской области. Харьковская область имеет весомые предпосылки, чтобы войти в наиболее развитых в туристическом отношении регионов Европы. Были рассмотрены геополитическое расположение, комфортные микроклиматические условия, разнообразный ландшафт, уникальная флора и фауна, историко-культурное, архитектурное наследие, развитая сеть транспортного сообщения, человеческие, материальные, в т.ч. природно-оздоровительные ресурсы.

**Ключевые слова:** вид туризма, внутренний туризм, туристическая достопримечательность, туристский поток.

The o b j e c t of the article is the Kharkiv region whereas the s u b j e c t is perspective trends for development of domestic tourism in the given region. The purpose of the research is the definition of the trends for the development and improvement of tourism in the Kharkiv region.

The Kharkiv region has always been considered as one of the most attractive areas of Eastern Ukraine for tourism. It has a favorable geopolitical location, comfortable microclimatic conditions, diverse landscape, unique flora and fauna, historical and cultural, architectural heritage, developed transport network, sufficient human and natural-recreational resources. Also, the resource base of each of the districts in the Kharkiv region has considerable potential for the complex development of different types of recreation: sanatorium and spa treatment, sports and recreational, cultural and educational, hunting and fishing tourism. The Kharkiv region is a multi-discipline destination for summer and winter recreation, balneological treatment and mass tourism [6].

The "Concept of Tourism Development in the Kharkiv Region until 2020" analyzed the natural and recreational resources and historical and cultural potential of the region and concluded that the region demonstrates a wide range of opportunities for the organization of various types of tourism. But the analysis of the tourist business of the region showed that the domestic and inbound tourism product occupies a small part in the structure of the realization even among the leaders of the industry and does not play a decisive role in the profits of travel companies, in contrast with outbound tourism services [4]. The reasons for this situation are, first of all, insufficiency and imperfection of development of objects of tourist infrastructure, inconsistency of the price and quality of the offered services, as well as the low level of popularization of the tourism product of the Kharkiv region in the international and Ukrainian tourist services markets [6].

In recent years we have been observing the following situation in tourism market shown in Table 1.

Table 1

**Tourist flow in the Kharkiv region**

Year	Number of tourists served by tour agencies and tour operators	Out of total amount of tourists		
		Foreign tourists	Outbound tourists	Domestic tourists
2010	138440	12951	75236	50253
2011	74038	550	57852	15636
2012	105663	1701	87814	16148
2013	91648	591	53831	37226
2014	71437	–	68046	3391
2015	31233	6	25946	5281
2016	40429	1	33716	6712
2017	51929	16	43626	8278

Source: [2]

As can be seen from the table above, especially in recent years, the number of domestic tourists, (Ukrainian citizens who visited the Kharkiv region), is slightly increasing. Comparing with 2014, when the amount of tourists was a little bit more than 31 thousand people, it digit has increased almost twice. When it comes to domestic tourists, from 2013 we can observe a noticeable decrease of the people who travel within Kharkiv region. Even though the number of domestic tourists is increasing, the mark of 2013 won't be reached in the nearest future [2].

The causes of such an instability on travel market are a number of problems that slow down the development of tourism in the Kharkiv region and impede the development of the tourism industry. First of all, in the mass media actively conducts advertising of international tourism and the well-known international destinations of tourism and recreation and it almost doesn't involve advertising of domestic tourism.

Secondly, there are no funds for the reconstruction of historical monuments and architectural art. Fund raising is being hampered by the unresolved regulatory and legislative base of the country.

Thirdly, the sector of tourist industry in Ukraine is not developed. There are no cities of Ukraine, where free brochures, guidebooks of historical and cultural monuments of the city would be freely distributed. In addition, not all cities have such guides, which is due to narrow interpretation of tourism and low awareness of the diversity of tourist services [6].

Currently, in the Kharkiv region, there are 242 protected areas and objects of the nature reserve fund and 2535 historical monuments, archeology, urban planning and architecture, and monumental art [3]. Such a large base of tourist and recreational facilities has a wide range of opportunities for the development of various types of tourism.

The main natural objects of the Kharkiv region, which will be the most attractive for tourists, include the national natural park "Gomilshansky forests", the national reserves of the state (Burlutsky, Katerinovsky zoological park, Vovchansky botanical park), botanical gardens (including the Botanical Garden of V.N. Karazin Kharkiv National University). In these and other landmarks there is an opportunity to develop such kinds of tourism, as sustainable, cultural, sport, extreme, hiking, hunting, fishing and other types of tourism.

Currently, the most famous historical and cultural tourist objects of the Kharkiv region are Velykohomilshansky archaeological complex, Historical and archaeological museum "Verkhnyi Saltov", park of landscape art "Sharivsky". In these and other historical, cultural and garden park destinations of Kharkiv region, we can develop hiking, cultural, archeological, sustainable, recreational and other types of tourism.

The development of domestic tourism is the result of systematic work. Therefore, in order for domestic tourism in the Kharkiv region to develop with considerable speed, there is a need to take the following measures:

- create an appropriate recreational infrastructure. At the moment, the Kharkiv region has a small number of hotels and other accommodation facilities, which complicates the possibility of tourists to stay longer in our

region. In addition, for tourists with a car it is a significant obstacle is the state of the roads which lead to the major tourist attractions.

- To conduct a marketing campaign and to develop centralized recreation programs. First of all, it is necessary to promote the brand of the region, to develop its logo and slogan. Creating routes for the main objects of the region, spreading information about them, creating promotional videos about Kharkiv region and promoting the brand of the main tourist sites on different advertising platforms (on the Internet, in outdoor advertising, on television) will also have a positive impact on the development of tourism in the region.

- To use natural resources and historical and cultural monuments of the region effectively, but to protect and maintain them in the proper condition. In this way they will attract more tourists and create a positive image of Slobozhanshchyna.

- Encourage the development of related areas of the region. The example is entertainment. This includes holding of festivals, concerts, fairs, conferences and other events of Ukrainian and international scale. Several regions of Ukraine already have success in carrying out special events that attract tourist flow. This and even the best results can be achieved by Kharkiv region.

The first steps to make positive changes in the development of domestic tourism in the Kharkiv region have already being taken. For example, in 2013 the "Concept of tourism development in the Kharkiv region 2020" was created. The main task of this concept is to set the priority directions of development of tourist services in the territory of Kharkiv region until 2020 [4]. In addition, various competitions and conferences in which every person can contribute to the development of tourism in our region are held. In 2017, the forum "Kharkiv: Partnership in Tourism" was held, in the framework of which a contest of tourist projects "I Love Kharkiv" was introduced. Everyone who has new ideas for improving the tourist infrastructure of the city attended this event.

In c o n c l u s i o n , the tourist potential of Slobozhanshchina can not be overestimated. This region has all the resources to maintain and create tourist facilities of Ukrainian and international importance. For the full and rational use of the tourist resources of the region, it is necessary to

apply key measures that will promote the image of the Kharkiv region as a tourist centre of our country.

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## **CURRENT STATE AND PROSPECTS OF DEVELOPMENT OF TOURISM INDUSTRY IN THE WORLD**

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**Hruzynska A.O., Skrypnyk T.I. Current state and prospects of development of tourism industry in the world.** The article deals with current state and prospects of development of tourism industry in the world. The author analyzes the structure of tourism at the world level.

**Keywords:** tourism, prospects of development, world.

**Грузинська А.О., Скрипник Т.І. Поточний стан та перспективи розвитку індустрії туризму у світі.** У статті розглядаються стан і тенденції розвитку світового туризму. Автор аналізує структуру туризму на світовому рівні.

**Ключові слова:** туризм, перспективи розвитку, світ.

**Грузинская А.А., Скрипник Т.И. Текущее состояние и перспективы развития индустрии туризма в мире.** В статье рассматриваются состояние и тенденции развития мирового туризма. Автор анализирует структуру туризма на мировом уровне.

**Ключевые слова:** туризм, перспективі развитие, мир.

The most dynamically developing component of the international market of services is the tourism market, as evidenced by the growth in the share of tourism in world exports and imports of services, the increase in revenues from international tourism, the growth of its share in the GDP of countries, and the increase in the number of employed in this sphere. All these factors make it necessary to study the trends and patterns of the development of the international tourism market, identify its key participants, and analyze the shift in the positions of the main exporters and importers of this type of services.

The subject of this research is worldwide tourism.

The goal is to analyze the current state of development of the international tourism market. Methods are description and comparison.

**R e l e v a n c e o f t h e t o p i c .** The scale of the development of international tourism is indicative of its global nature. Tourism has shown extraordinary strength and resilience in recent years, despite many challenges, particularly those related to safety and security. Yet, international travel continues to grow strongly and contribute to job creation and the wellbeing of communities around the world.

For the sixth consecutive year, the travel and tourism industry has outpaced the global economy, demonstrating also the desire of people to continue to travel and discover new places, despite the economic and political challenges around the world.

The tourism industry provides for the existence of 313 million jobs – or every 10th job in the world. In total, last year the sector created 7 million new jobs.

The global tourism and travel market is growing faster and continues to grow steadily than the global economy. But In 2018, the global tourism market is in a state of a slight slowdown in growth to 3.1%, which is associated with uncertainty in the global political and economic arena.

**Global tourist revenue amounted USD 5.3 trillion,  
around 6.7% of GDP in 2017**

	2015	2016	2017	2018F
<b>Total global tourist revenue (USD trillion)</b>	4,9	5,0	5,3	5,6
<b>Percentage to global GDP (%)</b>	6,6	6,7	6,7	6,8

According to WTTC estimates, over the next ten years, China and India will generate more than a third of the contribution of tourism to global GDP and provide almost half of the growth in employment in the sector.

**Current developments and forecasts**

- International tourist arrivals grew by 7 % in 2017 to 1,323 million.
- In 2017, international tourism generated US\$ 1.6 trillion in export earnings.

- UNWTO forecasts a growth in international tourist arrivals of between 4% and 5% in 2018.

- By 2030, UNWTO forecasts international tourist arrivals to reach 1.8 billion (UNWTO Tourism Towards 2030).

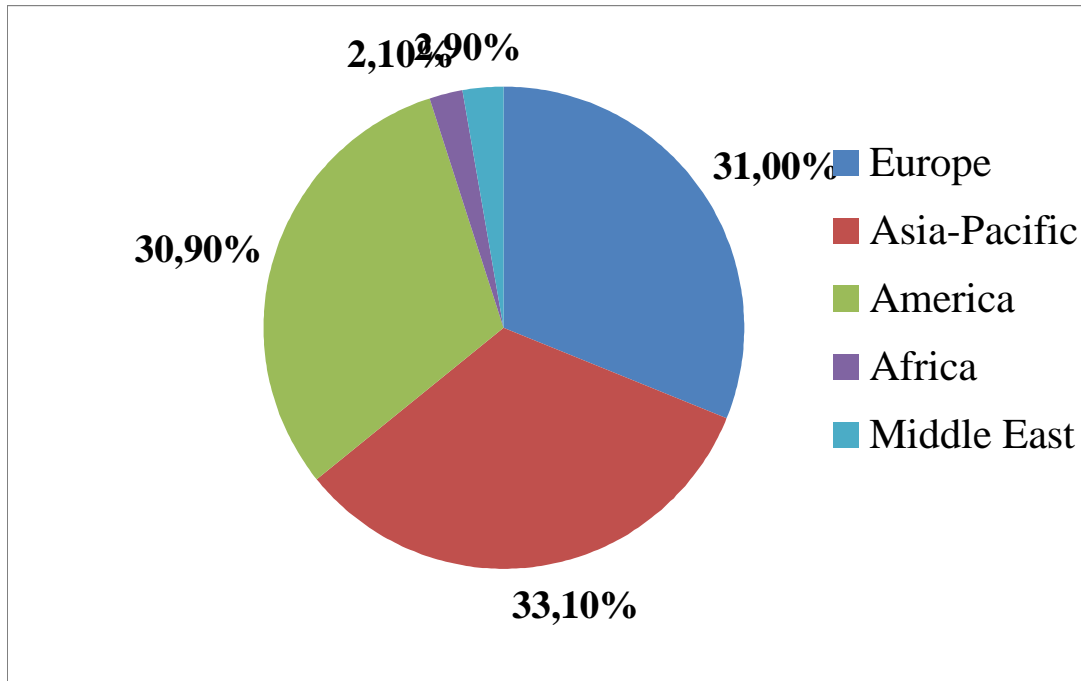
According to forecasts, by 2022, China will become the largest market for international outbound tourism. Every year, residents of the country will make 128 million tourist trips, and thus overtake the United States, whose citizens most often go abroad. The projected growth in departures during 2017–2022. will be 8.4%. Outside the Asian region, this trend will benefit the United States and France, which are already ready to host the Chinese. In addition, tourists from China lead in terms of average expenditure during tourist trips. In the next five years, they will spend almost another 11% more due to the growth of middle-class incomes.

**Tourism growth rates of five regions in 2017**

	Europe	America	Asia-Pacific	Middle East	Africa
<b>Growth rate of total tourist arrival</b>	2,1%	1,9%	9,4%	0,9%	1,0%
<b>Growth rate of total tourist revenue</b>	1,1%	4,9%	6,9%	4,8%	3,5%

The table shows that the highest growth rate of total tourist arrival is in Asia, because of it these countries have the highest growth rate of total tourist revenue. But, for example, in comparison America has higher revenue than arrivals. Today Europe is not so popular as it was due to growing popularity of Asia and America.

The graph also shows tourist revenue in 5 regions. We have 3 leads – Asia, Europe and America. Africa could be one of them, but in the future. It needs more investment in tourism by the authorities.



Picture 1. Percentages of 5 regions in terms of the total tourist revenue (2017)

**C o n c l u s i o n .** WTTC forecasts for 2019 suggest that the tourism and travel sector will continue to grow, albeit more slowly than it did in 2017 due to higher oil prices.

The long-term forecast for the travel segment until 2028 remains unchanged: the average growth of at least 3.8% per year. After 10 years, the sector is expected to support more than 400 million jobs worldwide (1 out of 9 all jobs in the world). The tourism sector will account for up to 25% of jobs created annually.

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## TOURISM AND FIGHT WITH POVERTY

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**Huriev V.A., Bolibok N.O. Tourism and poverty alleviation.** The article analyzes the impact of tourism on the economy of any country due to the productive cooperation of many spheres of human activity. The work outlines tourism as an industry which makes it possible to overcome poverty in any country in the world. The article provides specific examples for improving economic situation in the country owing to tourism industry, reducing number of unemployed people and cooperation of different types and fields of industry.

**Key words:** economic development, international development, poverty alleviation, tourism industry, tourism market.

**Гур'єв В.О., Болібок Н.О. Туризм і боротьба з бідністю.** У статті аналізується вплив туризму на економіку будь-якої країни за рахунок плідної співпраці безлічі сфер діяльності людини. В роботі розглядається, туризм, як індустрія, завдяки якій можливо перемогти бідність у будь-якій країні світу. Наводяться конкретні приклади щодо поліпшення економічної ситуації в країні за рахунок туризму, зменшення кількості безробітних людей і сприятливому взаємодію різних видів і сфер діяльності.

**Ключові слова:** боротьба з бідністю, міжнародний розвиток, розвиток економіки, туристична індустрія, туристичний ринок.

**Гурьев В.А., Болібок Н. А. Туризм и борьба с бедностью.** В статье анализируется влияние туризма на экономику любой страны за счет плодотворного взаимодействия различных сфер деятельности человека. В работе рассматривается, туризм, как индустрия, благодаря которой возможно победить бедность в любой стране мира. Приводятся конкретные примеры по улучшению экономической ситуации в стране за счет туризма, уменьшению количества безработных людей и благоприятному взаимодействию разных видов и сфер деятельности.

**Ключевые слова:** борьба с бедностью, международное развитие, развитие экономики, туристическая индустрия, туристический рынок.

The o b j e c t of the article is tourism and poverty alleviation. The a i m of the research is to solve the problem of the world poverty and suggest solutions for this problem.

Tourism is one of the strongest drivers of world trade and prosperity. Poverty alleviation is one of the greatest global challenges. Despite turbulent times for the world's economy, these basic facts are unlikely to change. Focusing the wealth creating power of tourism on people most in need remains an immense task and opportunity [1].

In many countries, tourism acts as an engine for development through foreign exchange earnings and the creation of direct and indirect employment. Tourism contributes 5% of the world's GDP. It accounts for 6% of the world's exports in services being the fourth largest export sector after fuels, chemicals and automotive products. Tourism is responsible for 335 million jobs, or one in every 10 jobs worldwide [2].

In 2017, international arrivals grew by over 6% reaching 1,323 million, up from 1 billion in 2012, in a year [9].

Tourism in many developing and least developed countries is the most viable and sustainable economic development option, and in some countries, the main source of foreign exchange earnings. Part of this income trickles down to different groups of the society and, if tourism is managed with a strong focus on poverty alleviation, it can directly benefit the poorer groups through employment of local people in tourism enterprises, goods and services provided to tourists, or the running of small and community-based enterprises, etc, having positive impacts on reducing poverty levels [3].

Tourism in the recent years has been characterized by two main trends; firstly, the consolidation of traditional tourism destinations, like those in Western Europe and North America; and secondly, a pronounced geographical expansion. There has been a substantial diversification of destinations, and many developing countries have seen their tourist arrivals increase significantly. Arrivals to developing countries accounted for 46% of the total international arrivals in 2017. Tourism has become a major player in the economy of developing countries [4].

Here are some facts:

- In 2017, international tourism arrivals to emerging market and developing countries amounted to 559 million.
- Tourism is the first or second source of export earnings in 25 of the world's 48 least developed countries.
- In some developing countries, notably small island states, tourism can account for over 30% of GDP [6].

There are many characteristics of tourism as an activity which make it particularly relevant to low income countries and to poor communities within them. These include:

Its response to particular assets. Tourism places great value on some common features of developing countries, such as warm climate, rich cultural heritage, inspiring landscapes and abundant biodiversity. These strengths can be particularly apparent in rural areas, which may have a comparative advantage for tourism while being at a disadvantage in most other economic sectors.

Its accessibility to the poor. Tourism is a relatively labour intensive sector and is traditionally made up of small and micro enterprises. Many activities in tourism are particularly suited to women, young people and disadvantaged groups such as ethnic minority populations. Many tourism jobs are potentially quite accessible to the poor as they require relatively few skills and little investment. Some may also be part time and used to supplement income from other activities.

Its connectivity. As so many different activities and inputs make up the tourism product, which has a large and diversified supply chain, spending by tourists can benefit a wide range of sectors such as agriculture, handicrafts, transport and other services. Additional rounds of spending by those people whose income is supported by tourism spread the economic benefit further (the multiplier effect).

Its linking of consumers to producers. Tourism, unusually, is an activity which brings the consumers to the producers. The interaction between tourists and poor communities can provide a number of intangible and practical benefits. These can range from increased awareness of cultural, environmental, and economic issues and values, on both sides, to mutual benefits from improved local investment in infrastructure [8].

On the other hand, there are also negative aspects of tourism as a basis for poverty alleviation, which I cannot omit to mention. The main ones include:

Unpredictability and fluctuations in demand. Tourism is very sensitive to economic, environmental, and socio-political events affecting tourists' willingness to travel. In the absence of insurance cover and social security, the poor can be particularly vulnerable to sudden downswings in demand. However, tourism demand often bounces back quickly when circumstances change.

The seasonal nature of demand, which can be very peaked. This requires good integration between tourism and other economic activities to provide a sufficient year-round source of livelihood.

Impact on life-supporting resources. These include water, land, food, energy sources and biodiversity. Their availability to the poor can be threatened by competition and over use from tourism. Degradation of cultural assets and disruption to social structures are parallel threats. Global issues of resource depletion and environmental degradation may be as important as local ones, including the long term effect of tourism on climate change and the impact of adaptation and mitigation measures on travel patterns [7].

Tourism should not be seen on its own as 'the answer' to the elimination of poverty but it can make a powerful contribution. The potential to develop more tourism and to channel a higher percentage of tourism spending towards the poor may be great in some areas and quite small in others. However, given the size of the sector, even small changes in approach when widely applied can make a significant difference [9].

In order to make significant contributions to the alleviation of poverty, it is essential to work in the mainstream of tourism, which will require an emphasis on two key challenges:

1. Engaging private sector businesses, including sizeable operations and investors as well as small and micro businesses. This is where tourism wealth is created and distributed. They should be helped to deliver more benefits to the poor, through employment practices, local linkages and pro-poor tourism activities and products, as well as to be more competitive.



2. Ensuring that tourism destinations as a whole are both competitive and sustainable, addressing issues of resource management and the relationship between tourism and other economic sectors [5].

This approach should be combined with working at the local level within communities in order to engage with and reach the poor, to fully understand and address their needs, and to create opportunities accessible to them. This must, however, relate properly to the wider tourism context and the market [7].

In the following table, present solutions to the problem of poverty through tourism.

*Table 1*

### **10 Principles for pursuing poverty alleviation through tourism**

1. All aspects and types of tourism can and should be concerned about poverty alleviation.
2. All governments should include poverty alleviation as a key aim of tourism development and consider tourism as a possible tool for reducing poverty.
3. The competitiveness and economic success of tourism businesses and destinations is critical to poverty alleviation – without this the poor cannot benefit.
4. All tourism businesses should be concerned about the impact of their activities on local communities and seek to benefit the poor through their actions.
5. Tourism destinations should be managed with poverty alleviation as a central aim that is built into strategies and action plans.
6. A sound understanding of how tourism functions in destinations is required, including how tourism income is distributed and who benefits from this.
7. Planning and development of tourism in destinations should involve a wide range of interests, including participation and representation from poor communities.
8. All potential impacts of tourism on the livelihood of local communities should be considered, including current and future local and global impacts on natural and cultural resources.

9. Attention must be paid to the viability of all projects involving the poor, ensuring access to markets and maximising opportunities for beneficial links with established enterprises.

10. Impacts of tourism on poverty alleviation should be effectively monitored.

Source: [9]

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## **NUCLEAR DETERRENCE: STRATEGIC, POLITICAL AND CULTURAL ASPECTS**

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**Hutova O.O., Davydenko I.V. Internet communication in modern international economic relations.** The article studies the problem of nuclear deterrence within the international relations. The author investigates the role of nuclear-weapon states in international relations. The research studies the strategic, political, and cultural aspects of using the policy of nuclear deterrence. The author highlights distinguishable features of nuclear concepts.

**Keywords:** deterrence, direct deterrence, extended deterrence, nuclear weapons, nuclear warheads.

**Гутова О.О., Давиденко І.В. Ядерне стримування: стратегічні, політичні та культурні аспекти.** У статті розглядається проблема ядерного стримування у міжнародних відносинах. Досліджується роль держав, що володіють ядерною зброєю, в міжнародних відносинах. Розглядаються стратегічні, політичні та культурні аспекти використання політики ядерного стримування. Також у статті розглянуто основні відмінні риси різних концепцій ядерного залякування.

**Ключові слова:** пряме стримування, розширене стримування, ядерна зброя, ядерні боеголовки, ядерне стримування.

**Гутова А.А., Давыденко И.В. Ядерное сдерживание: стратегические, политические и культурные аспекты.** В статье рассматривается проблема ядерного сдерживания в международных отношениях. Исследуется роль государств, обладающих ядерным оружием, на международной арене. Рассматриваются стратегические, политические и культурные аспекты использования ядерного устрашения. В статье рассмотрены отличительные особенности различных концепций ядерного устрашения.

**Ключевые слова:** прямое сдерживание, расширенное сдерживание, ядерное оружие, ядерные боеголовки, ядерное сдерживание.

The o b j e c t of this article is the nuclear deterrence within the international relations. The s u b j e c t is its influence on international

society. The main purpose of the article is to define the nuclear deterrence, its political, strategic and cultural aspects, to show the difference between the main types of nuclear deterrence and consider possible solutions to the nuclear deterrence problem.

Nuclear weapons are the ultimate instrument created by the military scientists in the middle of the 20<sup>th</sup> century. This weapon was based on a splitting of uranium or plutonium atoms that impulse in enormous amount of energy, light and radiation, which can completely devastate the entire city or region. It was first developed by the United States and was the only time tested on a real enemy by the USA during the Second World War against militarist Japan on the 6<sup>th</sup> of August 1945. The first bomb was dropped on city of Hiroshima, and three days later a second one exploded in Nagasaki [6]. Since then, during the Cold War many nuclear technologies and delivery systems have been developed by the competing the United States and the USSR. Currently, there are nuclear warheads owned by a number of states including the USA, Russia, the United Kingdom, France and China that act under the regulations of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). There are also states that still own nuclear arms however are not assigned to the NPT, they are India, Israel, Pakistan and North Korea [5, p. 315]. Because of its ultimate effect nuclear arms are considered a weapon of mass destruction and are used as the last resort. Therefore, this article will attempt to discuss the use of nuclear weapons as cultural, strategic and political instruments by applying different theoretical approaches.

First of all it is important to define the strategic aspect of nuclear weapons. Although atomic bomb was first developed in order to help finishing the war with one strong attack, in 15-20 years after Hiroshima and Nagasaki, both, the Soviet Union and the United States developed an idea of nuclear deterrence, which now is one of the most popular security theories. This theory is based on a simple logic of human behavior. The theory suggests that if the enemy knows that the state has a nuclear weapon and is ready to use it such an enemy is unlikely to start a war against that state, due to extreme casualties and losses.

Deterrence itself can be divided into two broad sections. First is the “direct deterrence” which involves relationship of two neighboring states, for example India and Pakistan. In this case the deterrence theory is clear, both

states are currently in a clash over the bordering territory of Kashmir, however none of the disputing sides can launch any direct military action due to the presence of nuclear bombs. So the idea of direct deterrence is to prevent an attack on the state's territory [4]. There is also an "extended deterrence" axiom that is based on the idea of preventing a military action by a third party. This situation may appear when a major power is getting involved into the dispute. For example, the situation on Korean peninsula displays the fact that the Northern Korean government owns a number of atomic bombs that can be used against its Southern neighbor. However the major world power as United States, China and Russia which are not involved into the conflict are still imposing their influence in order to prevent a major conflict between Korean states. The similar situation can be seen in relations between Israel and Iran in the Middle East. To sum up this, in military terminology, successful deterrence is a situation when a threat of nuclear weaponry is able to prevent any state or organizations from escalating a conflict, by using threats, armed forces or any other aggressive actions. Deterrence strategy is also considered as a useful political instrument. In addition to a previous thesis, not successful deterrence will take a place if the political or military interests have still been damaged by the aggressor state. Another example of political use of deterrence is a formation of treaties with states that are engaged into the conflict with each other. In this scenario, for instance, one or two nuclear powers may patronize a smaller state which is in conflict with its neighbor, so that would prevent the escalation of the conflict and freeze it. Of course, a frozen conflict cannot be considered as a successful political situation, however any situation that prevents people from killing each other in a massive numbers can be considered as a short-term success.

Nuclear deterrence is also vital in presence of nuclear-triad system. This system means that the state owns three types of delivering nuclear bombs: strategic bombers, ballistic missiles, and nuclear submarines carrying heavy missiles. The triad is owned only by the United States, China and the Russian Federation, which is argued to guarantee a stronger deterrence. Reason for that is that the three types of delivery may ensure a nuclear response even if the defending state has already suffered a nuclear attack on its territory [1, p. 56]. One of the most significant products of this system was the creation of the so-called "Death Hand" protocol, created by Soviet Union and used in current

Russia. Death Hand or System "Perimeter" was made as a response to the United States doctrine of pre-emptive strike that took a place in 1980s. This doctrine has developed a war scenario where the United States would be forced to use its massive nuclear arsenal against all Soviet governmental, military and administrative centers in order to prevent a "second strike" from the Soviets [2. p. 114]. Therefore, the USSR has developed a computerized unified system that controls all ballistic missiles both on land and sea and which will react if it gets a signal that proves elimination of all Soviet leadership, which will result in launching all remaining missiles directed at the United States and many other countries. As a result, this system prevents any possible consideration of attacking Soviet Union or Russian Federation by using a pre-emptive strike doctrine in advance. Such a situation is straightening a nuclear deterrence doctrine even more.

Military balance is necessary if the attacking state is seeking for territorial or recourse benefits as a result of the attacks. In this scenario the defending state must ensure that it is capable in tactical military recourses in order to respond adequately on the threat. Deterrence in this situation may fail if there is an underestimation or overestimation of the consequences by both sides of the conflict.

To conclude, the nuclear deterrence is a vital aspect of nuclear arms influence over the society, politics and military. It is simply a reason why so many warheads have been produced by the Nuclear powers. As the history has shown there are many valuable reasons for this doctrine to be practiced. However, it can only solve short-term situations. Nuclear deterrence, as it was argued results in a very suspicious and sometimes unstable scenarios, where there is a real threat of a major nuclear conflict. In addition, all the states that have nuclear arms, have enough warheads to destroy entire countries. This is dangerous due to the current issue of radical religious groups coming into power in the Middle East, for instance. This does not mean that they are able to gain nuclear power by taking a control over the state, but also they can provide enough recourse in order to corrupt and simply buy all necessary equipment for creating their own warheads.

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## THE POSITIVE AND NEGATIVE IMPACTS OF TOURISM

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**Isaeva D.D., Litovchenko Y.M. The positive and negative impacts of tourism.** The article analyzes the positive and negative influence of tourism. The article provides examples of economic, environmental, social effects of tourism. Also data are given about the positive and negative effects of mega events of tourism.

**Key words:** economic, environmental, positive and negative effects, social, tourism.

**Исаева Д.Д., Литовченко Я.М. Позитивний та негативний вплив туризму.** У статті розглядається позитивний та негативний вплив туризму. Було наведено приклади економічного, екологічного, соціального впливу на туризм. Також наведені дані про позитивний та негативний вплив масових заходів на туризм.

**Ключові слова:** екологічний, економічний, позитивний та негативний вплив, соціальний, туризм.

**Исаева Д.Д., Литовченко Я.Н. Положительное и негативное влияние туризма.** В статье рассматривается положительное и негативное влияние туризма. Были приведены примеры экономического, экологического, социального влияния на туризм. Также приведены данные о положительном и негативном влиянии массовых мероприятий на туризм.

**Ключевые слова:** положительное и негативное влияние, социальный, туризм, экологический, экономический.

The o b j e c t of the article is tourism industry whereas the s u b j e c t is the positive and negative impacts of tourism. The aim of the research is to provide examples of economic, environmental, social effects of tourism.

Travel and tourism is one of the world's largest industries. It "surpasses that of oil exports, food products or automobiles," according to the United Nations World Tourism Organization. Inbound tourism boosts



the economic growth of a region's economy while providing high potential to support job creation. Outbound tourism promotes cross-cultural understanding and goodwill. In the words of Mark Twain, "Travel is fatal to prejudice, bigotry, and narrow-mindedness..."

**Positive Economic Effects of Tourism.** Job creation is paramount to any discussion about tourism's positive economic effects. The 2017 Economic Impact Report by the World Travel & Tourism Council indicates that the industry generates one out of 10 jobs worldwide, growing at a pace that outperforms employment in the global economy for the sixth consecutive year. The report also indicates that among new jobs, the sector accounts for one in five.

**Negative Economic Effects of Tourism.** Unexpected and unforeseeable events such as terrorism, political upheaval, impactful weather conditions and natural disasters can wreak havoc on a region, negatively affecting inbound tourism for considerable periods of time. The more dependent a destination is on tourism, the more the impact will be felt and the longer recovery will take.

**Positive Environmental Effects of Tourism.** Education about the reasons for sustainable tourism places a spotlight on responsible planning. As more consumers become aware of the lasting benefits of "take only pictures, leave only footprints," we can better respect nature and minimize the impact on any habitat we visit.

**Negative Environmental Effects of Tourism.** Too many tourists can have a negative impact on the quality of life. Known as overtourism, this phenomenon is creating a burden in such destinations as rural Patagonia, Chile, and urban Barcelona, Spain. The slopes of Mount Everest are littered and, in Iceland, tourists far outnumber the resident population. In the U.S. where the top 10 parks saw more than 44 million visitors in 2016, the National Park Service is looking for ways to protect natural treasures in light of year-on-year increases in visitor numbers.

**Positive Effects of Mega Events.** A rotating mega event, such as the Olympics, the World Cup or even a pop-up happening such as a high profile royal wedding, will benefit a host destination by attracting global attention. Large numbers of spectators visit, injecting significant cash into the local economy. International sporting events also serve as catalysts for

longer term improvements in stadiums, facilities, transportation and infrastructures. For Athens, Greece, in 2004 and for Pyeongchang, South Korea, in 2018, this even meant new airport terminals.

**Negative Effects of Mega Events.** Those rows of empty arena seats at the London 2012 Olympics have been attributed to the toxic fear of crowds, disruption and ultra high prices that served to block intentions of locals and travelers. We've all observed that the legacy left by hosting a major event can hurt a local economy more than it benefits. In years following the 2004 Olympic Games in Athens, venues went unused although the city chalked up a \$15 billion price tag. Four years later, the same thing happened at the far more costly Beijing Olympics. During the 2013 America's Cup, "equal amounts of civic pride and political controversy" were generated, reported the San Francisco Chronicle, which also reported the unpaid tab for the host city was \$11.5 million.

**Positive Social Effects of Tourism.** Tourism has long been cited by world leaders as a driver of peace and security through understanding. In the 21st century, tourism is closely linked to development, embracing a growing number of new destinations – hence new jobs. Tourism can create civic pride by encouraging cultivation and sharing of local customs, food, traditions and festivals. Personal exchanges between hosts and guests goes a long way toward fostering better cultural understanding. Tour operators are focusing on the experiential travel trend, providing more authentic and immersive experiences for their guests. Open spaces and national parks in countries around the world are good for replenishing both body and soul, but traffic jams are not a good look.

**Negative Social Effects of Tourism.** While tourism can help preserve cultures, it can also water them down via commercialization and cookie-cutter approaches. Airbnb's advertising has attacked the sameness of hotels, suggesting real people's homes in real neighborhoods as an alternative. There is nothing authentic about a hotel's nightly staging of an indoor Hawaiian luau featuring acrobatic fire dancers or the "Venetian" gondola that plies a fake canal on the Vegas strip in the shadow of the "Eiffel Tower." Such features have none of the social benefits that a truly genuine travel experience can produce.

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**UKRAINE-POLAND  
TRANSBOUNDARY COOPERATION:  
CHALLENGES AND DEVELOPMENT  
PROSPECTS**

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**Iziium A.O., Zmiyova I.V. Ukraine-Poland transboundary cooperation: challenges and development prospects.** The article describes development prospects of transboundary cooperation between Ukraine and Poland determined in the context of Ukraine's economic and political integration into the European Union. The obstacles caused by transboundary cooperation between the countries are analysed. The main problems in the field of bilateral cooperation and possible solutions have been covered.

**Key words:** bilateral cooperation, development prospects, integration, transboundary cooperation.

**Ізюм А.О., Зміїова І.В. Україно-польське транскордонне співробітництво: проблеми та перспективи розвитку.** У статті розглядаються перспективи розвитку транскордонного співробітництва між Україною та Польщею в контексті інтеграції України до Європейського Союзу. Відзначені перешкоди, що виникають у ході транскордонного співробітництва між країнами. Вказано основні проблеми у галузі двостороннього співробітництва та можливі шляхи їх подолання.

**Ключові слова:** двостороннє співробітництво, інтеграція, перспективи розвитку, транскордонне співробітництво.

**Изиум А.А., Змиева И.В. Украина-польское трансграничное сотрудничество: проблемы и перспективы развития.** В статье рассматриваются перспективы развития трансграничного сотрудничества между Украиной и Польшей в контексте интеграции Украины в Европейский Союз. Отмеченные преграды, возникающие в ходе трансграничного сотрудничества между странами. Указаны основные проблемы в области двустороннего сотрудничества и возможные пути их преодоления.

**Ключевые слова:** двустороннее сотрудничество, интеграция, перспективы развития, трансграничное сотрудничество.

The actual value of the research is determined by the fact that the cross-border cooperation is an integral part of the development of the international economic relations and international ties as a whole. The necessity of studying the cross-border regions is stipulated by the intensification of external communication and conducting foreign policy of Ukraine. The study and analysis of Ukrainian-Polish cross-border cooperation is a very important question due to common problems in economic, political, social and transport issues.

The object of the study is cooperation in the Ukrainian-Polish border region. The subject of the research is the problems and prospects of the development of cross-border cooperation between Ukraine and Poland in the context of European integration. The purpose of the article is to evaluate the problem of development of Ukrainian-Polish cross-border cooperation, identify problems, downsides and prospects, considering the pace of integration processes in Ukraine and Europe.

Modern processes of international integration are becoming more regional, as the role of regions in transnational relations is increasing. The issues of foreign economic activity are becoming more important and the significance of new mechanisms of regional development, in particular, cross-border cooperation, is going up. The cross-border cooperation means the partnership of adjacent territories of neighboring states, that is, the determining factor is the presence of the border between the territories that work together [1, p.55].

In June 2004, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On Transboundary Cooperation", which regulates the legal, organizational and economic issues of the development during cross-border cooperation and state financial support. The most interesting and vast experience is the regional work of Ukraine with its western neighbors, in particular with Poland. According to the results of a number of sources, Poland ranks second in the priority of bilateral relations. The term "Ukrainian-Polish border area" means the territory consisting of administrative regions, located along the border of neighboring states. It encompasses the space of four administrative units. In Ukraine they are the Volyn and Lviv regions, in Poland – the voivodeships of Lublin and Podkarpackie [4, p. 87].

In Ukraine the border area occupies 7% of the whole territory, in Poland – 13.8%. Ukraine and Poland have certain advantages for establishing cooperation based on geopolitical, economic, socio-demographic and historical factors. The development of transboundary cooperation should base on well-planned, well thought-out and balanced policies that would allow to respond to changes in the economic and political situation at the border. Nowadays, there is a number of reasons which slow down the above-mentioned development, in particular economic, political and social [3, p.112].

The economic reasons include the different pace, directions and nature of the transformation of society, economic potential of the two countries, lack of financial capacity, insufficient investment support of joint projects and low level of infrastructure development. The legal barriers include the fragile economic and political legislation and the legal area for cross-border cooperation, inconsistency of Ukrainian and the EU legislation. The social reasons include negative stereotypes of public consciousness, which in a certain way hinder the development of partnership between states, psychological unwillingness of the public to cooperate, low level of public interest in the results of border and interstate cooperation [5, p.26-27].

To give a distinct example, we considered the employment situation on both sides of the border in the border regions. The dynamics are presented in Fig. 1 and Fig. 2.

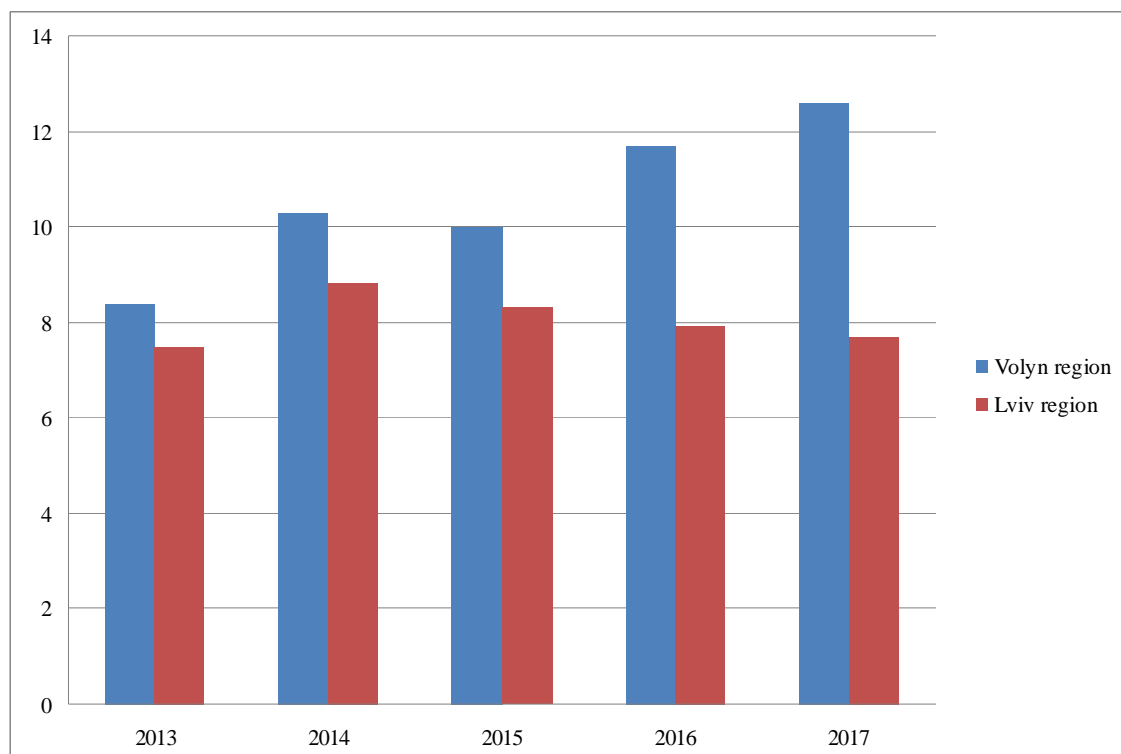


Fig. 1. The unemployment rate of the population (according to the ILO methodology) on the Ukrainian territory of the Ukrainian-Polish border-zone, (%) [8]

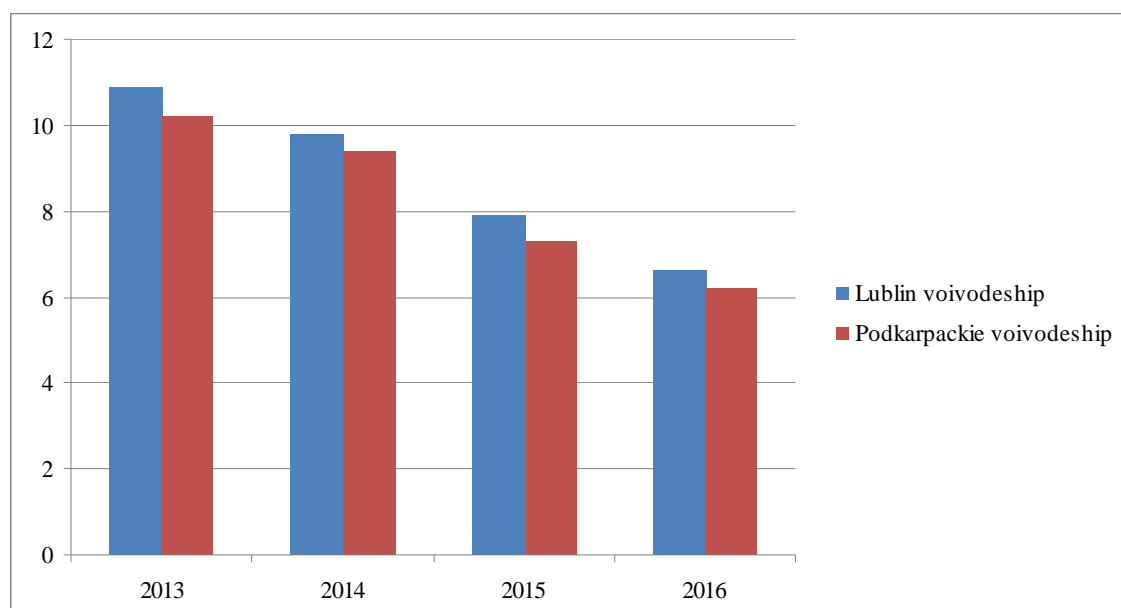


Fig. 2. The unemployment rate of the population (according to the ILO methodology) on the Polish territory of the Ukrainian-Polish border-zone, (%) [7]

In 2013 the unemployment rate in the Ukrainian part of the transborder region was 7,95%, in Poland – 10,55%. However, in 2016 the situation changed dramatically. In Lublin and Podkarpackie Voivodeships, this indicator reduced to 6.4%, but in Volyn and Lviv regions, on the contrary, has grown to 9.8%. This shows a tendency towards the increase of unemployment in the Ukrainian border area. The ratio of unemployment in the Ukrainian-Polish border area in 2013 shows a double excess of this indicator in the border regions of Poland. Partially, this situation is explained by the fact that in Ukraine a significant part of the population is not registered at the employment centers, and a large percentage of people work illegally. Therefore, the figure of 9.8% is much higher than the statistics shows. Such things do not contribute to the revitalization of economic activity in the region [6].

Unemployment and low wages enhance the formation of such a negative phenomenon as shuttle trade, this is a frontier trade, which is carried out by individuals semi-officially. This may be small consignments of goods through the customs border, as well as organized smuggling. In the combat with this phenomenon, there are quite a lot of economic mechanisms, for instance, the system of personal income taxation [4, p. 129].

For example, in Poland, all expenses of the population related to the purchase and repair of apartments, cars, household appliances and office equipment are deduced from the tax database of the personal income tax in case supporting documents are available. It encourages citizens to declare their incomes. Such experience should be taken over by Ukraine and used to overcome the negative situation at the customs border [5, p. 45].

Conclusions and perspectives of further research. It should be noted that the goal of international cooperation at the bilateral level is to find a compromise mutually beneficial for both parties in terms of realizing national interests and strategic priorities. To ensure effective bilateral cooperation, both countries should implement a number of foreign policy measures. From the side of Poland they are: support of economic and political dialogue with Ukraine at all levels; benefits for the exchange of goods and services; coordinating joint measures against corruption and organized crime. The strategy for the development of Ukrainian-Polish



relations should cover important areas of international cooperation, and, above all, those which will promote maximum convergence between themselves and with the European Union and enable it to become an organic part of the European community [2, p.12].

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## **INTERNATIONAL LABOUR MIGRATION: CAUSES AND EFFECTS FOR UKRAINE**

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**Kakarova D.A., Oliynyk N.A. International Labour Migration: Causes and Effects for Ukraine.** The article considers the main trends of labour migration in the world and Ukraine's participation in international labour migration. The percentage rate of the geographical and branch migration structure is given. The main causes and effects of emigration from Ukraine are described.

**Key words:** emigration, international labour migration, Ukraine.

**Какарова Д.А., Олійник Н.А. Міжнародна трудова міграція: причини та наслідки для України.** В статті розглядаються основні тенденції трудової міграції у світі та участі України у міжнародній трудовій міграції. Приведена географічна та галузева структура міграції в процентному співвідношенні. Описані основні причини та проблеми еміграції з України.

**Ключові слова:** еміграція, міжнародна трудова міграція, Україна.

**Какарова Д.О., Олейник Н.А. Международная трудовая миграция: причины и последствия для Украины.** В статье рассматриваются основные тенденции трудовой миграции в мире и участия Украины в международной трудовой миграции. Приведены географическая и отраслевая структура миграции в процентном соотношении. Описаны основные причины и проблемы эмиграции из Украины.

**Ключевые слова:** международная трудовая миграция, Украина, эмиграция.

Nowadays globalization is dominant in international relations and international migration of labour force is one of its main manifestations. The importance of migration processes study, its causes and motives arises from the rapid growth of volumes, the increased intensity, the significant impact on the economic and social development of countries. In the modern world, intellectual migration is caused by the processes taking place not in the science, but in the society in general: the crisis of economy as well as

social, political and cultural relations. At the same time, many countries are interested in obtaining experienced and qualified specialists because of the lack of their own highly trained professionals [7].

The purpose of the article is to identify current trends, analyze the actual state of the international labour migration processes, study the causes and effects of labour migration from Ukraine which will enable, using this experience, to pursue a reasonable migration policy in Ukraine in the future.

International labour migration is a form of international economic relations based on the movement of production factors. This is an objective process inherent to a market economy. Labour force, in accordance with the market laws, is looking for the most advantageous employment offers with maximum efficiency. The labour market has a number of significant differences from other commodity markets. The functioning of the labour market is influenced by the demographic factor, the economic activity levels of various groups of able-bodied population, the state of economic environment, the phase of the business cycles as well as the processes of international labour migration.

Modern development trends of international labour migration are: 1) the expansion of labour migration to almost all countries of the world; 2) the main direction of labour migration – from developing countries and countries with economies in transition to developed countries; 3) intensified migration processes from one developed country to another; 4) the increasing number of interstate relocations within developing countries; 5) commuting between countries with economies in transition; 6) the emergence of a new form of labour migration – the migration of scientific and technology professionals; 7) growing tendency of the intelligence outflow from developing and transition countries to developed countries; 8) increase in the proportion of “young migration”; 9) expansion of illegal migration [7]. Moreover, globalization, demographic shifts, political conflicts, income inequalities, and climate changes are the factors which stimulate the growth of migration processes. All countries of the world are involved in the international exchange of labour resources as importers and exporters of labour.

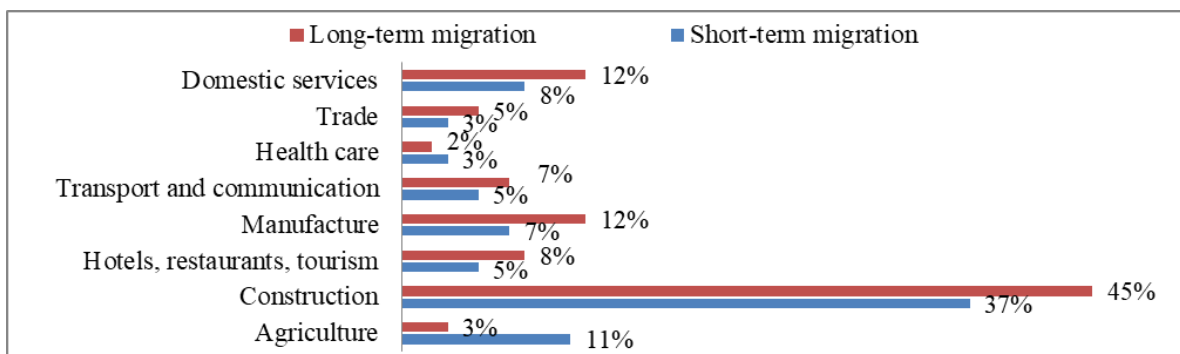
According to the International Labour Organization (ILO) in 2017 there were 243.7 million international migrants in the world accounting for about 3% of the world's population. The survey of the migrants distribution by industry showed that most of the labour migrants were employed in the service sector around 189.8 million people (71.1% of the total labour migrants) with about 7.7% working as domestic workers while the rest 63, 4% in other services. Migrants, working in industry (including manufacturing and construction) constitute 26.7 million people (17.8%), in agriculture – 16.7 million people (11.1%). Labour migration is a phenomenon that occurs in all regions of the world but almost half of migrants (48.5%) live in North America, North, South and Western Europe. More than one-tenth of all migrant workers (11.7%) stay in the Middle East countries. Eastern Europe accounts for 9.2% of labour migrants, South East Asia and the Pacific region – 7.8%, South Asia – 5.8%, Sub-Saharan Africa – 5.3%, Central and Western Asia – 4.7%, East Asia including China – 3.6%, Latin America and Caribbean countries – 2.9% and North Africa – 0.5% [3].

Today, Ukraine produces the largest number of labour migrants among donor countries of the post-Soviet area. This indicator is particularly alarming because of the depopulation of the Ukrainian ethnic group – low fertility and high mortality. According to the official sources, from 1 to 5 (by the most realistic estimates, at least, 7 million) Ukrainian labour migrants work abroad. From the point of view of the demographic aspect, Ukraine is experiencing a natural population decline and aging of the nation. Over the past 5 years, there has been a negative population growth and the population of Ukraine has decreased by 3,157,782 people [6]. The latest Research & Branding Group study showed that in December 2017, 34% of the population was ready to leave Ukraine forever. In comparison with February 2016, migration attitudes (миграционные настроения) increased by 6% [5].

The formation of an open-type market economy in Ukraine and globalization determine the expansion of employment opportunities abroad. The recently introduced visa-free regime significantly increases the mobility of labour resources. The migration policy of European countries also creates favorable market access conditions for Ukrainian workers. For

example, the Czech government doubles the quota for the admission of workers from Ukraine up to 19.6 thousand people a year. Poland allows Ukrainians who come under the visa-free regime to take up temporary employment [1].

The most popular countries for Ukrainian labour emigrants are: Poland, Russia, the Czech Republic, Germany, Italy, Kazakhstan and Belarus. The main areas of employment for Ukrainian workers abroad are, first of all, construction (men) and work in households (women) as well as services and agriculture [4].



Source: *International Organization for Migration (IOM)* [4].

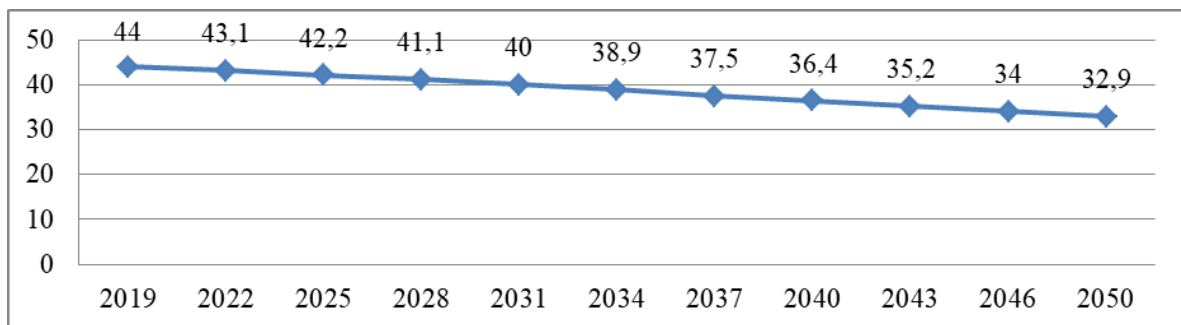
Fig. 1. The branch employment structure of Ukrainian migrants abroad in 2017

The main emigration reason for 31% of Ukrainians was the lack of decent wages. According to the International Labour Organization research, the average monthly earnings of one labour migrant were \$ 750, and the salary of one full-time employee employed in the economy of Ukraine in 2017 was \$ 260. For 27% of emigrating Ukrainians, the armed conflict was a contributory factor. The other reasons are economic problems in the country (19%), family circumstances (18%), the lack of conditions for self-realization (9%) and political instability (7%) [5].

The positive effects of labour emigration for Ukraine include: income generation from migrant remittances, acquaintance with advanced technologies and production organization, skills development etc. The negative consequences of the emigration of labour include the following:

- lack of economically active population in most regions of the country;
- deformation of the industrial and economic structure of production, especially in the regions of Western Ukraine with over 30% of industrial and 60% of agricultural enterprises experiencing a shortage of qualified workers [3] such as locksmiths, mechanics, electric welders, turners, carpenters, and highly skilled workers in construction and shipbuilding industry;
- increasing ratio of non-working population to the working population;
- the intelligence, knowledge and experience of the Ukrainians of working age are used for economic growth of the other states so that not only the funds invested in the training and professional development of specialists are lost but also the benefits that their work could bring for the development of Ukraine.

The figure below illustrates the probable shortage of labour resources according to the Institute of Demography and Social Research of the National Academy of Sciences of Ukraine which warns that if fertility, life expectancy and external migration remain at the current level, then in 20 years (by 2037 compared to 2017) the number of Ukrainians will decrease by 5 million people. [2].



*Source: Institute of Demography and Social Development of the National Academy of Sciences of Ukraine [2].*

Fig. 2. The forecast of the population of Ukraine maintaining the same fertility rates, life expectancy and external migration (million people)

To sum up, external labour migration has become a natural phenomenon for any state taking into account the global development trends of the international labour market regarding the free movement of labour and a single labour market for European countries. However, for Ukraine, labour emigration is a problem since it has acquired an unreasonably large scale and in the medium term it can become an obvious threat to national security and a real deterrent to economic development.

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**US SANCTIONS AGAINST IRAN:  
MANIPULATION  
OF INTERNATIONAL LEGAL PRINCIPLES**

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**Kalchenko V.Y., Kalyuzhna A.B. US sanctions against Iran: manipulation of international legal principles.** This article provides a detailed outline of the current crisis in the international legal relations realm caused by imposing anti-Iran sanctions on the part of the United States. The intentions of Washington aimed to manipulate international legal principles are identified. The legal decision of the International Court and the response of the international community to the crisis of US-Iran conflict relations are outlined.

**Key words:** convention, international court, international treaty, legal crisis, legal nihilism, resolution, sanctions.

**Кальченко В.Ю., Калюжна А.Б. Санкції США проти Ірану: маніпуляція міжнародними правовими принципами.** У статті надано детальний огляд нинішньої кризи у сфері міжнародно-правових відносин, спричиненої введенням антиіранських санкцій з боку США. Визначено наміри Вашингтону, спрямовані на маніпулювання міжнародно-правовими принципами. Розглянуто правове рішення Міжнародного суду та реакцію світової спільноти на кризу конфліктних відносин США та Ірану.

**Ключові слова:** конвенція, міжнародний договір, міжнародний суд, правова криза, правовий нігілізм, резолюція, санкції.

**Кальченко В.Ю., Калюжная А.Б. Санкции США против Ирана: манипуляция международными правовыми принципами.** В статье дан подробный обзор нынешнего кризиса в сфере международно-правовых отношений, вызванного введением антииранских санкций со стороны США. Определены намерения Вашингтона, направленные на манипулирование международно-правовыми принципами. Рассмотрено правовое решение Международного суда и реакция мирового сообщества на кризис конфликтных отношений США и Ирана.

**Ключевые слова:** конвенция, международный договор, международный суд, правовой кризис, правовой нигилизм, резолюция, санкции.



The legal nihilism is often spoken of at the highest level: we face a total underestimation of the law, and this is the reason why our society experiences some difficulties. The desire to completely change the existing legal system and the manipulation of the legal matter lead to global political and socio-economic miscalculations. In this aspect one may study the situation regarding the legal crisis, that has appeared recently in the relations between the US and Iran. On the part of the White House legal nihilism may cause Washington's withdrawal from the jurisdiction of the International Court of Justice and become the beginning of the destruction of the foundations of international legal relations.

The aim of this study is to provide a legal assessment of Washington's disregard for international law after the decision of the International Court of Justice in favor of Iran and determine the political and legal consequences of the US anti-Iranian sanctions on Iran and on the whole world.

The object of the article is the current legal crisis resulting from US ignoring the norms of international law in relation to Teheran. The subject includes anti-Iranian sanctions that violate the foundations of international legal relations and the balance in international diplomacy.

Results of research. It is to be emphasized that the beginning of tension in relations between the US and Iran appeared in May 2018, when the US unilaterally withdrew from the Nuclear Deal in 2015 (JCPOA – a joint comprehensive plan of actions). President Donald Trump accused Iran of continuing the development of nuclear weapons and not implementing the action plan of the agreement [1].

In August 2018, American sanctions against Iran were imposed: trade in gold and precious metals, aluminum and steel, coal and graphite with Iran was banned; operations with Iranian currency and debt obligations were stopped; purchase of US dollars by the Iranian government was prohibited [1].

The second wave of sanctions that began on the 5<sup>th</sup> November 2018, was aimed at the economic undermining of the Iranian oil industry, which provided Teheran with about a third of all state revenues. Under the sanctions were air and sea traffic of Iran and the banking sector. The international financial information transfer system SWIFT informed the US

authorities about the disconnection of the Iranian Central Bank and other financial institutions of the country from its messaging service [1].

It should be noted that the countries (USA, Russia, Great Britain, China, France, Germany), which signed the agreement on the Iranian nuclear program, said that they would organize a new payment mechanism for trade with Teheran. It will allow the EU, Russia and China to trade with Iran bypassing Washington's sanctions. According to the head of diplomacy of the European Union Federica Mogherini, the new payment mechanism will help representatives of European and world business, as well as oil companies to trade with Iran, without relying on the US market and the US currency [2].

However, through the pressure and aggressive rhetoric of the United States, Teheran had no choice but to appeal to the Hague International Court of Justice, established by the UN Charter to achieve one of the main goals of the UN "to maintain international peace and security and to that end: to take effective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace» [3].

The peak of tension between the US and Iran came on July 16, 2018, when Teheran filed a complaint with the International Court of Justice to bring Washington to justice for the illegal re-imposition of sanctions unilaterally. The goal stated by the representatives of Iran is the complete abolition of anti-Iranian sanctions, which are contrary to international law. The Iranian Foreign Minister said: "Despite the fact that the US shows disrespect for diplomacy and its legal obligations, Iran remains committed to the rule of law. It is important to oppose their (US) habit of violating the international law» [4].

The objects of the dispute in court were possible violations by the United States of the Agreement between Iran and the United States "on friendship, economic relations and consular rights" of 1955. This agreement enshrined the legal principle of the greatest assistance to individuals and legal entities on both sides, and was aimed at strengthening trade relations between the two countries. Consequently, the restored US anti-Iranian sanctions violated this legal principle [5].

The hearings were held in the UN court from 27 to 30 August 2018. The US asked the International Court of Justice to reject Iran's claim to return the funds in the amount of \$ 1.75 billion that are stored in US banks and were frozen in 2016 at the request of US judges. Teheran was forced to appeal to the UN court, as the United States did not provide Iranian companies with "freedom to dispose of their property", as well as "freedom of access to American courts» [5].

On October 3, 2018, the court issued a preliminary decision – the International Court of Justice partially satisfied Iran's claim to the United States over the resumption of sanctions. According to the court, Teheran and Washington did not take sufficient measures to resolve the dispute by diplomatic means. The decision states that, in accordance with the provisions of the Treaty of Friendship of 1955, the United States must remove all obstacles that appeared after May 8, 2018, for the free export to Iran of medicines and medical equipment, fertilizers and agricultural products, spare parts and equipment, in particular, to ensure the technical serviceability and repair necessary for the safety of civil aviation. The court ruled that the United States should not prevent the issuance of licenses and permits, limit payments and remittances, if they relate to the above-mentioned goods and services [6].

On the same day, the White House's reaction to the decision of the International Court of Justice was radical: US President's adviser on national security John Bolton said that the US was withdrawing from the optional protocol to the Vienna Convention on Diplomatic Relations of 1961; US Secretary of state Michael Pompeo announced the withdrawal of the United States from the Treaty of friendship with Iran in 1955 and accused Teheran of using the UN judicial body for political purposes [7]. With this step, Washington began to review all international agreements that may introduce the United States under compulsory jurisdiction to resolve disputes in the International Court of Justice. According to the protocol, the signatories undertake to resolve disputes between States relating to the Vienna Convention in the UN court [8].

Based on the above facts, it should be said that the US decision to withdraw from transactions related to the International Court of Justice and the Treaty of Friendship with Iran is a direct consequence of the interim

verdict of the UN court not to the benefit of the White House. The radical decision of the American leadership regarding international treaties reflects ignoring the rules of international law by the Trump administration.

What is more, the decision of the International Court of Justice is binding but what are the consequences if any of the parties refuses to comply? In this case, either party has the right to raise the issue in the UN Security Council, because the UN Charter gives the Security Council the power to decide how to ensure the implementation of the verdict of the Court. The countries of the world have always complied with the Court's decision, because the jurisdiction of the Hague International Court of Justice over any case is based on the consent of states [7].

It should also be noted that the application of sanctions on the basis of Resolution 56/83, "Responsibility of States for internationally wrongful acts", approved by the International Commission of the United Nations in 2002, should be carried out under specific conditions. According to Article 50 "Obligations not related to countermeasures", countermeasures must not be accompanied by violence or threat of violence, must not violate basic human rights and relevant laws [9]. According to this principle, the US unilateral sanctions against Iran completely violate the principle of peaceful coexistence of States. According to this principle, Washington is obliged to adhere to international political principles – legal equality, non-interference, interaction, friendship, respect for the independence of countries in the international community. Thus, legal nihilism on the part of the United States demonstrates disregard for UN Security Council Resolutions.

**C o n c l u s i o n .** History shows that the United States has repeatedly applied sanctions against Iran, encouraging the world community to do the same. They are a heavy burden not only for Iran, but also for other economically related countries. It is worth emphasizing that in the world there is respect for the right of states not to agree with each other, but human rights violations of ordinary people from Iran should not be used as a means of political pressure on the state. This is illegal under international human rights law. The assessment is clear that anti-Iranian sanctions violate the foundations of international legal relations and the balance of international diplomacy. The irresponsible behavior of the United States requires a collective response by the international community

to support the rule of law, to prevent the undermining of diplomacy and to protect the multilateralism of legal relations. It is much wiser for the international community not to bring the situation to the stage of new waves of economic sanctions against Iran or armed conflict, but to concentrate on peaceful judicial solutions to this problem.

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## GLOBALIZATION PROCESSES IN THE INTERNATIONAL TOURISM

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**Kalinichenko K.V., Shulha N.V., Saprun I.R. Globalization processes in the international tourism.** The article is devoted to main forming factors of the globalization's process in the international tourism. The characteristics of the integration processes have been provided. The hotel networks as well as the adoption of the new information and telecommunication technologies has been considered. The features of the development of the international tourism have been analyzed.

**Keywords:** globalization, hotel networks, information and telecommunication technologies, integration, international tourism, tourism services.

**Калініченко К.В., Шульга Н.В., Сапрун І.Р. Процеси глобалізації в міжнародному туризмі.** Стаття присвячена основним факторам прояву процесів глобалізації у сфері міжнародного туризму. Надана характеристика інтеграційних процесів. Розглянуто готельні мережі та впровадження новітніх інформаційно-телекомунікаційних технологій. Проаналізовано особливості розвитку міжнародного туризму в контексті глобалізації.

**Ключові слова:** глобалізація, готельні мережі, інтеграція, інформаційно-телекомунікаційні технології, міжнародний туризм, туристичні послуги.

**Калиниченко Е.В., Шульга Н.В., Сапрун И.Р. Процессы глобализации в международном туризме.** Статья посвящена основным факторам проявления процессов глобализации в сфере международного туризма. Предоставлена характеристика интеграционных процессов. Рассмотрели отельные сети и внедрение новых информационно-телекоммуникационных технологийю. Проанализированы особенности развития международного туризма в контексте глобализации.

**Ключевые слова:** глобализация, интеграция, информационно-телекоммуникационные технологии, международный туризм, отельные цепи, туристические услуги.

The o b j e c t of the research is globalization process in the international tourism. The s u b j e c t is the characteristics of the integration processes. The p u r p o s e of the study is to analyze the main forming factors of the globalization's process in the international tourism. The m a t e r i a l s of the study was derived from online resources devoted to the globalization process.

The domination of globalization tendencies in international economic relationship development became popular at the beginning of XXI century. The world market of products and services has turned into unified economic space. It is inhered of the development of single segment, which became an appropriate effect of the processes of internalization, transnationalization and international cooperation.

Due to high dynamics of the development of tourism, service sphere takes up a special position in the structure of international trade and applies to one of the biggest branches of the world. Tourism service left behind other products which formed a structure of international trade until recent times. More and more people are employed in tourism every year. Tourism trips have become the main type of the rest for a considerable number of people. Significant changes in the sphere of information and telecommunication technologies contributed to the improvement of efficiency and perfect work of tourism companies as well as the development of means of transport and communications. This in turn makes tourism more available for people. [2] In tourism trade business the opportunities of the internet are so widely used that trade in services is developed online. For example, applying of the newest information and telecommunication technologies in tourism is global computer reservation systems for tourism services, from pre-order a room at the hotel to flight booking, railway movings, purchase of the package tours, to booking tickets for football matches or concerts in holiday domains and cars rent. The most famous systems are Amadeus Global Travel Distribution and Galileo. It also contributes to the intensification of globalization trends in the world development, an increase in the degree of economic and political "openness" of countries and simplification formalities, associated with cross-border movements of people. [1]



Integration processes that are a part of globalization processes have captured international tourism in recent years. The development of international tourism business is characterized by the establishment of partnership interaction models, stacking franchising contracts and management contracts. A factor of stacking franchising contracts became decisive in establishment of such reputable companies as "Holiday Corporation", "Sheraton", "Hilton". Nowadays the largest companies that work under franchise agreement in hospitality are "Hospitality Franchise System", "Choice Hotels International", "Holiday Inn Worldwide". In restaurant business the largest companies are "McDonald's", "Burger King", "Kentucky Fried Chicken", "Pizza Hut". [3]

The transition of international tourism to the global stage of its development was caused by the specifics of the market conjecture of a particular historical stage. As global tourism companies aimed at reducing the cost of the tourism package and increasing the guarantee of providing top quality tourism service, as well as increasing the attractiveness of travel trade business for investors due to the mass nature of international tourism and the growth of the scale effect in it.

Global international tourism can be defined as a socio-economic phenomenon, which depends not only on internal, but also on external factors, whose content is determined by the global community, whose members are related to each other in all spheres of public life, including economics, politics, ideology, culture, social sphere, ecology and safety.

In conditions of globalization, the factors of the tourist market are conditionally classified into global and local, with the role of the first as a factor of the development of inbound tourism in the host region is most significant. The emergence of global factors in the international tourist market (capital, global brands, technologies, and the ability to influence consumer consciousness) has led to the fact that no national tourism economy, regardless of its size and level of development, cannot become self-sufficient, based on existing factors of production, without taking into account priorities and norms of behavior of the main participants of world economic activity (including tourist multinational corporations and supranational tourist associations and associations).

International tourism affects such key sectors of the economy as transport and communications, trade, construction, agriculture, and the production of consumer goods, acting as a kind of catalyst for socio-economic development. It employs more than 270 million people, that is, every ninth in the world who works. [5] The following figures indicate the role of tourism in modern world development. According to the World Tourism Organization (UNWTO) and the International Monetary Fund, tourism since 1998 has taken the first place in world exports of goods and services, leaving behind the automotive industry, the production of chemical products, food, computers and fuel. In other words, as we have already noted, the tourist product became the most active product sold in the world. The average growth rate of tourism in the past 35 years was more than 7% per year, which is much higher than the average annual growth rate of the global economy as a whole. According to UNWTO predictions, the dynamics of tourism growth will continue in the next decades. By 2020, the number of international tourist arrivals should increase by more than twice compared with 2000, even more and the income from tourism should increase 4 times. For the period from January to August 2017, 901 million international tourist arrivals were registered, which was 56 million more than during the same period in 2016.

According to UNWTO, there was a significant increase in Africa (+ 9%) and Europe (+ 8%) followed by Asia and the Pacific (+ 6%), the Middle East (+ 5%) and the Americas (+ 3%). [4]

In the conditions of the post-industrialization of the world economy and the intensification of the processes of globalization of economic, political, cultural and social spaces, international tourism is becoming one of the leading industries that is dynamically developing in the world economy and is an important segment of the world market. Contemporary international tourism plays a significant role in shaping the GDP of many countries of the world; it is a source of additional jobs and employment, promotes foreign exchange earnings and optimizes foreign trade balance. International tourism influences on the main sectors such as agriculture, construction, transport, communications, consumer goods, and serves as a kind of catalyst for the development of the entire world social and economic environment.

International tourism from the very beginning of its occurrence is in the avant-garde of global trends, as a type of activity it involves the mandatory involvement of the factors of various state affiliations into the production process, requires the creation of a single information, legal, cultural space. Finally, it should be noted that due to its ambiguity and many-sidedness, the definition of all interconnections and interdependencies in the problem of distinguishing globalization trends in the development of international tourism it objectively requires further integrated research.

Summarizing, as a result in modern conditions globalization of international tourism has become one of its key characteristics, a qualitatively new stage in the development of the world tourism market, which in general meets the conditions of world economic development. The main components of the globalization of international tourism include the expansion of international economic ties in tourism sphere, the growth of internationalization of tourism production's factors (through increased direct and portfolio foreign investment, the exchange of knowledge and technology, removal of migration restrictions, etc.), the spread of TNCs in the tourism business (the characteristics of which are the interchangeability and interdependence of the organizational structure, their orientation to information resources and to the high consumption markets).

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## **SYSTEME MODERN DE STOCKAGE DANS LES RELATIONS INTERNATIONALES AVEC LES BASES DE DONNÉES**

*E.Y. Kalnytska, L.A. Doudka (conseiller linguistique)  
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**Kalnytska E.Y., Dudka L.A. Modern stockage system via databse in international relations.** The work is devoted to the system of collecting and storage of big data with the help of the Anchor Modeling in international relations, particularly in embassies, international news agencies and state institutes. The Anchor Modeling structure, its elements and benefits are examined. The main features in the construction are noted and where the system can be used.

**Key words:** Anchor Modeling, supplying of information security, information society, data storage, international relations.

**Кальницька Е.Ю., Дудка Л.А. Сучасна система зберігання даних за допомогою баз даних у міжнародних відносинах.** У роботі розглянуто систему збору та зберігання великих об'ємів даних Anchor Modeling (Якірне Моделювання) у сфері міжнародних відносин, а саме у посольствах, міжнародних інформаційних агенствах та державних інститутах. Досліджено структуру Anchor Modeling, елементи та переваги цієї системи. Відзначені головні особливості в побудові та де може використовуватися.

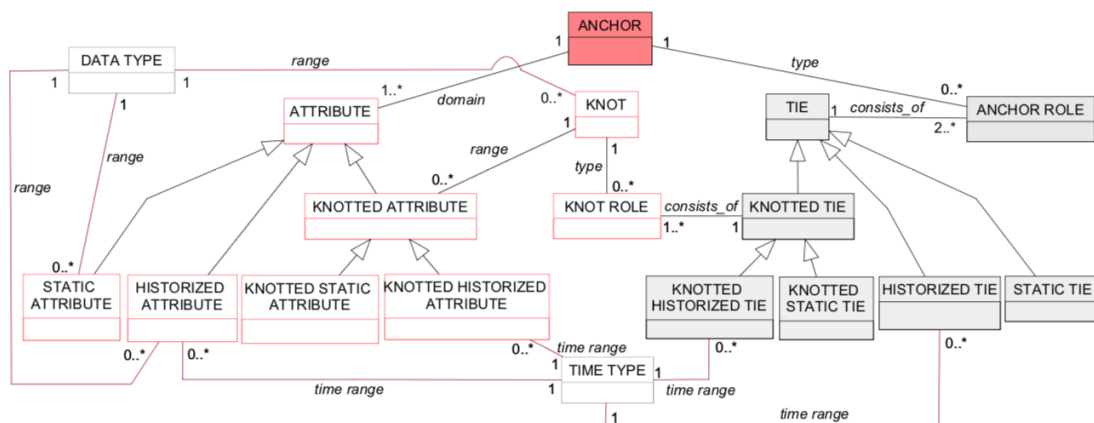
**Ключові слова:** Anchor Modeling, забезпечення інформаційної безпеки, інформаційне суспільство, збереження даних, міжнародні відносини.

**Кальницкая Э.Ю., Дудка Л.А. Современная система хранения данных с помощью баз данных в международных отношениях.** В работе рассмотрена система сбора и хранения больших объемов данных Anchor Modeling (Якорное Моделирование) в сфере международных отношений, а именно в посольствах, международных информационных агентствах и государственных учреждениях. Исследована структура Anchor Modeling, элементы и преимущества этой системы. Отмечены главные особенности в построении и где может использоваться.

**Ключевые слова:** Anchor Modeling, обеспечение информационной безопасности, информационное общество, хранение данных, международные отношения.

Aujourd'hui dans des relations internationales des millions de textes, d'accords, de lettres existent qui gardent les secrets de correspondance, les relations entre les gouvernements. Par conséquent, chaque état devrait rationaliser la documentation, comme dans la bibliothèque. À cette étape d'évolution, les ambassades, les agences de presse internationales, les autorités d'état créent les systèmes de bases de données pour stocker l'information.

Un des derniers systèmes de stockage d'information dans bases de données est Modélisation d'Ancre (Anchor Modeling). Modélisation d'Ancre est une technologie de modélisation de base de données flexible, adaptée aux informations évoluant dans le temps, tant en termes de structure que de contenu.



Dessin 1. Le métamodèle de modélisation d'ancre exprimé dans la notation de diagramme de classe UML

La méthode de simulation utilise quatre types de tables:

- Ancre;
- Attribut;
- Lien;
- Nœud.

Une ancre détient l'identité d'une entité dans l'entrepôt de données. L'identité est techniquement clé de substitution générée, plutôt que la clé naturelle.

Les attributs appartiennent toujours à un ancre. Ils détiennent attribut réel valeurs qui peuvent être utilisées pour décrire l'entité dont l'identité est stockée dans l'ancre. La valeur stockée dans un attribut est fortement typé et peut être de tout type de données. Si un attribut stocke l'information de temps, il est attribut historisé. Un attribut historisé a un double contour. Un attribut statique épineux est utilisé pour représenter des relations entre les ancres et les noeuds, c'est-à-dire relier une ancre aux propriétés qui peuvent prendre seulement un fixe, typiquement petit, le nombre de valeurs. Un attribut historisé épineux est utilisé quand la relation avec une valeur de noeud n'est pas stable, mais peut changer au fil du temps.

Un lien est les relations entre les ancre. Un lien contient les identités de les ancres adjacentes. habituellement deux, mais peut être un n-tuple. Si un attribut stocke l'information de temps, il est lien historisé. Un lien historisé a un double contour.

Le noeud est immuable, généralement petit, un ensemble de valeurs d'attribut uniques. Les noeuds sont utilisés pour taper, représentant des états ou valeurs de domaine.

On peut résumer tous les avantages de la méthodologie et les divisant en trois groupes principaux.

- **Facilité de modélisation:**

1. Notation graphique pratique (représentation graphique séparée pour tous quatre composants).
2. Modélisation flexible. Possibilité de concevoir un modèle progressivement, s'adapter à l'évolution constante des besoins. Possibilité de mettre en œuvre un modèle au coup par plusieurs développeurs séparément, sans se toucher mutuellement possibilité d'intégration ultérieure dans un modèle unique.
3. Réutilisation. Toutes façons de composants sont créés dans le même type, ils ont presque la même structure. Si nécessaire le modèle peut être rapidement reformé.

- **Commodité de service:**

1. Facilité de modification des champs. Les modifications historiques sont traitées au niveau de champs individuels (attributs), pas des

lignes entières. Les relations entre les entités sont également stockées dans tableaux séparés.

2. La facilité d'exécution des requêtes temporelles. La capacité de prendre en compte modèle en trois projections temporelles (moment, intervalle, dernière) en utilisant fonctions et vues.
3. Mise à jour facile des nouvelles données. Nouveau modèle de mise à jour des données, non en supprimant les anciennes versions. La mise à jour de tableaux en ajoutant nouvelle information indépendante de l'ancienne.
4. L'absence de valeurs NULL.

- **Haute performance:**

1. Grande rapidité d'exécution des requêtes grâce à la redondance des données minimale due à une forte normalisation qui contribue raccourcir le temps d'exécution de la requête.
2. Stockage efficace. Nombre minimal de colonnes significatives dans les tables, pas de null, évitant la duplication de données par changement de suivi.
3. Accès parallèle. L'absence de instructions DELETE et UPDATE supprime la nécessité de verrouiller les rangées, réduisant ainsi le risque d'anomalie sous la forme emboîtement. Le nombre minimum de colonnes dans la table est également parallélise l'accès aux attributs individuels.

Comme le résultat, nous voyons que pour le stockage des grandes quantités des données où peuvent se faire des changements au fil de temps ou non, qui est très caractérisé pour les relations internationales, ce système correspond parfaitement. Malheureusement, la majorité d'ambassades gardent le silence de ses systèmes de stockage, parce que c'est un sujet de sécurité et chaque pays crée son système personnel.

**THE ANALYSIS OF THE HOTEL INDUSTRY IN SPAIN.  
THE STATE AND PROSPECTS OF DEVELOPMENT**

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**Karahozian E.A., Podlepina P.O., Saprun I.R., Analysis of the hotel industry in Spain. State and prospects of development.** The article is devoted to the topicality of hotel industry development in Spain, as well as its problems and perspectives. The author of the article aims to find out the features of the organization and functioning of the tourism market in Spain, hotel industry of this country, as well as to trace its development trends. The subject of the study is the mechanism of the functioning of the tourism and hotel industry of Spain. At present, the development of the tourism and hotel industry is one of the topical issues of the world economy.

**Key words:** economy, hotel industry, prospects of development, tourism, tourism industry.

**Карагъозян Е.А., Подлепіна П.О., Сапрун І.Р. Аналіз готельного господарства Іспанії. Стан та перспективи розвитку.** Стаття присвячена актуальності розвитку готельного господарства Іспанії, а також його проблемам та перспективам. Автор статті ставить за мету виявити особливості організації та функціонування туристичного ринку Іспанії, готельного господарства цієї країни, а також простежити тенденції його розвитку. Предметом дослідження є механізм функціонування готельного господарства Іспанії. В даний час розвиток туристичної індустрії та готельного господарства є одним з актуальних питань світової економіки.

**Ключові слова:** готельне господарство, економіка, перспективи розвитку, туризм, туристична індустрія.

**Карагёзян Э.А., Подлепина П.А., Сапрун И.Р. Анализ отельного хозяйства Испании. Состояние и перспективы развития.** Статья посвящена актуальности развития отельного хозяйства Испании, а также его проблемам и перспективам. Автор статьи ставит целью выявить особенности организации и функционирования туристического рынка Испании, отельного хозяйства этой страны, а также проследить тенденции его развития. Предметом исследования является механизм функционирования отельного



хозяйства Испании. В настоящее время развитие туристической индустрии и отельного хозяйства является одним из актуальных вопросов мировой экономики.

**Ключевые слова:** отельное хозяйство, перспективы развития, туризм, туристическая индустрия, экономика.

Tourism is a complex socio-economic and political phenomenon, which greatly affects the world nowadays. The importance of tourism in the world economy is constantly increasing, due to the growing influence of this industry on the economy of many countries of the world, where it performs a number of important functions. International practice shows that, thanks to the effective development of the tourism sector itself, a number of countries have overcome the economic downturn, reduced regional stratification and strengthened its position on the international arena. [1]

Tourism is one of the main sectors of the economy of Spain. Provision of tourist services has led to the development of hotel business. The aim of the article is to find out the features of the organization and functioning of the tourism market in Spain, peculiarities of hotel industry of this country, as well as to trace its development trends. The subject of the study is the development of the tourism and hotel industry which is one of the topical issues of the world economy. The object of the research is the mechanism of the functioning of the tourism and hotel industry of Spain.

The hotel business industry is a large independent economy, consisting of a group of industries and enterprises whose function is to meet the diverse demand for various types of recreation and entertainment. One of the main types of tourism services is the hotel. The hotel is a building or a complex of buildings with a complex 24-hour technological process in which customers are guaranteed the provision of rooms and additional services aimed at the comfortable, convenient and safe consumption of hotel products.

The hotel sector in Spain is well-developed. The accommodation here is divided into hotels and boarding houses. The hotels include:

- usual hotels (institutions providing accommodation or service, or without it)
- hotel apartments (institutions with equipment for storage, processing and consumption of food)
- motels (accommodation facilities, garage and separate entrance, the feature is that they are located near the highways).

An integral element of the hotels in Spain is the sign at the entrance to the building which indicates the group and category. The signboard of the hotel is made of metal in the shape of a rectangle, on a blue background there is the number of stars that should correspond to the assigned category. Gilded stars are designed for hotels and apartments, while silver ones for mini-hotels and boarding houses. The category of the accommodation facility and its type must be indicated in the accounts and receipts, advertising and mass media.

Taking into account the construction and technical characteristics, quality of equipment and services offered in different groups and categories, the accommodation facilities of Spain are divided into 4 groups:

- 1 – hotels of category 5, 4, 3, 2, 1 stars;
- 2 – mini-hotels and boarding houses 3, 2, 1 stars;
- 3 – guest houses, without category;
- 4 – hotel apartments 4, 3, 2, 1 star.

Taking into account all the criteria, the Spanish official system also establishes an additional classification and requirements for accommodation facilities, depending on location and seasonal work:

- located on the beach, in the mountains, railway stations;
- depending on the seasonal operating hours;
- providing food services;
- motels.

In promotional and informational materials, additional information on accommodation facilities included in these additional categories is provided: distance from the sea, minimum altitude, features of hotels in the mountains, etc.

Motels define a wide range of additional requirements. They include:

- availability of a separate entrance for each garage building;

- the location of rooms should be in a separate building or separate entrances;
- presence of round-the-clock work of catering establishments;
- illuminated sign with information about the number of free places near the motorway.[2]

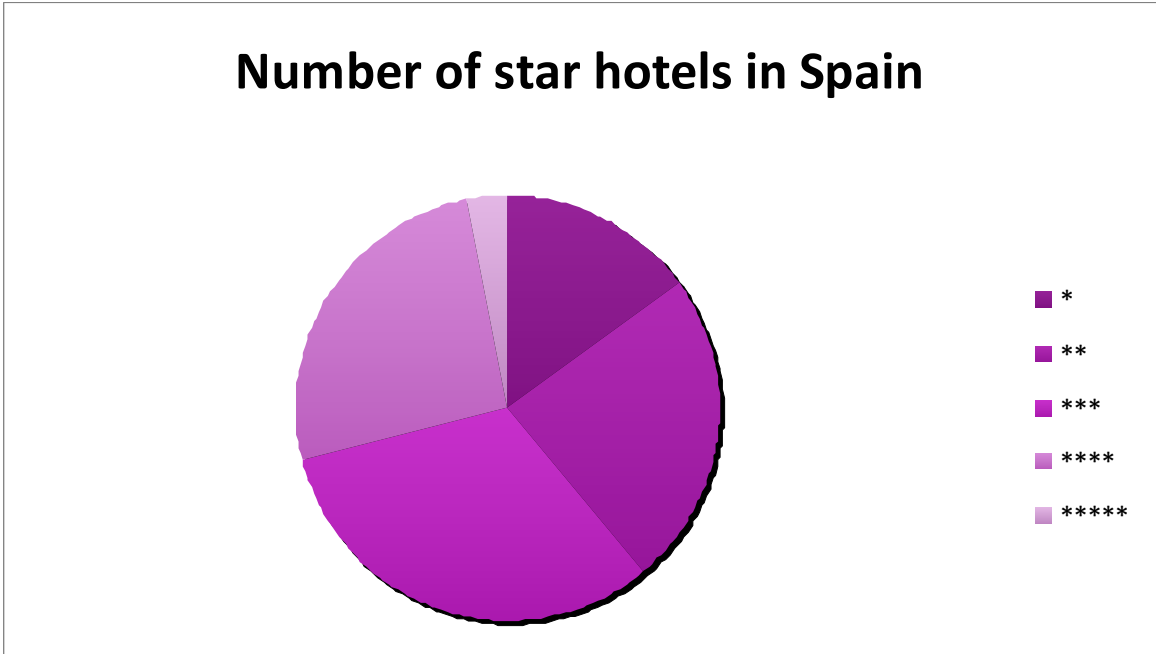
Spain's tourist infrastructure is well-developed and has quality and diversity. According to the Spanish National Tourism Institute, there are more than 11 thousand hotels in Spain, 1872 of which are in the category of four and five star. They make up about 16% of all Spanish hotels and almost a third of the total number of accommodation. 144 thousand employees work in this sector. In general, the total number of accommodation in Spain is 1.04 million, of which 86% belongs to hotels. The largest number of hotels is located in Catalonia (1197 hotels), and the largest number of places is offered by the Balearic Islands (301,957). There are also 58.8 thousand restaurants and 226 thousand bars, 172 golf courses, 27 ski resorts, and 226 sports ports for sailing activities. Tourists are served by 2,999 travel agencies with affiliates.[2]

According to a recent poll, 71% of tourists preferred to stay in hotels (34.1 million people). Relatives and friends accommodated 15% of tourists (7.4 million). 7% of tourists stayed in the rented accommodation. The average period of residence of tourists in hotels was exactly 7 days, while the free residence (at friends, in the family or in their own house) lasted an average of 13 days, and in the temporary-occupied room – 11 days. [2]

In Spain, there is no state classification of hotels. Each region solves this issue at the local level. The differences between the regions are small, the common is still higher. Each accommodation facility must be equipped with a system of fire safety and sound announcement. The price list for services must be published on a visible place.

The quality of Spanish hotels is well-known around the globe. Hotels are classified by a system of one to five stars, as well as Grand Luxe. Most of the hotel's fund are from two-to four - star hotels.

### Number of star hotels in Spain

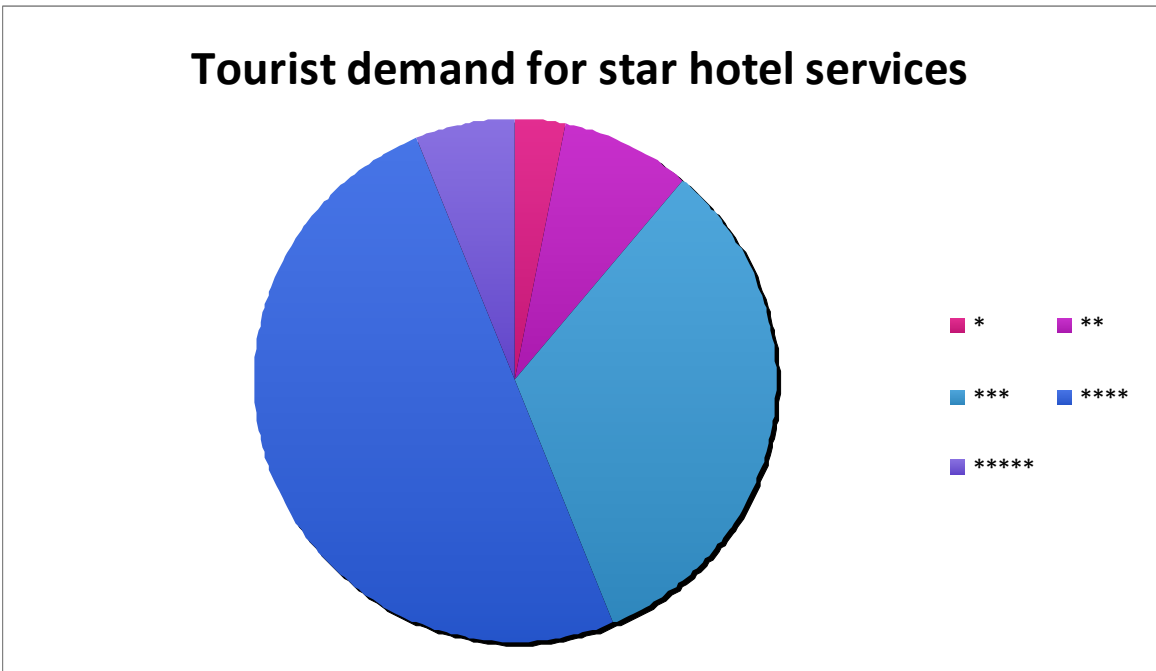


Source: [3]

Fig. 1.1. The number of star hotels in Spain in 2013

Among the classical star hotels, \*\*\*\* and \*\*\* star hotels are in greatest demand (about 83%).

### Tourist demand for star hotel services



Source: [3]

Fig.1.2. Tourist demand for star hotel services in 2013

In the present circumstances, with the growing supply and demand of tourist services in Europe and in the world and the intensification of competition between different countries for the attraction of tourists to their territories, Spain has the advantage of enormous recreational resources and a very effective tourism sector, even despite some decline in competitiveness at the beginning of the XXI century. In the long run, the rivalry between Spain and other Mediterranean countries in the tourist services market will intensify. And success in competition will greatly depend on the prices of travel services, as well as on their quality (value for money). [4]

The tendencies of the development of the enterprises of the hotel industry in Spain should include:

- deepening the specialization of hotel and restaurant supply;
- the formation of more and more international hotel and restaurant chains;
- development of a network of small enterprises;
- introduction into the hotel industry of new computer technologies.[5]

The deepening of the specialization of hotel facilities is interconnected with such an important trend as the formation of international chains, which plays a vital role in the development and promotion of high standards of service.

In addition to this, to develop and improve the hotel industry, the best hotels are trying to attract the best specialists in their field of work, who would implement new technologies into hotels, offer ideas for attraction of tourists, and at the same time, make out attractive prices.

To sum up, Spain is a country with a well-developed hotel industry, for several years now this country has taken one of the first places in terms of qualitative and quantitative indicators of the hotel industry. They always try and implement various measures that are the most effective and attract the attention of tourists from many countries of the world to maintain their high ranking.

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**IMPLEMENTATION PECULIARITIES  
OF THE PROVISIONS OF THE UKRAINE-EUROPEAN  
UNION ASSOCIATION AGREEMENT  
WITHIN ECONOMIC AND TRADE COOPERATION**

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**Katrych V.A., Davydenko I.V. Implementation peculiarities of the provisions of the Ukraine-European Union Association Agreement within economic and trade cooperation.** The article provides the review of the main provisions of the Ukraine-European Union Association Agreement in the field of economy and trade as well as of the extent to which the progress has been made to fulfill obligations under this Agreement at the current stage. The main focus is on the level of the implementation of the EU legal standards into the national legislation of Ukraine.

**Key words:** association agreement, economic cooperation, European standards, harmonization, implementation, trade.

**Катрич В.А., Давиденко І.В. Особливості імплементації положень Угоди про асоціацію України з Європейським союзом щодо економічної та торговельної співпраці.** У статті здійснюється огляд основних положень Угоди про асоціацію України з ЄС у галузі економіки та торгівлі і ступеня виконання Україною її зобов'язань відповідно до цієї Угоди на даному етапі. Найбільша увага приділена стану імплементації норм права ЄС у національне законодавство.

**Ключові слова:** гармонізація, економічне співробітництво, європейські стандарти, імплементація, торгівля, угода про асоціацію.

**Катрич В.А., Давыденко И.В. Особенности имплементации положений Соглашения об ассоциации Украины с Европейским Союзом в области экономического и торгового сотрудничества.** В статье рассматриваются основные положения Соглашения об Ассоциации Украины с ЕС, касающиеся экономики и торговли, а также степень выполнения Украиной обязательств по настоящему Соглашению на данном этапе. Наибольшее внимание уделяется состоянию имплементации норм права ЕС в национальное законодательство.

**Ключевые слова:** гармонизация, европейские стандарты, имплементация, соглашение об ассоциации, торговля, экономическое сотрудничество.

The o b j e c t of the article is the Ukraine-European Union Association Agreement signed in 2014. The s u b j e c t of the article is the economic and trade components of this Agreement. The p u r p o s e of the article is to define the main provisions of the Agreement concerning economic and trade cooperation between the parties and to review the special aspects of their implementation into Ukrainian national law.

Economic, sectoral and trade parts of the Agreement do not only regulate the bilateral trade between the parties, but also provide the basis for a new model of the social and economic development of Ukraine. Thus, harmonization of the national law in compliance with the EU standards is the main legal instrument of the integration of Ukraine into the domestic market of the EU. This defines the r e l e v a n c e of the article.

The Ukraine-European Union Association Agreement (hereinafter referred to as the Agreement) is the main statutory instrument that defines the organizational, legal and institutional framework for economic cooperation between Ukraine and the EU member states. It accurately outlines the purpose, tasks and principles of the cooperation between Ukraine and the EU and imposes obligations on Ukraine to carry out wide-ranging, structural reforms. One of the most crucial components of the Agreement is the staged implementation (within 10 years) of the free-trade area (hereinafter referred to as the FTA), which started at the moment of the entry into force of the Agreement. The FTA provides for a tight cooperation in the majority of economy sectors and focuses on financial and technical support of carrying out key reforms with a view of complete adaptation of the Ukrainian legislation [1]. In order to facilitate Ukraine on this path the EU provided it with the financial help. The government of Ukraine adopted a detailed plan of implementation of the Agreement and approved ministerial plans on adopting Ukrainian legislation to the European norms [2].

Regulation of the cooperation between Ukraine and the EU states in the economic sector takes place in Titles IV “Trade and Trade Related Matters” and V “Economic and Sector Cooperation” of the Agreement [1]. These titles comprehensively regulate relations concerning economic and sectoral integration of Ukraine into the EU often referring to annexes, contains provisions on the aims, tasks, directions and forms of the cooperation between EU and Ukraine in 28 areas. In all areas of the cooperation, the exchange of



information and experience as well as providing appropriate support in the process of regulatory reforms are ensured.

The sectors of these titles contain definite lists, appropriate stages and time limits for implementation of the EU legislative acts which Ukraine has pledged to implement into its national law. They are mostly the main and most important acts of the EU law in the appropriate areas. In general, the aforementioned parts of the Agreement contain obligations to practically implement more than 300 rules of proceedings and directives of the EU as well as other EU acquis acts which include explanatory notes of the European Commission and international treaties. The time limits for the implementation are 2-3-5-7 years from the entry into force of the Agreement, with about two thirds of acts to be implemented within 2-5 years. The principles of administrative cooperation and relations regulation are also outlined [4].

For the moment, the legal and regulatory framework for ensuring the fulfillment by the Ukraine of the obligations under the Agreement includes the following major laws and regulations: Agenda of the Association between Ukraine and the EU for the Preparation and Promotion of the Implementation of the Association Agreement for 2014-2017, Plan of Actions on the Implementation of Title IV “Trade and Trade Related Matters” for 2016-2019 and Report on Carrying Out the Agenda of the Association and Association Agreement between Ukraine and the EU for January-May of 2016.

The primary conditions of creating a free-trade area between Ukraine and the EU are outlined in Chapter 1 of Title V of the Agreement. So far, Ukraine has fulfilled most of its obligations. Special measures on the import of cars to Ukraine that had been in force since 2013 as well as the import surcharge were abolished, a mechanism for the application of special protective measures in the form of entry prices and a mechanism for the application of special measures towards certain goods that must be liable to export duties were developed, rates of duties on the goods imported from the EU were reviewed [5]. However, there still are some serious obstacles to fulfilling the obligations on granting the European goods the national regime and access to the markets. They include the prohibition to export wood barrel and increase of the export duties on scrap metal, which contradicts the Agreement in the part of creating a free-trade

area, because according to this Agreement Ukraine pledged not to introduce new custom duties on export of goods.

In accordance with Article 56 of Chapter 3 “Technical barriers to trade” in order to eliminate non-tariff trade barriers Ukraine has to bring the national legislation in line with technical regulations and standardization, metrology, accreditation and market surveillance systems of the EU. In this area Ukraine has made a significant step forward. Firstly, old-fashioned GOSTs (All-Union State Standards) were abolished which led to the reduction of quantity of standards in the Ukrainian legislation. Secondly, technical regulations on computing machinery were adopted. Another important aspect of harmonization of the national law in compliance with the EU law in this area is the application of mechanisms of Agreements on Conformity Assessment and Acceptance of Industrial Goods. Though, the issue of the goods produced in Ukraine falling under several regulations remains unresolved [3].

Harmonization of food safety standards is closely linked to the technical barriers mentioned above. According to the Agreement, Ukraine is obliged to implement 255 EU laws and regulations. In 2016 the State Service of Ukraine for Food Safety and Consumer Protection started its work and replaced three previous agencies [3].

In the area of state purchases Ukraine pledged to develop and ensure an effective mechanism for conducting honest and transparent state purchases of goods and services as well as to adhere to the principles of non-discrimination, equal treatment, transparency and proportionality. At this moment, the system of state purchases has been significantly reformed and modernized. These changes include introducing the new e-purchase system ProZorro throughout Ukraine, raising the minimum purchase cost at which conduction of a tender is mandatory from 100,000 hryvnias to 200,000 hryvnias for goods and services, and from 1 million hryvnias to 1.5 million hryvnia for works. Thus, adoption of the Law of Ukraine On Public Purchases has brought Ukrainian legislation closer to European legislation on conducting electronic purchases [2].

In compliance with the obligations in the field of customs affairs, starting from January 1, 2016 Ukrainian customs issue EUR.1 shipping certificates to Ukrainian enterprisers exporting goods to the EU. In the presence of these certificates, our producers are granted privileges for payment

of customs duties. Important changes have been implemented into the Customs Code of Ukraine. The government is planning to expand the list of the objects of the right of intellectual property that are protected when being moved across the customs border of Ukraine, as well as the range of persons who can ask for the protection of the intellectual property rights [4].

**C o n c l u s i o n .** At this stage, the government of Ukraine is generally fulfilling its obligations in the relevant areas of the Agreement in accordance with the existing implementation schedules: in particular, the most harmonized areas are the areas of state purchases and technical standards for industrial goods. However such areas as competition, sanitary and phyto-sanitary measures, etc. require significant improvements. There are many bills concerning the abovementioned areas waiting to be reviewed by the Supreme Rada which are intended to implement the legal provisions of the EU acts into the national law of Ukraine in accordance with the Association Agreement.

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## **EIGENSCHAFTEN DER SUPRASTAATLICHEN REGULIERUNG DES BINNENMARKTES IN DER EU**

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**Katrytch W.A., Pirog I.I. Eigenschaften der suprastaatlichen Regulierung des Binnenmarktes in der EU.** Der Artikel beschreibt die Merkmale des Binnenmarktes in der Europäischen Union und die Besonderheiten seiner Funktion. Die wichtigsten Instrumente und Institutionen der EU, durch die ihre Regulierung durchgeführt wird, werden ebenfalls analysiert.

**Schlüsselwörter:** Binnenmarkt, europäische, Standarten, Europäischen Union, freier Verkehr, Harmonisierung, suprastaatlichen Regulierung.

**Катрич В.А., Пірог І.І. Особливості наддержавного регулювання внутрішнього ринку в ЄС.** У статті розкрито характерні риси внутрішнього ринку Європейського Союзу та особливості його функціонування. Здійснено аналіз основних інструментів та інститутів ЄС, які забезпечують його регулювання.

**Ключові слова:** вільний рух, внутрішній ринок, гармонізація, Європейський союз, європейські стандарти, наддержавне регулювання.

**Катрич В.А., Пірог І.І. Особенности надгосударственного регулирования внутреннего рынка в ЕС.** В статье рассматриваются характерные черты внутреннего рынка Европейского Союза и особенности его функционирования. Также анализируются основные инструменты и институты ЕС, при помощи которых осуществляется его регулирование.

**Ключевые слова:** внутренний рынок, гармонизация, Европейский союз, европейские стандарты, надгосударственное регулирование, свободное движение.

Der O b j e k t des Artikels ist der Binnenmarkt der Europäischen Union. Der Gegenstand sind verschiedene suprastaatlichen Regulierungsinstrumente dieses Binnenmarktes, die in der EU benutzt werden. Der Zweck besteht darin, die Besonderheiten des EU-Binnenmarktes zu definieren und die Instrumente seines Regulierens zu beschreiben und zu analysieren.

Die A k t u a l i t ä t dieses Themas ist darauf zurückgeführt, dass die Ukraine 2014 ein Assoziationsabkommen mit der Europäischen Union unterzeichnet hat und hat ihre Absicht geäußert, künftig eine vollberechtigte Mitgliedschaft in der EU zu bekommen. Deshalb ist es höchstwahrscheinlich, dass diese Aspekte der Regulierung des Binnenmarktes direkte Auswirkungen auf unser Land haben werden oder schon gehabt hatten.

Der Europäische Binnenmarkt ist der gemeinsame Binnenmarkt der Mitgliedstaaten der Europäischen Union [1], der unter diesem Namen offiziell seit dem 1. Januar 1993 existiert. Aber seine Geschichte begann früher.

Die vier Grundfreiheiten des Binnenmarktes waren bereits Gegenstand der EWG-Vertrages von 1957. Noch Ende der 1970-er Jahre waren sie jedoch weit von ihrer Verwirklichung entfernt. Nur 1984 forderten europäische Abgeordnete in einer EntschlieÙung die Kommission auf, dem Rat umgehend ein Programm zu einem gemeinsamen Markt zu unterbreiten. Das von Kommissionspräsident Jacques Delors 1985 daraufhin vorgelegte Weißbuch zum Binnenmarkt beinhaltete einen ersten "Fahrplan". Nach dem die Einheitliche Europäische Akte 1986 auch die rechtliche Basis geschaffen hatte, konnte damit begonnen werden, den Binnenmarkt zu verwirklichen. 1993 ist der europäische Binnenmarkt in Kraft getreten [4].

Heute bilden vier Grundfreiheiten die Grundlage des Binnenmarktes der Europäischen Union. Ihre rechtliche Grundlage findet sich im Vertrag über die Arbeitsweise der Europäischen Union (AEUV). Zu diesen Grundfreiheiten gehören:

1. Der freie Warenverkehr. Dies beinhaltet das Abschaffen von Zöllen und Mengenbeschränkungen im Handel zwischen den EU-Mitgliedsstaaten. Darüber hinaus dürfen Produkte, die nach den Vorschriften ihres Herstellungslandes hergestellt wurden, in jeden anderen EU-Mitgliedsstaat exportiert werden.

2. Der freie Personenverkehr. Es gibt an den Binnengrenzen der EU keine Personenkontrollen mehr. Außerdem hat jeder EU-Bürger das Recht, seinen Wohnort und Arbeitsplatz innerhalb der EU frei zu wählen.

3. Die Dienstleistungsfreiheit Genau wie beim freien Warenverkehr dürfen Unternehmen und Selbstständige Dienstleistungen ohne Einschränkungen überall im Gebiet der EU anbieten, wenn sie in ihrem Heimatland auch dazu berechtigt sind.

4. Der freie Kapitalverkehr. Durch einen gemeinsamen Zahlungsraum und Abbau von Beschränkungen des Kapitalverkehrs werden Investitionen und die Abwicklung von grenzüberschreitenden Zahlungen innerhalb der EU erleichtert [2].

Steuerrecht. Durch die Abschaffung der Zollgrenzen im Innern und den Gemeinsamen Zolltarif nach außen stellt der Europäische Binnenmarkt eine Zollunion dar. Zu einer vollständigen Verwirklichung gleicher Marktbedingungen im gesamten Gebiet der Europäischen Union wäre auch eine umfassende Harmonisierung (Angleichung) der Verbrauchsteuern erforderlich. Da Art. 113 in dieser Angelegenheit einstimmige Beschlüsse fordert, erscheint eine derartige Harmonisierung schwer durchsetzbar [2]. Daher wenden die Mitgliedstaaten der Europäischen Union weiterhin unterschiedliche Tarife für Verbrauchsteuern an und es sind im gewerblichen Warenverkehr nicht mehr die Zollbehörden, sondern die Finanzämter für die Erhebung und Verrechnung der unterschiedlichen Steuern beim Überschreiten der Binnengrenze zuständig. Hierzu dient die Umsatzsteuer-Identifikationsnummer (USt-IdNr.) [4].

Im privaten Warenverkehr wird dagegen auf die Erhebung unterschiedlicher Steuern verzichtet; hier wird die Ware einfach im Herkunftsland versteuert. Dadurch können Verbraucher (insbesondere in Grenznähe) beim Einkauf von unterschiedlichen Steuersätzen profitieren.

Harmonisierung technischer Normen und Produktzulassungen. Ähnliches gilt für den Bereich des Warenverkehrs: die einzelnen Mitgliedstaaten schreiben im Rahmen ihrer nationalen Rechtsvorschriften verschiedenste Anforderungen an die Produkte, die zum Verkauf bestimmt sind, vor (z. B. Sicherheitsvorschriften).

Der Europäische Gerichtshof hat dazu in seiner Cassis-de-Dijon-Entscheidung geurteilt, dass die in einem EU-Mitgliedstaat vorschriftsgemäß hergestellten Waren in allen anderen Mitgliedstaaten verkauft werden dürfen. Er lässt jedoch Ausnahmen zu, wenn diese aus zwingenden Gründen erforderlich sind.

Dieses Urteil kann aber unerwünschte Folgen haben:

- einerseits können weiter bestehende, unterschiedliche, Vorschriften eine Beschränkung des Binnenmarktes darstellen und
- andererseits kann das mit der Cassis-de-Dijon-Entscheidung verbundene Herkunftslandprinzip zu einem Wettbewerbsvorteil für jene Staaten führen, die sehr liberale Vorschriften anwenden [4].

Daher wurde eine Angleichung der Vorschriften angestrebt. Dazu wurden unter anderem Europäische Normen (EN) erarbeitet und Richtlinien beschlossen, die zum Abbau der Handelshemmnisse zwischen den Mitgliedstaaten der Europäischen Union führten.

Im Februar 2008 hat das Europäische Parlament, basierend auf einer Einigung mit dem Rat der Europäischen Union, ein Gesetzgebungspaket verabschiedet, das den freien Warenverkehr innerhalb des Binnenmarktes stärken soll. Insbesondere wird das Prinzip der gegenseitigen Anerkennung gestärkt, welches bedeutet, dass ein in einem Mitgliedstaat zugelassenes Produkt auch von den Behörden der anderen Länder zum Verkauf zugelassen werden muss [5].

Dienstleistungsfreiheit. Der Vertrag über die Arbeitsweise der Europäischen Union verbietet zwar Diskriminierungen aufgrund der Staatsangehörigkeit, aber Dienstleistungserbringer, die in einem Mitgliedstaat niedergelassen sind, dürfen nicht ohne Weiteres ihre Dienstleistungen in anderen Mitgliedstaaten erbringen, vielmehr sind die nach nationalem Recht notwendigen Formalitäten einzuhalten. Unter anderem die umstrittene Europäische Dienstleistungsrichtlinie soll hier zu einer Liberalisierung beitragen [3].

Berufsqualifikationen. Die Grundfreiheiten sollen es Arbeitnehmern und Unternehmern ermöglichen, ihrer Tätigkeit im gesamten Binnenmarkt nachzukommen. Eine Tätigkeit kann in den Mitgliedstaaten oftmals nur aufgenommen werden, wenn man eine entsprechende Ausbildung nachweisen kann. Um die Anerkennung der Ausbildungen zu erleichtern, wurden auf europäischer Ebene Initiativen ergriffen, wie zum Beispiel:

- die Richtlinie 2005/36/EG über die Anerkennung von Berufsqualifikationen (und ihre Vorgängerrichtlinien)

- der Bologna-Prozess. Dieser soll die Universitätsabschlüsse vereinheitlichen oder zumindest für eine bessere Vergleichbarkeit der Abschlüsse sorgen [5].

“Negative” und “positive” Integration. Auch wenn die Beseitigung der Binnengrenzen im Europäischen Binnenmarkt (negative Integration) noch nicht vollendet ist, ist sie doch viel weiter fortgeschritten als die Entwicklung einer gemeinsamen Politik zum Aufbau eines Ordnungsrahmens für diesen Binnenmarkt (positive Integration). Während die Nationalstaaten durch ihre Teilnahme am Binnenmarkt auf eine Reihe politischer Steuerungsinstrumente verzichten (z. B. auf eine eigenständige Zoll- und Handelspolitik, auf die Steuerung von Wanderungsbewegungen und die Begrenzung des Zugangs zum Arbeitsmarkt etc.), wurden – bei aller Kritik an der vermeintlichen Regulierungswut – auf der Ebene der Europäischen Union keine Handlungskompetenzen mit vergleichbarem Umfang geschaffen. Das bedeutet, dass unabhängig von einzelstaatlicher Politikgestaltung allein die Teilnahme am Binnenmarkt in den EU-Mitgliedstaaten einen starken Effekt der Marktliberalisierung und -deregulierung entfaltet hat. Dieser Effekt kann durch die Anwendung von Herkunftslandprinzipien verstärkt werden, da dadurch die verschiedenen Rechtssysteme in einem Wettbewerb stehen.

Dieser Effekt wird dadurch verstärkt, dass die negative Integration bereits seit langem vertraglich festgeschrieben ist und durch supranationale Institutionen wie die Europäische Kommission und den Europäischen Gerichtshof auch gegen die Mitgliedstaaten durchgesetzt wird (z. B. in Vertragsverletzungsverfahren) [4].

Zur positiven Integration sind jedoch neue Gesetzgebungsakte notwendig und das erfordert jedoch unter den Bedingungen des politischen Systems der Europäischen Union regelmäßig die Zustimmung einer großen Zahl politischer Akteure mit unterschiedlichsten Interessen und Zielen, die gerade auch angesichts unterschiedlicher nationaler Politikmodelle oft nur schwer zu erreichen ist. Mittlerweile wurden die Organe der Europäischen Union ermächtigt, Mindestvorschriften beispielsweise in den Bereichen Verkehr (Art. 91 AEUV), Umweltschutz (Art. 191 und Art. 192 AEUV), Verbraucherschutz (Art. 169 AEUV), Arbeitsrecht und Arbeitsschutz (z. B. Art. 153 AEUV) zu erlassen, wovon auch Gebrauch gemacht wurde [2].



Schlussfolgerungen. Der freie Verkehr von Waren, Personen, Dienstleistungen und Kapital zwischen den Mitgliedstaaten bildet die Basis des Binnenmarktes. Die EU benutzt viele verschiedene Instrumente um ihm zu regulieren. Eine sehr wichtiger Teil die Regulierung ist Harmonisierung den technischen Normen und Produktzulassungen und wenn die Ukraine ein Mitglied der EU werden will, muss sie diese Normen und andere Regeln auch befolgen.

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## THE INFLUENCE OF MASS MEDIA ON THE FREEDOM OF CHOICE AND PERSONAL IDENTITY FORMATION

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**Khilko Y.A., Broslavska Y.M. The influence of mass media on the freedom of choice and personal identity formation.** The article discusses the problem of human freedom due to the influence of mass communication. It also examines issues such as how free a person under constant pressure of mass media is or how the insidious influence of mass media affects the freedom of human choice self-identification. Moreover, the study attempts to answer the question whether manipulative technologies restrict human freedom.

**Keywords:** freedom of human choice, manipulation, mass audience, mass media, media-oriented and media-centered approaches, self-identification.

**Хилько Я.О., Брославська Є.М. Вплив засобів масової комунікації на свободу вибору й самовизначення людини.** У статті розглядається проблема свободи людини через вплив масових комунікацій. У статті також розглядаються такі питання, як наскільки вільною є людина, яка знаходиться під постійним тиском масових комунікацій? Як прихований вплив ЗМК діє на свободу вибору й самовизначення людини? Чи обмежують свободу вибору людини маніпулятивні технології?

**Ключові слова:** засоби масових комунікацій, маніпуляція, масова аудиторія, медіаорієнтований і медіацентристський підходи, самовизначення людини, свобода вибору людини.

**Хилько Я.А., Брославская Е.М. Влияние средств массовой коммуникации на свободу выбора и самоопределения человека.** В статье рассматривается проблема свободы человека из-за влияния массовых коммуникаций. В статье также рассматриваются такие вопросы, как насколько свободным является человек, который находится под постоянным давлением массовых коммуникаций? Как скрытое влияние СМК действует на свободу выбора и самоопределения человека? Ограничивают ли свободу выбора человека манипулятивные технологии?

**Ключевые слова:** манипуляция, массовая аудитория, медіаорієнтований і медіацентристський підходи, самоопределение человека, свобода выбора человека, средства массовых коммуникаций.

The o b j e c t of the article is public consciousness and individual consciousness as a category of reality reflection by human. The s u b j e c t of the article is the place and role of mass media in the process of public consciousness formation. The p u r p o s e of the article is to investigate the importance of mass media in the process of public consciousness formation.

The question of whether or not the methods of mass communication really have unlimited possibilities to influence people's minds still remains open. In modern science, there are two approaches to studying the problem of the manipulative capacities of mass communication: media oriented and media centered approaches [5, p. 68].

According to the first approach, a person is considered to be an active consumer of information with a critical attitude; mass media cannot subordinate the consciousness of a person; on the contrary, a person adapts mass media to their needs. A person selects from the information flow the news that suits their needs, thereby forming the information market. In the analysis of mass media as a mechanism for influencing public consciousness it should be remembered that, primarily, they are a means of communication. A person does not simply mechanically process the received information, they filter out unnecessary information, individually sorting it according to the degree of importance and establishing the priorities of perception.

The mass audience consists of individuals and personalities rather than represents a passive crowd aimed at consumption of spiritual products. Any person interprets information, which they receive, filtering and evaluating it according to their worldviews, social status, cultural and religious background, age, gender, and the like. Attempts of mass media to impose key stereotypes often encounter active psychological resistance, which is the result of a person's selective attitude not only to the information itself, but also to its source [4, p. 16].

Most people do not yield to manipulation by mass media, since the messages received are not automatically perceived by the recipient, but provoke certain individual creative reactions. The latter mean a combination of views and interests of an individual or some internal factors, which sometimes significantly alter the results of the hidden

influence [2, p. 54]. Media-oriented approach is widespread in both domestic and foreign references.

At present, more and more mental leverages are implemented to influence human mind, ranging from unconscious acoustic and visual information to the use of electromagnetic waves to modify human behavior [3, pp. 34-52]. In this regard, it is often difficult to distinguish one's own thoughts from those that were imperceptibly imposed. In such a situation, a person can really lose orientation, the ability to think reasonably and make free choices.

Manipulation can take place only if the object of influence initially has an illusion of a freedom of choice, a possibility of an alternative action. Otherwise, we would have to talk about a forceful intervention and directive influence (order, compulsion).

As R. Schiller noted, "in order to achieve success, manipulation must remain invisible. Success of manipulation is guaranteed when the manipulated person believes that everything happens naturally and inevitably ... manipulation requires a false reality in which its presence will not be felt" [8, p. 47].

J. Galbraith, an American philosopher and economist, supports him [7, p. 300], noting that "for the effective people management, they should be convinced that they are independent" [6, p. 266]. It is this contradictory feature – the illusion of a freedom of decision, will, thought, behavior of an individual with their hidden and rigid control by other people's goals and interests – that is the specific essence of manipulation as a socio-philosophical phenomenon. Hidden influence can be associated with spiritual domination over an individual, which is not felt or is perceived as a manifestation of their own will, interests, desires, as an act of independence and freedom [1, p. 12].

As a result, in order to effectively exploit, compel, and control populace, the elites create the illusion of freedom and self-sufficiency, actively using means of mass communication.

In other words, despite the fact that modern mass media have enormous possibilities to influence individual and public consciousness, each person is responsible for their choice, whether to merge with a

faceless crowd or do their best to defend their views, attitudes and beliefs, not to lose their identity, or become a victim, get objectified.

In c o n c l u s i o n , it can be clearly stated that:

1. Mass media is a specialized institution for the open, public transfer of any information to any person using a special technical tool.

2. The media serve as a formative factor in the process of self-identification, identifying the concepts of culture and information. The increasing individualization of every person in the modern society is accompanied by reconsideration of moral principles. The frenetic pace of life requires more and more efforts from the individual to prove self-worth, and not so much to others as to oneself.

And therefore, a person should play the main role in the process of choosing a scenario of personal identity formation, that will allow them to feel pleased with oneself and their own inner world.

Renewal of society, liberating the mind from limitations, the manifestation of goodwill and humanity, honesty and decency is a long process; and the role of the media in it is significant. This is what the mastery of the modern line of thinking is.

This once again demonstrates the relevance of the studied problem, how acute the problem of mass media's influence on public consciousness is in the age of information-oriented society, and as a result, it distorts the process of public opinion formation with the help of not always right mechanisms and methods of influence. The situation can become so dangerous that in the end it will negatively affect the national security of the whole country.

After all, targeted propaganda of certain values, ideological stereotypes and behavior patterns, which are not, unfortunately, always trustworthy ones, brings elements of hostility, intolerance, constant tension and contradictions into the life of a particular society.

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## DIPLOMATIC PRIVILEGES AND IMMUNITIES IN EU LAW

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**Khoruzha A.V., Karpusenko M.V. Diplomatic privileges and immunities in EU law.** This article outlines main types of privileges and immunities provided to the staff of the EU and its institutions in the territory of the EU Member States, in the territory of third countries and ACP States.

**Key words:** ACP States, diplomatic privileges and immunities, Member States, Protocol (No. 7) on the privileges and immunities of the European Union (1965), third countries, Vienna Convention (1961).

**Хоружа А.В., Карпусенко М.В. Дипломатичні привілеї та імунітети в праві ЄС.** У статті викладені основні види дипломатичних привілеїв та імунітетів, які надаються персоналу ЄС та його інституціям на території держав-членів ЄС, на території третіх держав та держав АКТ.

**Ключові слова:** Віденська конвенція 1961 р., держави АКТ, держави-члени ЄС, дипломатичні привілеї та імунітети, Протокол № 7 «Про привілеї та імунітети Європейського Союзу», треті держави.

**Хоружая А.В., Карпусенко М.В. Дипломатические привилегии и иммунитеты в праве ЕС.** В статье изложены основные виды дипломатических привилегий и иммунитетов, предоставляемых персоналу ЕС и его институциям на территории государств-членов ЕС, на территории третьих государств и государств АКТ.

**Ключевые слова:** Венская конвенция 1961 г., государства АКТ, государства-члены, дипломатические привилегии и иммунитеты, Протокол № 7 «О привилегиях и иммунитетах Европейского Союза», третьи государства.

Nowadays, the European Union (hereinafter – the EU) plays an important role in the international relations and has diplomatic missions all over the world. In this case, diplomatic privileges and immunities are essential attributes for a diplomatic agent, which is key for his protection on the territory of the receiving state. Now there is a fundamental international legal framework including international conventions, treaties, agreements governing

the issues of diplomatic privileges and immunities, in particular, the existence of such as: the Vienna Convention on Diplomatic Relations (1961) (hereinafter – the Vienna Convention (1961)), the Vienna Convention on Consular Relations (1963), Convention on the privileges and immunities of the United Nations (1946). [3, p. 159] are worth mentioning.

However, the above-mentioned international documents regulate the issues of diplomatic privileges and immunities at the global level, so the *r e l e v a n c e* of this research is determined by the importance to explore the process of granting the latter in the law of the EU. Taking into account the above, it can be stated that the *p u r p o s e* of this research is to analyze the practice of the EU on the application of privileges and immunities in the territory of the Member States of the Union and in respect of third countries and ACP States.

Unlike the international and national law of the Member States, the EU has its own unique legal framework based on the norms of international and law-making activities of supranational institutions thereof, which is called EU law. First of all, it is necessary to begin with the procedure of granting privileges and immunities in the territory of Member States.

Thus, the EU institutions are endowed with a wide range of privileges and immunities, which until 1965 were regulated by the Treaty establishing the European Coal and Steel Community (1951), which was later replaced by the Protocol on Privileges and Immunities to the Brussels Treaty of 1965. Now this issue is regulated by the provisions of Protocol (No 7) on the privileges and immunities of the European Union (1965) (hereinafter – Protocol No. 7) to the Treaty of Lisbon (2007) [2]. On the other hand, it is worth pointing out that in comparison with the Vienna Convention (1961) Protocol No. 7 is a somewhat specific document that defines privileges and immunities for EU personnel in the territory of the Member States [5].

However, the provisions of the above Protocol are somewhat similar to the Vienna Convention (1961). In particular, article 2 of Protocol No. 7 refers to the inviolability of archives of the EU, which is quite similar to article 24 of the Vienna Convention (1961) [1]. But it is essential to mention that the issue of granting fiscal immunities, which is referred to article 3 of this Protocol, is worth studying [5]. Thus, the European Investment Bank and the European



Central Bank are additionally exempt from any form of taxation (art. 21-22 of the Protocol No. 7) [5]. This is due to the fact that their funds should be used to carry out the tasks of these institutions and not to pay taxes to the host country. The staff of the European External Action Service (hereinafter – EEAS) is entitled to have diplomatic privileges and immunities. Thus, according to paragraph 6 of article 5 of the Council Decision of 26 July 2010 establishing the organisation and functioning of the European External Action Service (2010/427/EU), the delegations of the EEAS staff and its property are granted privileges and immunities similar to those mentioned in the Vienna Convention (1961) [7].

Official correspondence and other official communications of the institutions of the Union shall not be subject to censorship and taxation. In accordance with article 5 of Protocol No. 7, these privileges are similar to those provided for in paragraphs 2 and 3 of article 27 of the Vienna Convention (1961) (official correspondence of the mission is inviolable, and diplomatic bag shall not be opened or detained) [5; 1]. It is noteworthy to mention the privilege of *Laissez-passer* which is recognized as valid travel document within the territory of third countries (Article 6 of Protocol No 7), however, such documents are used by the UN staff and the International Labour Organization (art. 7 of Convention on the Privileges and Immunities of the UN of February 13, 1946) [5; 4].

While observing the issue of granting privileges and immunities to the EU and its staff in third countries, it should be stressed that all privileges and immunities in third countries of the EU can be divided into two broad groups: ordinary diplomatic privileges and immunities under the Vienna Convention of 1961 that apply to the EU, its delegations and their staff; and the specific privileges and immunities of the EU, its delegations and staff [2, p. 357]. Thus, the bilateral agreement between the EU and a third country also regulates the issue of recognizing the *laissez-passer* document, which has already been mentioned above. As practice shows, *laissez-passer* is recognized in the territory of a third country as a valid travel document, in case the agreement was concluded between the parties. For example, according to Art. 4 of Agreement between the Government of Ukraine and the Commission of the European Communities in Ukraine and on the Establishment and the Privileges and Immunities of the Delegation

of the Commission of the European Communities in Ukraine (1993), the Government of Ukraine recognizes passports issued to the EU officials and other staff of their institutions [6]. Thus, the bilateral treaty can address the issue of granting privileges that are specific to the EU.

The group of specific privileges and immunities of the EU and its personnel includes privileges and immunities in third countries, which are granted by agreements with former colonies of EU Member States. These agreements were Yaoundé and the Lomé Conventions, which are now replaced by Cotonou Agreement (2000) [2]. Incidentally, the latter includes a special Protocol 2, which directly regulates granting of privileges and immunities, and determines the range of members of the staff covered by the Protocol (the representatives of the Member States of the EU and African States and the Caribbean and Pacific Group of States (hereinafter – the ACP)), representatives of the EU institutions, their advisers, experts, members of the staff of the Secretariat of the ACP States (article 1), and the territory where the Protocol operates (territory of the Member States of the EU, the ACP States and Institutions) [8]. Like the Vienna Convention (1961), Protocol 2 provides for the granting of such privileges and immunities as: inviolability of archives (art. 3); exemption from taxes and all customs duties (art. 4-5); freedom of official communication and exemption from censorship of official correspondence (art. 6) [8].

Summing up the observations made, it is necessary to note that privileges and immunities can be divided into those that its organs and employees have in the territory of Member States and those that they have in the territory of third states (including ACP States). Thus, the main documents regulating the granting of privileges and immunities in the territory of the EU Member States are the Vienna Convention (1961) and Protocol No. 7, as well as other legal acts that regulate the functioning of the EU institutions. The situation is to a certain degree different in the territory of third states, with a different approach to specific privileges and immunities of the EU and its personnel under bilateral agreements and national legislation of third countries, as well as the regulation of diplomatic relations between the EU and the former colonies of the Member States under the Cotonou Agreement (2000).

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## VÖLKERRECHTLICHER SCHUTZ DER ÖKÖLOGISCHEN MENSCHENRECHTE

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**Khoruzha A.W., Pirog I.I. Völkerrechtlicher Schutz der Ökologischen Menschenrechte.** In diesem Artikel werden die Probleme im Bereich des internationalen Umweltschutzes, sowie die Bestimmung rechtlicher und institutioneller Mechanismen völkerrechtlichen Schutzes der ökologischen Menschenrechte betrachtet. Die Grundlage der Forschung ist die Praxis Europäischen Gerichtshofes für Menschenrechte im Bereich des Schutzes der ökologischen Rechte auf regionalem Niveau, sowie die Tätigkeit der internationalen Organisationen des universellen Charakters im Bereich des Umweltschutzes nach dem Vorbild der Weltgesundheitsorganisation (WHO) und der UNO.

**Die Stichwörter:** der Schutz ökologischer Menschenrechte, Europäischer Gerichtshof für Menschenrechte, Kyoto-Protokoll, UNO-Programme, WHO.

**Хоружа А.В., Пірог І.І. Міжнародно-правова охорона екологічних прав людини.** У статті розглядаються проблеми міжнародної охорони навколишнього середовища, встановлюються правові та інституційні механізми міжнародно-правової охорони екологічних прав людини. В основу дослідження покладена практика Європейського суду з прав людини у сфері охорони екологічних прав на регіональному рівні та діяльність міжнародних організацій універсального характеру на прикладі ВООЗ та ООН.

**Ключові слова:** ВООЗ, Європейський суд з прав людини, Кіотський протокол, охорона екологічних прав людини, програми ООН.

**Хоружая А.В., Пирог И.И. Международно-правовая охрана экологических прав человека.** В статье рассматриваются проблемы международной охраны окружающей среды, определены правовые и институциональные механизмы международно-правовой охраны экологических прав человека. В основу исследования положена практика Европейского суда по правам человека в сфере охраны экологических прав на региональном уровне, а также деятельность международных организаций универсального характера на примере ВОЗ и ООН.

**Ключевые слова:** ВОЗ, Европейский суд по правам человека, Киотский протокол, охрана экологических прав человека, программы ООН.

Das O b j e k t des Artikels ist der völkerrechtliche Schutz der ökologischen Menschenrechte, und der G e g e n s t a n d ist die Bestimmung rechtlicher und institutioneller Mechanismen völkerrechtlichen Schutzes der ökologischen Menschenrechte. Das Z i e l dieser Forschung ist die Aktualisierung der Hauptprobleme in der Sphäre des internationalen Umweltschutzes, die die Verletzung der ökologischen Menschenrechte verursachen oder verursachen können.

Der Schutz der Menschenrechte ist das Thema, das am meisten unter den Menschenrechtlern besprochenen wird, aber man schenkt der Forschung der ökologischen Rechte nicht immer genug Aufmerksamkeit im Vergleich zu anderen Bereichen des Völkerrechtes. Doch man darf während der Betrachtung einer Reihe der Fragen, zum Beispiel, des humanitären Völkerrechtes, die Frage des ökologischen Völkerrechtes (zum Beispiel, bezüglich der Anwendung der untersagten chemischen, nuklearen oder biologischen Waffen gegen das Leben und die Gesundheit des Menschen) nicht unberücksichtigt lassen. Die ähnliche Tendenz ist auch während der Forschung der Probleme des internationalen Meer- und Weltraumrechtes, sowie der nuklearen Abrüstung und der internationalen Sicherheit insgesamt zu beobachten. Unter anderem, die Frage der ökologischen Sicherheit und der Hilfe den Opfern der nuklearen Tests, infolge deren die Umwelt verschmutzt war, wird vom Vertrag über das Verbot von Kernwaffen von 07.07.2017 (P. 2 Art. 4) [6] geregelt. Leider, obwohl es völkerrechtlichen Akte gibt, die diese oder jene Fragen in der Sphäre der ökologischen Sicherheit regeln, die Reihe der Fragen, die die Verletzung der ökologischen Menschenrechte verursachen, bleiben ungelöst.

Es ist nötig zu bemerken, dass die Menschheit noch am Anfang des XX. Jahrhunderts auf die ökologischen Krise stieß, aber mit dem Anfang des XXI-Jahrhunderts nahm das Problem heftig Fahrt auf. Zurzeit stehen vor der Menschheit solche ökologischen Probleme des neuen Niveaus, wie die globale Klimaerwärmung, die saure Niederschläge, die Ozonlöcher, die Luft-, Wasserverschmutzung u. a. Ein der gefährlichsten Probleme, das mit der Ökokatastrophe droht, ist die verschmutzte Luft. Laut Angaben der Weltgesundheitsorganisation (nachfolgend WHO genannt) ist das niedrige Niveau der Luftreinheit ein Grund der Mehrheit der Erkrankungen in

der Welt. Unter anderem, fast 12,6 Millionen Tode jedes Jahr ist die Folge der chemischen Verschmutzungen und der Schadgasemissionen, und die meiste Zahl der Tode fällt auf die Territorien der Länder Asiens, Afrikas und Lateinamerikas [7]. So wurde die Verschmutzung der Luft ein der Hauptprobleme in China und es stellt die große Drohung für die Bewohner dar. Die internationale Gemeinschaft bemühte sich, die schädlichen Emissionen noch mit der Annahme Protokolls von Kyoto in 1992 zu verhindern, dann traten ihm die Länder der Europäischen Union, die USA, Japan, Kanada, die Länder Osteuropas und baltische Länder bei, während China und Indien nicht einwilligten, die Pflichte zu übernehmen [3]. Es ist möglich, dass gerade Indien, China und eine Reihe der Länder in der Westregion des Pazifischen Ozeans und Südostasiens an der Spitze der Liste der Staaten mit dem höchsten Niveau der Verschmutzung der atmosphärischen Luft, stehen [5].

Anderes und nicht weniger wichtiges Problem, worüber die WHO erwähnt, ist die Klimaänderungen in der Welt. In diesem Zusammenhang war am 12. Dezember 2015 das Pariser Abkommen in den Grenzen des Rahmenübereinkommens über die Klimaänderungen der UNO von 1992 bezüglich der Regulierung der Maßnahmen für die Reduktion der CO<sub>2</sub>-Emissionen angenommen. Stand per 2016 haben das erwähnte Übereinkommen 192 Staaten unterzeichnet, 113 von denen es ratifizierten [4]. Es ist interessant, dass Indien und China das Abkommen auch unterstützten und ratifizierten, im Unterschied zum Protokoll von Kyoto von 1992. Die Annahme des Pariser Abkommens kennzeichnet den Anfang der neuen Epoche in der Sphäre des Umweltschutzes und ist dessen Zeugnis, dass die Menschheit die Wichtigkeit des Unternehmung der wirksamen Maßnahmen zur Lösung der Fragen des Klimawandels einsieht, und ist ein bedeutender Schritt und die tatsächliche Garantie des Schutzes der ökologischen Menschenrechte unter den Ländern, die es ratifizierten. So, indem man das Recht auf die Gesundheit im Pariser Abkommen verankert, betonte die internationale Gemeinschaft die Notwendigkeit der Beachtung der ökologischen Menschenrechte noch einmal.

Es ist nötig zu bemerken, dass es für heute eine Reihe völkerrechtlicher Akte gibt, die die Frage des Umweltschutzes regeln und auf die Sicherung der ökologischen Menschenrechte gerichtet sind,

darunter: das Genfer Übereinkommen gegen weiträumige grenzüberschreitende Luftverunreinigung von 1979; die Rio-Erklärung über Umwelt und Entwicklung von 1992; das Übereinkommen über die biologische Vielfalt von 1992; das Rahmenübereinkommen über die Klimaänderungen der UNO von 1992 und das Protokoll von Kyoto dazu und andere Dokumente der universellen und regionalen Bedeutung [3, S. 338].

Die wirksame Tätigkeit für die Lösung der schärfsten Probleme der modernen ökologischen Krise und die Sicherung des völkerrechtlichen Schutzes ökologischer Menschenrechte wird innerhalb des Umweltprogramms der UNO (UNEP) verwirklicht, das auf das Studium und die Einschätzung der Umwelt und die Verbesserung der Koordination der Tätigkeit der Konventionen in dieser Sphäre u. a. gerichtet ist. Die bedeutende Rolle spielen in der Sicherung des völkerrechtlichen Schutzes ökologischer Menschenrechte auch solche internationalen Organisationen, wie Internationale Atomenergieorganisation (der IAEA), Internationale Seeschiffahrtsorganisation (ISSO), Weltwetterorganisation (WMO), u.a. Unter anderem die Tätigkeit der WHO ist eine der wichtigsten in diesem Bereich, weil gerade diese Organisation, indem sie eine Reihe der Forschungen erfüllt, die Informationen über das Vorhandensein dieser oder jener Probleme gewährt, die man für die Sicherung des Gesundheitswesens der Bevölkerung in der Welt lösen muss. So arbeitet die WHO im Rahmen ihres Programms «die Empfehlungen über Luftqualität» aus und gibt sie heraus, worin sie die zulässigen Kennziffern der Konzentration der Hauptluftschadstoffe gewährt, sowie die Beweise liefert, die den Zusammenhang der Luftverschmutzung mit den konkreten Krankheiten, wie die Herzkreislauf-, Atem- und Tumorerkrankungen zeigen. Es ist nötig auch zu bemerken, dass WHO ein Mitverfasser des Pan-Europäischen Programms der UNO «Verkehr, Umwelt und Gesundheit» ist, in deren Grenzen das Modell der universellen Zusammenarbeit für die Verhinderung der Luftverschmutzungskonsequenzen infolge des Verkehrsbetriebs geschaffen ist.

Man darf auch die Möglichkeit des Schutzes vom Menschen der verletzten ökologischen Rechte individuell in den gerichtlichen und nicht gerichtlichen internationalen Organen nicht unberücksichtigt lassen. So,

eine bedeutende Rolle im Mechanismus des völkerrechtlichen Schutzes ökologischer Menschenrechte spielt europäischer Gerichtshof für Menschenrechte (nachfolgend EGMR genannt), welcher ein regionaler institutioneller Organ ist, woran sich die Person wenden kann, um ihr verletztes Recht zu schützen, und seine Beschlüsse in den konkreten Verfahren gewährleisten die Regelung bestimmter Fragen, die mit der unrechtmäßigen Tätigkeit im Bereich der Umweltverschmutzung verbunden sind. In Anbetracht der Mehrheit der Verfahren, die vom EGMR bezüglich des Schutzes der ökologischen Rechte verhandelt sind, kann man die Schlussfolgerung ziehen, dass die Frage der atmosphärischen Verschmutzung meistens die Ursachen für die Erhebung der Klage waren. Zum Beispiel, in Verfahren von Lopez Ostra gegen Spanien (№16798/90), wo sich die Gesuchstellerin die Verschmutzung der Umwelt von den Schadgasemissionen in Zusammenhang mit der Tätigkeit des Betriebs beklagte, der sich mit der Verarbeitung der Lederindustrieabfälle beschäftigte, was Gesundheitszustand und Wohlbefinden der Menschen, die in der Nähe wohnten, negativ beeinflusste, fasste der EGMR den Beschluss zugunsten der Gesuchstellerin. In den ähnlichen Verfahren von Giacomelli gegen Italien (№59909), von Guerra und andere gegen Italien (№14967/989) befriedigte der EGMR die Klagen zugunsten der Gesuchsteller [1] auch.

So kann man die Schlussfolgerung ziehen, dass für heute die Zahl der Probleme, die mit den Umweltverschmutzungen verbunden sind, wächst, was die Verletzung der ökologischen Menschenrechte verursacht, wovon die aktuellsten die Verschmutzungen der atmosphärischen Luft und die Klimaänderungen sind. Um die Realisierung der ökologischen Menschenrechte und deren Schutz im Falle der Verletzung durch die internationale Gemeinschaft auf den universellen und regionalen Niveaus zu sichern, werden die folgenden Handlungen erfüllt: die völkerrechtlichen Akte werden angenommen, die eine Garantie der Realisierung der ökologischen Menschenrechte sind; die Tätigkeit der internationalen Organisationen, unter anderem, WHO, gewährleistet die Einschätzung der ökologischen Situation in der Welt, und ihre Programme erlauben, die neuen Mechanismen der Regulierung in diesem Bereich einzuführen; außerdem können sich die Person, wessen ökologische Rechte verletzt sind, um den Schutz zu gerichtlichen und



nicht gerichtlichen internationalen Organen, unter anderem zum EGMR wenden. Also, gerade diese Faktoren dienen zur Garantie der Minimierung der Tendenz der Verletzung der ökologischen Menschenrechte und gewährleisten ihre völkerrechtlichen Schutz.

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## **RELATIONSHIP BETWEEN THE SCANDINAVIAN COUNTRIES AND THE EU: SPECIFIC CHARACTER**

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**Khrapunenko M.M., Davydenko I.V. Relationship between the Scandinavian countries and the EU: specific character.** The article studies peculiarities of the membership of Scandinavian countries in the EU as well as the development of the integration processes; defines the key factors that have lead to this particular relationship. The focus is mainly on the EU policy exception system regarding Scandinavian countries.

**Key words:** the EU, flexible integration, integration, policy, the Scandinavian counties.

**Храпуненко М.М., Давиденко І.В. Особливості відносин між країнами Скандинавії та ЄС.** Стаття охоплює особливі риси членства країн Скандинавії в ЄС, а також розвиток інтеграційних процесів; визначає ключові фактори, що призвели до встановлення такого типу відносин. Особлива увага приділяється системі винятків з правил ЄС, яка стосується країн Скандинавії.

**Ключові слова:** гнучка інтеграція, інтеграція, ЄС, система винятків, країни Скандинавії.

**Храпуненко М.М., Давыденко И.В. Особенности отношений между странами Скандинавии и ЕС.** Статья охватывает особые черты членства стран Скандинавии в ЕС, а также развитие интеграционных процессов; определяет ключевые факторы, которые привели к установлению такого типа отношений. Особое внимание уделяется системе исключений из правил ЕС, относящихся к странам Скандинавии.

**Ключевые слова:** гибкая интеграция, ЕС, интеграция, система исключений, страны Скандинавии.

The o b j e c t of the article is the development of the Scandinavian relationship with the EU. The p u r p o s e of the article is to define and analyze the countries' involvement in the EU integration processes as well as the key differences among them.

As for today, the Scandinavian countries are considered to be the most successful states in the world. Although they are located 'at the edge'

of Europe, their political, economic, cultural and social life have for centuries been heavily influenced by developments taking place on the European continent and the British Isles. Not only massive wars, but also numerous dramatic events have made the European context highly present in the everyday life of the Nordic peoples. The authorities of these countries effectively combine the models of regional and international integration creating a unique relationship model with the EU [3, p. 122].

The European integration concept which was established in the 1950s implied that its member states would develop at the same speed and take equal part in the realization of the integration projects. However, every further enlargement of the Union inevitably led to the differentiation of the views on the integration processes and the methods of their implementation. Having different perception of the European integration goals, member states contributed to either the increase or decrease of the mentioned above processes. As a result this has led to the creation of a complicated relationship system between some states [2, p. 296].

The special role in the differentiation processes was played by the Nordic countries as the main part of the existing exceptions from the EU policy regards them in the first place [5, p. 4]. Not having an alternative to develop without the EU partnership, Scandinavian countries have found their own way of adapting to integration processes and simultaneously they have seriously influenced the formation of the EU differentiated structure [4, p. 159].

As it is known Nordic countries were not among the ones who established the European Economic Community (EEC), but they chose to become members of the Free Trade Area, created by Britain. These two associations had significantly different goals. EEC had serious institutional structure and supranational governmental bodies whereas the task of the European Free Trade Association (EFTA) was to simplify international trade relations in Europe. However, over the accomplishments in economy demonstrated by the EEC members, the activity of the EFTA was much more modest. Thus in the 60s such Scandinavian countries as Denmark and Norway applied for the EEC membership [2, p. 298].

Compared to Norway, Denmark, with its highly competitive agricultural industry, was, probably in all terms (not only geographically),

closer to continental Europe. Nevertheless, both applications had been rejected and new negotiations started only in 1970.

In 1972 Denmark and Norway held referendums regarding the EEC membership. The result in Denmark was positive what can not be said about Norway as its citizens had voted against joining the Community. In 1973 Denmark became the first North European country to enter the European Economic Community (EEC).

The difference in the stance of the Nordic countries towards the EEC is mainly explained by the historic, political and economic specifics each of the countries in the region. Until 1990s, for example, Sweden and Finland hadn't even been considering membership in the EEC due to their policy of neutrality. Iceland had never applied due to its specific geopolitical location and particular structure of economy. As the sea sector, mainly fishing, is the basis of Iceland's economy, full membership of the country in the EU is considerably problematic [3, p. 80].

Norway has tried to enter the EEC and then the EU many times, but all attempts were unsuccessful as the decision hadn't been approved at the referendums. The country has the economic structure which is reasonably different from other Western European countries. Norway is a relatively small European state, which became independent only in 1905, but it possesses large amounts of natural resources. It is the third biggest oil-exporter in the world and the only country in Europe that doesn't depend on the external energy sources. Norway has a well-developed fish and shipbuilding industries as well as marine transport, thus its understandable why the country doesn't want to restrict itself with the EU legislation [5, p. 7].

On the contrary Denmark was interested in the absence of barriers in the trade with Germany and had a close economic cooperation with the UK, so when the latter entered the EEC Denmark followed. However in 1992 Denmark implemented the first differentiation to the Community. It happened due to the signing of the Maastricht Treaty, which completely reformed the EEC. The new treaty required members to delegate its financial powers to the newly established EU which wasn't approved by Denmark's nation. The country couldn't allow itself to be outside of the Euro-market and the mutual cooperation was equally important to the EU, so in 1992 the European Council approved special exceptions for Denmark.

The major ones of them are absence of the single currency, the right to have national citizenship with the EU's citizenship being additional one as well as some exceptions in the foreign and security policy [2, p. 300].

The membership of Sweden and Finland went relatively smoothly. Nevertheless they had to attune their national legislations to the European one [1, p. 123].

As we can see not all the Scandinavian countries fully joined the EU. In 1994 Iceland and Norway became associated with the European Union (EU) through the European Economic Area (EEA) agreement which in fact makes the two countries part of the internal market [5, p. 11]. This agreement is mainly about the «four freedoms» of the EU internal market – free movement of goods, services, persons and capital

There are also some special features in the Scandinavian countries participation in the Economic and Monetary Union. Sweden and Denmark are the only ones from the permanent EU members who haven't introduced a single currency. Their economic and financial condition allows them to join the euro zone but their authorities prefer to keep the national currency [3, p.79].

The situation in Sweden is, however, somewhat different and more complicated than in Denmark. The country fails to meet the requirements of a single currency introduction and has a status of the “state with a defect”. Sweden doesn't take any action in preparing for a single currency introduction and says that the nation wants to keep Swedish krona [2, p.300].

The most complicated is the configuration of the Scandinavian involvement in the Schengen acquis [1, p. 121]. Sweden and Finland have fully adopted the Schengen legislation without any special exceptions from the partnership in the areas of law and internal affairs. Denmark, on the other hand, has quite a specific stance in this partnership. If the European Council passes any law based on the Schengen acquis, Denmark will have six months to decide whether it adopts this law and implements to the national legislation or not [2, p.302].

It can be seen that the political and economic vectors of the Scandinavian countries have been formed under the influence of two opposite tendencies. On the one hand, the countries have been building

politics and economy according to the national interests with the goal to create the state of welfare. On the other hand this so-called Scandinavian economic nationalism faced the necessity to expand foreign trade needed for the development [4, p. 167].

Overall, the Nordic countries are prompt payers to the EU budget, have a good performance in the economic development, high living standards and actively take part in the discussion of the current EU problems. However, we can't deny the presence of some skepticism towards the further European integration among the Scandinavian countries. In practice this took shape of the «special governmental stance» on the range of questions. They want to keep the countries' unique social model and do not want to handover key components of the national sovereignty in order to implement all-European structures.

The existence of this intricate system of exceptions is not a favorable moment for the EU. It complicates the institutional structure of the Union and makes new members want to get the same exceptions. That is why at the moment the full adoption of all EU legislation is mandatory for the newcomers and they have no opportunity to follow the Scandinavian countries' path.

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## **SKANDINAVISCHES LÄNDER: BESONDERHEITEN DER WIRTSCHAFTLICHEN ENTWICKLUNG**

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**Khrapunenko M.M., Pirog I.I. Skandinavische Länder: Besonderheiten der Wirtschaftlichen Entwicklung.** Der Artikel zeigt die Merkmale der wirtschaftlichen Entwicklung der skandinavischen Länder und der Beziehungen innerhalb der Region. Es wird auf die Mitgliedschaft der skandinavischen Länder in der EU und deren Einfluss geachtet, die Schlüsselfaktoren, die zum wirtschaftlichen Erfolg der Region geführt haben, identifiziert. Die wirtschaftlichen und politischen Systeme der skandinavischen Länder sind bezeichnet.

**Schlüsselwörter:** skandinavische Länder, Entwicklung, der EU, Politik, Integration, Wirtschaft, Besonderheiten, Erfolg.

**Храпуненко М.М., Пірог І.І. Країни Скандинавії: особливості економічного розвитку.** У статті встановлено особливості економічного розвитку країн Скандинавії та їх відносини всередині регіону. Проаналізовано членство Скандинавських країн в ЄС та його вплив; визначаються ключові чинники, що призвели до економічного успіху регіону. Особлива увага приділяється рисам економічних та політичних систем країн Скандинавії.

**Ключові слова:** країни Скандинавії, розвиток, політика, розвиток, інтеграція, економіка, особливості, успіх.

**Храпуненко Н.Н., Пірог И.И. Страны Скандинавии: особенности экономического развития.** В статье раскрываются особенности экономического развития стран Скандинавии, отношения внутри региона. Внимание уделяется членству Скандинавских стран в ЕС и его влияние; определяются ключевые факторы, которые привели к экономическому успеху региона. Охарактеризованы экономическая и политическая системы стран Скандинавии.

**Ключевые слова:** страны Скандинавии, развитие, политика, интеграция, экономика, особенности, успех.

Gegenstand des Artikels ist die wirtschaftliche Entwicklung der skandinavischen Länder. Der Zweck besteht darin, die Besonderheiten der Länder in Bezug auf die Volkswirtschaften zu definieren und zu

analysieren sowie die Schlüsselfaktoren, die der Region zu einem der wohlhabendsten in Europa gemacht haben.

Die nordischen Länder – hierunter versteht man die Region Skandinavien, einschließlich Island und Finnland – schaffen es seit jeher erfolgreich, wirtschaftliche Effizienz und Wachstum mit einem auf Ausgleich bedachten Arbeitsmarkt, einer gerechten Einkommensverteilung und sozialem Zusammenhalt zu verbinden [6].

Die nordische Region besteht aus Dänemark, Finnland, Norwegen, Schweden und Island. Diese Länder eint das sogenannte Nordische Modell. Dieses System, das bis lange vor die Gründung der Europäischen Union zurückreicht, war und ist enorm erfolgreich darin, sowohl finanzielle Renditen als auch eine hohe Lebensqualität zu generieren. Stabilität, Wohlstand und ein gewisser "Nordic Way of Life" übersetzen sich heute in eine politische, wirtschaftliche und kulturelle Führungsrolle, die den gesamten Ostseeraum prägt [5].

Strukturelle Stärken spiegeln sich in allen nordischen Staaten vor allem in einer hohen Erwerbstätigkeit, einem überdurchschnittlichen Bildungsniveau und einer allgemein hohen Investitionsbereitschaft in Humankapital sowie Forschung und Entwicklung wider. Die besonderen Stärken dieser Länder liegen insbesondere in der technologischen Reife, der Innovationsfähigkeit und der Qualität der Geschäftsumfelder. Die Rechtssysteme gelten als äußerst zuverlässig. Informationen sind leicht zugänglich und transparent. Die gut funktionierenden demokratischen Strukturen und die hohe politische Stabilität sorgen für große Planungssicherheit. Zudem verfügen alle Länder über weltoffene Geschäftsklima. Wegen ihrer geografischen Lage sowie fortschrittlichen Infrastruktur gelten die nordischen Länder auch aus logistischer Sicht als optimaler Standort für ausländische Investoren. Aufgrund geringer Bürokratie bei gleichzeitig funktionierenden und transparenten Strukturen bieten sie über alledem einen Markt von immerhin ca. 26 Mio. Verbrauchern [4, S. 184].

Die Situation war jedoch nicht immer so. Die skandinavische Region war 2008 mit einer schweren Strukturkrise konfrontiert und verlor das Gleichgewicht. Obwohl die konkreten Probleme und Voraussetzungen in den einzelnen Ländern unterschiedlich waren, alle vier Nationen es auf ähnliche



Art und Weise geschafft haben, sich aus dem Krisensumpf herauszuziehen und inzwischen als Vorbilder der Stabilität zu erscheinen [2].

Es gibt vier Hauptfaktoren, die zum wirtschaftlichen Erfolg der Region geführt haben und die Stabilität innerhalb der Region wiederhergestellt haben:

- *Leistungsfreundliche Gestaltung des Steuersystem.*

Die Steuerbelastung in allen skandinavischen Ländern ist relativ hoch. Allerdings bekommen die Bürger auch etwas für ihr Geld, die Qualität öffentlicher Leistungen ist ebenfalls außergewöhnlich. Zudem wurde bei der Gestaltung der Steuersysteme darauf geachtet, dass die Steuersätze leistungsgerecht sind. Bei der Einkommenssteuer gibt es eine Progression, diese verläuft aber relativ milde. Die Steuern auf Unternehmensgewinne und Kapitalerträge sind hingegen im internationalen Vergleich eher niedrig, die Verbrauchssteuern aber relativ hoch [7].

- *Stabile Rahmenbedingungen.*

Skandinavien profitiert von stabilen politischen und wirtschaftlichen Rahmenbedingungen, einem hohen Bildungsniveau und dem Zugang zu neuen Technologien. Bestes Beispiel ist die Platzierung der Länder im sogenannten Doing-Business-Index, einem Ranking, das alljährlich von der Weltbank aufgestellt wird. Sie prüft dabei, wie leicht oder schwer es in einem Land ist, ein Unternehmen zu gründen und zu führen – wie schwer es ist, eine Genehmigung zu erhalten, wie lange es dauert, einen Stromanschluss zu bekommen, wie kompliziert Bauanträge sind und vieles mehr. Zuletzt lag hier Dänemark auf Rang 3, Norwegen auf Platz 6, Schweden weitere drei Plätze dahinter und Finnland auf dem 13. Listenplatz. Alle vier Länder waren also unter den besten 15 von 190 Staaten. Unternehmen finden in Skandinavien also beste Bedingungen vor. Und gleichzeitig haushalten die Regierungen vorbildlich. Norwegen hat seit Jahren einen riesigen Haushaltsüberschuss, Schweden kommt auf eine schwarze Null [6].

- *Marktwirtschaftliche Effizienz bei öffentlichen Leistungen.*

Alle skandinavischen Länder leisten sich nach wie vor einen umfangreichen Wohlfahrtsstaat, was nicht zuletzt auf einem am Gemeinwohl orientierten Gesellschaftsmodell liegt, dass von der Bevölkerung breit akzeptiert wird. Allerdings wurden die Sozialleistungen

auf Effizienz getrimmt, indem marktwirtschaftliche Steuerungsmechanismen eingeführt wurden. Ein hohes Maß an Transparenz und Kostenbewusstsein hat dafür gesorgt, dass öffentliche Dienstleistungen erheblich günstiger als in anderen Ländern angeboten werden. Darüber hinaus wurde z. B. durch Privatisierungen Wettbewerbsdruck für öffentliche Unternehmen aufgebaut [7].

– *Offenheit gegenüber Innovationen und fremden Kulturen.*

Skandinavische Länder sind in der Regel sehr traditionsbewusst, so sind noch 3 der 4 Nationen konstitutionelle Monarchien. Dennoch verhindert diese Verankerung in traditionellen Werten nicht die Offenheit gegenüber fremden Kulturen oder neuen Technologien. In den vergangenen Jahrzehnten waren die Skandinavier am schnellsten, wenn es um die flächendeckende Einführung von Mobiltelefonie oder Breitbandinternet ging. Auch schafft man es immer wieder, heimische und globale Kultur in einer für die ganze Welt interessanten Art und Weise zu verbinden sowie daraus wirtschaftliche Erfolge zu machen [5].

Wie wir sehen können, hat die komplexe Herangehensweise der skandinavischen Region zu den erforderlichen Ergebnissen geführt und sie zu einem der erfolgreichsten in Europa gemacht.

Wir sollten auch die Beziehungen zwischen den skandinavischen Ländern und der EU erwähnen. Es zeigt erneut, wie die Länder ihre Individualität bewahren und gleichzeitig eine Zusammenarbeit aufbauen.

Nicht nur massive Kriege, sondern auch zahlreiche weniger dramatische Ereignisse haben dazu geführt, dass der europäische Kontext im Alltag der nordischen Völker sehr präsent ist. Die Behörden dieser Länder kombinieren effektiv die Modelle der regionalen und internationalen Integration und schaffen so ein einzigartiges Beziehungsmodell mit der EU [2, S. 81].

Das europäische Integrationskonzept, das in den 1950er Jahren eingeführt wurde, implizierte, dass sich seine Mitgliedstaaten mit der gleichen Geschwindigkeit entwickeln und gleichberechtigt an der Realisierung der Integrationsprojekte mitwirken würden. Jede weitere Erweiterung der Union hat jedoch zwangsläufig zu einer Differenzierung geführt. Aufgrund ihrer unterschiedlichen Wahrnehmung der Ziele der europäischen Integration trugen die Mitgliedstaaten dazu bei, die oben genannten Prozesse entweder zu

erhöhen oder zu verringern. Infolgedessen hat sich ein kompliziertes Beziehungssystem zwischen einigen Zuständen gebildet [1, p. 296].

Schlussfolgerungen. Die besondere Rolle in den Differenzierungsprozessen spielten die nordischen Länder, da der Hauptteil der bestehenden Ausnahmen von der EU-Politik sie in erster Linie betrifft. Da es keine Alternative für die Entwicklung ohne die EU-Partnerschaft gibt, haben die skandinavischen Länder ihren eigenen Weg gefunden, sich an Integrationsprozesse anzupassen, und gleichzeitig haben sie die Bildung der differenzierten EU-Struktur ernsthaft beeinflusst [3, p. 159].

Natürlich sind die skandinavischen Nationen nicht perfekt und schon gar nicht frei von Konflikten. Auch sind die Erfahrungen nicht eins zu eins auf andere Länder übertragbar. Allerdings hat man in dieser Region einen besseren Weg gefunden, mit den Problemen der Welt umzugehen und konstruktive Lösungen zu finden.

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## CAUSES OF ECONOMIC CRISIS IN VENEZUELA AND WAYS HOW TO OVERCOME IT

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**Kirkina D.V., Skrypnyk T.I. Causes of economic crisis in Venezuela and ways how to overcome it.** The article discusses the factors that have led the economy of Venezuela to crisis. The article deals with factors other than Dutch disease (which is considered to be the main contributor to crisis in Venezuela). Primarily crisis of political system of Venezuela is described. Points such as hyperinflation and food shortage are also covered in the article. At the end of the article some ways that can help to overcome crisis in Venezuela are suggested.

**Keywords:** anti-crisis measures, economic crisis, foodstuff crisis, government relations, hyperinflation, political changes, Venezuela.

**Кіркiна Д.В., Скрипник Т.І. Причини економічної кризи в Венесуелі і шляхи її подолання.** У статті обговорюються чинники, які стали причиною економічної кризи у Венесуелі. У статті розглядаються фактори, відмінні від голландської хвороби (яка вважається основною причиною кризи в Венесуелі). У першу чергу описується криза політичної системи Венесуели. У статті також розглядаються такі питання, як гіперінфляція і криза продовольчої системи. У кінці статті наведені деякі способи, які можуть допомогти подолати Венесуельську кризу.

**Ключові слова:** антикризові заходи, Венесуела, відносини влади, гіперінфляція, економічна криза, , політичні зміни, продовольча криза.

**Киркина Д.В., Скрыпник Т.И. Причины экономического кризиса в Венесуэле и пути его преодоления.** В статье обсуждаются факторы, которые послужили причиной экономического кризиса в Венесуэле. В статье рассматриваются факторы, отличные от голландской болезни (которая считается основной причиной кризиса в Венесуэле). В первую очередь описывается кризис политической системы Венесуэлы. В статье также рассматриваются такие вопросы, как гиперинфляция и кризис продовольственной системы. В конце статьи приведены некоторые способы, которые могут помочь преодолеть Венесуэльский кризис.

**Ключевые слова:** антикризисные меры Венесуэла, гиперинфляция, общество отношения власти политические изменения, продовольственный кризис, экономический кризис.

Venezuela has always been one of the most developed countries in Latin America. During 1950s – early 1980s economy experienced a steady growth with the highest standards of living among all countries in Latin America. This has attracted a lot of immigrants from all over the world that resulted in the enrichment of human capital in Venezuela. Having the biggest proven oil resources in the world, Venezuela differs from other states of the region in that the main resource for the development of its economy is the oil production. The world decline in oil prices has led to disastrous consequences in the economy, as the state budget is formed by more than 90% of the revenues from oil exports. But is dependence on the oil sector is the only cause of the economic crisis in Venezuela? This work digs deeper and analyzes Venezuela's recessions from different perspectives.

One of the main factors in the crisis state of Venezuela is the instability of its political system, the inability of the ruling elite policy or an individual political leader to solve pressing social and economic problems. The preconditions for a structural party crisis are beginning to form in the early 1990s, when the President of Venezuela, CA Peres, not taking into account social problems and corruption, begins to implement the course of liberal reforms. His reforms were to reduce tariffs, raise taxes, privatization and cut back government spending [1]. But ultimately none of this did not eliminate the main problems in Venezuela's politics and economy: shortcomings in monetary policy and in the legal framework.

The economic and political problems of the 1980-1990s led to the victory of Hugo Chavez in the presidential elections of 1998. However, reforms, and the economic course in general, which he conducted, only made the economic situation in the country worse and worse during many years. One of Chavez's reforms was the nationalization of important sectors of the economy – metal and cements industry and telecommunications. Despite the fact that this resulted in reduction of unemployment, nationalization has made the work of companies so bad that no one wanted to buy their products. In the conditions of corruption, they gradually came to a decline. After falling revenues from oil exports, other industries had to increase the pace of development to cover the deficit, but they did not manage to do so [2].

In the conditions of economic instability, the ability of the political system to effectively allocate resources in society has decreased. This led to

an aggravation of social conflicts, a fall in socio-economic indicators of the life quality in society. In the social context, positive dynamics emerged due to the social reforms of Chavez, when it was possible to reduce social inequality in society. This is confirmed by the Gini coefficient, which reflects the distribution of social wealth among different social strata. However, Chavez, in order to support the population, spent too much budget money on the social sphere, employment, education. It led to an incredibly high burden on the budget [2].

Venezuela has a chronic state budget deficit. The central bank of Venezuela tried to cover the budget deficit by issuing the currency, but this led to an acceleration of inflation to 122% on average in 2015 [4]. The financial system of Venezuela also does not function properly. The volume of money supply M1 since the beginning of 2016 increased by 122%, and in January 2017 compared to December of the previous year – by 13%, which indicates a large-scale uncovered money issue. This is one of the main reasons for the hyperinflation [4].

In addition, controlled inflation was practiced in Venezuela to maintain the competitiveness of its own goods to the import ones. The fact is that when currency falls in price, it falls to the dollar as well. Imported goods become more expensive, and people buy less of them. But such import substitution did not work well. Entrepreneurs did not wait until the end of the year when their profits would depreciate, so the earned capital was quickly exported abroad. Therefore, the share of domestic goods continued to fall in favor of imports.

Nowadays, we can observe hyperinflation and food shortages. The main features of the modern food sector of Venezuela are the deficit of basic food products throughout the country due to the poor system of food supplies to state stores and the presence of a "black market" of food, where prices, compared to state stores, are significantly inflated. Furthermore, in spite of hyperinflation and fall in oil revenues the government continued to restrain the prices of goods in supermarkets. As a result, the importers of food products stopped importing goods because they suffered heavy losses while selling these products [3].

As the foodstuff crisis is one of the main burning issues in Venezuela these days it would be sensible to start reformation of the country from this

sphere. In this regard, as a possible solution to the current situation, it is proposed to optimize the food supply system, develop a system of measures to support enterprises producing foodstuffs, adjust prices for vital food products both taking into account the purchasing power of the population and the stimulation of production of these products. It seems rational to focus on support of vital products production in order to saturate the market. Another direction of actions is the institutionalization and development of the legal framework for the functioning of the market relations system in order to level off the prices and stabilize supply in the food market.

Moreover, government should abolish the regime of restrictions on currency transactions, which in many ways contributed to the emergence of the crisis in the country. Also government should abandon the state policy of price regulation, which impedes private investment and also creates a shortage of food and goods.

Taking a broader perspective, radical anti-crisis measures must be taken to overcome severe economic situation in Venezuela. First of all, income of commodity sector of economy should be restricted through extremely high taxation or direct withdrawal of income by the state. The main idea of this method is that if you deprive the extractive sector of the economy of super profits, it loses advantages over the manufacturing industry and does not create pressure on the labor market, either on consumer prices or on the exchange rate of the national currency. Furthermore, the openness of oil sector can attract foreign investment to it.

Another way might be protectionist measures to support industry, including subsidizing the production of export products and tariff policy. Such measures are potentially dangerous, as the industry eventually gets used to the state support and, when the situation with the export of raw materials changes, is unable to act in market conditions. The increase in import tariffs leads to an increase in domestic prices. A less destructive way of supporting industry is state investment in education and infrastructure. Such investments can increase the competitiveness of domestic production. However, the effect of such measures is not immediately apparent, and their effectiveness may be low due to corruption and an incorrect assessment of the state's business needs.

The most important and obvious way out of the crisis is to diversify the economy. The potential has a tourism industry, from the perspective of macroeconomics; foreign visitors can attract a constantly depreciating bolivar. However, the establishment of a favorable institutional environment can take considerable time. An important industry from the perspective of food security is the agro-industry. But according to the Central Intelligence Agency the share of the agrarian sector accounts for only 4.4% of the national income in 2017 and this industry employs 7.3% of the workforce [5].

All in all, not only high dependence on oil revenues has caused such terrific economic crisis in Venezuela, but also political instability and wrong economic policy. Some measures which could help to overcome economic crisis have been suggested in this work. But these important measures can be implemented only if there will be a political leader who will be approved by the nation and could introduce right economic policy in such difficult times for Venezuela.

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**LES PROBLÈMES FONDAMENTAUX  
DE LA POLITIQUE MONÉTAIRE DE L'UKRAINE  
ET LES VOIES DE SON AMÉLIORATION**

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**Klapova Ye.P., Bezvesilna N.T. Les problèmes fondamentaux de la politique monétaire de l'Ukraine et les voies de son amélioration.** Dans cet article on a examiné les orientations principales de la politique monétaire, ses problèmes et les voies de leurs décisions. Les objets stratégiques de la politique monétaire ont le but principal de la sauvegarde réelle du développement économique, qui garantit le plein emploi, la stabilité des prix, l'équilibre des rapports de paiement avec le monde extérieur. Un des buts intermédiaires est l'acquisition de telle situation de certaines grandeurs variables, qui contribue aux résultats des objets stratégiques. En Ukraine c'est la Banque nationale de l'Ukraine qui est l'organisme principal pour réaliser la politique monétaire.

**Les mots-clés :** la politique monétaire, l'emploi, le développement, l'augmentation, l'inflation, la Banque nationale de l'Ukraine, les rapports de paiement, la stabilité des prix.

**Хлапова Є.П., Безвесільна Н.Т. Основні проблеми грошово-кредитної політики України та шляхи її оптимізації.** У статті розглянуті основні напрями грошово-кредитної політики, її проблеми, та шляхи їх вирішення. Стратегічними цілями грошово-кредитної політики є забезпечення такого економічного зростання, при якому гарантується повна зайнятість, стабільність цін, збалансованість платіжних відносин із зовнішнім світом. Проміжними цілями є набуття такого стану деяких економічних змінних, який сприяє досягненню стратегічних цілей. В Україні основним органом, що здійснює грошово-кредитну політику, є НБУ.

**Ключові слова:** грошово-кредитна політика, зростання, зайнятість, інфляція, НБУ, платіжні відносини, стабільність цін.

**Хлапова Е.П., Безвесильная Н.Т. Основные проблемы денежно-кредитной политики Украины и пути ее оптимизации.** В статье рассмотрены основные направления денежно-кредитной политики, ее проблемы и пути их решения. Стратегическими целями денежно-кредитной политики является обеспечение такого экономического роста, при котором

гарантируется полная занятость, стабильность цен, сбалансированность платежных отношений с внешним миром. Промежуточными целями является приобретение такого состояния некоторых экономических переменных, который способствует достижению стратегических целей. В Украине основным органом, осуществляющим денежно-кредитную политику, является НБУ.

**Ключевые слова:** денежно-кредитная политика, рост, занятость, инфляция, НБУ, платежные отношения, стабильность цен.

Le but du donné article c'est la définition des problèmes de la politique monétaire et les recherches des voies de leur décision.

L'objectif des recherches du donné article c'est le fonctionnement de la politique monétaire.

L'objet de l'étude c'est l'analyse de l'état actuel de la politique monétaire de l'Ukraine.

La politique monétaire c'est l'ensemble de mesures dans la sphère de la circulation monétaire et du crédit, orientés à la sauvegarde de la stabilité de l'unité monétaire de l'Ukraine par voie de l'application des techniques et des procédés qui sont définis par la Loi au sujet de « La Banque nationale de l'Ukraine » [1].

La Banque nationale de l'Ukraine effectue l'élaboration et la réalisation de la politique monétaire.

La masse monétaire, le cours de devises, la vitesse de tour d'argent, les taux d'intérêt sont des objets de la politique monétaire. En conformité de la législation en vigueur les instruments fondamentaux sont la norme obligatoire des réserves des banques ; la politique de pourcentage ; refinancement des banques ; la gestion des réserves monétaires nationales de change; les transactions au marché interbancaire ; le réglage de l'importation et de l'exportation du capital.

La Banque nationale de l'Ukraine a adopté telles grandes orientations de la politique monétaire pour les années 2016-2020 [2]:

1. La réalisation et le soutien de la stabilité des prix. La Banque nationale de l'Ukraine planifie de remplir son objet par l'intermédiaire de la réalisation de la politique inflationniste du règlement de l'accroissement de la masse monétaire à la circulation et aussi par le contrôle des disponibilités monétaires en conformité du programme de la collaboration avec le Fonds

monétaire international. Ces actions prévoient la réduction graduelle de l'inflation en Ukraine jusqu'aux niveaux compatibles avec la stabilité des prix. La détermination de l'inflation au niveau de 5% est prévue en perspective de la période moyenne. La Banque nationale de l'Ukraine fixe tels indicateurs du plan de l'inflation [2]:

- 2016 – 12% +/- 3 ind. du pl.;
- 2017 – 8% +/- 2 ind. du pl.;
- 2018 – 6% +/- 2 ind. du pl.;
- 2019 – 5% +/- 1 ind. du pl..

D'après les données du rapport de l'inflation de la Banque nationale de l'Ukraine en premier trimestre de l'an 2016 il y avait la tendance au ralentissement de consommation en Ukraine grâce à la politique monétaire et fiscale réservée, aux bas prix mondiaux des matières premières et à la stabilisation des prévisions d'inflation [3].

2. Et aussi une des directions les plus importantes de la politique monétaire aux années 2016-2020 est la nécessité de l'augmentation des réserves de change monétaires nationales.

3. Le soutien du régime des flottantes des monnaies qui sont fixées selon l'offre et la demande des devises. En même temps la Banque nationale de l'Ukraine fera la réalisation des interventions des valeurs en cas échéant pour détourner la fluctuation exorbitante des monnaies.

La Banque nationale de l'Ukraine accomplit les modifications considérables à la réalisation de la politique de pourcentage et de sa transformation à l'instrument en vigueur de la réglementation de l'offre et de la demande des moyens monétaires par le changement des taux d'intérêt d'après ses opérations pour avoir l'influence aux taux d'argent des acteurs de l'économie de marché monétaire et le rendement des opérations de financement. L'ordonnance de la Banque nationale de l'Ukraine № 277 «Au sujet de l'affirmation du Règlement des bases de la politique de pourcentage de la Banque nationale de l'Ukraine du 21.04.2016 est admise pour forcer ces modifications. [4].

Selon ce Règlement la Banque nationale instore les taux d'escompte et les taux d'intérêt d'après l'instrument clé de la politique monétaire au même niveau. Aux conditions de l'excédent structural de la liquidité qui est observé dans le système bancaire, les opérations du placement des

certificats de dépôt pour le délai de quinze jours sont l'instrument susmentionné. Aujourd'hui c'est la composante de base de tous les certificats de base placés, et les opérations à ces certificats ont la plus grande influence à l'état du marché monétaire. L'unification des taux d'escompte et des taux d'après des certificats de dépôt de quinze jours (en ce moment au niveau de 19%) permettra améliorer la destination des taux d'intérêt à court terme au marché monétaire interbancaire.

Les problèmes de base à la réalisation de la politique monétaire de l'Ukraine sont :

- Le haut rythme de l'inflation ;
- Le fréquent emploi du dollar à la circulation monétaire intérieure à cause de la défiance à l'unité monétaire nationale, sa dévaluation et l'attente de l'inflation ;
- Le haut niveau des fonds à la structure de la masse monétaire de l'Ukraine.
- La destabilisation du cours de change et la dévaluation de la grivna ;
- Le bas niveau des réserves de change monétaires nationales ;
- L'augmentation de la dette publique ;
- Les hauts taux d'intérêt de crédit ;
- L'augmentation de la part de la dette ariérée de crédit au total de crédits ;
- Le bas niveau de la capitalisation des banques ;
- L'augmentation de la quantité des banques insolubles et leur liquidation ce qui baisse le niveau de la confiance de la population envers le système de banque ;
- Le déficit des comptes du Fonds de garantie des dépôts des personnes physiques (FGDPP) et sa couverture pour le compte du budget de l'Etat ce qui est un fardeau important pour lui.

Les voies de base de l'optimisation de la politique monétaire sont :

1. La réalisation efficace de la politique du règlement de l'accroissement de la masse monétaire à la circulation à l'inflation. Il existe aussi des postulats de base auxquels la banque centrale peut favoriser la croissance économique par l'appui du niveau bas de l'inflation. Cela va permettre de stabiliser la situation au marché, de baisser les taux d'intérêt

de crédits et de dépôts, va favoriser la croissance des revenus réels de la population et des entreprises, va améliorer l'attrait d'investissements du pays et va augmenter la confiance au système bancaire dans l'ensemble.

2. La croissance des réserves internationales pour augmenter la sécurité financière du pays et le nivellement de l'influence des risques éventuels pour la protection de la vibration exorbitante des taux de devises par voie de la réalisation des interventions des valeurs.

3. La libéralisation ultérieure de la législation sur les changes et la levée du contrôle des changes, et aussi la diminution de la présence de la Banque nationale de l'Ukraine au marché des changes grâce à la garantie réelle des conditions de son fonctionnement efficace.

4. L'optimisation de la politique de pourcentage de la Banque nationale de l'Ukraine. La finalité principale de la politique de pourcentage de la Banque nationale en qualité de l'instrument de base de l'influence au marché monétaire c'est la sécurité de la stabilité des prix en perspective du délai moyen, et aussi la baisse de la valeur des fonds de crédit ce qui va favoriser l'activité d'investissements, de développement et de l'amélioration de la situation financière des agents économiques, de la population, de l'Etat dans l'ensemble.

5. La politique efficace envers la gestion de la dette publique est orientée à l'emploi effectif au maximum des fonds empruntés, au règlements de la dette opportun, à la minimisation d'un nouvel emprunt.

6. L'optimisation de la procédure de liquidation des banques et l'amélioration de l'activité de la Banque nationale de l'Ukraine envers l'emploi effectif des indicateurs de réponse, qui pourrait découvrir le problème à une étape précoce de son développement, et faire tous les efforts pour la prévention de la perte de la capacité de paiement par la banque.

7. L'augmentation du niveau de la capitalisation des banques (la Banque nationale de l'Ukraine a pris le décision de l'augmentation du capital des banques jusqu'à 500 millions de grvnas.

8. La diminution des risques au temps de la conduite des opérations actives et passives et la diminution du niveau de la dette de crédit.

9. L'augmentation de la confiance de la population au système bancaire et l'encouragement de l'épargne par voie de l'appui bas de l'inflation et la fixation des taux attractifs de rémunération des dépôts.

10. L'augmentation de la clarté des activités de la Banque nationale de l'Ukraine.

Ainsi la politique monétaire de l'Ukraine a un rang des problèmes et notamment pour cela on a proposé les voie de leur décision.

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## THE ANALYSIS OF INTEGRATION PROCESS OF UKRAINE INTO THE EUROPEAN UNION

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**Koschiyenko M.V., Karlyuk S.V. The analysis of integration process of Ukraine into the European Union.** Positive and negative consequences of the introduction of Ukraine into the European Union on economic, political, and social levels are analyzed in the article. SWOT-analysis on the issue has been performed.

**Key words:** competitiveness, integration, European choice, European standards, integration.

**Кошієнко М.В., Карлюк С.В. Аналіз процесу інтеграції України до Євросоюзу.** Проаналізовано позитивні і негативні наслідки приєднання України до ЄС. Проведено SWOT-аналіз даного питання на економічному, політичному, та соціальному рівнях.

**Ключові слова:** інтеграція, конкурентоспроможність, європейський вибір, європейські стандарти.

**Кошиенко М.В., Карлюк С.В. Анализ процесса интеграции Украины в Евросоюз.** Проанализированы положительные и отрицательные аспекты интеграции Украины в ЕС. Выполнен SWOT-анализ данного вопроса на экономическом, политическом, и социальном уровнях.

**Ключевые слова:** европейский выбор, европейские стандарты, интеграция, конкурентоспособность.

In the 1990s, the foreign policy orientation of Ukraine was proclaimed as towards integration into the European community. The European choice opens new prospect for relations between Ukraine and developed countries of the continent, as well as economic development, social and intellectual progress, strengthening of the state's positions in the international coordinates system.

For Ukraine, European integration is a way of modernizing its economy, attracting foreign investments and new technologies, increasing competitiveness of domestic commodity producers, an opportunity to enter the EU internal market. In the political aspect, European integration

determines modernization of the area of law of the Ukrainian state, the democratization of its political and institutional systems. Cooperation with the EU will facilitate the approximation of Ukrainian social conditions to high European standards, raise the standards of living for its population.

In the cultural and civilization aspect, European integration is a way to intensify the exchange between Ukrainian and Western European humanist cultures. Moreover, Ukraine will become a part of integrated global world. And finally, EU membership guarantees strengthening of Ukrainian national security, protection against aggression and territorial claims.

Simultaneously, there are negative factors of integration of Ukraine in EU that will accompany Ukraine: increasing competition with EU member firms in the process of liberalization, and increasing openness of the national economy, which will be accompanied by elimination of uncompetitive enterprises with negative social consequences, and others.

That is why it is important to observe the whole situation by making a SWOT analysis and comparing all pros and contras.

The relevance of this article is that the issue of integration of Ukraine into EU is repeatedly put on the agenda.

The purpose of our work is to analyze the multi-dimensional cooperation of Ukraine with the countries of Western Europe in case of Ukrainian integration into the EU by studying the nature of long-term and short-term factors influencing the processes of European integration into Ukrainian society.

A SWOT analysis involves studying the effects of certain processes by separating these factors into advantages, prospects, disadvantages, and threats. Disadvantages and threats are conventionally marked as being minor or they have a temporary nature and such that carry potential danger to the main sectors of society in Ukraine, or require significant costs and time to elucidate them.

**Benefits of Ukraine's accession to the EU.** *Political benefits.* It is the interests of the European Union to ensure peace and stability within EU borders in order to have stable and democratic neighbors with a predictable and friendly policy.



If Ukraine becomes a member of the European Union, Ukraine will be involved in Common European Security and Defense Policy, which will guarantee independence and territorial integrity to Ukraine. Also, Ukraine will take an active part in creating mechanisms of the new international anti-terrorism policy and European collective security.

*Economic benefits.* Macroeconomic stability. If economic indicators of Ukraine come up to European standards, creation of a developed market in the country, consolidation trends in economic growth, improving legislation, building a democratic society as an indispensable condition for Ukraine's accession to the EU, already in itself will bring extraordinary economic advantages to Ukraine, as the desire to join the EU will stimulate the leadership of our state to achieve the desired results faster, and guarantee economic stability.

Conducting a balanced and long-term economic policy of the EU is based on a market economy and follows from the desire of the member states to create a free economic space without internal borders and customs barriers, the introduction of a common currency, the introduction of efficient mechanisms for regulation of goods and services.

Additional investments in Ukrainian economy. Analyzing the economic potential of the European Union and dynamics of its development, it is possible to say that the European Union is a large market for products and a source of satisfaction of Ukraine's needs in a wide variety of consumer and investment products.

Granting subsidies to agriculture. If Ukraine becomes a member of European Community, Ukraine will take part in efficient common agriculture policy of the EU.

Getting a positive trade balance. Ukraine's membership in the WTO, as a precondition for accession to the EU, will make it possible to utterly solve the problem of abolishing discriminatory and anti-dumping restrictive measures against Ukrainian goods. The EU market will become a significant part for exporting Ukrainian goods.

**Opportunities of Ukraine's accession to the EU.** *Political opportunities.* One of the main opportunities of Ukraine's membership in the EU is the guarantee of stability of the country's political system. This is confirmed by the fact that during numerous political crises caused by

presidential elections in 2004, the Orange revolution of 2007, parliamentary crises, it was the EU that advocated for solving political problems in a democratic way, acted as an impartial international arbitrator, provided intermediary assistance in resolving inter-party regional conflicts, contributing to peaceful resolving of problem situations.

*Economic opportunities.* Ensuring the development of business. European Charter for Small Enterprises approved by the European Council in Fairy (19<sup>th</sup> and 20<sup>th</sup> of June 2000), notes that the position of small enterprises in the European Union can be improved by stimulating entrepreneurship, evaluation of existing measures and, if necessary, adaptation of these measures to small businesses, as well as introducing policy markers to take into account the needs of small businesses.

*Implementation of EU standards at Ukrainian enterprises.* Cooperation between Ukraine and the European Union is necessary for technological improvements of Ukrainian production. Manufacturing technologies of Ukrainian enterprises are lagging behind those used by advanced European countries; Ukraine does not have the capital necessary for modernizing the existing ones, nor for creating new enterprises.

**Weaknesses and threats of Ukraine's accession to the EU.**  
*Political weaknesses.* Uncertainty of the EU development strategy. The EU consists of mega state blocs that are in competition and rivalry. It is between them that the main lines of possible split of the EU pass. The hidden struggle for leadership between Germany, France, and Great Britain is happening. It all leads to an unstable situation in the EU and uncertainty about the place and role of Ukraine in the EU.

*Economic weaknesses and threats.* Loss of competitiveness of some sectors of economy. Some domestic producers are not prepared for tough international competition. Today Ukraine has a low competitiveness potential according to international standards. The implementation of a common currency, the euro, will not allow such a mechanism to compensate for its uncompetitiveness as a currency devaluation, which would be an obstacle to stimulating the country's export.

A possibility of movement of harmful industries to Ukraine. According to many analysts and experts, the EU, in exchange for financial and economic assistance to Ukraine, will insist on moving a number of

harmful enterprises to Ukraine, using Ukraine for disposal of environmentally hazardous and radioactive wastes.

*Social weaknesses and threats.* More complicated visa regime with the eastern neighbors. Ukraine's accession to the EU and the implementation of Schengen's area, together with the opening of borders to Europe, at the same time will bring obstacles to the movement of citizens of Ukraine and other CIS countries.

**C o n c l u s i o n s .** We can, therefore, enlist to the main opportunities of Ukraine's accession to the EU the following points: establishment of a stable political system, perception of Ukraine as an important subject of political relations, ensuring the development of small and medium businesses, implementation of EU standards in production, creation of the middle class, reformation of health care and education systems, social protection.

Also, we can enlist to strong points the following items: European collective security, macroeconomic stability, additional investments into Ukrainian economy, obtaining a positive trade balance, common customs tariffs, anti-dumping policy, protectionism and export control, efficient protection of human rights in EU institutions, open borders for free movement of population.

To the main weaknesses of Ukraine's accession to the EU we can enlist the following points: uncertainty of the EU development strategy, loss of competitiveness of some industries, more complicated visa regime with eastern neighbors.

To the main threats to Ukraine resulting from its accession to the EU we can enlist the following: a possibility of movement of harmful industries to Ukraine, use of Ukraine as a raw materials addendum, illegal migration, and outflow of personnel.

To sum up, it is possible to say that if Ukraine becomes a member of the EU, Ukraine will gain a number of significant advantages, but in order to avoid existing problems, it is important to implement strategic ways of EU's development in Ukrainian economy.

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## **INTERNET COMMUNICATIONS WITHIN THE MODERN INTERNATIONAL ECONOMIC RELATIONS**

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**Kotelevets K.S., Davydenko I.V. Internet communication within the modern international economic relations.** The article deals with the wide implementation of Internet communications in international economic relations, their influence on business development, transfer from business and international economic relations to the global net space. The research studies the globalization influence in the sphere of world trade processes, the reduction of the number of intermediaries within the financial markets.

**Keywords:** business, globalization, Internet-banking, Internet communications, international economic relations.

**Котелевець К.С., Давиденко І.В. Інтернет комунікації в сучасних міжнародних економічних відносинах.** У статті розглядається широке впровадження Інтернет-комунікацій в міжнародні економічні відносини, їх вплив на розвиток бізнесу, вихід бізнесу та міжнародних економічних відносин на глобальний рівень Інтернет простору. Відзначено вплив глобалізації в сфері світової торгівлі, зменшення кількості посередників на фінансових ринках.

**Ключові слова:** бізнес, глобалізація, Інтернет – банкінг, Інтернет комунікації, міжнародні економічні відносини.

**Котелевец К.С., Давиденко И.В. Интернет коммуникации в современных международных экономических отношениях.** В статье рассматривается широкое внедрение Интернет коммуникаций в международные экономические отношения, их влияние на развитие бизнеса, выход бизнеса и международных экономических отношений на глобальный уровень Интернет пространства. Отмечено влияние глобализации в сфере мировой торговли, уменьшение количества посредников на финансовых рынках.

**Ключевые слова:** бизнес, глобализация, Интернет – банкинг, Интернет коммуникации, международные экономические отношения.

The o b j e c t of the article is the Internet communications in the world financial sphere. The s u b j e c t of the research is the influence of

the Internet on business development in the modern society. The purpose of the article is to explain that the nature of Internet as the environment and a channel for distributing information, to define the stages of the formation of a global electronic environment for economic activity, to identify the most problematic points, to analyze the factors forming the problem, to consider possible solutions to the problem.

It is known that Internet communications are widely used not only to meet their own social needs. Currently, Internet communication is an active participant in the development of international economic relations. Modern achievements contribute to the formation of a global electronic environment for the economic activity, which, in its turn, opens up new opportunities for business and other spheres of socio-economic activities [2]. It positively influences on modern economic systems, the development of non-market technologies for regulation of network organizational structures.

Nowadays it is difficult to overestimate the role of Internet technology in the development of business. It is much more convenient to use electronic money-transfer systems, provide ads on various social platforms and train staff through advanced training courses, rather than to spend time and material assets on manual or semi-automatic processing of product promotion and training.

Internet Network is a multifunctional system. Its application in business can pursue a variety of goals: from elementary use of e-mail to the construction of complex systems to interact with clients and partners.

Internet technologies have made some changes in the nature and work features of many organizations. Most of these changes relate to the work of the services involved in correspondence, collection and distribution of information, advertising and promotion of goods and services.

The way of interaction through a global network has greatly simplified the process of business correspondence, so it is not surprising that it has gained such popularity. However, the absolute majority of Internet users see the network not only as a technology to forward mail messages, but also to accumulate information. Indeed, the search for data via the Internet has a number of advantages, including the possibility of purposeful selection of the necessary information without obsessive

interference from the side, familiarity with a large amount of graphic and text information. The accumulation of information for the company, accordingly, involves searching for options for commercial transactions, which means that the goods or services offered through the Internet can find their consumers, both among corporate users of the Network and private individuals [3]. An important task for the use of the Global Network is also the distribution of information about the company. Many commercial firms have realized the opportunity of creating their own websites, conducting various information campaigns through the Internet.

Within a difficult economic situation, having a properly organized Internet resource (a website, corporate portal, forum, an Internet store, etc.) can make an invaluable contribution to the competition and promotion of their goods and services.

Internet banking and related services (payment of various accounts, Internet shops, etc.) save a lot of time. One can agree that it's much better to use an electronic purse or an ATM to pay for certain services than to stand in line, spend time, and nerves.

The most popular types of Internet technologies in contemporary international economic relations consist of means of operative exchange and public distribution of information (text, sound, photo, video, etc.). E-mail serves as the most used means of transmitting information. This basic hardware is constantly evolving, and the continual expansion of Internet communications around the world enhances the availability of Internet technologies in the business sector.

The second stage in the formation process of modern international economic relations is the transfer of various types of socio-economic activity into the electronic environment of the Internet.

The third stage in the formation process of modern international economic relations is the transformation of traditional organizations into network structures. These processes cover the entire vertical hierarchy of the economy (i.e., network modernization in one way or another affects both the lower level, consisting of individual firms, and their financial-industrial groups, international associations, or even entire markets).

The 4<sup>th</sup> stage in the formation process of modern international economic relations involves the creation of a network economy – the

creation of network variants of "horizontal" economic structures that serve the entire diversity of organizations in the economy. These structures include: trade and financial infrastructure, the system of labor relations, the legal system and others.

The development of information technology significantly reduces the cost of searching and spreading information. As a result, the structure of the costs of individual firms and their industries change. All this changes our perceptions of doing traditional business.

Within the survey, the respondents were asked to assess the importance of Internet: from "absolutely unimportant" to "extremely important". It turned out that according to the ideas of the employees who work for commercial firms, the most important purpose of using the Internet is the distribution of information in the company, aimed at both consumers and business partners. The organization's interest in solving such a marketing task, as collecting information about customers through the Internet, was unexpectedly high [2].

Today, using the benefits of Internet communications, participants in international economic relations can gather and analyze previously unavailable information and, accordingly, take more effective decisions on certain issues. Under these conditions everyone can be as knowledgeable about any process at the company. According to experts, the worldwide optimization of information flows within companies is the most desirable type of consulting services.

15-20 years ago, nobody even talked about e-commerce or the emergence of the Internet as the main channel to spread goods and services. By building railways and planes, humanity conquered space, but today's way of thinking is so wide that it does not recognize any boundaries. In the long run, with the help of the Internet, a single common economy and market will be formed around the world [1].

The process of "erasing borders" has already begun. The influence of the Internet on the process of globalization of business and international economic relations can be observed on the example of world trade statistics. Thus, during the 1990s, the volume of international trade grew roughly twice as fast as the corresponding GDP figures. Today, in



international trade, almost a quarter of all products manufactured in the world are involved.

The wave of change has also affected financial markets. The Internet allows users to trade stocks, receive loans, insurance directly and many other financial and economic opportunities. The number of intermediaries in business chains is constantly decreasing [1].

The high exchange rate allows global corporations to coordinate the activities of a multitude of remote branches at the same time to purchase materials and raw materials in different countries, to pick up goods and sell them on the world market; any controls can be implemented from anywhere in the world with a help of connection to the Internet. Such methods of conducting modern international economic relations allow optimizing costs that were not available earlier.

Today, the relevance of the issue to move on to the e global Internet level is acute. The result of this decision in the future will have a significant impact on the fate of the world business and trade within the framework of international economic relations. We can assume that in the nearest future the Internet will become so widely spread that it won't be possible to implement any business project without it.

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## APPROPRIATE MARKETING STRATEGY AS A WAY TO SURVIVE IN THE INTERNATIONAL MARKET

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**Koynash O.V., Karpusenko M.V. Appropriate marketing strategy as a way of survival in the international market.** This article considers a marketing strategy for surviving or prospering in the international market. It also looks at way to tbuild a positive image through positive customer relationships.

**Key words:** marketing strategy, international companies, consumers, growth strategy, survival, competitiveness.

**Койнаш О.В., Карпусенко М.В. Правильна маркетингова стратегія, як спосіб виживання на міжнародному ринку.** У цій статті буде розглядатися маркетингова стратегія для виживання на міжнародному ринку, або завоювання його. Так само буде представлено як побудувати позитивний імідж за допомогою позитивних взаємовідносин з клієнтами.

**Ключові слова:** маркетингова стратегія, міжнародні компанії, споживачі, стратегія зростання, виживання, конкурентно спроможність.

**Койнаш О.В., Карпусенко М.В., Правильная маркетинговая стратегия, как способ выживания на свободном рынке.** В этой статье будет использоваться маркетинговая стратегия для выживания на рынке, или завоевания его. Это позволит нам создавать позитивные взаимоотношения с клиентами.

**Ключевые слова:** маркетинговая стратегия, международная компания, стратегия роста, выживание, конкурентноспособность.

Today, more than ever before, there are a huge number of competitors on the market, and this number is constantly growing. Those who sit up and do nothing, are simply ousted from the market. Therefore, those who wish to survive definitely need a good marketing strategy, which provides for a r e l e v a n c e of this article

It seems that the world today provides many opportunities for improvement, but without the right to make a mistake. The world is changing very quickly and in order not to fall behind or stay behind,

everything in it must be done quickly. The main goal of most companies is to be able to continuously implement innovative ideas and create such an offer on a market that competitors cannot meet.

This goal can be achieved through the application and practice of a good business philosophy. First of all it is important to study the philosophy that the company follows. In addition, it is necessary to have a proper understanding of who represented the consumers, what they want and how to satisfy their wishes and needs.[1]

Marketing is the line of business that allows you to fill the gap between your products or services and your customers or consumers. It definitely provides the advantage of popularity in the market. Advertising is also a component of marketing. If you find the right approach to marketing, then in the end it will result in sales growth and the company as a whole.

Different international companies practice different marketing strategies. Marketing strategy may successfully work with a certain type of company, but at the same time it may not work with the rest. When choosing the most appropriate strategy for the company, you need to consider several factors. Nowadays, companies practice many marketing strategies. I propose to discuss some of the foundations on which such strategies are built.[2]

First, the company needs a growth strategy. This goal can be achieved through having a good marketing recommendation program. The more people know and are connected with the international company, the better. It is also very important to retain those customers who come to the company by word of mouth. One of the consumer retention tools is a loyalty program. Encouraging loyal customers of the company can give good and lasting results.

Customers should always be kept abreast of what is happening with the company. This can be done through monthly newsletters. One can also set up a mailing list on a customer base or a more expensive method of regular advertising.

Today, when consumers can easily turn their attention to other companies, it is important to build a positive image through positive customer relationships. Still, the next most important goal after profit is how to achieve a greater number of satisfied customers. To determine

which improvements it is necessary to focus attention on and at the same time to ensure the possibility of resolving conflicts with consumers, customer surveys will help. In addition, through such surveys, you can get advice and recommendations from consumers and customers on how to improve the overall performance of the company.[3]

Some international companies develop more personalized marketing strategies. With a little extra effort and, accordingly, giving customers the feeling that they are valued, companies will certainly keep these customers for a long time.

Of course, it's also necessary to find ways to make the company more attractive to consumers. Consumers typically work with international companies that are able to offer them time and convenience. As most consumers today have credit cards, you may consider paying customers for goods and services through credit cards. This will give consumers and customers the ability to easily buy more of your products, thereby generating more revenue.

In c o n c l u s i o n , it should be noted that it is difficult for consumers to refuse an attractive offer. Providing such attractive or tempting offers is a very effective way of winning consumers' loyalty. Irresistible offers is not only an opportunity to make a bargain. It should also include a reason to buy the product, more discounts and bonuses, and a guarantee that the product is really worth buying. [3]

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## **TRENDS OF THE MODERN LABOR MARKET IN UKRAINE: YOUTH UNEMPLOYMENT**

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**Kravchenko A.A., Skrypnyk T.I. Tendencies of the modern labor market in Ukraine.** The article discusses the trends in the development of the labor market in Ukraine: youth unemployment. The author reveals the reasons for the existence of youth unemployment and the problems of the functioning of the youth labor market in Ukraine.

**Keywords:** labor potential, national labor market, unemployment, youth unemployment.

**Кравченко А.А., Скрипник Т.І. Тенденції сучасного ринку праці в Україні.** У статті розглядається тенденції розвитку молодіжного безробіття в Україні. Автор виявляє причини існування молодіжного безробіття і проблеми функціонування ринку праці молоді в Україні.

**Ключові слова:** безробіття, безробіття серед молоді, національний ринок праці, трудовий потенціал.

**Кравченко А.А., Скрипник Т.И. Тенденции современного рынка труда в Украине.** У статті розглядаються тенденції розвитку ринку праці України: молодіжне безробіття. Автор виявляє причини існування молодіжного безробіття та проблеми функціонування ринку праці молоді в Україні.

**Ключевые слова:** безработица, безработица среди молодежи, национальный рынок труда, трудовой потенциал.

Youth unemployment is one of the important indicators of the general social status of young people, as well as an indicator of the degree of their adaptation in the labor market at a certain stage of the country's development.

The subject of the research is the development of youth unemployment in Ukraine. The goal is to analyze the problems and causes of youth unemployment.

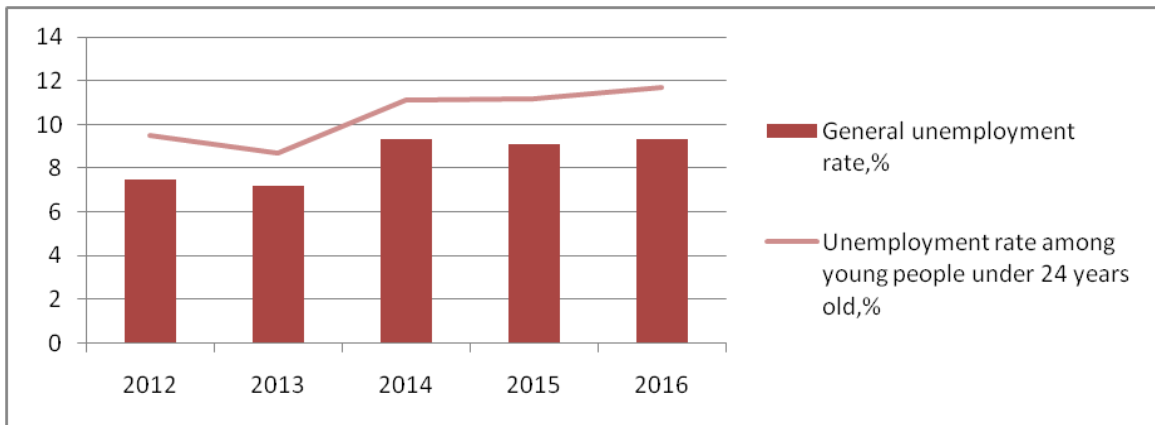
R e l e v a n c e o f t h e t o p i c . The problem of employment of the population has become one of the most acute social problems faced by humanity in the twenty-first century. Unemployment brings with it not only poverty to significant segments of the population, but also spiritual, moral, moral degradation of people. Therefore, the solution to the problem of employment of the population is among the most important, priority tasks in any civilized country. This problem is especially acutely reflected in the socially unprotected layer of the population – youth.

One of the trends in the modern development of the labor market in Ukraine is the rise in youth unemployment.

Young people form a special spectrum of the labor market, which differs significantly from its other components. On the one hand, at a young age, a person has high mobility, he is open, ready for change and looking for a job, and on the other, he does not have enough experience to be competitive in the labor market. The imperfect legislative base, the lack of a clear state strategy for the employment of young people make the unemployment of young people one of the most acute socio-economic problems of modern Ukraine.

In Ukraine, as in other countries of the world, young people between the ages of 15 and 24 suffer most from unemployment. The overall unemployment rate increased dramatically in 2014, due to political instability in the country. But the overall unemployment rate has remained unchanged from 2015 to 2016 while unemployment among young people is increasing. Especially, the unemployment rate increased sharply in 2015, due to the graduation of new specialists from universities during the period of the country's unstable economic situation (Pic. 1).

### Comparison of the unemployment rate of the entire population and youth.

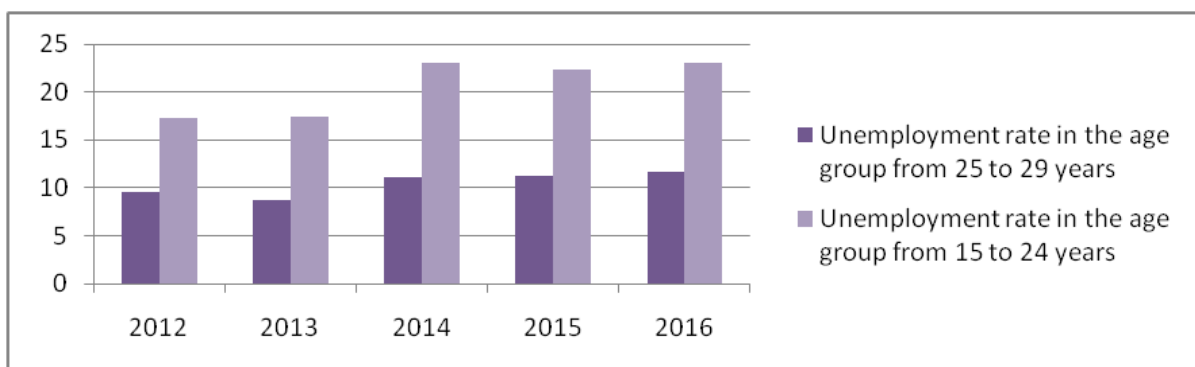


Pic. 1. The overall unemployment rate in comparison with the unemployment rate in the age group from 15 to 24 [2]

Among the causes of youth unemployment in Ukraine there are the following:

1. The reluctance of employers to hire inexperienced and unskilled youth. In practice, this reason is one of the most widespread, since employers need a workforce that already has practical experience. Unemployment among workers with no practical experience is greater than among workers with experience (Pic.2).

### Comparison of unemployment in two age groups



Pic. 2. The unemployment rate in the age group from 15 to 24 compared to the age group from 25 to 30 [2]

2. Lack of effective incentives for employers in the employment of young people. In the course of the work of an inexperienced young worker, there are risks of damage to the means of production or other financial losses, and their additional training in the absence of an effective system of state compensation entails extra expenses;

3. A significant gap between university curriculum and the needs of entrepreneurs. The discrepancy between the directions of training young professionals and the needs of the economy leads to a vocational qualification imbalance in the labor market;

4. Outdated curricula and material base of educational institutions do not contribute to the preparation of highly qualified specialists to work on modern equipment on innovative technologies;

5. Low official salaries for young workers who are offered in job vacancies, and, accordingly, the reluctance of young people to take up such vacancies.

In addition, a number of problems that are inherent in the national youth labor market worsen the situation:

1. Reducing the number of jobs due to the overall state of the economy; - a significant tax burden on business from the state, which does not contribute to the creation of new jobs, increase wages of employees and leads to informal labor relations.

2. The lack of a distribution system for young professional students for internships, as well as for work after graduation.

3. Formal development of employment programs and vocational training for young workers at the national and regional levels, etc.

A number of problems in the functioning of the youth labor market are related to the presence of such categories of youth in it:

a) return to civilian life from compulsory military service or alternative service. They mostly do not have practical work experience in their specialty and have largely lost their previously acquired knowledge. This category needs additional training to restore knowledge and acquire practical skills to perform a particular job;

b) young people under the age of 19 who do not have vocational and sometimes secondary education. It is necessary to carry out substantial work in order for this category to receive professional education;



c) people who did not work at the time immediately after graduation and have a break in the transition from learning to work. They are most vulnerable in the labor market, as they gradually lose their qualifications and hope to get a job in the acquired profession or specialty [3].

The youth work should be considered primarily in the context of regions and labor market subsystems. There are certain features regarding the employment of the population, related to the geographical location, climatic conditions and priorities of socio-economic development of both regions and individual administrative-territorial units.

For example, in Lviv, the tourist business is very developed, thanks to its territorial location, therefore students of Lviv schools already have a certain predisposition to enter the faculty of tourism, and later - to work in this area.

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## DEVELOPMENT OF RELIGIOUS TOURISM IN UKRAINE

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**Kurianova A.O., Panasenko H.S., Nikulimova I.H. Development of religious tourism in Ukraine.** The article explores the development of religious tourism in Ukraine. Sources of research of religious tourism in Ukraine are considered, and the essence of the basic concepts is established. It was emphasized that religious uniqueness is the hallmark of religious tourism in our country. The regions of Ukraine are listed in which religious tourism is developing well.

**Key words:** religious tourism, region, Ukraine.

**Кур'янова А.О. Панасенко Г.С., Нікулімова Я.Г. Розвиток релігійного туризму в Україні.** У статті досліджується розвиток релігійного туризму в Україні. Висвітлено джерельну базу дослідження релігійного туризму України, а також зв'язовано сутність основних понять. Підкреслено, що релігійна унікальність є візитною карткою релігійного туризму в нашій країні. Перелічено регіони України в яких найкраще розвивається релігійний туризм.

**Ключові слова:** релігійний туризм, регіон, Україна.

**Курьянова А.А. Панасенко А.С., Никулимова Я.Г. Развитие религиозного туризма в Украине.** В статье исследуется развитие религиозного туризма в Украине. Рассмотрены источники исследования религиозного туризма Украины, а также установлена сущность основных понятий. Подчеркнуто, что религиозная уникальность является визитной карточкой религиозного туризма в нашей стране. Перечислены регионы Украины в которых хорошо развивается религиозный туризм.

**Ключевые слова:** религиозный туризм, регион, Украина.

Religious tourism is one of types of tourism, that in the conditions of the market converting, socio-political changes and openness into Ukraine, striving to collaborate and got the special status the mutual understanding

of representatives of different beliefs and confessions and became one of perspective market of tourist services segments.

A concept "religious tourism" is used as a synonym of term "pilgrimage", it is possibly in wide sense. But in narrow is a pilgrimage the visit of main sacred objects of this confession is considered only in set time and with the observance of the mode of stay, what is underline the elite of pilgrimage in relation to other forms of religious tourism [5].

Actuality of theme consists in that now in Ukraine religious traditions of christians, catholics, moslems and representatives of other religions create permanent demand on pilgrim tours both into a country and after her limits, that activates market of religious tourism development.

Research of problems of becoming and development of religious tourism, as a separate kind, well-known people who studied tourism were conducted by O. Liubitseva, M. Malska. History of religious tourism is examined by A. Aleksandrova, M. Birzhakov. The question of classification and typology of religious tourism the devoted labours of M. Miuller, T. Khristova, A. Babkina, O. Liubitseva, C. Romanchyk, P. Iarotskyi.

Ukraine is a country in that religious tourism has a deep root and rich traditions. In our state respect religious ceremonies and regularly carry out pilgrimages.

Christians prevail among believers in Ukraine. Exactly for them characteristic tradition of pilgrimage, well-known in Ukraine, according to literary sources, from XI of century. In Ukraine since olden times accepted pilgrims in saint places and they visited saint places in distant from her earth countries. In the modern understanding of this multiple-valued phenomenon this was not tourism, but informing, communicative, social and other functions were stopped up in him. Proof of it is a pilgrimage of Ukrainians to Saint Earth, one of that found the chronicler in the person of Danylo Palomnyk. He described the pilgrimage carried out that in 1106-1108 the first, in work of «Житие и хождение Данила Руськия земли игумена» [6].

Religious tourism, as specialists of World Tourism Organization (UNWTO) write, can occupy a to 30 % world tourist market [4; c. 10]. The results of the last sociological researches testify also, that in the public

mind of Ukrainian society predominating is persuasion about a right on existence of any religion, that proclaims the ideals of good, love, mercy and does not threaten to existence of other people [2; c. 3].

A religious unicity is the important condition of organization of tourism in Ukraine. All it is known that every religion differs in church organization, dogma, exteriority of cults and specific attribute in external and internal registration of temples and others like that. External exposure of cult is the first, that strikes the eyes at an acquaintance with religion. It is impossible to imagine without temple architecture original appearance of different metropolises of the world like cathedrals, monasteries, mosques, synagogues. Ukraine is not an exception. For example, Saint Sophia Cathedral in Kyiv and Saint Jurassic in Lviv belong to the most beautiful sights of Ukraine, that present a historical and artistic value.

Thus, it is possible to assert that to mushroom growth of religious tourism of Ukraine, religious organizations and tourist enterprises that have a collaboration with religious centers promote. Regions of religious tourism in Ukraine are Prykarpattia and Zakarpattia, that is related to the culture, traditions of different people, memorable places, family with judaism, catholicism and Armenian church. By transmitters not only of christian monoculture, and yet and поліконфесійної culture both in old times, and in our days there is Kyiv, Poltava, Chernihiv and Odesa.

It be possible to say, that territory of Ukraine is characterized Orthodox East and the catholic West, that is perceived in the scale geopolitical measuring. Beginning from XVI of century, Ukraine became native land of different protestant flows of such as calvinism, Lutheran, socialism, then witnesses of Jehovah, adventism, baptism, and judaism and islam yet before began his existence on territory of Ukraine. A confessional map of Ukraine is varicoloured.

For today Ukraine is an attractive and perspective country for development of religious tourism.

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## THE ROLE OF TNCs IN THE GLOBALIZATION OF INTERNATIONAL BUSINESS

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**Kutsak V.V., Lavrinenko I.M. The role of TNCs in the globalization of international business.** One of the signs of an era of economic globalism is the unprecedented transnationalization of production. This term refers to the fouling of national "parent" companies by numerous subsidiaries and branches in different parts of the world. Transnational corporations (TNCs) have become the main driving force behind the process of economic globalization. The avalanche growth of TNCs has recently been explained by many reasons, among which, perhaps, the first place is competition, which forces them to reduce costs, increasing the scale of production and introducing the latest technologies.

**Key words:** innovation, international trade, international business, international management, trading companies, transnational corporations (TNCs).

**Куцак В.В., Лавріненко І.М. Роль ТНК у глобалізаційних перетвореннях міжнародного бізнесу.** Одна з ознак настання ери економічного глобалізму полягає у безпрецедентній транснаціоналізації виробництва. Під цим терміном розуміється обростання національних "материнських" компаній численними дочірніми фірмами і філіями в різних куточках світу. Транснаціональні корпорації (ТНК) перетворилися в головну рушійну силу процесу економічної глобалізації. Лавиноподібне зростання ТНК останнім часом пояснюється багатьма причинами, серед яких на першому місці, мабуть, знаходиться конкуренція, що змушує знижувати витрати, збільшуючи масштаби виробництва і вводячи новітні технології.

**Ключові слова:** інновації, міжнародна торгівля, міжнародний бізнес, міжнародний менеджмент, торговельні компанії, транснаціональні корпорації (ТНК).

**Куцак В.В., Лавриненко И.Н. Роль ТНК в глобализационных преобразованиях международного бизнеса.** Один из признаков наступления эры экономического глобализма заключается в беспрецедентной транснационализации производства. Под этим термином понимается обрастание национальных «родительских» компаний многочисленными дочерними фирмами и филиалами в разных уголках мира.

Транснациональные корпорации (ТНК) превратились в главную движущую силу процесса экономической глобализации. Лавинообразный рост ТНК в последнее время объясняется многими причинами, среди которых на первом месте, пожалуй, находится конкуренция, заставляющая снижать издержки, увеличивая масштабы производства и вводя новейшие технологии.

**Ключевые слова:** инновации, международная торговля, международный бизнес, международный менеджмент, торговые компании, транснациональные корпорации (ТНК).

At the present stage international business is constantly operating in an uncertain environment, in an environment of constant changes, to which companies are forced not only to adapt, but to act proactively. The subject of the study is activities of multinational companies in the international arena, as well as their development. The purpose of the study is to analyze the impact of globalization processes on the activities of TNCs in the world and search for new forms and methods of managing international business. The relevance of the study is determined by the fact that the market of intellectual property, knowledge, modern methods and forms of management play an increasingly important role in the development of business, especially international one.

International business includes any business transactions carried out by two or more countries. Such business relationships can occur at the level of both private and public organizations. In the case of the participation of private companies in international business, business transactions are usually conducted in order to gain profit. The activities of state-owned firms are not always profit-oriented.

The current market environment is characterized by the fact that technologies, continuously evolving, change the market, forming new needs and modifying the associated technological chains. The speed of change challenges traditional methods of management, because today it is not enough to focus on demand and its evolutionary development – you need to be able to notice the needs that are only emerging, because even the most powerful financial and industrial companies, having been late for at least a year, are often unable to take the part of the transformed market sufficient for leadership, or even survival. Moreover, nowadays there is competition not between goods and services, but between different business

models. At the same time as the competitive advantages in business are considered new technologies of personnel management are studied.

The revolutionary transformations of economic and social structures contribute to the formation of a fundamentally new global world order and an adequate system of global management. Development of the world economy in the twenty-first century is characterized by important global transformations of international economic relations, which imposes its imprint on all spheres of public life. This is a dynamic transformation of the social needs structure, which leads to the disappearance of traditional and active formation of new markets; intensive development of scientific and technological progress, which has a significant impact on the processes of internationalization in the context of the formation of a global innovation environment; a change in the public consciousness that forms a new attitude towards economic activity and promotes the formation of new social stereotypes, models, forms of relationships and connections in business processes; the globalization of economic relations of different levels that qualitatively changes the nature of the functioning of economic systems, in particular national economies, TNCs, regional associations, giving them new opportunities and generating new risks.

Today, TNCs are becoming a decisive factor in the global economic system, because due to the wide-ranging operation amplitude – from manufacturing processes to operations in the field of investment, finance and trade policies – they play the role of international regulator of goods production and distribution. The consequence of the high degree of internationalization of production in the largest TNCs was the establishment of their domination in world commodity markets and in the leading sectors of the world economy [1, p. 40].

The economic progress that began in the nineteenth century was based on the scientific achievements that have been successfully used by companies to increase the efficiency of their own global activity. It is important to note that the evolution of forms and specifics of the activities of TNCs are closely linked to the processes of world economic development. Compared to the TNCs of the end of the 19th century, modern TNCs have undergone significant changes, the dynamics of which can be divided into five stages.



**Periodization and main directions of development  
of TNCs in the world economy**

Stages of TNC development	Periodization	The most important directions of activity	Specific characteristics and conditions of development
I	The end of XIX century – the beginning of the First World War	Extraction and processing of raw materials in colonial countries	Cartels and syndicates are represented in the form of TNCs
II	The period between two world wars (1918-1939 )	Production of weapons and military equipment	Development under conditions of military needs of the leading countries of Europe, America and Japan
III	The period after the end of the Second World War (1945) and the collapse of the colonial system (1950-1960).	Development and distribution of scientific and technical achievements in the field of the newest branches of science and industry (atomic energy, electronics, space, instrumentation)	Formation of conglomerates and concerns
IV	1970-1980		Development under conditions of the progress of the world of economic relations under the influence of

			growing competition in the world market. Significant concentration of capital as a result of accelerated mergers and acquisitions
V	From the beginning of the XXI century and to this day	Scientific developments, innovation business and information technology	Development in the conditions of accelerated processes of regional economic integration. The orientation of TNCs to modern science, innovation business and information technology

*Source [6]*

At the current stage of development, the most important activity of TNCs is investing in innovation, since they provide a higher level of return than simply attracting additional resources. Moreover, transnational companies give a more significant role to managerial innovations, that is, creative, modern management approaches, which are the basis of their competitiveness in a turbulent global environment. The decisive role of the monopoly giants is also determined by the fact that, along with trade in its traditional form, new forms of exchange, such as industrial cooperation, the exchange of scientific and technical knowledge and experience, the provision of technical services, contract work, outsourcing, franchising, licensing, management contracts and other types of contractual

relationships, are becoming more and more important. TNCs, as one of the leading actors in international economic relations, coordinate activities within their own global production and supply chains and have an impact on company management in the host country, often without even taking part in the capital of these companies [2]. These relatively new phenomena open up opportunities for developing countries and countries with economies in transition to deepen their integration into a rapidly evolving global economy, to strengthen their domestic production potential and enhance international competitiveness.

International production is expanding, and overseas sales, employment and assets in multinational corporations are increasing. In 2015–2016 against the backdrop of improved economic conditions the rates of international economic activity of TNCs, including foreign sales, employment and assets, increased. According to UNCTAD estimates, sales and value added of foreign affiliates around the world amounted to 33 trillion dollars and 7 trillion dollars [3; 4; 5]. In addition, their exports exceeded 6 trillion dollars and accounted for one third of global exports.

Throughout the world, TNCs generated value added of approximately \$ 16 trillion dollars in their operations both in the home countries and abroad, that is about a quarter of the total world GDP. The share of foreign affiliates of TNCs amounted to more than 10% of global GDP and one third of world exports [3, p. 14].

Due to the successful combination of organizational and production factors, we can observe, on the one hand, the improvement of the life quality, increase of labor productivity, the formation of social management, the formation of national income, and, on the other hand, changes in the world trade structure, investment and production in the international trading system, which have caused radical shift. The situation in the field of international trade affected a number of events that gave rise to new problems and opportunities, and attached even greater importance to multilateral economic cooperation led by the most powerful corporations of the XXI century. The transition to cooperation in international economic networks can become the necessary condition for the optimal combination of existing tangible and intangible assets in the interests of both business structures and, potentially, the entire world economy. However, such a

form of economic activity of corporations requires not only a certain resource potential, but also a new quality of management, which must be determined by the ability to effectively co-operate with any international companies, going beyond production and economic relations and including cultural relations of different levels, including corporate, individual, etc. The competitive advantages of leading corporations, their ability to withstand financial and economic turmoil and lead the global economy are driven by unique corporate strategies, dynamic organizational structures. At the same time, world corporations are managed by managers of the new generation – the leaders who are the founders and implementers of the changes and dynamics of corporate structures, ready for the introduction of managerial innovations as a tool for ensuring long-term viability of the company and the development of a globalized world economy.

Innovative approaches to the trading activities management of international companies include innovative methods to manage its production potential, labor resources, material provision, etc. In this object of control are all processes that lead to a change in the composition, properties, structure of relations and relations that make up the elements of the production and economic system:

- innovative processes, which are united in development programs;
- enterprise growth;
- reengineering business processes of the enterprise;
- processes of restructuring and privatization of enterprises;
- processes of crisis development and crisis management of the enterprise, which lead to quantitative and qualitative changes in all functional areas of the production and economic system;
- contours of production-economic system management on the basis of feedback, in which the tasks of strategic and tactical management are solved, mechanisms of self-organization of operational management of enterprise development are launched [2, p. 7].

Differences in national legislation, the role and influence of trade unions, the system of education and professional development, cultural determinants lead to different susceptibilities of certain innovations, determine the advantage of certain types of technological policy, form

special mechanisms of interaction of the state, employers, managers, employees, business partners and the public.

International corporations are an essential element of the global economy, international trade and international economic relations. Today they act as direct participants in the whole spectrum of world economic relations as "locomotives" of the world economy, and their rapid growth in recent decades reflects the intensification of international competition, the deepening of the international division of labor and the urgent need for a new philosophy of business management. In a sense, the task for transnational business is to find a balance between the company's internal interests and external pressure in order to achieve TNC's global efficiency, involvement in local processes, flexibility and experience.

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## THE NATURE OF MEGA-REGIONAL TRADE AGREEMENTS IN INTERNATIONAL ECONOMY

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**Kuvichko A.S., Skrypnyk T.I. The Nature of Mega-regional trade agreements in international economy.** The article is devoted to the present-day Mega-regional trade agreements and its features. Much attention is given to the detailed description of the main three partnerships – TPP, TTIP and RCEP. The article provides the reader with a brief description of their history and a description of their nowadays activities. In conclusion the future development aspects of these partnerships was reviewed.

**Keywords:** mega-regional trade agreements, Trans-Pacific Partnership, Transatlantic Trade and Investment Partnership, Regional Comprehensive Economic Partnership, least-developed countries, foreign direct investment.

**Кувічко А.С., Скрипник Т.І. Сутність мегарегіональних торговельних угод в міжнародній економіці.** Стаття присвячена сучасним мегарегіональними торговим об'єднанням та їх особливостям. Велика увага приділена детальному опису трьох основних партнерств – ТТП, ТТІП та ВРЕП. Стаття дає читачеві короткий опис їх виникнення та характеристики сьогоденної діяльності. У висновку розглянуті перспективи подальшого розвитку цих партнерств.

**Ключові слова:** мегарегіональні торговельні угоди, Транс-Тихоокеанське партнерство, Трансатлантичне торгово-інвестиційне партнерство, Регіональне всебічне економічне партнерство, найменш розвинені країни, прямі іноземні інвестиції.

**A.S. Kuvichko, T.I. Skrypnyk. Сущность мегарегиональных торговых соглашений в международной экономике.** Статья посвящена современным мегарегиональным торговым соглашениям и их особенностям. Большое внимание уделено детальному описанию трех основных партнерств – ТТП, ТТИП и ВРЭП. Статья предоставляет читателю краткое описание их возникновения и характеристику их сегодняшней деятельности. В выводе рассмотрены перспективы дальнейшего развития этих партнерств.

**Ключевые слова:** мегарегиональные торговые соглашения, Транс-Тихоокеанское партнерство, Трансатлантическое торговое и инвестиционное партнерство, Региональное всеобъемлющее экономическое партнерство, наименее развитые страны, прямые иностранные инвестиции.

The o b j e c t of the article is types of mega-regional agreements – Trans-Pacific Partnership (TPP), Transatlantic Trade and Investment Partnership (TTIP) and Regional Comprehensive Economic Partnership (RCEP). The s u b j e c t is the analyses of goals and perspectives of the mega-regional trade agreements. The r e l e v a n t due to the fact that today there are several levels of integration: international, regional, subregional, etc.. A large number of integration associations have been created in international economic relations, which have different incentives and causes of creating, the pace of development of integration associations, differences of participants, so these criteria are interesting for research to predict future developments in the global market.

A number of political-economic forces have contributed to the push toward the mega-regional agreements arising today. Regional trade liberalization can support longer-term multilateral liberalization if regional agreements are truly market-opening and contain harmonized, global components wherever possible. If negotiated in accordance with principles and rules contained in WTO agreements, these regional initiatives can support longer-term multilateral liberalization. This policy statement outlines ICC's position in the relation between multilateral and regional trade liberalization and urges governments around the world to consider how to “multilateralize” elements of regional and preferential trade agreements [2].

Over the last fifteen years, the number of regional trade agreements have multiplied tremendously and largely as a result of slow progress made in the multilateral trade negotiations. The latest trend towards increased regionalism is the emergence of mega-regional trade agreements (MRTAs). The term “mega-regional trade agreements” has been established in the recent 3-5 years. Mega-regionals are deep integration partnerships between countries or regions with a major share of world trade and foreign direct investment (FDI) [1]. Beyond simply increasing trade links, the deals aim to improve regulatory compatibility and provide a rules-based framework for elimination of differences in investment and business climates. The ‘mega-regional’ trade agreements are ‘mega’, in all senses. They include a large number of issues, ranging from ambitious market access rules, including public procurement, technical barriers to trade and phytosanitary measures. These are followed by the so called ‘rules’, or particular

regulatory fields, which should make trading easier, including competition rules, intellectual property, small and medium size enterprises, or energy and raw materials. The emergence of MRTS is primarily due to economic reasons, although in the case of separate partnerships we can talk about the significant role of political considerations.

MRTAs can raise regional commitments to the global level because of their large membership, regulatory transparency and high levels of implementation. The multilateralization of regional agreements is expected in services and investments as well as in various aspects of technical regulation. Most RTAs have liberalized tariffs beyond the WTO Agreement, but only a few have strengthened disciplines in non-tariff barriers and implemented WTO-beyond commitments for export restrictions and export subsidies. In this context, the negotiation of mega-regional deals such as the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) presages the start of a new era in the global trading system [3].

The three most significant mega-regional trade agreements currently under discussion are the Trans-Pacific Partnership (TPP), the Transatlantic Trade and Investment Partnership (TTIP) and the Regional Comprehensive Economic Partnership (RCEP).

The Trans-Pacific Partnership is the largest trade union in the world between 12 countries of the Asia-Pacific region, signed on February 4, 2016. Its members will closely interact in various fields: from the protection of intellectual property to humanitarian and cultural issues. The initiative to sign this agreement was made by the United States. The negotiations were successfully concluded on October 4, 2015. Each nation's legislature had to approve the agreement before it went into effect. Before that could happen, Trump's executive order removed the United States from the process. The Transpacific Partnership Agreement includes Australia, Brunei, Vietnam, Canada, Malaysia, Mexico, New Zealand, Peru, USA, Singapore, Chile and Japan.

The contract involves the deepening of economic connections between the members, in particular, the reduction or cancellation most of customs duties on goods and services. The TPP covers a broad range of goods and services. These include financial services, telecommunications,



and food safety standards. In this way, it affects foreign policy and even laws within countries. It increases exports by removing 18,000 tariffs placed on U.S. exports to the other countries. The United States has already withdrawn 80 percent of these tariffs on imports. The TPP evens the playing field. All countries agreed to wildlife down. That helps elephants, rhinoceroses, and marine species the most. It prevents environmental abuses, such as unsustainable logging and fishing [4].

In theory, the Trans-Pacific Partnership could be the basis for creating a common regional market, similar to the pan-European.

TPP and TTIP are two very similar abbreviations, but they mean completely different things. The TPP is a already signed, but not ratified agreement between 12 Pacific-rim countries. The TTIP negotiations, launched in June 2013, aim for a far-reaching trade agreement between the US and the EU. The purpose of the negotiations is to reduce the number of obstacles or completely eliminate barriers, in accordance with the regulatory framework.

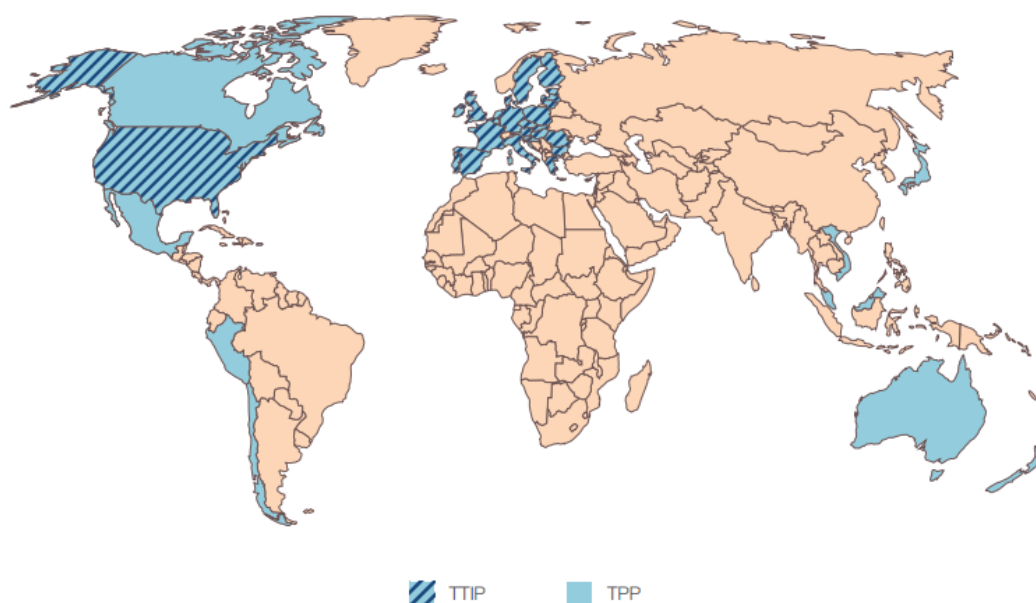


Figure 1. «TPP and TTIP membership»

It is assumed that TTIP will be a comprehensive trade and investment agreement, which will apply to all areas and methods of cross-border

supply of goods or services. The agreement is intended for use in all areas of services, including such "sensitive" areas as health and education. In addition, the purpose of this agreement is to provide legal protection for investors, which may lead to restrictions on government policy. Big business broadly supports the drive towards a TTIP deal. They want to benefit from easier access to respective markets. It's arising that there has been a high rate of economic growth.

The main opponents of TTIP come from organisations such as the trade unions, anti-poverty groups and the environmental movement. They fear that TTIP will lead to a surge in imports and investment from US corporations that do not hold to the same environmental and ethical standards that currently apply in Europe [2].

The Regional Comprehensive Economic Partnership (RCEP) is a format that involves the conclusion of free trade agreements between member countries, as well as economic and technical cooperation. In the negotiations on the establishment of RCEP are taking part an ASEAN countries, as well as Australia, China, India, Japan, and the Republic of Korea. Since May 2013, nine rounds of negotiations have passed. It was possible to achieve significant progress in reconciling the positions of the parties involved, however, it was not possible to reach an agreement by the end of 2015, as expected.

The importance of the RCEP is that it is a framework that encompasses key regional and emerging economies, such as China, India and Japan, as well as the ASEAN member states. The concern with the RCEP lies with the nature of the final agreement and particularly whether its rules will be consistent with the liberal economic order. The Guiding Principles and Objectives for Negotiating the RCEP state that the RCEP should further deepen the free trade agreements of the existing ASEAN+1. But they also note that such initiatives should be implemented with a focus on the different situations of each country. In addition, the principles confirm that flexibility for the varying stages of development should be included in the articles of any agreement. Certainly, this kind of flexibility and consideration are necessary in setting economic rules for a diverse Asian region. However, these factors could also be used to justify delays in liberalization.

The RCEP countries account for almost a third of world GDP. The agreement covers goods, services, investment, competition, intellectual property, economic and technical cooperation, e-commerce and law. The RCEP negotiations are officially due to be finished by the end of the year. In reality, however, commentators predict that the agreement will take much longer to conclude, if at all, due to competing visions for the agreement and the very different strategic interests of the parties.

**C o n c l u s i o n :** Regional trade agreements (RTAs) proliferate as the WTO loses its centrality. Moreover, mega-deals like TTP, TTIP and RCEP initiated among larger economies become discernable in trade governance [5]. The arrangements can be seen as depictions of a competition between China and the U.S in terms of soft power and ideology. The emerging nations of the world economy are troubled as well, since they do not want to experience the downside of trade-diversion created by mega-RTAs. The only rational solution left is that they also start entering into FTA negotiations. Nevertheless, this phenomenon is likely to induce tensions between trading partnerships, paving the way for the fragmentation of world economy.

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**LOW-COST CARRIERS:  
SPECIFICITY OF ACTIVITY AND GEOGRAPHY  
OF TRANSPORTATION**

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**Kuydina K.A., Saprun I.R. Low-cost carriers: specificity of activity and geography of transportation.** This article is devoted to the business-models of low-cost airlines, the history and specifics of their activity. The purpose of the article is to highlight the special features of the activities of airline discounters, familiarize with their types and geography of air transportation.

**Keywords:** budget carriers, business-model, low-cost airlines.

**Куйдіна К.О., Сапрун І.Р. Бюджетні авіакомпанії: специфіка діяльності та географія перевезень.** Дана стаття присвячена аналізу бізнес-моделі авіакомпаній-дискаунтерів. Висвітлено історію розвитку та особливості діяльності бюджетних авіакомпаній. Метою статті є висвітлення особливостей діяльності авіакомпаній-дискаунтерів, ознайомлення з їхніми видами та географією авіаперевезень.

**Ключові слова:** авіакомпанія-дискаунтер, бізнес-модель, бюджетна авіакомпанія.

**Куйдіна Е.А., Сапрун И.Р. Бюджетные авиакомпании: специфика деятельности и география перевозок.** Данная статья посвящена анализу бизнес-модели авиаккомпаний-дискаунтеров. Отражена история развития и особенности деятельности бюджетных авиаккомпаний. Целью статьи является освещение особенностей деятельности авиаккомпаний-дискаунтеров, ознакомление с их видами и географией авиаперевозок.

**Ключевые слова:** авиаккомпания-дискаунтер, бизнес-модель, бюджетная авиаккомпания.

The o b j e c t of the article is a process of low-cost airlines development, analysis of leading companies and their demand on the world market. The s u b j e c t of the article is the development of the low-cost airlines and its future prospects. The a i m of the article is to highlight the special features of the activities of airline discounters, familiarize with the types and geography of air transportation.

Budget airlines have made a real revolution in the travel industry by offering a fundamentally new business model that has made it possible to travel to millions of people at extremely low prices in comparison with the prices of traditional carriers. The basic principle of such airline: low cost means low fare, which provides a lower cost per passenger seat and more revenue per employee.

The specificity of the low-cost airlines business model is as follows:

1. Avoiding costs for optional luxury items and reducing the role of special services:
  - a) Reducing the range of services provided to passengers on board airplane;
  - b) increasing the age of children from which the child can fly independently, which, in turn, reduces the cost of this category of passengers;
  - c) departure early in the morning or late in the evening in order to avoid possible expenses due to airspace as well as to save on lower airport charges;
  - d) one passenger class;
2. Using fewer staff:
  - a) the staff performs several functions, for example, stewards, in addition to direct duties, also register passengers on a flight and are engaged in cleaning the cabin
3. Direct sale of tickets:
  - a) emphasis on direct ticket sales, especially through the Internet (to avoid the payment of commissions to agents and reservation systems as well as the cost of the ticket offices).
4. Simple fares and easy directions:
  - a) simple payment scheme for air transportation, use of one form for travel in both directions, refusal from paper tickets and transfer to electronic tickets;
  - b) increase the ticket price as the aircraft fills up for the purpose promotion of early reservation;
  - c) simple routes, that is direct flights between airports without intermediate landings

- d) the fare is advertised, not the final price of the ticket – the ticket price may not include airport charges, taxes, fuel surcharges, etc.;
5. Efficient use of aircraft fleets:
- a) execution during a day of many flights by one plane (as a result, there is a fast turnover of airplanes at airports);
  - b) one type of aircraft (which reduces the cost of training and maintenance of the equipment);
  - c) the use of airplanes with a minimum permissible distance between rows of seats (29 inches), the rejection of folding chairs and headrests. [1]

Today, with the advent of new development and existing airlines under the influence of competition, this business model has received a number of modifications that can be reduced to the following types of budget airlines:

- Classic low-cost, which is a classic business model of low-cost airlines, which involves a concentration of efforts to reduce costs by all possible means (they are often used by the term "no frills" - no frills). These airlines offer the lowest rates airfare prices. An example of airlines that use the classic model is Southwest (USA), Ryanair (Ireland), AirAsia (Malaysia), Sky Express (Russian Federation).
- Low-cost excesses (they can be used with the term "less frills"). These airlines can offer transit flights, free drinks and meals on board, can fly to major airports in order to attract a more demanding and cash-based category of customers. The examples of such airlines can be Frontier Airlines (USA), EasyJet (WB), Air Berlin (Germany).
- Super low-cost. Such airlines with a minimum of service offer passengers a high level of comfort in flight (even higher than that of traditional carriers). The examples are the following: West Jet Airlines (Canada), JetBlue Airways (USA).
- Business low-cost which offer cheap flights in the business classroom, usually on long distances (Europe-USA, Europe-Asia, Asia-USA).
- Long-distance low-cost airlines. These airlines focus on popular intercontinental routes, offering low fares, a minimum of free

services, and one type of aircraft. Mostly it is Australia and Southeast Asia, such as Jet star Airways (Australia), Air Asia X (Malaysia) and Oasis Hong Kong Airlines. [2]

Regarding the geography of transportation, most of the budget airlines focus their activities on domestic traffic in the country of landing, transportation to neighboring countries, transportation within the continent or transportation in the most popular destinations.

According to the magazine "Airline Business" (May, 2012), the TOP-10 of budget airlines looks like this (Figure 1). [3]:

№ п/п	Airline	Country	Number of passengers (million)	Passenger turnover, million pass / km	Number of planes
1.	Southwest Airlines	USA	135.3	167 154	698
2.	Ryanair	Ireland	76.0		293
3.	EasyJet	United Kingdom	54.5	61 347	204
4.	Gol	Brazil	36.2	33 266	101
5.	Air Berlin	Germany	35.3	52 140	124
6.	JetBlue Airways	USA	26.4	49 403	172
7.	Lion Airlines	Indonesia	25.9		75
8.	AirAsia	Malaysia	18.0	21 307	57
9.	WestJet Airlines	Canada	16.0	27 183	98
10.	Norwegian	Norway	15.7		

Figure 1. The TOP-10 of budget airlines looks like this. [3]

In Europe, the development of airline discounters contributes to a number of factors: deregulation of airspace, small distances and a large number of airports. Among European budget airlines should be noted:

Ryanair (Ireland) — Europe's largest budget airline, which operates flights across Europe, Feel Air (Norway) — provides long-distance flights from Oslo and Stockholm, Wizz Air (Hungary) — the largest budget airline in Eastern Europe, TUI fly (Germany) – makes its flights from Germany to resort destinations, Pegasus Airlines (Turkey) – from Europe to Turkey. [4]

Southwest Airlines (USA) is the oldest and largest in the world among the low-cost airline. It is also the world champion in flight safety – over 40 years of work and 18 million flights without airplane crash. Asian Civil Aviation shows the most dynamic growth rates and the lowest airfares in the world. Usually quite often, the low price leads to a decrease in quality, but among the Asian low-cost airlines there are well-known world leaders such as AirAsia (Malaysia) and Lion Airlines (Indonesia).

One of the safest airlines in the world are discounters of Australia. Because of the low population of the continent and the underdevelopment of the route network, there is a rather small number of airlines. In Australia, domestic flights and flights to Asia provide budget Australian Airlines and Jet star Airways. [5]

Africa is still the most backward region in the world in the field of civil aviation, but with a low density of air traffic, there is a very large number of air crashes. As for Ukraine, then in 2008 it began to carry out flights of the first low cost airline Wizz Air Ukraine, which is the Ukrainian division of the largest low-cost airline in Eastern Europe Wizz Air. Regarding the fleet of aircraft, discount airlines use a series of Airbus aircraft (A320, A330, A340) and Boeing (717, 737, 747, 767). It all depends on the history of the airline's development: some from the beginning were ordinary airlines and then switched to a model of low-cost, some, from the beginning being budget, decided to develop either long-distance or regional transportation directions. [6] Low cost airlines are airlines that offer low prices for flights in exchange for the abandonment of most traditional passenger services.

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## STATES OF MERCOSUR IN THE WORLD ECONOMY SYSTEM

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**Kybalna D.R., Zmiyova I.V. States of MERCOSUR in the world economy system.** The article presents the current state and main trends in the development of the economic activities of the MERCOSUR member countries in the world economy system. The influence of the integration processes on the development of trade, attraction of the foreign capital, the increase in the production in many industries was noted. The main problems arising in the conduct of domestic and foreign policy of MERCOSUR have been analyzed, and the ways of their possible solution have been outlined. The prospects for further development of the MERCOSUR block have been considered.

**Keywords:** direct foreign investment, export-import operations, free trade zone, integration, Latin America, MERCOSUR.

**Кибальна Д.Р., Змійова І.В. Держави МЕРКОСУР в системі світового господарства.** У статті розглядається сучасний стан та основні тенденції розвитку економічної діяльності країн-членів МЕРКОСУР в системі світового господарства. Відзначено вплив інтеграційних процесів на розвиток торгівлі, залучення іноземного капіталу, збільшення виробництва в багатьох галузях. Проаналізовано основні проблеми, що виникають при веденні внутрішньої та зовнішньої політики МЕРКОСУР, і намічені шляхи їх можливого вирішення. Розглянуто перспективи щодо подальшого розвитку блоку МЕРКОСУР.

**Ключові слова:** експортно-імпортні операції, зона вільної торгівлі, інтеграція, Латинська Америка, МЕРКОСУР, прямі іноземні інвестиції.

**Кибальная Д.Р., Змиева И.В. Государства МЕРКОСУР в системе мирового хозяйства.** В статье рассматривается современное состояние и основные тенденции развития экономической деятельности стран-членов МЕРКОСУР в системе мирового хозяйства. Отмечено влияние интеграционных процессов на развитие торговли, привлечение иностранного капитала, увеличение производства во многих отраслях. Проанализированы основные проблемы, возникающие при ведении внутренней и внешней политики МЕРКОСУР, и намечены пути их возможного решения. Рассмотрены перспективы дальнейшего развития блока.

**Ключевые слова:** зона свободной торговли, интеграция, Латинская Америка, МЕРКОСУР, прямые иностранные инвестиции, экспортно-импортные операции.

The o b j e c t of the article is the economic activity of MERCOSUR in the world economy system. The s u b j e c t is the features of the relations between the member states of the bloc and the prospect of their further development. The p u r p o s e of the article is to analyze the economic activity and assessment of MERCOSUR development level. The a c t u a l v a l u e of the research is stipulated by the fact that Latin America's position on the international scene is steadily improving. There is the consolidation of the integration processes and strengthening of subregional unions, which allows the region to strengthen its position in the world politics and economy. MERCOSUR is the most promising integration group in South America. It gradually transforms into the core of the integration processes in the region, contributing to its formation as one of the important centers of the international economic and political influence. To identify the most problematic points, we have analyzed the factors that form the problem, considered possible ways of solving the problem and prospects for further development of MERCOSUR.

MERCOSUR ("Southern Common Market") is one of the most significant Latin American subregional trade and economic blocs, a region with a population of 295 million people, with a territory of 12 million square kilometers [7]. The aggregate GDP of MERCOSUR countries in the amount of 3.2 trillion USD represents 77% of the entire economy of the South American continent [3]. By its economic potential and importance in the global economy, MERCOSUR only follows the EU, NAFTA and ASEAN. MERCOSUR includes Argentina, Brazil, Paraguay, Uruguay and Venezuela. Associate members are Chile, Bolivia, Peru, Ecuador, Colombia, Guyana and Suriname [7]. MERCOSUR was created on the basis of the Asunción Treaty, which was signed on March 26, 1991, when the Presidents of four countries in South America – Argentina, Brazil, Paraguay and Uruguay signed the association agreement, the name of which is translated as the Common Market of the South. The treaty provided for the cancellation of all customs and non-tariff restrictions in the mutual trade between the member states, i.e. the

establishment of a Free Trade Zone, the introduction of a single external tariff and the creation of a customs union in the subregion, free movement of capital, policy coordination in the field of industry, agriculture, transport and communications, currency exchange and financial sector. Among the main objectives of the association was the implementation of a common policy towards third countries and groups, coordination of member states' positions in the international and regional trade and the economic forums. The ultimate goal of the new group was to create a common market for four countries, which could later be joined by other countries in South America [2].

The integration attempts of the countries of the region, which have been used for many years, have led to the increase in economic interdependence. The main feature of macroeconomic interdependence, which resulted from the process of integration within the framework of MERCOSUR, is the high interconnection of economic risks arising from the actions of other countries or certain countries of the association. This is especially true for small countries in the region (Uruguay, Paraguay and Venezuela), which largely depend on the economic performance of Argentina and Brazil. Agricultural products make up the main part of exports to Argentina, Uruguay, Brazil, Paraguay. Common export for all MERCOSUR member countries includes: meat and meat products; dairy products, in particular sour milk; wool, leather and wares from them. Argentina, Brazil and Uruguay are major suppliers of fish and other seafood. In addition, Brazil and Paraguay export wood of tropical trees and cover almost a third of this market segment. Up to 20% of export operations account for mining raw materials and semi-finished products. The new component of the export of MERCOSUR countries is increasingly the products of machine building. Up to 10% is attributed to the export of ferrous and nonferrous metallurgy products and the chemical industry [4]. Imports into the countries of MERCOSUR are presented by the following groups of goods: products of mechanical engineering, energy carriers, chemicals, plastics, paper, certain groups of consumer goods. From 30 to 50% of import operations take place inside MERCOSUR. The aggregate of exports and imports increased in comparison with the previous year in this period. Despite the differences between countries, the recovery has led to an increase in exports in 2017, after five consecutive years of decline in

total sales. On the other hand, the evolution of imports was more homogeneous, reflecting the increase in recovery after a long recessionary period starting in 2014. Brazil is a country that concentrates FDI flows in MERCOSUR (93.5%). The restoration of investment flows was caused by an increase in loans between parent companies and subsidiaries, and an increase in reinvestment of profits. Income was concentrated in the service sector. Oil and gas production was the main sector with the largest investments. The EU has become a source of half of FDI received by Brazil; The United States, Japan, and China also invested in MERCOSUR, but only China's investments have had significant growth. The discovery of hydrocarbon production for FDI has led to the revitalization of this market. In the first half of 2017, FDI in Brazil totaled \$ 36271 million, which is 7.2% more than in the same period last year. The increase is explained by the growth in incomes from the capital [8].

Having studied the main aspects of the creation and operation of MERCOSUR, we can conclude that at this stage there are problems that the organization's future depends on. Despite success MERCOSUR suffers from the same problems that hinder the development of practically all integrational organizations of «the Third World». The main of them are the heterogeneity of the participating countries and the relatively low level of their economic development. The contradictions between the small and the large countries of MERCOSUR are among the most acute problems of this union, caused by big differences in economic potential, the degree of vulnerability of large and small economies from the influence of external factors, their ability to influence development of the association and to take the benefits of integration. An absolute leader of MERCOSUR is Brazil, which is economically and politically stronger than other countries. This leadership brings some tension between the countries. Studies show that in the mutual trade of the countries of MERCOSUR prevail the goods, which are little competitive in the world market. [6]. Characteristic feature for the countries of South America is that the expansion of trade was not accompanied by the strengthening of economic stability in the countries of the region, primarily due to the high dependence of countries on foreign markets [1]. The problems of MERCOSUR come out outside the customs union. The lack of coordinated macroeconomic policies, internal

disagreements and trade disputes, ineffective policy-making and decision-making bodies further strengthen disintegration in the block [5]. During the existence of MERCOSUR there was an expansion of trade and economic cooperation with other regional trade groups of Latin America. The 15 English-speaking countries of the Caribbean region began to show interest in cooperation. The mutual investment activity, as well as the investment attractiveness of the region for foreign companies has considerably increased [6]. There is also a growing need for a body to resolve trade disputes. In the future, there is an increase in volumes of trade and strengthening of political cooperation among member states, which will promote strengthening stability, democracy and economic reform in the region. The MERCOSUR should not restrict the strategy of the future development by the Inter-American Union, but expand its activities to other markets – Europe and Asia. The most promising areas for establishing sustainable economic cooperation are the EU, Russia, the countries of the Asia-Pacific region, and others. The prospects of MERCOSUR are rated as favorable. "The Southern Common Market" is the most effective integration block of Latin America [9].

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## **SPECIAL FEATURES OF BUSINESS EDUCATION MARKET IN GERMANY**

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**Kyslovska D.O., Skrypnyk T.I. Special features of business education market in Germany.** The article deals with the special features of the business-school functioning in Germany, the period of their formation and the basic requirements for students joining the German MBA program. The article also describes the difference between business-schools in Germany and similar schools in Europe and the United States.

**Keywords:** business-school, management, education, Germany, MBA.

**Кисловська Д.О., Скрипник Т.І. Особливості ринку бізнес-освіти в Німеччині.** У статті розглядаються особливості функціонування бізнес-шкіл в Німеччині, період їхнього становлення та основні вимоги до студентів, що вступають на німецьку програму MBA. У статті також описуються відмінності бізнес-шкіл Німеччини від подібних шкіл у країнах Європи та США.

**Ключові слова:** бізнес-школи, менеджмент, навчання, Німеччина, MBA.

**Кисловская Д.А., Скрипник Т.И. Особые черты рынка бизнес-образования в Германии.** В статье рассматриваются особенности функционирования бизнес-школ в Германии, период их становления и основные требования к студентам, которые поступают на немецкую программу MBA. В статье также описываются отличия бизнес-школ Германии от подобных школ в странах Европы и США.

**Ключевые слова:** бизнес-школы, менеджмент, обучение, Германия, MBA.

A business school is a university-level institution that confers degrees in Business Administration or Management. A B-school also known as School of Management, School of Business Administration, teaches topics



such as accounting, administration, strategy, economics, entrepreneurship, finance, human resource management etc.

The subject of this research is business schools as special kind of educational institution.

The goal is to identify special features of German business-schools.

Relevance of the topic. Over the past 50 years, business schools have begun to make a significant impact on the development of skills among entrepreneurs, that is, the formation of specialists able to competently and quickly respond to economic changes in the world. And every country forms its special educational process so in this article there is a need to explore the German business-schools.

The system of training in secondary and higher educational institutions of Germany aims to educate future managers and develop such skills as the ability to start their own business, to work independently or in small business, entrepreneurship.

Framework of the traditional German education system is focused on the study of science but the management is not allocated as a subject of study; training is conducted in the fields of "Science of Business" or "Economics", where part-time courses of management are also presented. Studying in professional higher education institutions, where today about 50% of the total number of students study business, lasts less than at universities (4 or even 3 years) and ends with the issuance of a "Merchant" (Diplom Kaufmann / frau) or "Specialist" (Betriebswirt) diploma [3, p. 77-80].

The idea of specialized training programs for professional managers in Germany is spreading slowly. The Association of Educational Institutions (FIBAA) was established in 1994 and it assumed the accreditation program task of this type in German-speaking countries. One of the leaders is the recently established School of Management in Koblenz (Koblenz Management School), which is classified as a "business school" (b-school). After intensive 4-year education, it gives an opportunity to receive a "Kaufman" diploma which is actively used in the educational process of studying abroad. MBA programs at German universities until the end of the 1990s were practically non-existent.

In general, in Germany, the degree of MBA is obtained after 4-7 years of traditional study at state universities. Studying for an MBA degree here is strikingly different from similar one-two-year studies in other European countries or in the United States. In Germany the main emphasis is on theoretical training of students, here are not case studies, no practical lessons [5, p. 45-53].

The degree of MBA in Germany can be obtained directly from German b-schools, foreign branches and national schools that collaborate with US universities.

German b-schools are divided into 4 types:

1. Research institutes (Mannheim and Leipzig University). B-schools at these universities are among the most prestigious and graduates are valued far beyond the country. This option is especially interesting for foreign students who plan to study in English.

2. Universities of Applied Sciences (for example, Reutlingen University). Schools of business at the universities of applied sciences make emphasis on practice (training, internship).

3. Independent business schools (European School of Management and Technology).

4. Business colleges offering national highly specialized business programs (FH Pforzheim and FH Reutlingen). The training is conducted in German and lasts from 14 to 18 months.

Unlike classical British and American full-time education, Germany tends to an executive and part-time MBA. German experts consider the study with a break from work unprofitable. The average duration of MBA programs in Germany is 21 months. There are also full-time programs, but the training course lasts at least 12-18 months.

The plan of curriculum in the MBA program must include ethics and social responsibility and in the future the theory that is tested in practice. In the States these disciplines are absent. Another difference is the audience. For German MBA programs there is an international composition.

Today German business training is low valued. Also it includes variety of scholarship programs for students from the MBA in Eastern Europe, decent tuition, English language training, internships in other countries, job support. In addition, an MBA degree from one of the

recognized schools in Germany will be a good recommendation for a German company anywhere in the world.

In order to get to the German b-school you must pass such entrance exams:

- General Management Admission (GMAT);
- English test TOEFL (IBT) or German language proficiency certificate (from Deutsch als Fremdsprache - DAF to managerial Pruefung Wirtschaftsdeutsch International - PWD);
- get recommendations;
- go through an interview [4].

Studying in business schools is as follows – students are divided into 2 groups: the first – up to 30 years, and the second – to 40 years, when people already have some work experience in business and management. Learning both the first and second groups go together which allows students and practitioners to share experiences, theoretical knowledge, contacts [1], [2].

Before turning directly to the consideration of the peculiarities of the functioning of b-schools in Germany it should be noted that in October 2002 a private b-school, the European School of Management and Technology (European School of Management and Technology), was officially established in Berlin. It's very popular in Europe and can become a competitor to leading European b-schools such as INSEAD. This new b-school has received support from many large German companies (for example, Daimler-Chrysler) and specialize in the principles of technological management [5, p. 45-53]. Other peculiarities will be considered in the example of the following b-schools.

The next was the Business School at the University of Mannheim which was opened in 2005. This b-school has quickly become one of the best in training MBA programs and has been recognized as a Triple Crown. Such recognition has not more than 1% of all business schools across the world. At the same time world rankings at the Mannheim University School of Business are almost always close to the top ten according to various magazines from The Economist to the Financial Times.

The Business School trains MBA students and EMBA (the same but with experience), as well as accounting and tax professionals. The terms of

study in MBA programs are 1 year in full-time, and 2 years in correspondence studies. The tuition fee for MBA programs is respectively 33 000 and 40 000 euros. The EMBA curriculum lasts 18 months and costs about 50,000 euros. An entry requires a senior management experience of 1 year to 3 years (for MBA programs) and at least 8 years (for EMBA programs). The close cooperation of the Mannheim Business School with companies such as BASF, Adidas, IBM, Lufthansa, Deutsche Bank, Siemens, Ebay and other companies gives b-school graduates good chances of employment.

The Munich Business School (Munich Business School) was founded in 1991 as part of the International Association of Business Schools in Europe. This is a private educational institution, and its activities are directed primarily to the productive economy. In 1999 this b-school was accredited by the Ministry of the Economy of the Land of Bavaria and since 2003 has received the present name (MBS).

Among the main specialties of training specialists for MBAs are: international marketing and production, financial and sports management, international finance. The bachelor's program in international business is designed for 6 terms, tuition fee is approximately 900 euros per month. In addition, a one-time contribution of 380 euros is envisaged in case of admission to study. The master's program lasts from 18 to 24 months with a one-time contribution remaining at the same level and a tuition fee of 930 euros per month.

Since the main profile of the Munich Business School is to prepare managers for international corporations it has long been in close contact with both business structures and educational institutions in all developed countries and across continents.

The absence of German business schools in the first lines of international ratings is due to their age – German business schools are relatively young in the international comparison. But the main advantage of business education in Germany is its quality and relatively low cost, since the same MBA programs in America will cost four or even five times as much. However German b-schools don't require special advertising today as after several years of work bachelors are again going to study to improve

their qualifications. And in this case studying in the MBA program is the best option.

At the same time virtually all European countries including even Germany are under the very strong influence of American ideas in business education. This applies to scientific developments, forms and methods of teaching people to business and management, regardless of which model is used: "traditional" German, "new" American, or "mixed" based on a roughly identical combination of the above two base models.

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**THE IMPORTANCE OF CHOOSING  
OF AN INTERNATIONAL MARKETING STRATEGY  
AS A FACTOR FOR A SUCCESSFUL ENTERANCE  
OF A COMPANY TO INTERNATIONAL MARKET**

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**Lazarenko M.I., Skrypnyk T.I. The importance of choosing of an international marketing strategy as a factor for a successful enterance of a company to international market.** The article analyses the concept of international marketing, the stages of its formation, development and its importance in the structure of the marketing strategy when the company enters international market. Breaking into the foreign market is a logical stage in the economic activity of a successful and developing enterprise. Because at a certain point the company that takes a strong position in the national market faces a problem of market limitations, due to the activities of competitors, or the company's meeting fully the demand of the market.

**Keywords:** foreign market, competitors, international marketing, national market, strategy.

**Лазаренко М.І., Скрипник Т.І. Важливість вибору міжнародної маркетингової стратегії як фактор успішного виходу підприємства на зовнішні ринки.** У статті розглядається поняття міжнародний маркетинг, етапи його формування, розвитку і його значущість в структурі маркетингової стратегії при виході підприємства на зовнішній ринок. Вихід на зовнішній ринок є логічним етапом економічної діяльності підприємства що є успішним і розвивається. Оскільки в певний момент компанія, яка займає впевнену позицію на національному ринку, повинна зіткнутися з проблемою його обмеженості, через діяльність конкурентів, або повного володіння ним компанією.

**Ключові слова:** зовнішній ринок, конкуренти, міжнародний маркетинг, національний ринок, стратегія.

**Лазаренко М.И., Скрипник Т.И. Важность выбора международной маркетинговой стратегии как фактор успешного выхода предприятия на внешние рынки.** В статье рассматривается понятие международный маркетинг, этапы его формирования, развития и его значимость в структуре

маркетинговой стратегии при выходе предприятия на внешний рынок. Выход на внешний рынок является логическим этапом экономической деятельности успешного и развивающегося предприятия. Поскольку в определенный момент компания, которая занимает уверенную позицию на национальном рынке, должна столкнуться с проблемой его ограниченности, из-за деятельности конкурентов, или полного владения им компанией.

**Ключевые слова:** внешний рынок, конкуренты, международный маркетинг, национальный рынок, стратегия.

The implementation of business operations by partners from more than one country, or international business, implies that the management of these operations has its own peculiarities, which, in turn, reflects the concept of international management. In this case, we are talking about international business operations, which include any type of business operations which involve crossing the state borders of goods, or factors of production (resources) material, labor, financial [8, p. 203].

In these operations, business partners represent two or more countries. Since international business involves individuals, firms, organizations, states, management decisions in international business include all spheres of business activity, and therefore the complex of international management is a system of managerial decisions in the areas of R&D, supply, production, marketing, personnel, finance.

International management takes into account the state of the environment of international business, the characteristics of which for each specific company depend on the level of internationalization of its business.

Thus, strategic international management is a complex continuous process aimed at the formation and implementation of strategies that enable the company to compete effectively in foreign markets, achieving strategic competitiveness and ensuring the return on investment capital at a level that exceeds the value of capital of a company, that is, the level of investor expectations taking into account risk of operations of the company.

An international marketing strategy is a central element of a company's overall international strategy that describes how a company should use its limited resources to maximize its sales and profitability from sales in the long run. Without the development of modern forms and

methods of international marketing, international management is impossible.

Marketing originated at the beginning of the twentieth century in the United States as a result of the development of non-price competition in the face of increased competition [7, p. 544]. Until now, in the economic literature of Russian and foreign authors, the exact definition and the essence of marketing is a debatable topic. American economist F. Kotler characterizes marketing as a kind of human activity aimed at meeting needs through exchange [5, p. 785]. According to American economists J. Evans and B. Berman, the marketing sector includes not only goods and services, but also people, organizations, territories, ideas: "Marketing is the prediction, management and satisfaction of demand for goods, services, organizations, people, territory and ideas through exchange"[4, p. 350]. Russian economists give a more detailed definition: "Marketing is a set of activities in the field of research sales and marketing activities to study all factors affecting the process of production and promotion of goods and services from manufacturer to consumer" [6, p. 256]. Thus, we can conclude that marketing performs two tasks at once: the first – a thorough study of the market and the identification of existing needs, orientation of the company to meet the data, as well as potentially possible needs, the second – the stimulation of the market, the formation of demand. Marketing regulates the market by finding a balance between production and consumption.

In a rapidly changing economic, political and social environment, enterprises operating in the market of goods and services face a difficult task – not only "to survive" in the period of growing competition and continuous technological progress, but also to develop, to increase their potential. Enterprises are constantly pressured by competitors, forcing them to constantly improve their products, expand the range, improve the quality of services provided, optimize management and production processes. Thus, the development of a strategy plays an important role in the activities of any enterprise.

As the environment became increasingly unpredictable, companies were forced to develop increasingly sophisticated control systems to respond to changes quickly. According to scientists, strategic marketing



arose as a result of the simultaneous emergence and impact on each other of the concepts of marketing and management [3, p. 285].

There was a change of values and priorities in the activities of enterprises, there were such concepts as "environment and society", "social and ethical marketing", the process of merging of management with marketing intensified. It was during this period when the main reference in the activities of many enterprises has turned into strategic marketing.

J.-J. Lamben considers the concept of "strategic marketing" not as a stage in the marketing process, but as a significant basis for the entire marketing activity of the enterprise. "... Strategic marketing is, above all, an analysis of the needs of individuals and organizations. In terms of marketing, the buyer not only needs the product, but wants to solve the problem that the product can settle. Solutions can be found using a variety of technologies that are continuously changing on their own [2, p. 640]. "Thus, strategic marketing reveals needs that have not yet been met and develops the products or services in question.

International marketing can be defined as a marketing activity for goods and services on the external market, that is, outside the state borders, or as marketing by an international company characterized by producing and distributing products and services in two or more countries, while its products can move from country to country both in intermediate form and in finished form [1, p. 510].

In its economic sense, international marketing is a market management concept. It is based on the principles of organizing all of the company's activities in a single coordinated program.

The intensive development of international marketing is significantly influenced by new developments in the development of science and technology, the internationalization of the economic life of developed countries, the restructuring of their industrial production, the intensification of competition, significant changes in the range of goods supplied to external markets, sales growth of high-tech products, licenses, scientific developments, reducing the life cycle of many products, as well as globalization.

In Western economic literature, all international marketing is often associated with activities of multinational companies, which is not entirely

true, since transnational companies are currently not in control of all world trade.

In essence, marketing within the country and international marketing do not differ. International marketing activities do not involve the use of any fundamentally new functions. When working abroad, the settling of marketing tasks, the selection of target markets, the positioning of goods on the market, the development of a marketing mix and marketing control are carried out. However, some specificity of the functioning of foreign markets and marketing activities in them provides international marketing with a number of features that need to be taken into account, so it can not be the same list of marketing decisions that are taken in the domestic markets.

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**SPANISH-CATALAN CONFLICT:  
THE PROBLEMS OF CATALAN NATIONALISM  
AND SEPARATISM IN MODERN SPAIN**

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**Levenets M.S., Nikulimova Y.H. Spanish-Catalan conflict: the problems of Catalan nationalism and separatism in modern Spain.** The article is devoted to issues of the Spanish-Catalan conflict. Also, analysis of Catalonia, as an integral part of Spain and as an autonomous state, was conducted. The article examines the history of Spain and Catalonia and the current situation in the state. The peculiarities of the occurrence and occurrence of the Spanish-Catalan conflict and the possible prospects for its development are analyzed.

**Key words:** Catalan, Catalan conflict, Catalan independence, Catalonia, separatism in Spain, Spanish.

**Левенець М.С., Нікулімова Я.Г. Іспано-каталонський конфлікт: проблеми каталонського націоналізму та сепаратизму у сучасній Іспанії.** Дана стаття присвячена питанням іспано-каталонського конфлікту. Також проведений аналіз Каталонії як складової частини Іспанії та як автономної держави. В статті розглядаються історія Іспанії та Каталонії та ситуація у державі на даний час. Проаналізовані особливості виникнення та протікання іспано-каталонського конфлікту та спрогнозовані можливі перспективи його розвитку.

**Ключові слова:** іспанська мова, Каталонія, каталонська мова, каталонський конфлікт, незалежність Каталонії, сепаратизм в Іспанії.

**Левенец М.С., Никулимова Я.Г. Испано-каталонский конфликт: проблемы каталонского национализма и сепаратизма в современной Испании.** Данная статья посвящена вопросам испано-каталонского конфликта. Также проведен анализ Каталонии как составной части Испании и как автономного государства. В статье рассматриваются история Испании и Каталонии и ситуация в государстве в настоящее время. Проанализированы особенности возникновения и протекания испано-каталонского конфликта и спрогнозированы возможные перспективы его развития.

**Ключевые слова:** Каталония, каталонский язык, испанский язык, независимость Каталонии, каталонский конфликт, сепаратизм в Испании.

The s u b j e c t of the study is the independence of Catalonia. This question has recently become one of the most discussed in Spain and, accordingly, the focus of attention of the international community.

In 1479 as a result of the dynastic alliance of Isabella I of Castile (Spanish: Isabel I de Castilla) and Ferdinand II (Spanish Fernando el Católico), Catalonia became part of the Kingdom of Spain but more than once attempted to separate. Catalan independence was restored only once: as a result of the "The Reapers' War" (Spanish: Guerra de Los Segadores) – for 12 years (1640–1652).

For decades, Catalan nationalism was fed up with the hatred of dictatorial regimes in Madrid – Primo de Rivera (1923–1930) and Francisco Franco (1939–1975). In the years of the Civil War (1936–1939), as opposed to the backdrop of the Franco-South and the center in Catalonia, there were the largest number of Republicans who had the support of the left-wing forces. When Barcelona suffered a barbaric bombing on the part of the Italians – Franco's allies, Winston Churchill, a prominent anti-communist, stood openly on the Republic side [4].

Having survived persecution of language, culture, and political institutions, Catalonia in 1979 gained autonomy: local government, parliament and police forces (Mossos d'Esquadra) were created, and the Catalan language received an official status along with the Spanish [4].

Today, there is a vibrant movement for national independence in Catalonia. Catalan nationalism becomes noticeable as soon as you get to Catalonia and, especially, to Barcelona. Throughout the city on the balconies of residential buildings hung national flags, Catalan language is heard everywhere, all street names and many signboards of shops are listed exclusively in Catalan [2].

It turns out not only on the domestic but also on the state level. Teaching in schools and public universities is conducted in Catalan, with the exception of international programs. It also publishes official municipal documents.

The region has its own media in its native language. Catalonia has its own domain on the Internet, and some of the Internet sites, even large events or organizations, have a Catalan version only [2].

The struggle for the independence of Catalonia in recent years has been on a diplomatic level between the local government of the Generalitat and the central government of Spain. The catalogs require a change in the Statute of the region, which would give authorities more powers.

In Catalan nationalism, the "separatist component" is less pronounced than in the Basque country. This remark made by one Spanish analyst, as an obvious exaggeration, indicates the main difference between the two nationalist movements – the greater attractiveness of the Basques to separatism [4].

Until recently, separatist sentiments seemed to have subsided: in 2003, the Republican Left of Catalonia (Spanish: Esquerra Republicana de Catalunya, ERC), the only party that advocates independence, won only 16.5% of the vote in parliamentary elections. Ten years later, the situation changed dramatically: on September 11, 2014, at the National Day of Catalonia in Barcelona, a massive demonstration took place in support of the referendum on the separation under the slogan "The Time Has Come!". The action was attended by 1.8 million people with a population of 1.6 million [5].

According to the local population, Spain is allegedly "fed" by Catalonia as the most industrially developed country, transferring to the state budget 10 billion more euros annually than it receives (GDP of Catalonia is about 20% of Spain's GDP). The economic background to the conflict makes it similar to the European crisis of 2008–2014: Germany is a rich "north" of European Union, Catalonia is a rich "north" of Spain. Like the Federal Republic of Germany, which accused Greece and Portugal of restraint, Catalonia expresses its claims to other regions of Spain: the inhabitants of Extremadura, Murcia, and Andalusia look freeloaders of labor "north" in the eyes of the Catalans [5].

The main argument of Madrid against the separation of Catalonia is the trade and economic advantages that the region enjoys being a part of a member state of the European Union. An independent Catalan entry into the EU may be impossible, as Madrid has the right of veto to this issue. It's unimaginable for Catalonia to join the UEFA, for the sake of participating in the sporting events of the world-famous football club "Barcelona". In addition, the need for border protection will arise in front of Independent

Catalonia. The burden of additional military spending in the region will be difficult: Catalonia is the owner of the largest debt among the Spanish regions (€ 75 billion).

The first attempt of the Catalan referendum was made on November 9, 2014. To circumvent the prohibition of the Constitutional Court of Spain, in the region a large-scale informal survey was held, the results of which voted for independence almost 81% of participants (should be aware that the turnout was only 37%). The power of separatist sentiment has demonstrated the success of nationalists in the regional parliamentary elections of 2015. The party "Convergence and Unity» (Spanish: *Convergència i Unió*, *CiU*) headed by Arthur Masom combined with other parties vying for separation. Together they spoke in the elections called *Junts per Sí* ("Together for Yes", where "yes " is the answer to the question of the separation of Catalonia) and won [5].

Spain's Constitutional Court has suspended all documents on the referendum accepted by Government of Catalonia (Spanish: *Generalidad de Cataluña*) and Catalan Parliament, making illegal all further steps of local authorities to prepare plebiscite.

The situation intensified after Madrid's actions: on September 20, 2017, 14 Catalan officials were arrested (later all were released). The Spanish Civil Guard conducted searches in printing houses and editions and removed almost 10 million ballots. The province's response to the Madrid raid was the march of pots: in protest, the Catalan went out to the streets and beat for 10 minutes in the dishes [3].

The city authorities justify its strong steps by the 155th article of the Spanish Constitution, according to which the government may "forcibly take the necessary measures to comply with its obligations autonomous community" to protect the public interest [1].

According to recent polls, the independence of Catalonia is supported by 41% of the inhabitants of the autonomy, with 49% opposed [2]. The vote was held on October 1, 2017. The Spanish authorities have attracted the maximum number of security forces in the polls to prevent the Catalan from expressing their will. The referendum was declared by the Constitutional Court of Spain outside the law. The referendum, reported by the Catalan authorities, was attended by 2.2 million people (a total of

5.3million voters were registered). More than 90% of the voters called for independence [3].

Assessing the prospects for the future, there are three scenarios for the development of events in Catalonia.

The first is the preservation of the status quo or the modification of the legal status of autonomy within the framework of the current Constitution. Under such a scenario, central government will have to constantly deal with the dissatisfaction of national minorities with some or other problems.

The second scenario involves the transformation of Spain into a federation, if not de jure, then de facto. The current Constitution prohibits the creation of a federation in Spain.

The third scenario is Confederalization of Spain, granting some autonomy to the statute freely joined the state.

Theoretically, you can imagine a break with Spain, but this requires a number of conditions, including the preservation or improvement of the current level of welfare of society; development of the current tendency to reduce the degree of integration of the Catalan economy into the economy of the rest of Spain (for example, energy autonomy); changing the position of the EU on the division of the region, agreeing to accept it into the ranks of the Society, including the provision on the right of Catalonia to self-determination in any declaration on international law.

Domestic and international conditions do not contribute to the development of such a scenario. EU legal norms do not envisage joining separate regions that want to separate from the member states. It should not be forgotten that the process of European integration, accompanied by the abolition of borders, the creation of a single market for goods, capital and services, the expansion of the competence of supranational bodies, works against national separatism.

**C o n c l u s i o n .** Thus, the most likely scenarios for implementation are the first and second ones, or the modification of autonomous statutes within the framework of the Constitution while maintaining the unitary nature of the Spanish state.

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## **IMPORTANCE OF CULTURAL AND RELIGIOUS ASPECTS IN TRAINING OF PROFESSIONALS IN THE TOURISM INDUSTRY**

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**Levina M.O., Litovchenko Y.M. Importance of cultural and religious aspects in training of professionals in the tourism industry.** The article analyzes the way cultural differences and peculiarities affect tourism sector as a whole, and especially personnel training. The work outlines prospect of the development of Ukraine as a religious center as a whole. The main problems in intercultural communication with examples and recommendations for their prevention are also considered.

**Key words:** communication, cross culture, culture, international tourism, religion, training.

**Левіна М. О., Літовченко Я.М. Важливість культурних та релігійних аспектів у підготовці фахівців у сфері туризму.** У статті розглядається, як культурні відмінності і особливості впливають на туристичну сферу в цілому, а особливо на підготовку кадрів. Була проаналізована перспектива розвитку України як релігійного центру в цілому. Також розглянуті основні проблеми в міжкультурному спілкуванні з прикладами і рекомендації по їх запобіганню.

**Ключові слова:** комунікація, кроскультура, культура, міжнародний туризм, підготовка, релігія.

**Левина М.А., Литовченко Я.Н. Важность культурных и религиозных аспектов в подготовке профессионалов в сфере туризма.** В статье рассматривается, как культурные различия и особенности влияют на туристическую сферу в целом, а особенно на подготовку кадров. Была проанализирована перспектива развития Украины как религиозного центра в целом. Также рассмотрены основные проблемы в межкультурном общении с примерами и рекомендации по их предотвращению.

**Ключевые слова:** коммуникация, кроскультура, культура, международный туризм, подготовка, религия.

The o b j e c t of the article is cross cultural differences whereas the subject is the impact of these differences on the personnel in tourism field.

In recent years, turismologists have been engaged in the problems of intercultural communication. After all, in the field of tourism at all stages of the creation, distribution and direct use of tourist products there exist numerous contacts between people in various possible contexts. V. K. Fedorchenko and I. M. Minich pointed that international tourism is based on the feelings of respect for national culture and history of each people, the main interests of each state [3]. Because of this diversity cross-cultural conflicts may arise.

So, the cross-cultural conflict is a contradiction that arises, as a rule, among representatives of different cultural spaces, the motive force of which is historical and cultural stereotypes concerning various spheres of activity [2].

To prevent such conflicts, it is necessary to train specialists with relevant skills. The end result of cross cultural training is qualitative personality changes as changes in thoughts, in affective reactions and changes in real behavior.

An effective cross cultural training program is aimed at increasing knowledge of culture, cultural differences and actual problems, which take place in the interaction of different cultures. One way to expand thinking is an integrated approach to solving a specific problem when different arguments are taken into consideration (cultural, economic, political factors). Thus, the understanding of people from another culture and the ability to look at problems from the perspective of others is developing.

Cross-cultural collisions produce certain affective reactions associated with feelings, emotions and feelings of disintegration, which forms the basis "Acute cognitive stress" or "cultural shock" [5]. People who are temporarily find themselves in another culture and face different views on such universal values as equality, honesty, justice, can form negative views on the culture and its representatives. Cross-cultural training of specialists is also aimed to help to overcome affective reactions.

Language is the "code" in cross-cultural communication, it is important in tourism for both tourists and hosts because it is the means by

which meaning is constructed between them. It has been viewed as exchange of information and cultural differences. If they can't understand the same language the tourist experience will be unsatisfactory. Furthermore, the hosts won't be able to provide a quality product or experience and their business and reputation depend on doing so.

Cross-cultural differences do not only refer to verbal communication, but also existed in all sorts of human activities between foreigner tourist and local hosts. Non-verbal behavior is a significant element for a tourist because it is easier to be noticed and understood than verbal communication.

Since the main factor of "building" culture is the religion, it is necessary to pay more attention to it.

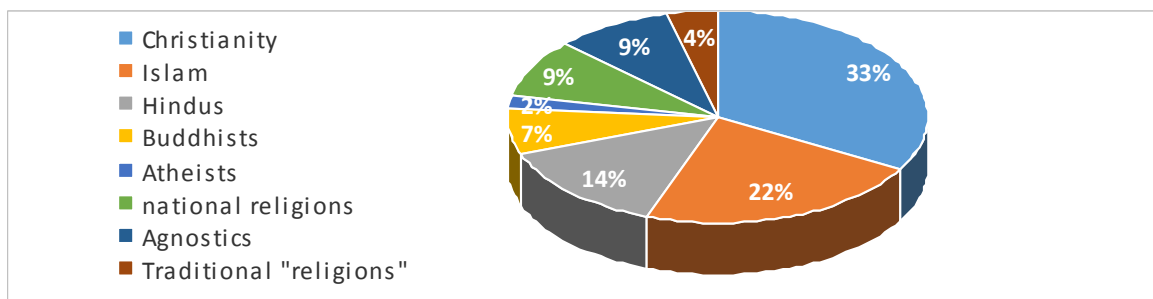


Figure 1. The prevalence of religions in the world [6]

Religions and Philosophies take part into a significant role in the human beings' civilization and history. Every religion has its own characteristic and philosophy. Therefore, for tourists who going to make an overseas traveling, they may encounter situations which is different from or even disobey with their believing. Meanwhile, tourists who have their own religion will always be obedient. No matter which area they were or they will be. The religious philosophies and behaviors would never be changed. For example, in Islam, all the individuals' behaviors have been controlled in their social, economic and political lives. They are not allowed to eat pork, animals' blood and even have one month for "Ramadan" which demands all the Muslims be fast during the daytime. The Muslim women who wear hijab might not suit to go to the beach while they are travelling. Some potential dangers would be existed participate some recreation activities as well.

A professor of Sterling University, FitzGerald, highlighted that to understand the different religions and their philosophies would improve the communication in global tourism industry for both tourists and host. What is more, to show respect to each religion and offer special tread them are very important for hosts. As it mentioned before, Muslims have to worship five times every week. As a result, hosts need to make sure they know where the mosque is or even provide a quiet corner for them to complete the mission. Buddhism, which is “a Pan-Asian religion and philosophy” has affected in the field of spirit, social life and national culture in the eastern world over a long period of time. Buddhists are promising not to kill or harm any living things. Undertaking family and sex loyalty and refraining from get something which doesn't belong to them.

According to experts from the World Tourism Organization (WTO), religious tourism in a few years can take up to 20% of the world tourist market. Ukraine is a rather promising region in this case, as it is a multi-confessional tolerant country. Although the main religion is Christianity, it is important not to neglect the spiritual heritage of all churches and confessions existing in Ukraine. The regions of active international pilgrimage tourism in Ukraine can be: Uman, Berdichev, Medzhybizh, Tarashcha, which are visited annually by tens of thousands of pilgrims; – Galicia, Bukovina, Transcarpathians – the borders of the Latin and Byzantine culture, the crossroads of Western and Eastern Christianity; a region in which the "holy places" of Catholicism, Orthodoxy, Judaism, Protestantism, Armenian Church have been preserved, acquaintance with which will have not only tourist-cognitive, but also primarily ecumenical and humanistic significance are laurels. Ukraine can boast of having three entire laurels (Svyatogorsk, Kiev-Pechersk, Pochaevskaya), which are extremely important for Orthodox Christians. So, as we see, there is a place to work, but one of the main problems is the poor training of personnel in this area, which can't provide the necessary service [1].

It is important to prepare tourists in a socio-cultural context before traveling to a region specific to ethno-cultural characteristics. This involves getting acquainted with the history of the country (region), ethno-cultural traditions, customs of peoples, socio-political and religious conditions, including the degree of possible dangers. To do this, tourism professionals

should offer potential tourists with relevant reference publications, situational surveys of the situation in the regions, as well as the preparation of some kinds of notifications and leaflets. Not least is the formation of skills of cross-cultural communication, an appropriate behavioral culture, respect for places where the cultural and spiritual values of a given country and region are located [2].

It is clear that cross-cultural communication and understanding not only affect to international tourists, but are also important to the hosts who running the global tourism business in the field of language, customs and regions. The different languages give rise to some misunderstanding or even non-communication. Therefore, the hosts must be aware of these cultural differences such as different languages, different non-verbal communication and different religions they have. It is necessary for hosts to take these into considerations in this industry by supply interpreters, foreigner information translation. People who work in this industry must know very well about the characteristics of different customs and religions, which can help to avoid cultural conflicts. In addition to that, tourism business owners have to provide ideal service which can give international tourists a unique local cultural experience. Meanwhile, customers' cultures and customs should be respected. The cross-cultural understanding in global industry may never be completely taken into consideration by hosts, however, further studies to identify potential problems and solutions, as well as an improvement in cross cultural communication for global tourism industry, should result in a better understanding and more enjoyable experiences for both hosts and tourists [4].

Training of professionals in tourist industry remains a pressing problem which needs to be solved in the near future for further developing and expansion of tourism industry.

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## **ENGLISH FOR EMPLOYABILITY: B2 FIRST AND BEC EXAMS IN UKRAINE**

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**Levytska M.A., Sokil O.O., Oliynyk N.A. English for Employability: B2 First and BEC Exams in Ukraine.** The article considers the benefits of passing the B2 First and BEC exams in Ukraine as a way to improve employability of young people in both the Ukrainian and global labour markets. It also provides the dynamics of the Ukrainian students' performance in the percentage ratio in 2013 and 2017.

**Keywords:** B2 First, BEC Exam, English language skills, Ukrainian labour market.

**Левицька М.А., Сокіл О.О., Олійник Н.А. Англійська мова для працевлаштування: іспити B2 First та BEC в Україні.** У статті розглядаються переваги складання іспитів B2 First та BEC в Україні як спосіб розширення можливостей працевлаштування молоді як на українському, так і на світовому ринках праці. Також у статті представлена динаміка успішності українських студентів в процентному співвідношенні в 2013 та 2017 роках.

**Ключові слова:** знання англійської мови, іспит B2 First, іспит BEC, український ринок праці.

**Левицкая М.А., Сокол Е.А., Олейник Н.А. Английский язык для трудоустройства: экзамены B2 First и BEC в Украине.** В статье рассматриваются преимущества сдачи экзаменов B2 First и BEC в Украине как способ расширения возможностей трудоустройства молодых людей как на украинском, так и на мировом рынках труда. Также в статье представлена динамика успешности украинских студентов в процентном соотношении в 2013 и 2017 годах.

**Ключевые слова:** знание английского языка, украинский рынок труда, экзамен B2 First, экзамен BEC.

In today's highly competitive world many young Ukrainians dream big and desire to broaden their mind by studying and working abroad or in international companies, which makes the study r e l e v a n t . Moreover,

most employers require a certificate confirming a candidate's ability to write short business messages and reports, read business and professional publications, listen to, understand opinions in meetings and also give clear presentations on familiar topics.

The o b j e c t of the article is B2 First and BEC exams in Ukraine and the s u b j e c t is the Ukrainian and international labour markets. Our p u r p o s e is to justify the importance of the two popular exams taken in Ukraine – B2 First and Business Vantage (BEC) with regard to their benefits for future employment.

B2 First, formerly known as Cambridge English First (FCE), is one of Cambridge English Qualifications assessing learners' language and interactional skills 'to live and work independently in an English-speaking country or study on courses taught in English' [5, p.4]. It is accepted for entry to foundation/pathway/pre-sessional courses in English-speaking countries and undergraduate programmes taught in the medium of English in non-English-speaking countries as well as by professional bodies, immigration authorities and other government agencies both in Ukraine and worldwide.

Being accepted by thousands of businesses and educational institutions, a B2 First qualification includes the assessment of interactive communication skills in its speaking test and proves your ability:

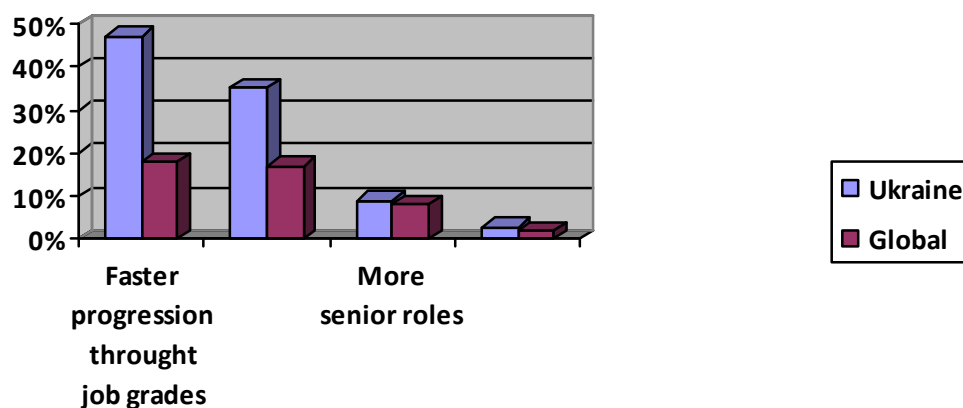
- to communicate effectively face-to-face, expressing opinions and presenting arguments;
- to follow the news;
- to write clear, detailed English, expressing opinions and explaining the advantages and disadvantages of different points of view;
- to write letters, reports, stories and lots of other types of text [3].

Acquisition of these skills can open doors to higher education, improve job prospects and, because the qualifications are so well-known globally, increase mobility. In Ukraine, for instance, the list of organizations accepting or using a B2 First qualification varies from Nestlé, Mercedes-Benz, Philips to Kyiv City Council, European Business Association and Ministry of Education and Science [ibid].

Besides direct and obvious employment prospects, successful candidates can also enjoy a number of benefits and express their interest in



higher positions available. The bar chart below represents the findings of the annual QS Global Employer Survey, as well as insights from industry experts at Cambridge English based on data from 5,373 employers in 38 countries [2].



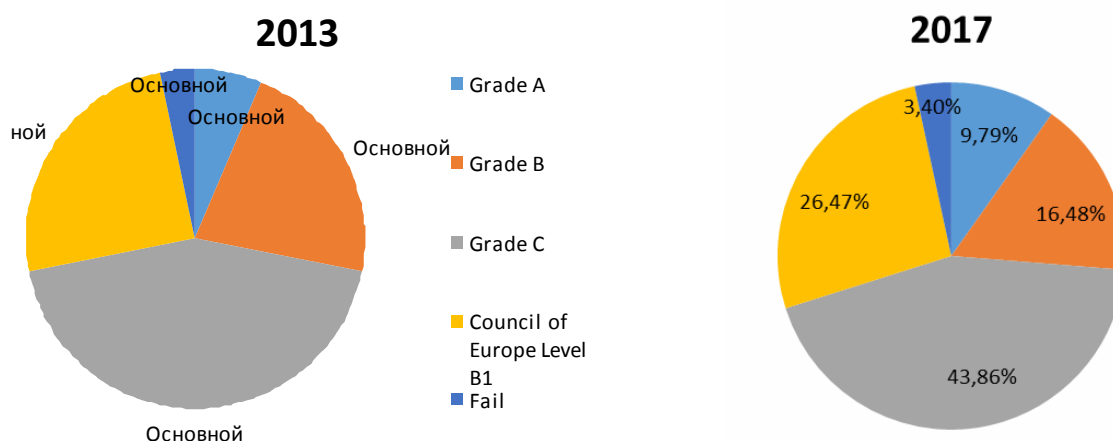
Source: the annual QS Global Employer Survey [2].

Figure 1. Benefits for employees with English qualification.

As we can see, good English language skills provide more advantages in terms of career prospects and salary increase and, what is more importantly, they are more appreciated by the Ukrainian employers (by 27% and 17% respectively) which proves the importance of obtaining English qualification for potential employees. On the one hand, it makes English language skills particularly relevant for the Ukrainian labour market in terms of a gap between the demand and supply of English skills, which need to be narrowed.

As globalization advances, the demand for people with English skills in working life increases so to achieve employability one should develop the so-called ‘soft skills’, i.e. employee’s ability to present their knowledge and skills effectively to employers which is vital during the selection process and for their promotion prospects in the future.

Let’s have a look at the FCE results obtained by the Ukrainians in 2013 and 2017 to determine the main trends and compare the candidates’ performance over the years [3, 6].

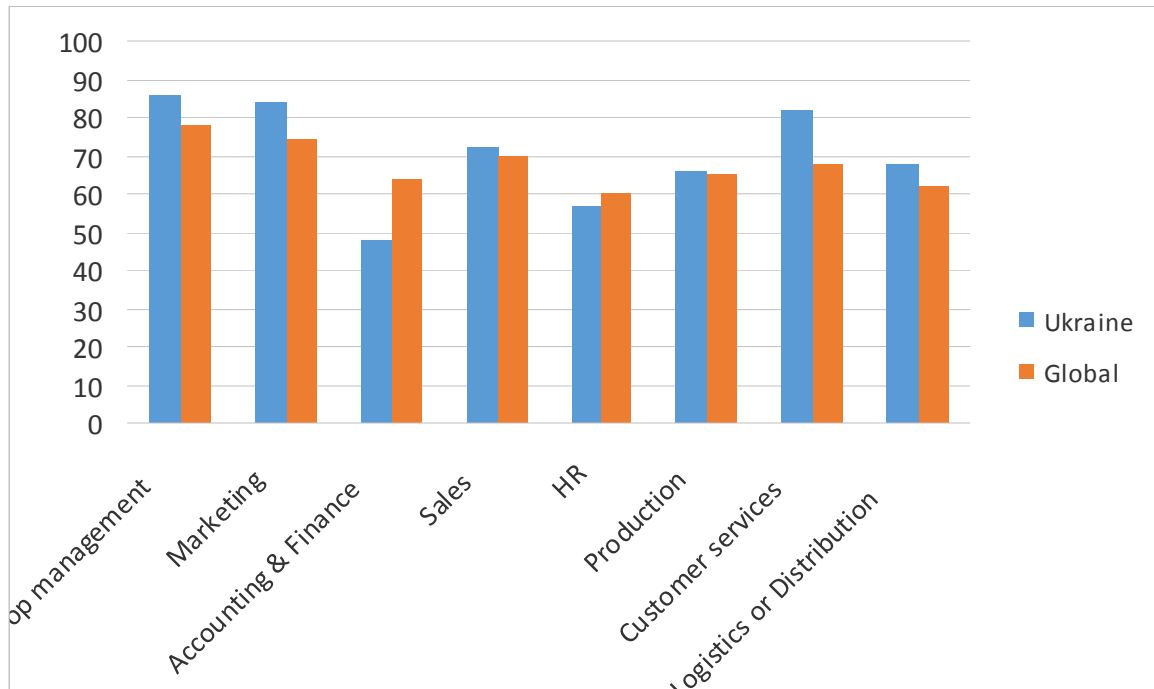


Source: Grade statistics [4].

Figure 2. The percentage rate of grades obtained at the FCE exam by the candidates in Ukraine in 2013 and 2017

These pie charts represent the proportion of each grade obtained in Ukraine in 2013 and 2017 respectively out of the total number of candidates and give an overall result for the Ukrainians' performance which has not changed considerably over the years: in 2013 the number of candidates with grade A increased by over 3 % in 2017 and the number of those with grade B went down by 5 %; the number of candidates with grade C remained almost the same; the percentage of those failed the exam did not change at all. Such results demonstrate the growing need for building an efficient basis for developing English training framework to increase people's awareness of the whole range of benefits which English qualifications can provide.

There are also three Cambridge English Qualifications for business. Each one is targeted at a different level and B2 Business Vantage is the second of these exams. The content for each exam is based on everyday work and business tasks and is designed to develop business English skills. With a B2 Business Vantage qualification, participants show employers that they are ready to work successfully in international business. This exam could help when applying for new jobs, getting a promotion, or developing a career.

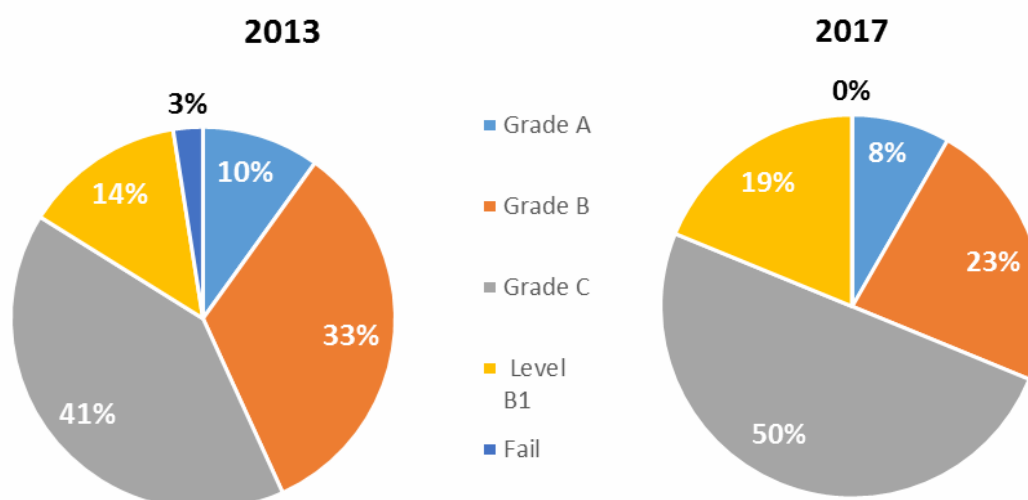


Source: [2]

Figure 3. Percentage of staff with the English skills needed to succeed in their role in the world and Ukrainian labour markets

In every industry, there is a 40% gap between the English skills required and the English language skills that employees have. In this case, BEC helps companies ensure their employees have the Business English language skills needed to succeed at the company so this exam has become quite popular with Ukrainian students as it improves their career opportunities, helps them to succeed in business-related studies and become a staff member of the top international companies like Procter & Gamble, HSBC and AstraZeneca, as well as educational institutions and business schools [6].

To determine the performance of Ukrainian candidates and their future prospects and benefits from taking BEC let's have a look at their recent BEC results obtained in 2013 and 2017.



Source: Grade statistics [4].

Figure 4. The percentage rate of the Ukrainian candidates' results obtained at the BEC exam by grade in 2013 and 2017

To analyze this diagram, we begin by taking a closer look at the data presented and it is obvious that people who got grade A and B made up the bulk in 2013, whereas in 2017 a half of candidates got grade C. On the other hand, in 2017 there was no one who failed the exam, while in 2013 3% of people did not pass BEC.

Cambridge English Language Assessment consultant in Ukraine, Daryna Sizhuk, noted that most of the students successfully coped with the proposed tasks and confirmed their willingness to take Cambridge English examinations, which testifies to the high professionalism of teachers and a good level of student training [7].

To sum up, the trend of results looks quite promising for the future of Ukrainians as they pass well and so can have more opportunities to get a well-paid and satisfying job for themselves, i.e. increase their employability. Taking into account that most companies do not make a distinction between these two exams and accept both of them, it should be noted, however, BEC is more suitable for those working people with some experience in some particular field while B2 First will suit more undergraduate students who are just making their first steps in their career.

Moreover, learning English for them is more than just exams and grades. It is about having the confidence to communicate and access a lifetime of enriching experiences and opportunities especially at work.

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## **FEMALE SOLO TRAVEL: TRENDS AND STATISTICS**

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**Lie K.T., Saprun I.R. Female solo travel: trends and statistics.** This article is devoted to the analysis of female solo travel as an important phenomenon of modern tourism industry. The preconditions and primary reasons for the development of female solo travel are defined as well as the portrait of an average woman travelling alone. Statistics and the current trends of female solo travel are researched into.

**Keywords:** female solo travel, modern tourism, statistics, tourism industry, trend, women.

**Ле Х.Т., Сапрун І.Р. Жіночі соло-мандрівки: тренди та статистика.** Дана стаття присвячена аналізу жіночих соло-мандрівок як важливий феномен сучасної туристичної індустрії. Визначені передумови та головні причини розвитку даного явища в туризмі, а також портрет середньостатистичної жінки, що подорожує наодинці. Досліджені поточні тренди та статистика жіночих соло-мандрівок.

**Ключові слова:** жінки, жіночі соло-мандрівки, статистика, сучасний туризм, тренд, туристична індустрія.

**Ле Х.Т., Сапрун И.Р. Женские соло-путешествия: тренды и статистика.** Данная статья посвящена анализу женских соло-путешествий как важный феномен современной туристической индустрии. Определены предпосылки и причины развития данного явления в туризме, а также портрет среднестатистической женщины, которая путешествует в одиночку. Исследованы текущие тренды и статистика женских соло-путешествий.

**Ключевые слова:** женщины, женские соло-путешествия, современный туризм, статистика, тренд, туристическая индустрия.

Tourism is one the fastest growing and most dynamic economic sectors nowadays. It is essential to be aware of the current trends of travel industry and constantly analyze the market. Today more and more people choose to travel on their own therefore the segment of solo travelers

particularly women has increased significantly in the recent year. This determines the r e l e v a n c e of this topic.

The o b j e c t of the research is female solo travelers. The a i m of the research is to make an analysis of female solo travel as one of today's prominent trends in tourism industry. The following o b j e c t i v e of the research have been set to reach the aim:

- examine the main reasons of the rise of female solo travelers;
- figure out the portray of a typical woman who travels solo;
- consider the current statistics and trends of female solo travel.

Female solo travel has become a huge phenomenon in modern tourism industry due to a vast array of factors. Certainly, a growing sense of female empowerment is in part responsible for this trend. Women are now more financially independent, better educated and more autonomous than they used to be even just a few decades ago.[2] Moreover, they tend to inspire each other. As more travel blogs are being written by women, and female travelers are gaining a louder voice overall thanks to the ubiquitous nature of social media, more individuals are being encouraged to do something they may not have even considered before. [4] Furthermore, women are also becoming mothers at a later age and having less children, if not any. They are marrying later and getting a divorce is also much easier. Consequently, they have more freedom to pursue their own dreams and passions.[2]

The fact is that travelling has generally become much easier and affordable thanks to the great options of budget accommodation, cheap air and bus fares offered by low-cost carriers, visa facilitations. In some sense it is considered to be even a casual thing today that can also explain why women venture into wandering alone. Moreover, in the era of the Internet and technologies there are a lot of mobile applications and platforms like Couchsurfing, Travel Pal, Meetup, Worldpackers where you can meet up with fellow travelers and locals during your adventure so that travelling solo is not necessary travelling lonely anymore. And the interesting part is that due to the rise of particularly women solo travelers and the concern of their safety, some female-only apps and travel community websites have been created including Turlina, Girls Love Travel etc.

Another important thing to consider is the fact that women tend to travel more than men. The George Washington University School of Business reports that nearly two-thirds of travelers today are women. They also comprise 54 % of coveted affluent travelers with annual incomes of \$250,000 or more, according to the travel and hospitality marketing firm MMGY Global.[1] Moreover, the research made by The Forbes says that 80% of all travel decisions are made by women, regardless of who they travel with, who pays for the trip or where they go.[6]

So who is she, a woman travelling solo? Firstly, let us figure out the types of travelers in general. There are four types of them. The explorer takes care of the travel arrangements on her or his own. The aim is to meet local people and avoid other tourists, yet to have the comfort and security. The drifter makes the decisions for destinations and accommodation spontaneously. The intention is to become a part of the local community. The organized mass tourist wants to have a package holiday with a predetermined itinerary in a popular destination. He or she wishes to travel in a larger group. Like organized mass tourist, an individual mass tourist still depends on travel organizers to an extent. However, she or he wants to have a package that gives more freedom. [2]

Research shows that a female solo traveler will most be likely to be either the explorer or the individual mass tourist. Women tend to be adventurous travelers, who are into exploring and going off the beaten track. Furthermore, a typical solo traveler enjoys the backpacking travel over luxury travel, cruises. [5] Even though single female travelers want to travel independently as well as have the freedom to make their own decisions, they are also interested in meeting other people. One solo single traveler can be interested in interacting with other travelers whereas another one wants to meet locals. It is also possible that a person wants to have hardly any interaction, whether it is with locals or with other travelers. Meeting new people can be even easier when travelling alone, because one is far away from possible social pressures that influence back home. Furthermore, travelling alone can improve social skills as well as have an influence on the relationships one has back home. Mostly, a woman traveling solo is not necessary a single one. [2]



For a better understanding of the whole phenomenon of female solo travel, it is important to examine some statistics and trends regarding this matter. All indicators point to a big future in women's solo travel, particularly adventure packages. Women are likely to continue their focus on adventures that promote learning and self-discovery, from running marathons to white water rafting, from zip lining canyons to climbing mountains. They are financially independent enough to travel great distances to find culturally important locations in which to experience these adventures, too. [5]

The survey conducted by The Solo Traveler Online Community has revealed the reasons why women choose to travel alone. According to it they include: 46% mention freedom as a key factor as well as independence and the chance to do what they want when they want. 22% state they were not willing to wait around for others and 15% are in favour of challenging themselves and gaining confidence. [3]

According to 68% of travel agents, most female clients taking trips in small groups are over the age of 45. This age group might also hint at the time when most people think they need a break from their monotonous life. Times have changed and the average adventure traveler is not a 28-year old male but a 47-year-old female. Women ranging between 35-44 years old make up 26% of those traveling in groups, while 5% are between the ages of 25-34. Only 1% are between 18-24 years old. Following the same trend, the majority (81%) of solo female travel clients are over 45 years old, while only 13% are between 35-44 years old. Only 6% of solo travelers are between 25-34, and 1% are between 18-24 years old. [6]

Another interesting thing to note is that the majority of solo female travelers are from Western European countries which can be explained by the fact that women from this part of the world are more liberal and open-minded, they have less constraints from the society they live in.

The matter of safety of female solo travel is the key thing why today's society still doubts the rationality of it and the reason why there is a number of women who would not venture to travel alone. The survey shows that dangerous situations are considered to be of the primary concern for women traveling alone (47%), others include medical emergencies (23%), flight delays and cancellations (24%), stolen travel documents (4%) and

lost luggage (2%) (Figure 1). Given these concerns, it is not surprising that the majority of agents (87%) reported that their clients typically purchase a travel insurance policy when embarking on a trip alone. [6]

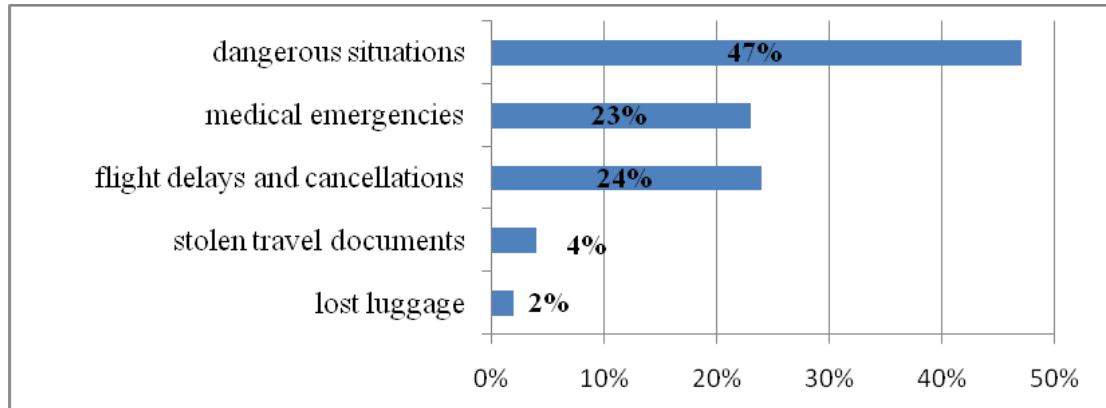


Figure 1. The main concerns of female solo travelers [6]

Speaking about the expenses, solo travelers tend to spend less, since they prefer adventurous budget travelling over a luxury one. The research shows that on average 29% spend \$500 or less on a one-week trip excluding airfare, 47% – \$500 – \$1000, 18% – \$1500 – \$2500 and only 6% spend over \$2500. [3]

The other trend that can also help perceive the nature of female solo travel is that there are women who travel often seek some purpose from their trips. Some women travel to develop compassion and humility as they discover new ways of life around the world. Other women—86% —travel regardless of world events, and 73% say that travel has made them stronger people. Reflection, adventure, culture, escape, learning—these are only a few reasons women will splurge on a big trip. [5]

As to destinations, most female travelers prefer to go on a journey to Europe, for the most part for safety reasons. Asia and Africa are not so popular among women traveling alone since they are considered less safe. (Figure 2) [6]

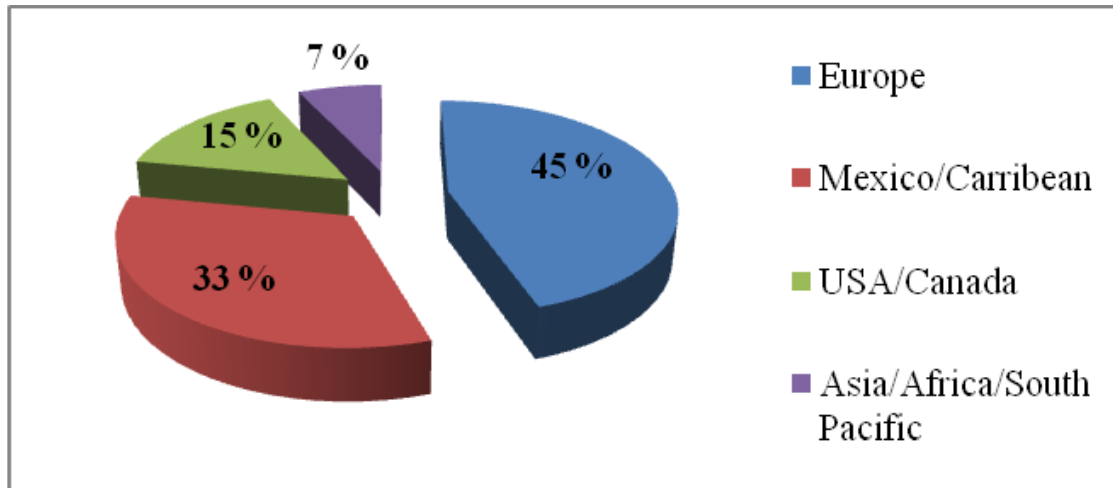


Figure 2. Where do female solo travelers prefer to go? [6]

However, the trend of exploring off the beaten track and adventure tourism has led to the rise of more exotic destinations for female solo travel. South-Eastern Asia, Africa and Caribbean are predicted to attract more and more women considering the fact that these destinations are the fastest growing ones on the tourism market. Moreover, according to the research of the biggest hostel booking system, the most popular destinations among female travelers over the past few years and until now have been some of the less mainstream destinations. The top 10 include Cuba, Nicaragua, South Africa, Bulgaria, Guatemala, Sri Lanka, Macedonia, Portugal, Tanzania and Romania. [4]

S u m m i n g u p , women travelling along creating a phenomenon known as female solo travel have become an important segment of the modern tourist market. Nowadays there is a number of motivations for women to travel on their own including the willing to assert themselves, self-development and the accessibility of today's traveling compared to a few decades ago. Statistics shows that there is a rise in adventurous tourism and exotic destinations among women; the majority of travelling females are individuals over 45 years old who are fed up with their routine life; the purpose of travel is an essential driver for women to travel. Apparently, all figures and factors allow to predict a big future in female solo travel.

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**LEGAL PROBLEMS  
OF INTERNATIONAL RECOGNITION  
OR NON-RECOGNITION IN THE MODERN WORLD**

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**Litvinenko K.I., Kalyuzhna A.B. Legal problems of international recognition or non-recognition in the modern world.** This article is devoted to identification of the main problems of the institution of recognition and non-recognition in public international law. The main theories, original purposes and official criteria for the recognition of states in international law are given as well as the reasons for non-compliance with the criteria at the present stage of international legal relations are discussed. The position of Ukraine in the Serbian-Kosovo conflict is demonstrated as an example of use of the institution of recognition and non-recognition. Conclusions are also made about the most likely ways of applying acts of recognition and non-recognition by already recognized states in the future.

**Keywords:** constitutive theory, declarative theory, diplomatic recognition, institution of recognition, international legal recognition, Kosovo precedent, non-recognition, political act, recognition of the state.

**Литвиненко К.І., Калюжна А.Б. Правові проблеми міжнародно-правового визнання чи невизнання в сучасному світі.** Дана стаття присвячена виявленню основних проблем інституту визнання та невизнання в міжнародному публічному праві. У статті розглянуті основні теорії, початкове призначення та офіційні критерії визнання держав у міжнародному праві, а також причини недотримання даних критеріїв на сучасному етапі міжнародних правовідносин. Продемонстровано позицію України в Сербсько-Косівському конфлікті як приклад застосування інституту визнання і невизнання. Також зроблені висновки щодо найбільш вірогідних способів застосування актів визнання і невизнання вже визнаними державами в майбутньому.

**Ключові слова:** визнання держав, декларативна теорія, дипломатичне визнання, інститут визнання, конститутивна теорія, міжнародно-правове визнання, невизнання, політичний акт, прецедент Косово.

**Литвиненко Е.И., Калюжная А.Б. Правовые проблемы международно-правового признания или непризнания в современном мире.** Данная статья посвящена выявлению основных проблем института признания и непризнания в международном публичном праве. В статье

рассмотрены основные теории, первоначальное предназначение и официальные критерии признания государств в международном праве, а также причины несоблюдения данных критериев на современном этапе международных правоотношений. Продемонстрирована позиция Украины в Сербско-Косовском конфликте как пример применения института признания и непризнания. Также сделаны выводы насчет наиболее вероятных способов применения актов признания и непризнания уже признанными государствами в будущем.

**Ключевые слова:** декларативная теория, дипломатическое признание, институт признания, конститутивная теория, международно-правовое признание, непризнание, политический акт, прецедент Косово, признание государств.

Nowadays one of the most important unresolved problems in international legal relations is the increasingly frequent formation of unrecognized or partially recognized states. It appears that there is a global monopoly of already recognized states and the impossibility of the emergence of new actors on the world stage. Also, there are doubts about the reasons for non-recognition of new states and there is suspicion about double standards and hidden benefits of existing recognized subjects in public international law.

The r e l e v a n c e of the topic of our study is caused by the extraordinary importance of the increasing problem of unrecognized states in the modern world and particularly within the post-Soviet space. The main reason for the analysis of the problem of unrecognized states in the post-Soviet space is the so-called "Kosovo precedent", which essentially creates conditions for the formation of a "new reality" towards unrecognized states around the world.

The p u r p o s e of this work is to study the issues of international recognition and non-recognition in the modern world, as well as to determine the role of Ukraine in these processes. The o b j e c t of the study is the international legal recognition and non-recognition of the states. The s u b j e c t of the study is the legal consequences and problems of international recognition or non-recognition in the modern world. Mixed methods of research including theoretical, legalistic, empirical and descriptive have been applied to achieve the goal stated.

In order to deal with the current situation and to form a correct opinion about the future prospects of unrecognized states in the modern world, we should consider the theoretical aspects of the institution of recognition.

Diplomatic recognition in international law is a unilateral political act of the state, in which it declares, directly or indirectly that [2]:

1) considers another state as a subject of international law and intends to maintain official relations with it;

2) considers that the power, established unconstitutionally in the state or at the part of its territory, is effective enough to participate in intergovernmental relations as a representative of this state or population of corresponding territory.

Recognition in international communication is usually understood as a unilateral legal act of a state or another subject of international law (in particular an international organization), by which it states the existence of a certain legally significant fact or situation in international communication, considering them legitimate [7].

There are two theories of recognition: declarative and constitutive.

Declarative Theory provides that recognition only declares the fact of the emergence of a new state as a subject of international law, but recognition does not have any effect on the legal personality of the recognized state [2].

Representatives of constitutive theory (L. Oppenheim, G. Lauterpacht, D. Anzilotti, G. Kelzen) believe that only recognition creates (constitutes) the state as a subject of international law [2]. Such a position means that the issue of the emergence of a new subject of international law is solved by already existing actors who take politically and legally motivated decisions. In this approach, the legal personality of the recognized state depends on existing states, which violates the principle of sovereign equality [2].

In each act of recognition there are elements of both declarative and constitutive character. The practice shows the state arises and exists without reference to the fact of its recognition, but it is a positive factor for the international legal personality of the new state.

In modern law there are several varieties of recognition: recognition of the state, government recognition, recognition of the rising side, recognition of nations or national liberation movements fighting for independence and recognition of resistance organizations [1]. Recognition of the state made by another state, indicates that the new state is recognized as an independent and sovereign, full participant of international communication.

There are two main forms of recognition that apply to states and governments: *de jure* and *de facto*. The main difference between these forms is the volume of legal consequences of recognition. The recognition of *de jure* is the full recognition made in written form (in the form of a declaration, a note, etc.) which implies: establishment of diplomatic and consular relations between the state, which recognizes and the state, which is recognized; acceptance of the actions of acts of national legislation, administrative acts and decisions of the judicial authorities of the state, which is recognized, by the recognizing state [4].

*De facto* recognition is incomplete and inconsequential, in most cases it is transitional to the recognition of *de jure* and causes consular relations or setting of trade agreements [4].

Recognition *de jure* and *de facto* should be distinguished from *ad hoc* recognition (actual recognition on occasion), which means only entering into relations with the authorities of another state for some reason [10].

In most cases the rules of the recognition of states are regulated by international law. However, some criteria derive directly from the general principles of international law.

In 1991 at the meeting of the Foreign Ministers of the EU countries the following criteria for official recognition were formulated [9]:

- Independence of a new state;
- Following to rules of the UN Charter;
- Respect of the principle of inviolability of borders;
- Independence in the exercise of state power;
- Effectiveness of Governments – actual possession of state power in the corresponding territory and its independent exercise;



- Respect of human rights and freedoms, the establishment of a democratic regime, the guarantee of the rights of ethnic and national minorities;
- Readiness to resolve disputes in peaceful ways and comply with international obligations, including issues related to succession;
- Taking obligations related to disarmament and non-proliferation of nuclear weapons.

These criteria are of recommendatory nature and nowadays they are only a cover for real reasons not to recognize states.

An act contrary to recognition is called protest or non-recognition, the essence of which is the disagreement with the validity of the relevant legally significant fact or event, its definition as an internationally wrongful act.

Non-recognition is a political act, however, sometimes, states must express their protest in order to clearly indicate their own position on the issue and prevent perception of their own behavior as an endorsement of wrongful acts by perpetrator and other decision-makers. The main reason of non-recognition is violation by any state of the norms of international law, the commission of unlawful acts [8].

In modern international law the formation and development of the norm of international law, which obliges states not to recognize territorial annexations and other international situations, arising as a result of aggression, has been reflected in the work of the UN Special Committee on the principles of international law concerning friendly relations and cooperation between states.

In the formulation of this principle are the following provisions [3]:

1) The territory of the state is inviolable; it cannot be the object, even temporarily, of military occupation or of other violent actions taken by another state, directly or indirectly, by whatever reason. No territorial acquisitions or special benefits received either by force or by other means of coercion are recognized.

2) A state cannot endanger with force or its usage to violate the existing boundaries of the state, and any situation created as a result of such threat by force or its application must not be recognized by other states.

Also, it should be emphasized that the recognition of the annexation both "de jure" and "de facto" is also incompatible with the obligation of non-recognition, as in case of aggression, the recognition of "de facto" is also a violation of international law, because it constitutes an endorsement of aggression and is a step towards the recognition of "de jure" [5].

In order to identify the main problems of the current recognition of states and its difference from official criteria, an example with Ukraine's participation should be considered.

Ukraine was distinguished by the fact that at one time it did not want to recognize the state that arose as a result of the collapse of Yugoslavia. The collapse of Yugoslavia is a generalized name for the events of 1991-2008, as a result of which the former Socialist Federal Republic of Yugoslavia was divided into six independent countries and one partially recognized state – Kosovo [6].

According to the Constitution of Serbia, Kosovo was part of Serbia as the autonomous province of Kosovo and Metohija, but on February 17, 2008, the Albanian authorities of Kosovo declared their province an independent state separated from Serbia. Despite the fact that Kosovo is recognized by 110 of the 193 UN member-states, the Ukrainian government made an official statement that it did not recognize the independence of Kosovo.

The position of Ukraine was formed on the basis of national interests, one of which was the integrity of the states on the European continent, other reasons were our reluctance to spoil relations with Serbia or Russia and a suspicion that the situation with Kosovo could be considered as a precedent to the Crimea conflict.

In this way, we could note the biggest problem and weakness of the institution of recognition and non-recognition. Firstly, they are not regulated by international law and have the character of a political act. If states have still adhered to the constitutional recognition theory, this act would be more important, and states or other actors seeking international recognition would try to meet the criteria and prove their right to recognition, rather than simply demanding it, although, in this case, legal personality is dependent on the opinion of the decision-making states.

However, recognition or non-recognition must have a binding bilateral character, that is, not only the recognized countries must meet the criteria, but also the recognizing states must make decisions based on satisfaction or, on the contrary, disparity to the criteria of the destination, and not on their own benefits.

This is more about non-recognition, because now states express their protest not because of indignation with the actions of the offender, but basing on their own political motives, or fear, in the case of restraining their thoughts, to be considered as an accomplice of unlawful actions. The non-recognition of Kosovo by Ukraine is an example of non-recognition because of own interests.

**C o n c l u s i o n .** Consequently, the main problem of the institution of international recognition and non-recognition in the modern world is the non-binding nature of its principles. According to this fact the act of recognition loses its significance, the criteria play less important role in this process, and the main drivers for recognition are mostly political motives of recognizing countries. As a result, over time, the recognition institution will become a political weapon and a way of manipulation to realize the ambitions of recognizing countries.

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**CURRENT TRENDS AND PROSPECTS  
FOR DEVELOPMENT  
OF INTERNATIONAL MERCHANDISE TRADE**

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**Magalova V.A., Skrypnyk T.I. Current trends and prospects for development of international merchandise trade.** The article deals with the present state and prospects for development of international trade in goods. An overview of the key trends in world merchandise trade is provided and the future patterns of its development are identified.

**Key words:** commodity prices, information technologies, international trade in goods, merchandise export, non-tariff barriers.

**Магалова В.А. Скрипник Т.І. Актуальні тенденції та перспективи розвитку міжнародної торгівлі товарами.** У статті розглянуто сучасний стан та перспектив розвитку міжнародної торгівлі товарами. Наведено огляд ключових тенденцій у світовій торгівлі товарами та виділено подальші напрями її розвитку.

**Ключові слова:** ціни на сировинні товари, інформаційні технології, міжнародна торгівля товарами, експорт товарів, нетарифні бар'єри.

**Магалова В.А. Скрипник Т.И. Актуальные тенденции и перспективы развития международной торговли товарами.** В статье рассмотрены современное состояние и перспективы развития международной торговли товарами. Приведен обзор ключевых тенденций в мировой торговле товарами и выделены дальнейшие направления ее развития.

**Ключевые слова:** цены на сырьевые товары, информационные технологии, международная торговля товарами, экспорт товаров, нетарифные барьеры.

The object of the research is international merchandise trade. The subject of the research is the relevant trends in development of international merchandise trade. The aim of the research is to analyze present state and prospects for development of international merchandise trade.

**Relevance of the topic.** The position of any country on the global market strongly depends on the level of its engagement into international merchandise trade. At the beginning of the 21<sup>st</sup> century the key trends in its development were the following: significant annual growth of global trade turnover, liberalization of trade policy, increasing role of developing countries on world commodity markets. However, the last three years were marked by fundamental changes in global trading patterns. Therefore, it is important to highlight the most relevant trends which determine the current state of international merchandise trade.

1. The slowdown in dynamics of international trade in goods. In 2015 and 2016 the value of merchandise export dropped by \$ 2,514.1 billion (13.2%) and \$ 501.8 billion (3.0%), respectively. Slow growth of global trade was accompanied by a slight increase in world GDP, which grew by 2.4%. Several factors contributed to the poor performance, including economic recessions in China, Brazil and other large developing economies, falling prices for crude oil and other primary commodities, significant fluctuations in exchange rates and financial volatility driven by divergent monetary policies in developed countries [5]. Figure 1 shows the dynamics of world merchandise export over 15 years.

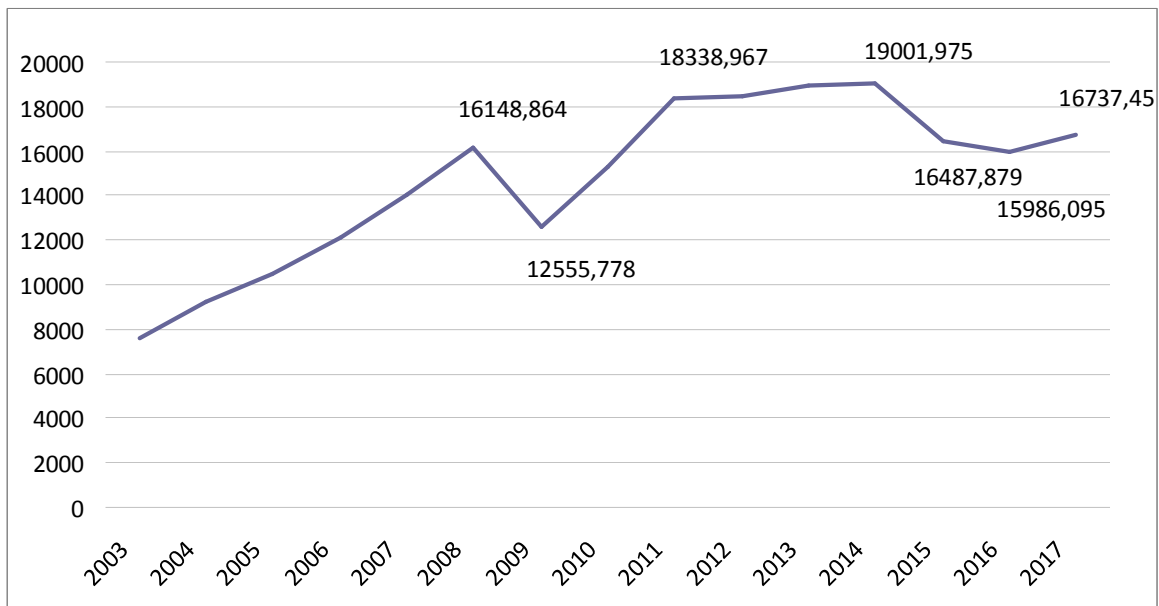


Fig. 1. World merchandise export value in billion U.S. dollars, 2003-2017 [6]

Nevertheless, in 2017 world trade recorded its highest growth rate within six years in both volume and value terms. Particularly merchandise export volume went up by 4.7%. Based on existing economic background in early 2018, the prospects for international trade in goods are broadly positive – this reflects not only growing investment activity but also improved consumer demand [6].

2.The growth of world commodity prices. From the second half of 2011 and to the beginning of 2016, world prices for most commodity groups decreased sharply. For instance, the price levels for food and beverages fell 1.4 times, agricultural raw materials – 1.5 times; minerals and metals – 1.8 times, crude oil – more than 2 times [2, p. 6].

However, since the second half of 2016 commodity prices tend to strengthen. In the first quarter of 2018 energy prices surged by 10% led by oil and natural gas while non-energy commodity prices rose by 4% [1]. Even though policy actions such as additional tariffs, production cuts and sanctions might be subject to change, more than a half of commodity prices (including all non-coal energy prices) are likely to go up or stabilize in medium-term perspective.

3.The expansion of trade in information technology goods. Information technologies (IT) cover the vast range of products such as computers, telecommunication equipment, semiconductors, testing equipment and software as well as most parts and accessories to these products. IT sector has been one of the fastest growing sectors in international trade. IT products accounted for an estimated US\$ 1.6 trillion in 2016 which is almost three times as much as when it was signed in 1996. Nowadays, the share of these products equals approximately 15% of world merchandise exports. The development of digital technology also brings down the cost of cross-border transactions engaging more micro, small and medium enterprises (MSMEs) into foreign economic activity. Figure 2 shows the structure of world export of IT products as of 2016 by product category.

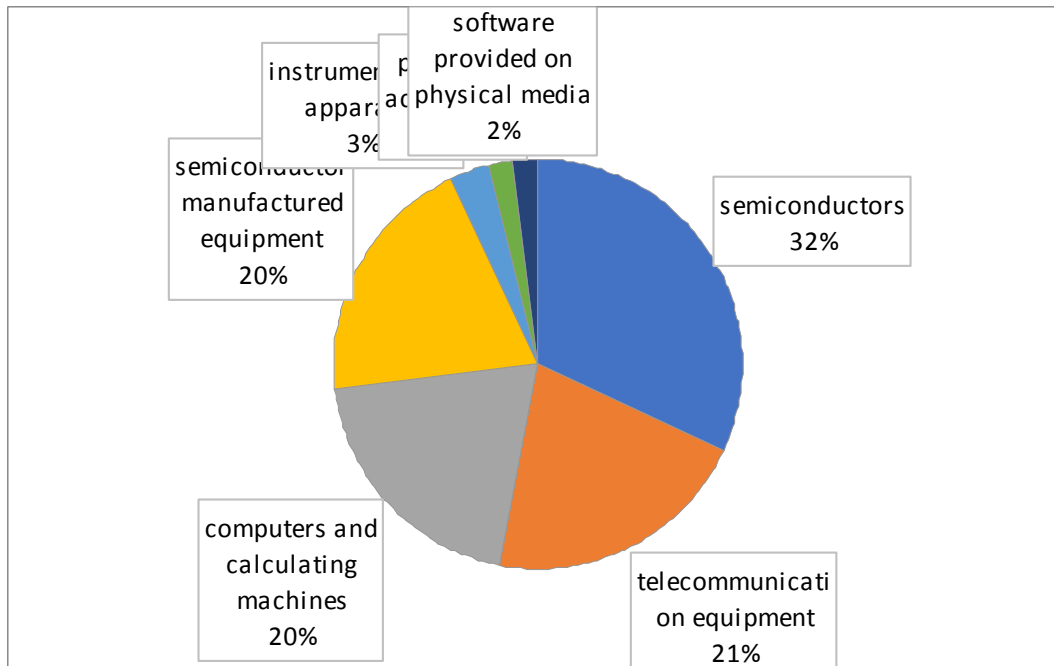


Fig. 2 World export of IT products by product category, 2016 [4]

4. The growing influence of non-tariff barriers on the dynamics of international trade in goods. Regulation of trade and economic relations within the framework of the GATT / WTO system has accelerated the process of liberalization due to the decrease of tariff restrictions. Thus, in modern conditions non-tariff measures are becoming more common for both developed and developing economies. Today, quantitative restrictions cover about 30% of food products, 13% of fuel and 10% of textiles imported by developed countries of Europe. For example, Germany sets quotas for coal imports, France – for oil and oil products, Austria – for wine and canned meat, Finland – for vegetable oils and the like. Global quotas are widely used by the USA, Canada, Mexico, India, and South Korea [3, p. 200]. Protection of domestic market with non-tariff restrictions is a sign of global transition from liberal policy to so-called neoprotectionism.

**C o n c l u s i o n s .** The research shows that at the present stage development of international merchandise trade is characterized by slow growth in terms of its value and volume over the last two years. It is expected that further increase in world trade will be followed by the growth



of commodity prices in short- and medium-term perspectives due to the stable demand on most product groups including crude oil and natural gas. Another relevant trend in international merchandise trade is the increasing share of IT-related products in the structure of export in goods. E-commerce is likely to maximize benefits for all the participants of a transaction, which encourages further involvement of MSMEs into global merchandise trade. It is important to note that the prospects for international merchandise trade strongly depend on trade policies and measures implemented by national governments.

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## BRANDING COMME DIRECTION DE LA CAMPAGNE DE LA FIRME

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**Malko V.V., Bezvesilna N.N. Branding comme direction de la campagne de la firme.** Dans cet article il s'agit de l'examen des notions et de l'histoire de la création du branding, de ses idées principales, de la différence entre les notions « branding » et « marque de commerce », des problèmes de base qui se sont déclarés à la voie de la formation du branding-marketing.

**Mots-clés :** branding, marque, marketing, branding-marketing, marque de commerce, signe, symbole, décision de design.

**Малько В.В., Безвесільна Н.Т. Брендінг як напрям рекламної кампанії фірми.** У статті розглянуто поняття і історія створення брендінга, його основні ідеї, різницю між поняттями «брендінг» та «торгова марка», основні проблеми, з якими стикнувся бренд-маркетинг на шляху свого становлення.

**Ключові слова:** брендінг, бренд, маркетинг, бренд-маркетинг, торгова марка, знак, символ, дизайнерське рішення.

**Малько В.В., Безвесильная Н.Т. Бренддинг как направление рекламной кампании фирмы.** В статье рассматривается понятие и история бренддинга, его основные идеи, различие между понятиями «бренддинг» и «торговая марка», основные проблемы, с которыми столкнулся бренд-маркетинг на пути его становления.

**Ключевые слова:** бренддинг, бренд, маркетинг, бренд-маркетинг, торговая марка, знак, символ, дизайнерское решение.

Les notions « marque », « branding » et « branding-marketing » se sont déclarés assez récemment dans le lexique ukrainien. La réaction envers ces nouveaux termes pour le marché national n'est pas le synonyme parmi les grands analystes du marché, ainsi bien que parmi les hommes d'affaires. Donc le branding en général c'est le génie créateur collectif de l'annonceur et de l'agence de publicité pour créer et introduire « l'image personnifiée

masquée par la marque définie de produits » dans l'esprit du consommateur aux larges proportions» [8, c. 5].

Le branding donne beaucoup à l'entreprise. IL contribue à l'augmentation de la rentabilité et du volume des ventes, à l'augmentation de la gamme et de la connaissance des consommateurs des qualités uniques de la marchandise, à la fixation au segment concret et à la réalisation du programme de longue durée du développement etc. Mais il ne demande pas beaucoup. Avant tout il faut avoir la connaissance professionnelle et la culture administrative de la firme, le savoir travailler avec la propriété intellectuelle, avec les marques de produits. IL faut savoir évaluer la marque et ses composants.

Au jour d'aujourd'hui il y a une petite quantité de marques ukrainiennes. Au marché national, surtout au marché des alimentaires et des marchandises de grande consommation le plus souvent ce sont les marques des firmes étrangères, qui pénètrent très activement à notre marché. Beaucoup de dirigeants des compagnies ukrainiennes rendent hommage aux possibilités des marques et en même temps ils craignent l'arrivée de grandes compagnies d'ouest et l'absorption par ces compagnies de marque de commerce nationale. Ces craintes sont justes, parce que la prévision et la planification aux entreprises, les idées de la conjoncture économique et de la tendance à la modification au niveau de grands et de petits équilibres économiques etc. ne correspondent pas à la situation réelle et aux exigences de la technologie actuelle.

Le manque de grandes marques ukrainiennes génère la nécessité de l'étude fouillée et du développement de la théorie de technologie du branding, de l'étude des organes automatiques d'organisation et des moyens de leur réalisation pratique dans les conditions des firmes-productrices correspondantes et des organisations, qui composent l'infrastructure de l'activité de publicité (y compris des agences de publicité et des firmes de colsunting).

Le système des marques et du branding-marketing (BM) prend sa source de la seconde moitié du dernier siècle. Le branding a commencé à évoluer dans quelques pays mais c'étaient les Etats-Unis et la Grande-Bretagne qui ont fait tout pour sa formation [8, c. 45].

L'histoire du branding-marketing américain est divisée en quatre périodes [1, c. 32]. Pendant la première période, dès années 1870 au début des années 1900, les propriétaires des firmes et leurs adjoints ont créé les premières marchandises de grande consommation dont beaucoup sont devenues de marques réussies et elles existent actuellement. En parallèle il y a beaucoup de procédés de base qui améliorent la qualité des marchandises produites, la construction des canaux de leur propagation dans la publicité. A l'époque des années 1915-1929 on voit l'arrivée de la catégorie des managers, cadres moyens, qui acquièrent activement une expérience de l'action sur le marché, apprennent à travailler avec les agences de publicité et les agences de recherches. Pendant la troisième période, de l'année 1930 à l'année 1945 (à cette époque-là il y a eu la Grande Dépression et la Deuxième Guerre Mondiale), les méthodes existantes de gestion de la marque gagnent la popularité parmi un nombre croissant d'entreprises. En ce moment, il y avait l'émergence de concepts formels de système de branding-marketing.

Depuis le commencement de la quatrième période de l'année 1945 et qui continue de notre temps, la plupart des firmes, qui produisent des biens de large consommation établissent le système de régulation de marques.

Les marques existent dès l'année 1870. A ce temps-là en Amérique comme presque dans tout le monde les usiniers produisaient les marchandises sans personnalité – les savons, les graisses, les lampes etc., qui étaient vendus aux marchands en gros pour la vente suivante par les petites boutiques et par les grands magasins. En Ukraine cette situation est très familière à tous parce que il y a seulement quelques années on déterminait le lait et le beurre d'après le goût et la couleur et non pas d'après le nom du producteur. Telle situation n'était pas intéressante au producteur, parce que ses marchandises ne différaient pas des marchandises concurrentielles. C'étaient notamment les marchands en gros qui décidaient auquel producteur ils devaient acheter des marchandises. D'une part les producteurs devaient fabriquer une grande masse de versions de la même production pour pouvoir de n'importe quelles demandes des propriétaires des magasins.

L'amélioration progressive du système du transport, du travail industriel, de l'emballage (c'est-à-dire de l'attrait des marchandises et de la

simplification de son identification avec le producteur), du changement dans les lois (il s'agit de la protection des marques de commerce), l'augmentation de l'efficacité de la publicité, de nouveaux procédés de la vente ont créé les conditions pour l'apparition de la «marque du producteur».

A ce temps-là on a accepté l'apparition des marques avec admiration du côté de l'acheteur de masse, puisque une innovation permettait aux consommateurs de ne pas courir un risque qui surgissait pendant l'achat de la marchandise sans marque, et si la qualité de la marque n'était pas haute on pouvait l'éviter dans la suite.

Avant l'année 1915 on a franchi la non-recevabilité des marques par de certains consommateurs et la résistance des partenaires, pour qui les marchandises de marques signifiaient la diminution des ressources et le renforcement de l'influence des producteurs ainsi que dans la plupart des firmes les managers s'accoutumaient peu à peu à la nécessité de l'introduction du branding comme forme de base de la gestion des marchandises.

La deuxième et la troisième étapes de la formation du branding ont été marquées par la lutte en dedans des corporations entre celui de nouveau, qui symbolisait les marques, et le vieux système de la gestion de l'entreprise.

A l'heure actuelle en Ukraine on propage la pratique des confusions d'idées « marque » et « marque de commerce ».

Mais les marchandises qui ne sont pas protégées du point de vue juridique dans le régime de la « marque de commerce » et n'ont pas non plus de protection spéciale (les régimes de brevet, de droit d'auteur etc.) peuvent aussi avoir marque. La « marque » ce n'est pas la notion juridique mais celle-là marketing, voilà pourquoi sa traduction comme « marque de commerce » (dans un certain contexte c'est juste) est souvent de valeur incomplète.

David Ogilvy a déterminé cette notion comme « Marque c'est une somme impalpable des caractéristiques du produit : de son nom, de son emballage et de son prix, de son histoire, de sa réputation et du moyen de la publicité. La marque est aussi l'union de l'impression aux consommateurs,

et des résultats de leur expérience en application de la marque. La marque c'est aussi ce que les consommateurs sentent envers le produit».[4, 186].

De point de vue de ceux, qui ont commencé à employer le mot la « marque » comme le terme professionnel, on sous-entend par là tout ce qui est un signe caractéristique de la marchandise ou bien du service des marchandises et des services concurrentiels. C'est-à-dire pour les consommateurs la marchandise du producteur concret est remplacée par quelque chose d'autre non pas liée directement avec le produit mais différente d'autres marchandises. Tout cela compose l'idée principale de la conception du branding, .

La définition d'après V. Pertstya, le dirigeant de la compagnie Brand AID, qui rend des services à la région du branding en Ukraine : « La marque » c'est l'admission successive des « promesses » fonctionnelles, émotionnelles et éloquentes aux consommateurs déterminés, qui sont uniques, significatives et imitées difficilement [10, 20] .

D'après l'opinion de V. Pertstya ces « promesses-là » sont en communication et se contentent des éléments de commutation suivants : le produit, le prix, la distribution, l'emballage. La fonctionnalité signifie que la marque qui promet une certaine marchandise est obligée de notamment présenter la marchandise donnée et non pas n'importe quel autre produit.

Le caractère affectif c'est la sphère des sensations du consommateur qu'il éprouve envers une certaine marque. L'originalité de la marque est en charme du groupe des signes individuels dont la condition obligatoire est l'importance et l'intérêt pratique pour le consommateur. Enfin la marque doit être très claire dans son développement : il est nécessaire de voir le passage très harmonieux de ses positionnements, elle doit justifier successivement ses « promesses ». L'inconstance peut « tuer » la marque puisque le consommateur peut ne pas reconnaître ou bien ne pas accepter sa forme modifiée principalement.

Cette définition est créée à la base de l'approche à la marque comme à la personne qui a été étudiée à l'agence de publicité JWT et est employée très largement à la pratique aujourd'hui [3, 76]. D'après cette approche la marque est la composition unique de trois constituants :

les sensations sensuelles ou physiques (quel air a la marque, comment elle « sent », « résonne ») ;

les sensations rationnelles (ce que la marque implique, comment elle est réalisée, comment elle travaille) ;

les sensations émotionnelles (quelles états d'esprit et quelles sensations psychologiques sont générés par la marque).

La marque doit comporter ces composants puisque la marchandise devient seulement celle-là en cas si elle peut naître de certaines sensations aux consommateurs. Telle conception de la composition de la marque permet d'obtenir la réaction précise des acheteurs qui se trouvent dans un groupe déterminé auquel est orientée la marque.

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## **The UN AND the EU SANCTIONS AGAINST IRAN IN THE CONTEXT OF GLOBAL SECURITY PROTECTION**

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**Markova Ye.M., Dotsenko O.M., Karpusenko M.V. The UN and the EU sanctions against Iran in the context of global security protection.** The article aims to display the place of the UN and the EU sanctions against Iran in global security protection. The main topic of discussion raised here concerns the effect of sanctions, imposed from 2006 against Iran's nuclear program, on global security as a whole, which is still one of the main world community's challenges.

**Keywords:** Iran nuclear program, sanctions against Iran, the Joint Comprehensive Plan of Action, global security, the EU, the UN.

**Маркова Є. М., Доценко О. М., Карпусенко М. В. Санкції ООН та ЄС проти Ірану в контексті захисту світової безпеки.** Метою даної статті є визначення ролі санкцій ООН та ЄС проти Ірану в аспекті захисту світової безпеки. Головною темою для обговорення, поданою у статті, є вплив санкцій, які було застосовано проти ядерної програми Ірану починаючи з 2006 року, на міжнародну безпеку загалом, що досі є одним з головних викликів для міжнародної спільноти.

**Ключові слова:** ядерна програма Ірану, санкції проти Ірану, Спільний всеосяжний план дій, міжнародна безпека, ЄС, ООН.

**Маркова Е. Н., Доценко Е. М., Карпусенко М. В. Санкции ООН и ЕС против Ирана в контексте защиты международной безопасности.** Целью данной статьи является определение роли санкций ООН и ЕС против Ирана в защите международной безопасности. Главной темой для обсуждения в статье является влияние санкций, примененных в отношении ядерной программы Ирана, начиная с 2006 года, на глобальную безопасность в целом, что до сих пор является одним из главных вызовов для мирового сообщества.

**Ключевые слова:** ядерная программа Ирана, санкции против Ирана, Совместный всеобъемлющий план действий, международная безопасность, ЕС, ООН.

After the 'Cold War' disarmament and arms reduction became one of the global security protection key principles. However, despite a high



number of legal acts developed in this area, there is still a threat of such concept violation. This could be shown in the case of Iran and a specific situation with its nuclear development program.

The o b j e c t of this article is the relations in the area of international legal responsibility, that are connected with the restrictive measures implication by international organizations. The s u b j e c t is a description of the UN and the EU sanctions against Iran in the global security protection system. The purpose here is to determine the UN's and the EU's sanctions role in establishing global security (especially in the area of the weapon of mass destruction development and usage prohibition).

Before mentioning information about the sanction's implication, it is important to highlight the situation's background. Since 1950s', Iran has had its nuclear program; and, with the US support, the Iranian government has built the Tehran Research Reactor (TRR) in 1960. After that the Iranian government in different time periods has claimed ambitious plans about the nuclear program's extension [1]. In 1970, Iran ratified the nuclear Nonproliferation Treaty (NPT), Article III of which requires non-nuclear-weapon states-parties to accept comprehensive International Atomic Energy Agency (IAEA) safeguards. In 2002, The IAEA began to investigate the US' claims that Iran had conducted clandestine nuclear activities, aiming to develop nuclear weapon; during the investigation, the IAEA reported some violation of nuclear non-proliferation agreements. There were several attempts made to negotiate with the Iranian government on its nuclear program, for example, France, Germany, and the UK began negotiating with Iran in 2003, following the revelation that Iran had been constructing a uranium enrichment facility and a heavy water production plant. But after Iranian elections in 2005, negotiations collapsed. In addition, since the IAEA considered the violations on the Treaty as ongoing and referred to the U.N. Security Council in 2006 [2].

From 2006 to 2010, the UNSC passed 6 resolutions that targeted Iran's nuclear and ballistic missile programs. The first one to adopt was the Resolution 1737, imposing multilateral sanctions on Iran as part of the diplomatic strategy for getting Iran to comply with the NPT and the requirements of the IAEA. While these sanctions are limited in scope, they provide international legal justification for more expansive sanctions [3]. The

Resolution 1737 followed the UNSC Resolution 1696, which placed pressure on Iran to suspend its enrichment-related and reprocessing activities, including research and development [4]. The other restrictions imposed included the following: the suspension of enrichment-related activities, the embargo on the nuclear-related materials and technology supply, freezing of key individuals and companies' assets, arms embargo, banning Iran from participating in any activities related to ballistic missiles etc. Overall, the UN decision on sanctions application against Iran appeared to be not so popular and even controversial among the member-states. Besides the mentioned, the decision-making process has also experienced, to some extent, the pressure from the US administration, whose relations with Iran have begun getting worse after 1979 incident in the American Embassy in Tehran.

Concerning the EU measures taken, starting in 2007 with the Council Common Position 2007/140/CSFP, the EU passed the semi-autonomous sanctions against Iran. From 2007 to 2012, the Council of the EU adopted several decisions, which included the following: restrictions on trade in several goods (arms embargoes, prohibition to import crude oil, natural gas, petroleum products; prohibition to sell or supply key equipment used in the energy sector, certain naval equipment, certain software etc.), freezing the assets of the Central Bank of Iran and major Iranian commercial banks, preventing access to EU airports of Iranian cargo flights, travel restrictions and asset freeze imposed etc. The most damaging EU sanctions focused on Iran's energy and financial sectors. In 2012, the EU froze the assets of Iran's central bank and severed the Iran's lifeline to the SWIFT - the world's largest financial messaging service [5]. However, the EU also played a significant role in establishing further negotiations with the Iranian government, rather than just providing sanctions regime: the EU's interest to become an important player in the Middle East and to solve the problem of crude oil and natural gas supply diversification compelled the EU to insist on further sanctions' lifting.

Due to the negotiations held on Iran's further cooperation with the IAEA and compliance of the international nuclear disarmament treaties, Iran and the E3/EU+3 (China, France, Germany, the Russian Federation, the UK and the US, with the High Representative of the EU for Foreign Affairs and Security Policy) agreed on Joint Comprehensive Plan of Action

(JCPOA), which will ensure that Iran's nuclear program will be exclusively peaceful, and mark a fundamental shift in their approach to this is to contribute to regional and international peace and security. Iran reaffirms that under no circumstances will Iran ever seek, develop or acquire any nuclear weapons [6]. The JCPOA will produce the lifting of all UNSC sanctions as well as multilateral and national sanctions related to Iran's nuclear program. The UNSC has imposed the Resolution 2231 (20.06.2015), which has set out a schedule for suspending and lifting UN sanctions, with provisions to re-impose these sanctions in case of the JCPOA non-performance by Iran. On 16 January 2016, the Council of the EU lifted all nuclear-related economic and financial EU sanctions against Iran [7]. Despite the JCPOA, some restrictions remain in force, for example, the arms embargo, restrictive measures related to missile technology, nuclear-related transfers, and provisions concerning certain metals and software [8]. The restrictive measures imposed by the EU because of the human rights violation in Iran and are not related to the JCPOA, remain in place.

Describing the impact of measures imposed against Iran, we could notice their negative effect on the country's economy and life of Iranian citizens: being dependent on oil supplies, Iran's economy has lost in GDP's growth during the sanctions regime. There is also a big unemployment rate (12.1 percent as of Apr-Jun 2018) and inflation (more than 30 %) [9]. Economic sanctions make also less possible to contribute more in technology, military and nuclear sector development.

However, the question concerning the UN and the EU sanctions' role in the context of global security remains unanswered. Despite the JCPOA, the US President Donald Trump announced the US withdrawal from the "nuclear deal" on 8 May, 2018 [10]. It forced the EU to enact an updated blocking statute on 7 August 2018 to nullify US sanctions impact on EU-members trading with Iran. The US sanctions came into effect in November 2018 intended to force Iran to alter its policies in the region, including the support for militant groups in the region and its ballistic missile development. Such situation has only worsened the US-Iran relations, however, the EU continued cooperation with Iran on banking, financial, trade, investment, transport and other areas despite the pressure from the US side.

Concerning the JCPOA program, one should mention the international community's success in the practice of nuclear disarmament settlement. The EU and the UN, taking into consideration the situation in North Korea, Israel, India or Pakistan, have made conclusions and developed a possible plan of likely uncontrolled nuclear weapons possessor neutralization. However, the inconsistency among the EU and the UN member-states actions have only created the climate of mistrust in the Middle East, and made it harder to establish the common ground between such diverse parties as Islamic and Western Worlds.

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## MARKET ECONOMY AND PROSPECTS FOR ITS DEVELOPMENT IN UKRAINE

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**Matvienko A.P., Skrypnyk T.I. Market economy and prospects for its development in Ukraine.** It is reviewed a market economy in general, its advantages and disadvantages. The necessary state actions for the introduction of a market economy in Ukraine are determined.

**Keywords:** competition, development, economic system, freedom of choice, market economy, market relations.

**Матвієнко А.П., Скрипник Т.І. Ринкова економіка та перспективи її розвитку в Україні.** Розглянута ринкова економіка в цілому, її переваги та недоліки. Визначені необхідні державні заходи щодо запровадження ринкової економіки в Україні.

**Ключові слова:** економічна система, конкуренція, ринкова економіка, ринкові відносини, розвиток, свобода вибору.

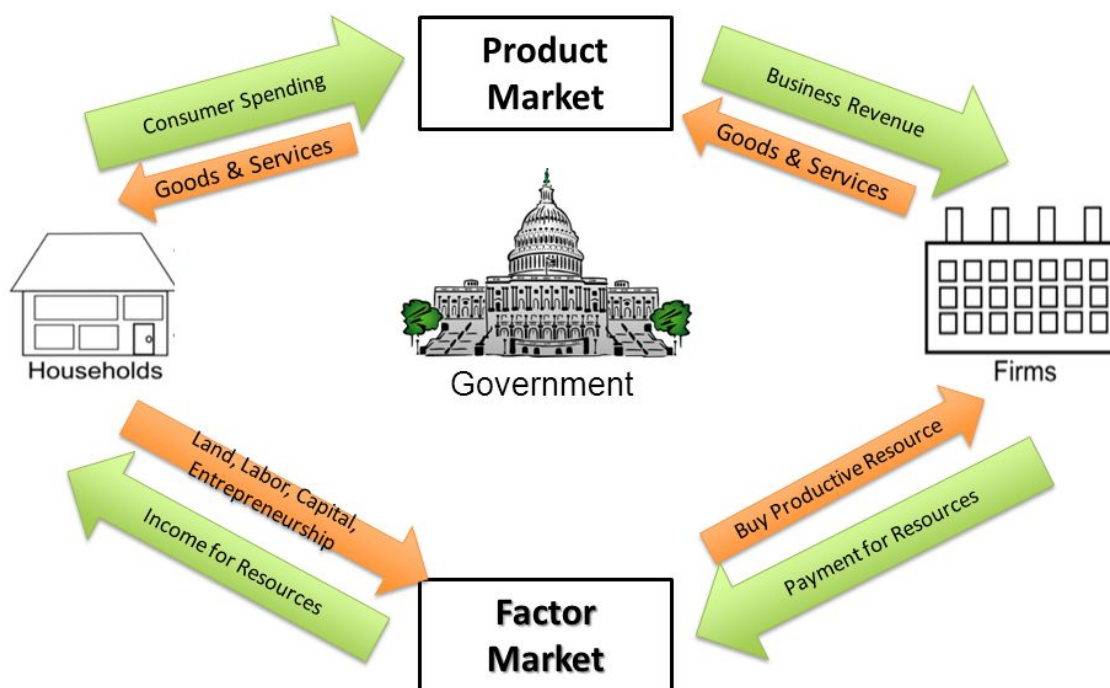
**Матвиенко А.П. Скрипник Т.И. Рыночная экономика и перспективы ее развития в Украине.** Рассмотрена рыночная экономика в целом, ее преимущества и недостатки. Определены необходимые государственные действия по введению рыночной экономики в Украине.

**Ключевые слова:** конкуренция, развитие, рыночная экономика, рыночные отношения, свобода выбора, экономическая система.

Every country in the modern world wants to reach the highest point of its development. It primarily depends on the actions carried out by the state. Afterwards, it is possible to determine which national model of economic development a country will have.

Market economy is the most common type of economic system among countries with a high level of development. It is progressive, effective and flexible. The development of the public and private sector occurs unhindered. It ensures a high standard of living of the population, technological innovations, and the saturation of the market with goods and services and the required number of jobs.

First of all, the market economy provides freedom for the consumer. Personal interest is the main motive and the main driving force. This interest is utility maximization for consumers and profit maximization for producers. Freedom of choice becomes the basis of competition.



Pic. 1 Circular flow of economic activity [1, p. 236]

Today, a market economy is an economic system of the leading countries of the world, such as Germany, USA, Japan, etc. Ukraine's transition to a market system has its own characteristics, since the national economy of any country is unique. It is due to the features of the historical development, the size of the territory and the geographical position of the country, the population, the traditions, the level of development of the economy, culture, etc.

The market economy has both disadvantages and clear advantages. The advantages of the market mechanism include:

- freedom of choice and actions of consumers and entrepreneurs;
- the ability to satisfy a variety of needs;
- correct and efficient allocation of limited resources;
- flexibility, high adaptability to changing conditions;

- effective and correct use of the results of scientific and technological progress.

As for the imperfections of the market, there are the following disadvantages:

- danger of unemployment;
- lack of interest and ability to produce public goods (roads, public transport, education, health, etc.);
- the emergence of monopolistic structures that restrict freedom of competition;
- instability (the market economy has a cyclical nature of development);
- social stratification (the big difference between poor and rich people).

Since the first years of independence, the Ukrainian economy has been reformed in order to implement and develop market relations. At the beginning of twenty-first century, the researchers agreed on the successful completion of the market transformation. Such a conclusion was confirmed in the normative documents of the United States and the European Union, which were provided to Ukraine the status of a market economy country. But in reality it's not.

Now the transition to market relations in Ukraine takes place under very difficult conditions. The current economic situation is characterized by a decline in national production in almost all the industries. The increase in capital in the shadow economy, an insufficient budget leads to inadequate public funding of economic and welfare programs.

Market relations are not possible without a large number of economically independent and equal producers, sellers and buyers. They create demand and supply. Their ratio is the basis of the market mechanism.

This fact is closely related to competition, which is the driving force of the market. The struggle for the buyer improves the quality of products, makes it necessary to update the means of production, introduce new technologies and scientific developments, and improve the skills of workers. For this, it is necessary to stimulate new production and

investments, to create wide opportunities for the development of small business.

Also, the market system in Ukraine is impossible without the growth of entrepreneurial activity in all sectors of the economy. The other necessary condition is the economic viability of the population [3].

The majority of Ukrainians (58%) believe that it is necessary to develop a market economy in the country, 28% of citizens support the return of a planned economy, 14% found it difficult to answer, according to a survey of the Sociological Group Rating, conducted in June 2018. The highest support for the development of the market is observed among residents of the West of Ukraine. Support for a return to a planned economy is relatively higher among senior respondents, women, unemployed, people with lower incomes and a lower level of education [2].

Government intervention in the development of market relations should go through recommendations. The state should regulate market relations and control the position on the market indirectly through legislation, duties, and tax policy.

**C o n c l u s i o n .** At the moment, the market economy prevails in the world with all its advantages and disadvantages. Introducing a market economy in Ukraine should be gradual and rapid, the sooner the better. Ukraine needs to focus on its experience and the experience of foreign countries. And then the reforms will be successful.

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## ADMINISTRATIVE PROBLEMS WHILE TRANSLATING TEXTS OF ECONOMIC SUBJECTS

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**Miatlik K.E., Krupkina T.V. Administrative problems while translating texts of economic subjects.** The article analyses the linguistic challenges which face translators and businessmen speaking English while translating texts of economic subjects. The research explains the nature of arising distinctions while translating technical, economic in particular, texts. The necessity of improving such skills as reading comprehension, translating, composing, analytical and researching is highlighted.

**Key words:** business world, economic subjects, English as a foreign language, linguistic challenges, technical texts, translation.

**Мятлік К.Є., Крупкіна Т.В. Адміністративні проблеми перекладу текстів економічної направленості.** У статті проаналізовано лінгвістичні труднощі, з якими стикаються перекладачі та люди ділового світу, які володіють англійською мовою, під час перекладу текстів економічної тематики. Роз'яснено природу виникнення розбіжностей при перекладанні технічних, економічних зокрема, текстів. Наголошено на необхідності вдосконалювати такі навички англійської мови як іноземної, як усвідомлене читання, переклад, навички комбінування, аналізу та дослідження.

**Ключові слова:** англійська мова як іноземна, діловий світ, економічна тематика, лінгвістичні труднощі, переклад, технічний переклад.

**Miatlik E.E., Krupkina T.V. Administrative problems while translating texts of economic subjects.** The article analyses the linguistic challenges which face translators and businessmen speaking English while translating texts of economic subjects. The research explains the nature of arising distinctions while translating technical, economic in particular, texts. The necessity of improving such skills as reading comprehension, translating, composing, analytical and researching is highlighted.

**Ключевые слова:** английский язык как иностранный, деловой мир, лингвистические трудности, перевод, технический перевод, экономическая тематика.

The article focuses on linguistic obstacles that appear during the translation process, concerning texts on economics in particular.

The urgency of the chosen subject lies in the fact that the exigencies required by the efficient business communication have increased dramatically in the past few decades because of rising international trade, increased migration, globalization, the recognition of linguistic minorities, and the expansion of the mass media and technology. All these led to the absolute necessity of the international specialists in economics to acquire language skills, which would include translating, reading comprehension, researching, analytical, and composing skills. It is obvious that an effective communication of business matters relies on an accurate understanding of terminology. As economics is a field of knowledge in accelerated scientific and technological development, there is permanent and ever increasing need of economists to quickly update their knowledge, they read and learn directly in the original language of the publication and stick to it in daily usage, including conferences, scientific events and articles. Besides researching properly the markets, finding distribution channels, and dealing with legal issues, a successful business person should not neglect the language aspects, be it spoken or translated.

So, as translation is becoming more and more common in the economic and business life of the society, there are more and more problems bound to arise during the process and need to be solved.

The objective of the article is to reveal the administrative (managing) problems while translating texts on economics.

So, why is translating is such a complicated activity? Theoretically, translation may pass as science; practically, it seems closer to art. Translation is a challenging activity requiring a set of abilities and posing few difficulties that appear during the translation process.

As Webster's New World dictionary defines it, 'to translate' means:

1. to move from one place or condition to another; transfer;
2. to put into the words of a different language;
3. to change into another medium or form to translate ideas into action;
4. to put into different words; rephrase or paraphrase in explanation.

The importance of the translation activity has greatly developed due to many reasons: rising international trade, globalization, migration, the impressive development and the expansion of the mass media and technology. Consequently, the translator finds himself playing an important part in this process of huge changes, becoming ‘a bilingual or multi-lingual cross-cultural transmitter of culture and truths by attempting to interpret concepts and speech in a variety of texts as faithfully and accurately as possible [2]’.

There are the main types of translation:

1. word-by-word translation;
2. word-for-word translation;
3. literary translations;
4. technical translations.

Technical translations should always start by assessing the target reader and the end user of the translated text. This is an exact translation; the people reading it need to be able to accurately and totally understand and use the information given.

As a subdivision of technical texts, the translation of economic texts is highly demanded at banks, companies, by professional accountants, and multinational corporations and so on. It covers financial, accounting, marketing, and management affairs. Therefore, a qualitative translation requires specialists with a certain background and expertise in the field. The person in charge with the translation of such specialized texts should be familiar with economic terms. At the same time, be capable of understanding their meanings, and be aware of many facets of the economic field. It has often been underlined that the main obstacle to fully understanding technical texts is not technical vocabulary itself as one may expect (highly specialized words usually used only by specialists), but an intermediate lexical category between the general and the fully technical one, constituting the largest proportion of scientific and technological texts and known as sub-technical, semi-technical or nontechnical vocabulary [2]. This consists of items of vocabulary from normal English operating within a science context.

Another problem is that translators have a system of challenges to transfer the same meaning to the other languages, especially when it is

about new concepts or technical terms that have no equivalents. So, the only solution is to keep the English version until there is going to be a common corpus of terminology scientists could rely on.

Economics is a field of knowledge in accelerated scientific and technological development that each year incorporates a large number of new terms into the specialized vocabulary. There are many ways through which business terms have entered the Ukrainian vocabulary: contacts between business people, specialised business journals and newspapers, and books, as well as TV programmes on business. The number of specialized terms borrowed from English into Ukrainian in the field of economics is extremely high, and their necessity cannot be contested, although many of them are present only in the jargon of specialists. Nevertheless, a great number of these loan words will not last in the Ukrainian language, and for those that will stay, it will take some time before they are really adopted to the Ukrainian language.

A definite period of time must pass before the first attempts to translate these terms start to appear gradually, and this leads to further problems such as finding the suitable corresponding Ukrainian term. This process is often carried out by people who have no translating experience. They can also be carried out by professional translators who are not familiar with the associated vocabulary or economic practice, resulting in seriously distorted meanings. Amateur translators seldom perform very thorough in-depth proofread research into terms that have already been translated in economic literature, which results in highly heterogeneous translations from one publication to another [1, p. 47]. Training translators becomes vital not only in the acquisition and command of languages and translation strategies and procedures, but also in specific knowledge areas and, in professional ethics as well. Inadequate translations can not only lead to minor confusions, but it can sometimes prove to be a matter of life and death if we think about cases of serious inadequacy in knowledge areas such as science, medicine, legal matters, or technology.

A good option, in certain cases, would be to keep the original English term in brackets to increase the reader's comprehension.

Extensive bibliographical research must always be undertaken to search for terms that have already been published in earlier publications,

making an effort to stick with the choice made by the first translator. In Holland, for instance, there was a group linguists who gathered and worked out a minimal economics lexicon agreed throughout the country and intensively used by specialists and widely understood by everyone [3, p. 93].

Last but not least, the economic translation is a poorly paid field, which is inevitably reflected in the quality. We have to admit that poorly paid work leads to rush jobs, consequently lowering the quality of the final result. All these difficulties could explain the economists' reluctance to adopt translated terms. Perhaps some of the above mentioned measures could really help improve the quality of economic text translations, whether they decide to leave the terms untranslated or not.

To conclude, terminology or the so-called sub-technical vocabulary is an important area in business English and it needs to be approached as such when it comes to learning and rendering it. Whether these words are created by a process of homonymy or polysemy, there is no perfect overlap between English and Ukrainian when it comes to translate them. Thus, such linguistic differences may create confusion in translation and it is the task of the learning strategy to deal with them and to enable or facilitate understanding, by using different learning strategies and translation techniques.

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## INTERNATIONAL LEGAL PROTECTION OF COPYRIGHT ON THE INTERNET

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**Minenko Y.V., Dotsenko E.M., Karpusenko M.V. International legal protection of copyright on the Internet.** The article discusses international legal mechanisms of copyright protection on the Internet. Under review are the regulatory means of using intellectual property at the regional and international levels; the shortcomings and development prospects are identified.

**Key words:** copyright, intellectual property, Internet, legal protection.

**Міненко Ю.В., Доценко Є.М., Карпусенко М.В. Міжнародно-правові засоби захисту авторських прав в Інтернеті.** У статті розглядається питання щодо існування міжнародно-правових механізмів захисту авторських прав в Інтернеті. Проводиться аналіз регулюючих засобів використання інтелектуальної власності на міжнародному та регіональному рівнях, а також визначаються їх недоліки і перспективи розвитку.

**Ключові слова:** авторські права, інтелектуальна власність, Інтернет, юридичний захист.

**Миненко Ю.В., Доценко Е.М., Карпусенко М.В. Международно-правовые средства защиты авторских прав в Интернете.** В статье рассматривается вопрос существования международно-правовых механизмов защиты авторских прав и Интернете. Проводится анализ регулирующих средств использования объектов интеллектуальной собственности на региональном и международном уровнях, а также выявляются их недостатки и перспективы развития.

**Ключевые слова:** авторские права, интеллектуальная собственность, Интернет, юридическая защита.

The global information infrastructure, generated by the Internet, is not only a valuable asset of civilization, but also sometimes it is a serious problem for different countries of the world in terms of its legal regulation,

which determines the r e l e v a n c e of this article. Today the Internet is the main element of the information dissemination system and provides round-the-clock access almost anywhere in the world, which, in turn, leads to the concentration in this network of a huge amount of various information, including Intellectual Property Law`s objects. Such objects are used at local and international levels. As soon as the information falls into open access, it raises the issue of legal connection with the rights holder, due to the complexity or the impossibility (sometimes) of establishing the origin of the data. Since the Internet is a fairly new means of communication, the only effective mechanism for protecting copyright on objects placed on this network is clearly not regulated and needs further improvement.

In view of the foregoing, the p u r p o s e of the article is to determine the current state of international legal regulation and copyright protection on the Internet, as well as the prospects for improving its means.

Firstly, it must be mentioned, that the American professor of law Lessing revitalizes the idea of an unregulated Internet – «The Internet is largely regulated by architecture or code, hardware, and software, which shape cyberspace» [4]. Also, we cannot but agree with the opinion of some authors that today «intellectual» piracy has absorbed the whole world [5]. Thus, according to the Institute of Information Law of the University of Amsterdam in 2017, from 94% to 98% of audio materials used piracy in European countries, and from 13% to 40% of movies downloading illegally. As for the countries of Eastern Europe, states such as Ukraine, Romania and Russia have for many years had the status of « countries under the special supervision » in the annual «Special Reports 301» [8]. Such indicators confirm the existence of a problem of lack of control over the observance of copyright law, both in developed countries and in developing countries.

International law offers quite a large number of sources of intellectual property protection regulation. The most well-known international legal acts in the area of copyright protection are the Berne Convention for the Protection of Literary and Artistic Works of 1886 and the Universal Copyright Convention of 1952. It should be noted that these

legal acts do not take into account the problem of copyright protection on the Internet.

It is worth noting that in 1967 the World Intellectual Property Organization (WIPO) was founded on the Stockholm Convention, which has played an important role in the creation of new mechanisms for the protection of copyright. Thus, Copyright Treaty and Performances and Phonograms Treaty were developed under the aegis of WIPO in 1996. These documents are aimed at regulating copyright and related rights in the digital environment, and are often referred to as «Internet treaties» [5]. This rule-making practice has given impetus to the development of new methods for regulating intellectual property rights on the Internet, in particular copyright, both at the international and regional levels.

As already mentioned, special WIPO Copyright Treaty of 1996 is of particular importance for copyright protection on the Internet, after it has extended the copyright to computer programs and databases. Importantly, the Treaty contains an obligation to comply with the provisions of the Berne Convention of 1886, but already taking into account the extended range of objects covered by its legal protection. The Treaty of 1996 obliges Member States to provide legal remedies against the circumvention of technological tools used by authors in exercising their rights, as well as the removal or alteration of information, that identify their works [10]. It can be concluded that the old international norms in the area of copyright protection have been adapted to the present requirements, requiring a wider range of protection objects and special control methods.

The Agreement on Trade-Related Aspects of Intellectual Property Rights of 1994 (TRIPS) is a specifically-targeted international multilateral instrument aimed at protecting copyright at the global level, which is relevant for regulating intellectual property relations on the Internet [11, p. 320-321]. This Agreement establishes not only a minimum level of standards for the protection and harmonization of national procedures for law enforcement, but also provides a number of copyright protection measures, among which are: granting the right of rental of computer programs, the establishment of a term for the protection of intellectual property products, special methods of the protection of the rights of performers and producers of phonograms [1]. In addition, the Agreement



expresses the desire to establish and improve the mechanism of influence that the World Trade Organization may apply to the violation of copyright, that had been impossible before the adoption of the TRIPS Agreement [7, p. 211-212]. Such attention of World Trade Organization to the issue under consideration indicates that the international community understands the importance of controlling the circulation of materials on the Internet that are subject to intellectual property rights, including copyright, and which may be subject to trade. It is also a factor in some evolution of international legal regulation and copyright protection.

Unfortunately, along with the development of new means of copyright protection on the Internet, new mechanisms of violation of these rights are developing. To date, special attention in this aspect requires the legal regulation of the use of copyright objects in social networks, the most popular of which, in our opinion, are Facebook, Vkontakte, Instagram, etc. Social networks are the largest source of distributing counterfeit material. A huge international audience is concentrated on these sites, where materials are illegally distributed, as a result of which their rights holders suffer losses. Such resources are almost impossible to take control of, or at least somehow deal with, as it is unclear who should be responsible for copyright infringement: owners of the social network or its users [3]. Therefore, the issue of regulation and protection of copyright in the social network requires special attention in the aspect of international and national regulation and protection.

The experience of the European Union (hereinafter – the EU) in this area is valuable. To date, the EU has adopted Directive 2001/29 / EC, which provides for the establishment of an internal market through harmonization of national laws of the states and strengthening of the protection of copyright. This document is aimed at harmonizing the norms of the states with regard to providing guarantees to the remuneration of the performer, establishing liability for infringement of copyright in the network environment, ensuring transparency in compliance with the rules of competition, determination a mechanism for collective licensing and control of the online content platforms that are published, and the provision of rights for distribution and copying [2]. The Directive harmonizes the rights of authors that are necessary for the transmission of digital copies

over the Internet. Thus, Member States have been able to create in their national legislation a number of restrictions and exceptions that extend to public libraries, educational institutions and archives. A feature is that the directive does not specify the objects to which the right of access is granted or where exactly the act of applying the right of access should take place. In other words, there is no question of limiting the scope of a particular territory [6, p. 10-11]. Significantly, Directive 2001/29 / EC was adopted in 28 countries, 11 of which are not members of the European Union. Such an example of legal regulation can be considered unique and really capable of solving new problems that arise at the crossroads of copyright law and the development of digital technologies [9].

As we see, international law plays an important role in protecting intellectual property rights on the Internet, in particular copyright. International treaties and agreements, the so-called "hard law" means, are used by states for the purpose of cooperation and the establishment of minimum standards, tasks in the formation of a national control mechanism, as well as providing a system for the resolution of international disputes that may arise in copyright context [7, p. 212]. The regulatory framework for protecting copyright on the Internet, which established and implemented by Directive 2001/29 / EC, can be considered a good example of a positive experience of cooperation in this scope.

**C o n c l u s i o n .** The international nature of the Internet and the growth in the use of social networks and the development of electronic technologies that have no national boundaries have created the need to find new solutions for the protection of copyright, namely beyond the national level and the use of international legal regulation and protection. It should be noted that international law offers remedies of copyright on the Internet, which are constantly updated and refined, in accordance with the development of the digital technologies themselves, as well as the deepening of the internationalization and informatization of violations in the field of intellectual property rights. Strengthening cooperation of the states and understanding the urgency to develop a single clear mechanism for regulation and protection of copyright on the Internet is a step that will harmonize the national laws of the states in this area, establish uniform high

standards of copyright protection, provide equal opportunities for citizens of different states for the implementation and protection of their copyright.

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## NEWSJACKING IN PUBLIC RELATIONS

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**Mudra K.I., Bolibok N.A. Newsjacking in PR.** The article discusses the concept of news casting, its creation and its structure, its use in the modern world and especially in the PR industry. The article assumes examples of newsjacking in PR, their analysis and its positive influence.

**Keywords:** Key-story, newsjacking, newsmaking, newsstreams, information occasion, PR(PublicRelations).

**Мудра К.І., Болібок Н.А. Ньюсджекинг в ПР.** У статті розглядається поняття ньюсджекинга, його освіта і структура, його використання в сучасному світі і в галузі зв'язків з громадськістю. Наводяться приклади ньюсджекинга в ПР, їх аналіз і позитивний вплив.

**Ключові слова:** к-сторіз, новинні потоки, ньюсджекінг, ньюсмейкінг, інформаційний привід, зв'язки з громадськістю.

**Мудрая К.И., Болибок Н.А. Ньюсджекинг в ПР.** В статье рассматривается понятие ньюсджекинга, его образование и структура, его использование в современном мире и в ПР отрасли. Приводятся примеры ньюсджекинга в ПР, их анализ и позитивное влияние.

**Ключевые слова:** к-сториз, новостные потоки, ньюсджекинг, ньюсмейкинг, информационный повод, связи с общественностью.

The object of the article is the process of using newsjacking in the modern information society. The subject of the article is a modern PR(Public Relations) in the context of new used in IT technologies. The purpose of the article is to draw attention to PR sphere, to PR technologies, to newsjacking. The article assumes the consideration of newsjacking as an actual and unrealized PR tool, its creation, its essence and structure. Also the article discusses the steps of newsjacking use and the influence of its impact on modern society.

PR exists for a very long time. Its roots go far back in history. However, PR as a sphere appeared only in the XX century. Every year PR technologies become more refined and sophisticated. In modern life, PR

meets literally at every step. It is actively used not only by politicians, celebrities and entrepreneurs, but also by ordinary people in everyday life.

We also get under the influence of PR every day. News, for example, is an integral part of our lives and also the main tool for shaping public opinion. PR specialists have learned how to use them in their own interests and the interests of their customers. They choose a relevant and interesting occasion from the life of the company and create a message to the press, adjust other people's current news under its activities. The first way of using news is called newsmaking, and the second is newsjacking. In this article, we will consider the concept of newsjacking and its use in PR.

Despite the fact that newsjacking is one of the most effective tools of Internet marketing, it remains in the shadow of other PR technologies. American marketer, author and sales strategist David Mirman Scott coined the term. The term literally means «news piracy» or «newsjacking». By newsjacking, Scott understood the art of connecting the company's ideas with current news events so that the public would notice them. He said, «hot news comes in every second. In the life cycle of an information message, there is a moment when a marketer has the opportunity to ride the wave of popularity of an important event and use it to promote the business».

In practice, newsjacking looks like – you actively follow the events in the world, especially those related to the sphere of your activity, choose the most appropriate one and instantly react to it in social networks or corporate blog.

Reaction to news implies its use for PR purposes. In 2012, Google announced the launch of «Knowledge Graph»– a tool that increases the information content of the page issue. When you request, for example, Tolstoy, user sees basic information about it without leaving the search results page. At HubSpot started to newscasting taking this news. In their blog was published a note about this tool within a few hours after the official announcement. The article almost immediately got to the top at the request of «Google Knowledge Graph». It received dozens of external links, increased traffic of visits, gained the audience's confidence in the Agency's resource and new customers.

In the life cycle of the news, there are several stages – the origin of the trend, its development, the peak of interest, decline and extinction. In this process, there is a moment when the PR person should start working with the news. This is the moment when the media is actively watching the event and the probability to reach the top is the highest. It lies between the origin of news and its development. Newsjacking makes no sense when working with news that is at the peak of popularity. For example, Donald trump, as a candidate for President of the United States, lightning commented on what is happening in the presidential debate in social networks. Thus he distracted the media attention from his opponents and turned it to his person.

Newsjacking is sometimes referred to as news piracy because it involves «capturing» other people's news and using it for their own purposes. He vengeance used by American brands and is already quite common in the domestic Internet spaces. Using this technique, you increase interest in your brand and unobtrusively advertise yourself. People share your post, which is why the media pay attention to it. Journalists need to constantly «warm up» the audience with interesting news, and it needs worthwhile information.

An information occasion is a news or event that may be of interest to the public and become a message in the media. There are good and bad news hooks. A good information occasion is a news that will interest you from the first paragraph. It should be formulated succinctly and competently. The facts behind it are brief and clear. A good information occasion will answer the question «why should it be interesting?». The question lies in its structure and the reader will find the answer to this question in the process of reading. Generation of high-quality information occasions and is the most difficult in the work of PR. The event, which will become an information guide, should attract a wide target audience, influence your field of activity and, of course, be relevant. However, sometimes there are bad information occasion. This news is written blurry and superficially. Usually such news contains a lot of introductory words, they are also devoid of facts. You should not use minor events, comments with a serious delay regarding the event, small partnerships, etc. as an information guide. Bad information occasion also means negative news.

The American practice of using newsjacking shows that the pick up of reports of natural disasters, accidents or other sad events are perceived negatively. A striking example of controversial newsjacking is the advertising campaign of the brand of sunglasses «Oakley». PR took advantage of the situation when in 2010 Chilean miners were trapped in the underground for 69 days. When the men were released, because of their long exposure to the darkness, they could not look at the sunlight and appeared in front of the cameras wearing Oakley sunglasses. Enterprising PR brand began to promote this topic in social networks. Although it was for the brand advertising without investment, but many users considered this move «a despicable trick».

The PR man should also consider the lifespan of an information occasion, it last from two to seven days. In other words, the last week news will be irrelevant for daily news agencies.

There are times when there is no suitable information occasion. Then the PR man should change his point of view, he should look for a new idea. You should draw attention to yourself:

- track changes in your field of activity and quickly write comments in the «Topic of the day»;
- participate in other people's news, it also helps to increase your fame;
- share your experience in your field.

The media are willing to publish materials containing an assessment of the situation, articles about the problems and expert opinions. Such materials are called K-stories(key-stories). K-story is an article about solving any problem. First, you describe the problem situation, and then give instructions on how to solve it. K-story not only talks about the experience, she points to its social significance.

On balance, whichever the options you use, for some time the name of your company or brand will be on the hearing. It means you will be able to attract more traffic and interest in yourself. In an interview, David Mirman Scott admitted that he did not expect newsjacking to be so effective. He developed this technique to make his clients' business ideas sound in the news. Reporters and journalists had only to quote the key persons of the companies, thus contributing to the formation of a positive reputation of the brand. However, newsjacking worked better. Brands that



practice it regularly increase sales, gain new customers and gain their loyalty.

However, the use of any news casting must be properly. A real «news pirate» should:

- follow the latest news of your field of activity(thematic communities, brands, etc.);
- follow thematic and industry hashtags on social networks(Twitter, Instagram);
- as soon as you find any information occasion, immediately prepare materials based on it. Remember that news quickly lose its relevance;
- include keywords and hashtags that mention the brand you represent in your message;
- news stories should be thematically related to your activities.
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## FOREIGN BUSINESS LANGUAGE SKILLS IN THE LABOUR MARKETS

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**Nadtochiy D.Y., Oliynyk N.A. Foreign language skills in the labour market.** The article considers the most recent trends both in the global and Ukrainian labour markets to identify the most demanding foreign languages and their role in the employment and employees' career development in Ukraine.

**Keywords:** employment, the English language, foreign business language skills, labour market.

**Надточий Д.Ю., Олійник Н.А. Знання іноземної мови на ринку праці.** У статті розглядаються останні тенденції українського і світового ринку праці для визначення попиту на іноземні мови, а також для визначення їх ролі у працевлаштуванні та кар'єрному зростанні в Україні.

**Ключові слова:** англійська мова, зайнятість, знання ділової іноземної мови, ринок праці.

**Надточий Д.Ю., Олейник Н.А. Знание иностранного языка на рынке труда.** В статье рассматриваются последние тенденции украинского и мирового рынка труда для определения спроса на иностранные языки, а также их роль в трудоустройстве и карьерном росте в Украине.

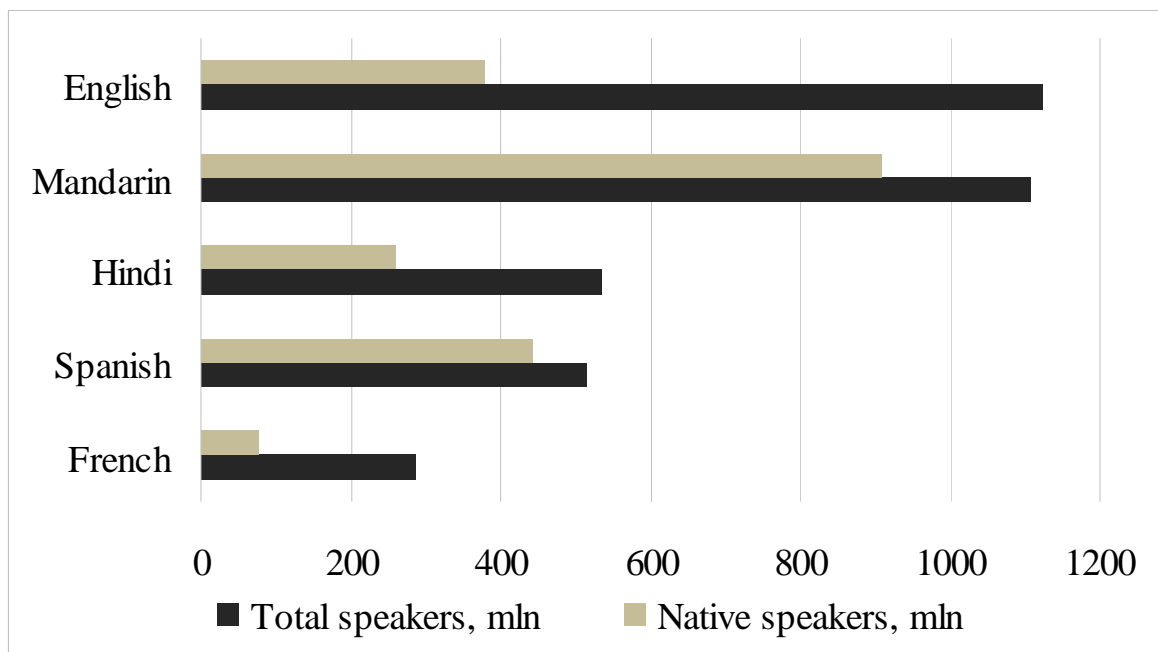
**Ключевые слова:** английский язык, занятость, знание делового иностранного языка, рынок труда.

At the turn of the 21<sup>st</sup> century all the participants of the global market have to move across language barriers in order to develop their business and not only in terms of sales and distribution operations, but also in terms of cooperation at all stages of business processes which turned into a complex market-oriented structure with foreign language skills as an essential job requirement for leading companies. This fact determines the relevance of the article which is aimed at identifying global business languages and major factors affecting labour requirements in Ukraine.

The object of the article is foreign business language skills and the subject of the study is foreign business language demand in the

Ukrainian labour market, which presupposes taking into account a huge variety of existing languages appropriate for companies to follow global corporate language strategy.

The figure below illustrates that English is the most spoken language throughout the world whereas Chinese has the highest number of native speakers – 955 million people. The spread of English as a dominant business language has happened due to influence of its native speaking countries such as the United Kingdom, the United States, Australia and several other countries, making it an essential language for business owner, while China has had the most successful economic development for the last three decades. As a result, Mandarin is involved in the business world due to overseas operations. Therefore, the main reason of their high frequency is global economic power [1, 6].



Source: Ethnologue Languages of the World, [3].

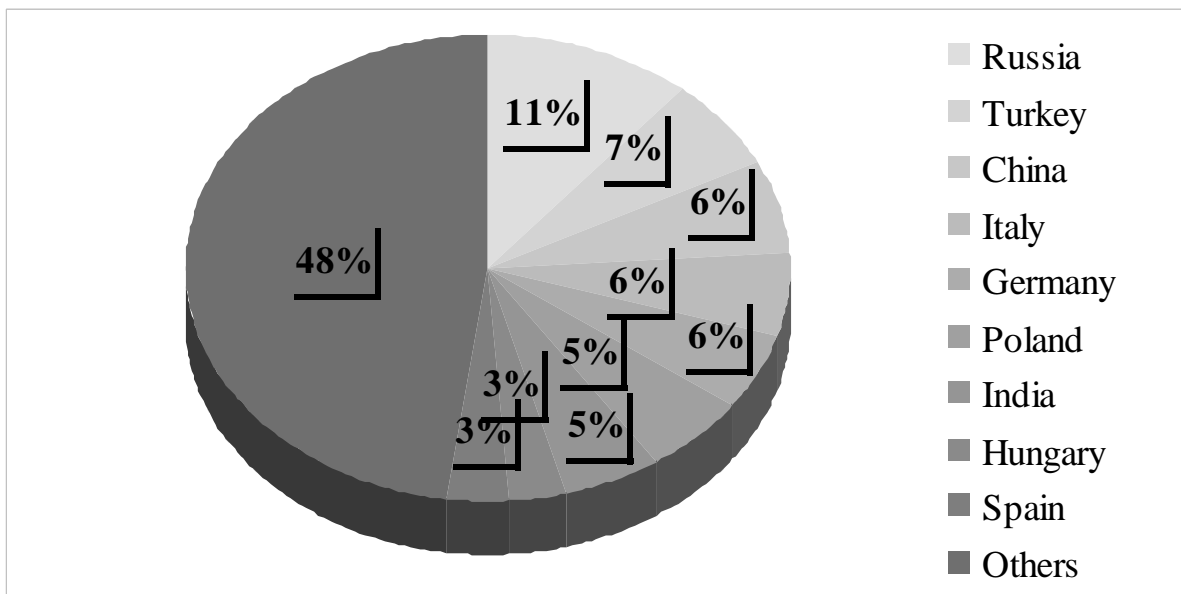
Figure 1. The world's most spoken languages

As we can see above, English, Mandarin and Spanish are the most popular among internet users. Also, according to the report by the British Council, Spanish is in demand for students in English-speaking countries. English and French English are the only languages, who have more non-native speakers than others out of the total number of speakers.

Furthermore, these languages are widely spoken due to imperial past of the nations [5, 6]. As a matter of fact, languages such as English, Mandarin, Spanish and French have dominated the global landscape for doing business.

Ukraine is considered to have the export-dependent economy. Its value amounted to \$43.4 billion around the globe in 2017 (\$955 per person). Trade relations with representatives of foreign companies require special treatment. The use of their mother tongues may help support long-term relationships. Therefore, additional knowledge of other languages at intermediate or higher level could be a competitive advantage for the applicant [7]. So, nowadays English is a must-have language for any employee who wants to perform qualified work in Ukrainian companies. It is spoken by all business partners of Ukraine, so fluency in English could be a key asset in the labour market.

It should also be noted, that foreign business languages except English are demanded almost only for sales, logistics department and for top-manager positions so, it is necessary to identify Ukrainian labour market needs and Figure 2 represents its major trading partners.



Source: OEC, [7]

Figure 2 Export partners of Ukraine in 2017

According to Figure 2, the bulk of exports is produced by the European Union that accounted \$20 billion (46.1 %). The Ukraine-EU Free Trade Area Agreement has opened up the European market for Ukrainian products. In line with the growing trend, its export volume will be growing for next years. However, main European export partners are Italy, Germany Poland, Hungary and Spain. China, Turkey and India are also among the ten largest trading partners.

So, taking global trends and trade policy into account, there are five the most demanded foreign business languages on the Ukrainian labour market – English, Mandarin, German, Turkish and Polish, the knowledge of which provides two main advantages: career development and increase in salary. The latter is described in table 1 below showing the effect of English language skills on the salary level in Ukraine.

*Table 1*

**Average monthly salary with (+) and without (-)  
the knowledge of English by jobs in 2017**

Job	Average monthly salary, UAH	
	+	-
Auditor	30 600	14 409
Top-manager	29 357	19 264
Banker	17 556	7 485
HR-specialist	17 147	8 585
Accountant	12 927	7 017
Sales manager	10 576	6 706
Purchasing manager	9 726	7 655

*Source: Finance.ua, [4]*

According to Table 1, language proficiency provides an opportunity for employees to earn higher salaries, which could be explained by company's development due to export operations and language proficiency in Ukraine – 43 out of 88 countries [2].

However, the difference in the salary level of English-speaking candidates and those specialists who do not speak foreign languages depends on a number of factors. In each case, the general requirements such as experience and professional knowledge are also taken into consideration.

In sum, English is the globe communication tool for the majority of companies even if they focus on the domestic market whereas Mandarin becomes more popular in business environment due to the economic development in China. Besides these two languages, German, Turkish and Polish are also the most demanded ones in the Ukrainian labour market. Moreover, a lack of specialists with foreign business language skills encourages employees to offer higher salaries and career advancement, which makes English the most demanding foreign language in the Ukrainian labour market.

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## **INTERNATIONAL COMPETITIVE ADVANTAGES OF UKRAINIAN MANUFACTURERS IN THE WORLD MARKET**

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**Nazaruk T.S., Oliynyk N.A. International competitive advantages of Ukrainian manufacturers on the world market.** The article describes the main indicators of competitiveness of Ukrainian national producers; the main problems, which hinder the promotion of Ukrainian products at the world market of goods and services and the necessary mechanisms of state support to enhance competitive advantages.

**Key words:** competition, competitive advantages, competitiveness, national producer, state, Ukraine, World Economic Forum.

**Назарук Т.С., Олійник Н.А. Формування міжнародних конкурентних переваг українських виробників на світовому ринку.** У статті розглядаються основні показники конкурентоспроможності національних виробників України; головні проблеми, що перешкоджають просуванню української продукції на світовий ринок товарів і послуг та необхідні механізми державної підтримки для посилення конкурентних переваг.

**Ключові слова:** Всесвітній економічний форум, держава, конкурентні переваги, конкурентоспроможність, конкуренція, національний виробник, Україна.

**Назарук Т.С., Олейник Н.А. Формирование международных конкурентных преимуществ украинских производителей на мировом рынке.** В статье рассматриваются основные показатели конкурентоспособности национальных производителей Украины; главные проблемы, препятствующие продвижению украинской продукции на мировой рынок товаров и услуг и необходимые механизмы государственной поддержки для усиления конкурентных преимуществ.

**Ключевые слова:** Всемирный экономический форум, государство, конкурентные преимущества, конкурентоспособность, конкуренция, национальный производитель, Украина.

The o b j e c t of the study is the process of forming competitive economy of Ukraine. The s u b j e c t of the study is competitiveness of Ukraine and its key features. The p u r p o s e of the study is to analyze areas of competitive advantages of Ukraine on the world market, the main problems and possible ways of solving these problems. The r e l e v a n c e of the study is determined by modern processes of globalization, the main features of which are the interconnection, interpenetration of national economic systems, the intensification of competition and the rapid spread of the effects of financial crises, which are direct consequences of the increased risks of foreign economic activity in international business. All this emphasizes the need to develop new approaches to work out methods for the formation of international competitive advantages of Ukrainian producers.

As the dynamic development of integration processes and the unstable market trends are reflected in changes in the structure of the world economy and international economic relations, Ukraine faced a problem related to finding ways to increase the competitiveness of the national economy and strengthen its position in the international market.

Competitive advantages are conditions that allow a company or country to produce a good or service of equal value at a lower price or in a more desirable fashion. These conditions allow the productive entity to generate more sales or superior margins compared to its market rivals [1].

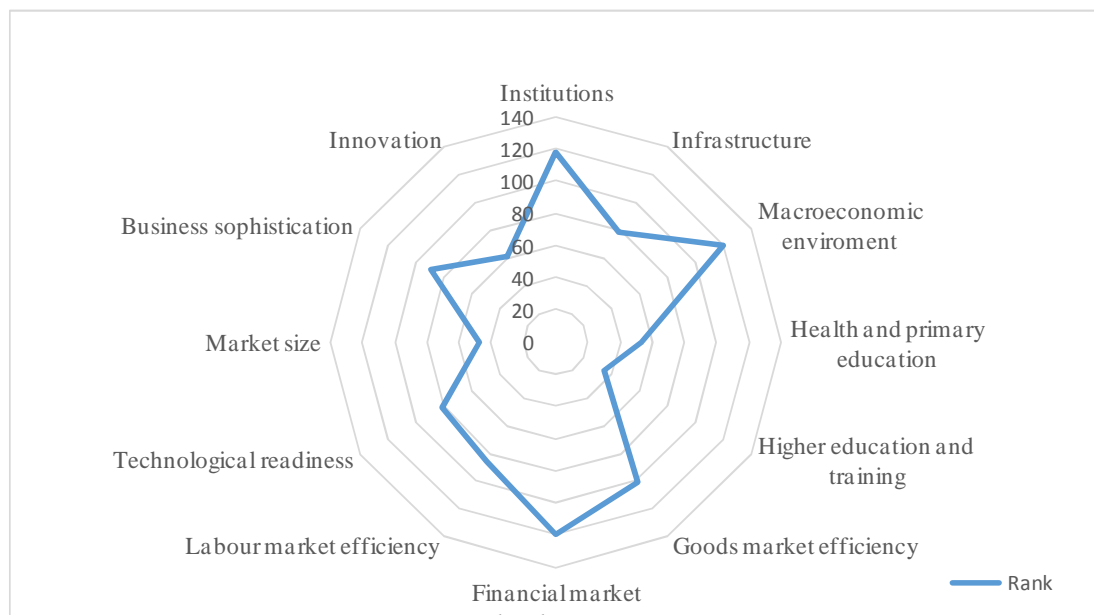
There are indicators that can accurately determine the level of competitiveness of countries. These are the Global Competitiveness Index (GCI) and the World Economic Forum (WEF), that are independent international organizations, whose affairs are mainly led by country leaders, famous economists and politicians. The Global Competitiveness Index (GCI) tracks the performance of close to 140 countries on 12 pillars of competitiveness. It assesses the factors and institutions identified by empirical and theoretical research as determining improvements in productivity, which in turn is the main determinant of long-term growth and an essential factor in economic growth and prosperity. Improving the determinants of competitiveness, as identified in the 12 pillars of the GCI, requires the coordinated action of the state, the business community, and civil society. All societal actors need to be engaged to make progress on all



factors of competitiveness in parallel, which is necessary to achieve long-lasting results [4].

Nowadays Switzerland remains the world leader in competitive advantages (according to the WEF 2017–2018), and Ukraine is ranked 81 out of 137 countries.

Figure 1 demonstrates positions of Ukraine in the different spheres of competitiveness according to the World Economic Forum 2017–2018.



*Source: The Global Competitiveness Report 2017–2018 [4].*

**Figure 1. Ukraine in the Global Competitiveness Rating of the World Economic Forum 2017–2018.**

According to the results of the rating, it can be argued that the most progressive areas are health and the primary education, higher education and training, size of the domestic market. The most problematic spheres remain the quality of institutions, the efficiency of markets for goods and services, macroeconomic stability, and the sophistication of doing business. This tendency is also a direct consequence of the impact of military conflicts in the eastern part of Ukraine and Crimea. After all, as a result of these events, Ukraine has already lost more than 20% of its economic potential; suffered a sharp increase in inflation, unemployment, instability

of the national currency, the destruction of infrastructure and reduction of investment attractiveness.

The accumulation of a large number of social, economic and political problems within Ukraine led to the stagnation of economic growth and competitive advantages. Among the negative factors that caused it, special attention should be paid to the following:

- physical and moral depreciation of fixed assets;
- non-use of innovative products in the field of production;
- low income of the population;
- uneven distribution of national wealth among different social groups;
- insufficient investment in promising sectors of the economy;
- indebtedness of Ukrainian enterprises and its continuous growth;
- high interest rates in the field of granting loans and non-return problems;
- low level of stock market development;
- activity of the shadow economy sector;
- high level of taxes;
- low demand for products of domestic producers;
- high level of corruption in the country.

Economic potential of Ukraine is used inefficiently which is evidenced by the state of social and economic development of the state. GDP per person is the main indicator, which in quantitative terms enables determining clearly the economic potential and the level of competitiveness of the national producers. GDP per capita in Ukraine is extremely low, compared with such countries as Luxembourg (12.2 times lower) and the USA (7 times lower). Although Ukraine possesses an extremely high human potential, its competitive position still remains low. A powerful scientific potential and a large number of highly skilled personnel cannot resist a strategically unprofitable structure of the export of goods and services on the world market.

In order to raise the level of the national economy the following solutions should be made:

- increase of budget financing for education and scientific development;
- introduction of energy and resource-saving technologies;

- creation of conditions for the further development of venture business;
- creation of industrial parks and technopolises;
- development of a clear strategy relating to shadow economic activity such as implementation of long-term lending mechanism, encouragement of innovation processes, effective financial policy;
- development of highly technological sectors of the economy, financial markets and markets for business services;
- concentration of the state on improvement of activity of enterprises of such branches of economy as aviation industry, agricultural machinery, shipbuilding, tourism, transport and communications.

Effective sales of Ukrainian producers in the world market should also be ensured with a reliable mechanism of the state support, which includes the following aspects [3]:

1) military-technical cooperation of countries is an important condition of high-tech exports;

2) settlement of financial policy concerning effective lending of export activity, risk insurance;

3) state aid in promoting Ukrainian products to foreign markets, protection against discrimination and export control;

4) protection of the domestic market and domestic producers from competing import goods, especially in terms of consumption; promotion of import of highly qualitative technological equipment;

5) anti-dumping and countervailing measures introduced by the state to restrict imports without violating the main rules of international trade.

**C o n c l u s i o n .** Nowadays Ukrainian producers face problems with promotion and implementation of their goods and services on the world market. With regard to the reports of the World Economic Forum there are 12 areas of competitiveness. The most developed and successful spheres are health and the primary education, higher education and training, size of the domestic market and innovation. But the quality of institutions, the efficiency of markets for goods and services, macroeconomic stability, and the sophistication of business operations remain less progressive. Consequently, the search for new alternative methods to increase international competitiveness remains the most urgent task for the

Ukrainian government. It is also necessary to develop an effective system of public administration to encourage the development of the domestic economy and strengthen its competitive positions in the world economy.

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## **INFLUENCE OF LANGUAGE TRAINING: VERBAL AND NON-VERBAL COMMUNICATION**

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**Nikulina Y.S., Litovchenko Y.M. Influence of language training: verbal and non-verbal communication.** The article analyzes the importance of qualitative tourism workers training both verbal and nonverbal communication. The article provides examples of different types of communication in different countries and highlights the importance of knowing them. The work reveals the absence of proper practising verbal and nonverbal communication.

**Key words:** education, language skills, nonverbal communication, tourism, verbal communication.

**Нікуліна Я.С., Літовченко Я.М. Вплив мовної підготовки: вербальна та невербальна комунікація.** У статті розглядається важливість якісної підготовки фахівців у туризмі з вербальної та невербальної комунікації. У роботі наводяться приклади комунікації у різних країнах світу та описується наскільки важливо розуміти відмінності між ними. Також розповідається про відсутність відповідної підготовки з теми вербальної та невербальної комунікації.

**Ключові слова:** вербальна комунікація, мові навички, невербальна комунікація, освіта, туризм.

**Никulina Я.С., Литовченко Я.Н. Влияние языковой подготовки: вербальная и невербальная коммуникация.** В статье рассматривается важность качественной подготовки работников сферы туризма касательно вербальной и невербальной коммуникации. В работе приводятся примеры коммуникаций в разных странах мира и описывается важность понимания различий между ними. Также, в работе описана проблема отсутствия соответствующей подготовки работников туристической сферы на тему вербальной и невербальной коммуникации.

**Ключевые слова:** вербальная коммуникация, невербальная коммуникация, образование, туризм, языковые навыки.

The object of the article is verbal and non-verbal types of communication. Any type of communication is involved in all social life

acts, being the constituent factor of creation and of cultural processes. Cultural diversity and intercultural dialogue are intensely discussed topics in today's society, which is marked by globalization. Cultural differences are the core subject for studies addressing intercultural communication. Good knowledge of other cultures is a necessary step to get to recognize the nature of these differences and to relate to others through attitudes of understanding and tolerance, which are premises for genuine intercultural dialogue, especially in the tourism industry. While communication is an act of human relationships, the motive of this act. In tourism, quality of communication is related to the level of the culture involved and to the degree of improvement of the means of which is done. Intercultural communication experiences help tourists to know and to appreciate other cultures, but also help them to a better understanding of their own culture [1].

Tourism is a nowadays phenomenon, based on increased need for health recovery and for changing environment, as well as for the birth and the development of a sense of openness for beauties of nature". People always have focused on widening spatial and temporal horizon of knowledge of their existence. One of the main means of achieving that objective was travels. Somehow involuntarily travels are marked by communication in many ways in which this can occur: between tourist and tourism service provider, among tourists from different cultures between employees of different nationalities of travel agencies etc. Good communication is not just transmitting information, but also a mutual understanding of each other's wishes and needs. Communication may be difficult if one of the parties is dominant and rejects intercultural dialogue, this fact influencing negatively the forms of tourism taking place in a particular destination. Sometimes, it may appear negative aspects of communication, from the rejection of the idea of dialogue, up to violent manifestation of its own position. In the tourism industry, this event can appear especially when tourists interact with local population, which, in this case, would consider tourists some intruders in their own culture. Communicative behaviors of individuals are the result of complex interactions between cultural factors, contextual factors, knowledge and emotion. The way we communicate is anchored culturally, shaped by attitudes, values, practices and specific expectations of an ethnic group,

which are created and circulated in the communication process. Communication situations involving individuals from different cultures are called intercultural communication situations. In the process of intercultural communication, tourists from different cultural backgrounds "negotiate their cultural identities, rules of meaning, perception effects which may occur in the interaction process" [5].

In intercultural communication situations within tourism can arise communication barriers, misunderstandings caused by differences in behaviour, perceptual or of meaning, that exist between tourists coming from different cultures as well as negative stereotypes activation. Communication barriers may exist between tourists and staff from a specific tourism company (hotel, restaurant, travel agency, etc.). Misunderstandings, wrong interpretations, communication gaps are an inherent feature of intercultural communication. The experiences of intercultural communication help the individual to know and to appreciate other cultures, but also to better understand its own culture [3].

Language is the "code" in cross-cultural communication, it is important in tourism for both tourists and hosts because it is the means by which meaning is constructed between them. It has been viewed as exchange of information and cultural differences. If they can't understand the same language the tourist experience will be unsatisfactory. Furthermore, the hosts won't be able to provide a quality product or experience and their business and reputation depend on doing so. For example, if we look at the experience of Japanese tourists who visit Australia, they need to be able to get accurate information for visiting the places they want to see. Since the tourists speak Japanese and the people in the tourism destination speak English, it can give rise to problems in terms of no communication and misunderstanding. In addition to that, other situations where language is very important to tourists are accidents or crises of some kind – like losing a wallet or getting lost in the situation of tourists cannot understand the information which have been provided on the "signage" as well as they can't communicate in English. These can be very serious matters.

In order to obtain cross-cultural understanding and make tourism satisfied with their overseas travel. Language is an important factor.

Tourism hosts should be aware of tourists' language habit and tradition. In the case of Japanese visit Australia, it is important that the host enterprises provide some "on-site interpretation" service. They basically tend to remove the confusion between difference languages. In addition, to provide some Japanese information, for example, Japanese version of warning, introduction as well as catalogues will help them to understand. In case of some accidents will happen during the traveling. The travel agency also needs to provide some Japanese document which including information of embassy, police offices and other organizations [3].

On the other hand, despite Japanese tourists can speak English while they travel in Australia, their way of expression is different from native speakers. Therefore, to understand Japanese's verbal communication skills and traditions plays a significant role in tourism industry especially for hosts. FitzGerald provided the fact that the way of answer the questions in terms of "you don't, do you" "we can't, can we". To native speaker, their answer is "No" when they agree with this sentence. But Japanese peoples' answer is "yes", which is opposite meaning to English speakers. It is because there is no rhetorical question in Japanese dialogue. The answer is following the question in Japanese whereas it is in according to the fact in English. Therefore, it is better to avoid offering these sorts of questions to Japanese, otherwise it will lead to misunderstanding. Furthermore, Japanese people who travel in Australia would give their opinion by translate Japanese to English directly, which means the "style" of answer is different from English. According to FitzGerald, when Japanese give feedback, they prefer repeat "yes" instead of "OK" or "I got it". Those are examples of different verbal communication in Japanese and English which make hosts to take into consideration when they provide tourism service [2].

Cross-cultural difference are not only refers to verbal communication, but also existed in all sorts of human activities between foreigner tourist and local hosts. Non-verbal behavior is a significant element for a tourist because it is easier to be noticed and understood than verbal communication. Mehrabian state that less than 10% of the message is communicated by words recording, as twice as much that of the message expressed by languages and 70% of through non-verbal language in terms of posture, gesture and facial expression. What is more, the behaviors of



greeting, formality as well as body touching are important means of non-verbal communication which are reflected by tourists [4].

Likewise the verbal communication which is indispensable, to tourism hosts, non-verbal communication is important as well. According to FitzGerald, for the Asian people who visit Australia, the hosts should be aware of their sensibilities of their own cultures and customs. For instance, for Chinese people, there is not too much body touch between male and female. They prefer to smile and nod without touching. The only touching is hands shaking while first meet which is widely being accepted recently. Therefore, hosts should avoid much body contact. This names cards which be considered the representation of person's face should fully aware by hosts. It is suggested to "pass them with two hands" as well as "accept them in a similar fashion" when give name cards to customers. Meanwhile, they should be accepted respectfully and reading carefully the names cards of their customers, which is a sort of etiquette in international business. It is better, especially for tourists who from Japan and Korea, to pass and receive all the objects to use both hands. What is more, gesture in terms of a kind of body language can easily be identified by hosts. People from different cultural backgrounds have different speculations of body languages. Several examples are provided below which present the different features of body languages of Asian people [4].

In conclusion, it is clear that cross-cultural communication and understanding not only affect to international tourists, but are also important to the hosts who running the global tourism business in the field of language, customs, food and regions. Essentially, tourists who travel in the intercultural environment can be affected by the differences between other cultures and their own. Meanwhile, the different languages give rise to some misunderstanding or even non-communication. Therefore, the hosts must be aware of these cultural differences such as different languages, different non-verbal communication and different religions they have. Above all, in order to eliminate the communication problems and maintain an atmosphere of peace and enjoyment in international tourism circumstances. It is necessary for hosts to take these into consideration in this industry by supply interpreters, foreigner information translation. People who work in this industry must know very well about the

characteristics of different customs and religions, which can help to avoid cultural conflicts. In addition to that, tourism business owners have to provide ideal service which can give international tourists a unique local cultural experience. Meanwhile, customers' cultures and customs should be respected. The cross-cultural understanding in global industry may never be completely taken into consideration by hosts, however, further studies to identify potential problems and solutions, as well as an improvement in cross cultural communication for global tourism industry, should result in a better understanding and more enjoyable experiences for both hosts and tourists.

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## TRENDS IN HOTEL INDUSTRY IN 2018

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**Nosik M.V., Litovchenko Y.M. Trends in hotel industry in 2018.** The article analyzes the latest trends and innovations in the work of enterprises of the hotel business on the basis of modern technological, information and marketing systems.

**Key words:** hotel industry, information technology, trends.

**Носик М.В., Літовченко Я.М. Тенденції розвитку готельної індустрії у 2018 році.** У статті аналізуються останні тенденції та інновації в роботі підприємств готельного бізнесу на базі сучасних технологічних, інформаційних та маркетингових систем.

**Ключові слова:** готельна індустрія, інформаційні технології, тенденції.

**Носик М.В., Литовченко Я.Н. Тенденции развития гостиничной индустрии в 2018 году.** В статье анализируются новейшие тенденции и инновации в работе предприятий гостиничного бизнеса на основе современных технологических, информационных и маркетинговых систем.

**Ключевые слова:** гостиничная индустрия, информационные технологии, тенденции.

The o b j e c t is hotel industry whereas the s u b j e c t is the main trends in hotel industry all over the world. The purpose of the article is to describe how the main trends in the global hotel industry are created using various technical tools and marketing research. The hotel industry is one of the fastest growing in the world. It widely uses various technical and marketing innovations with the goal of achieving the most advantageous competitive position. Among the main trends in the global hotel industry are next – artificial Intelligence (AI) and Robotics. AI is a fast-moving technology that enables machines to perform tasks that could previously be done only by humans. Robots will have an impact on some area of the guest or associate experience in 2017. One of the benefits of robots will be the data they provide us as guests utilize the services. The Residence Inn LAX uses a robot named Wally to retrieve items for employees and guests. Maidbot has developed a housekeeping robot, Rosie, and Hilton has Connie

the Concierge. Hotels will use the robots just as much for customer service and excitement as it might be doing for ultimate savings on labor costs. While there is a threat to workers whose jobs are “routine,” AI will not cause mass unemployment. It might, however, have a positive impact on net income as a capital expense replaces a labor cost and at the same time may require many workers to learn new skills. The overall result of mechanization in the past has actually created new jobs [1].

Next trend is about text and chat. Chat apps like Facebook’s Messenger and WeChat, the app that we use when dialing abroad and the most popular communications app in China, have huge implications for industry. Texting guests in response to “in the moment” needs, safety and security issues that would require immediate and subtle communication or eliminating language barriers are all technologically feasible and available. Texting can provide for ancillary revenue streams. Chat is already global and Chatbots are basically AI that can appear as customer service assistants. Services like Zingle allow to communicate with guests from one central hub (whether they are using a messenger app or texting) and offers automation.

Also mobile check-in has been around for the last few years but will hit full stride quickly as the technology has been refined. Just about every guest has a smartphone and if a guest does not actually utilize mobile check-in by going directly to their room, they will show up at a pod rather than a formal front desk. In the future, these pods will be tablet based kiosks like you see in the airport. A guest can pick their room directly from their phone and the door lock will be programmed to only open when that mobile device is nearby. Taking this idea into the rooms themselves, some brands have begun to move away from having the traditional guestroom phone. Instead, they opt for an in-room tablet that controls every aspect of the room. Ideally, these two sets of technology will be merged into one so that a guest can control everything directly from their mobile device [4].

Sharing Economy or Alternative Lodging is one of the main trends. Airbnb and Uber have created a firestorm in hotel industry. Uber has virtually put taxis out of business and Airbnb threatens to become a primary lodging force. While Airbnb steals some market share from hotels, its future is likely as an online travel agency of sorts. Their low commission structure allows them more upside as a very unique distribution channel

that represents both hosts and hotels rather than a traditional competitor to hotels. Additionally, they will become tired of the litigation with hundreds of cities. These companies, Airbnb and Uber are perfect examples of how technology can simplify a business by streamlining the purchase process. Hotels should look to them for inspiration rather than as the enemy and seek to answer the question, “why would a guest choose to book Airbnb over my hotel?”

Loyalty Pricing as a component of global trends in hotel industry is a huge component to revenue management! Getting guests to book direct and determining the value of each guest are keys to success here. With online travel agencies (OTAs) charging high commissions, it is imperative to manage the cost of acquisition of each customer and find ways to educate them to book directly with the hotel. OTAs have spent hundreds of millions of marketing dollars to condition consumers to think they have the best deals available. Brand campaigns like Hilton’s “Stop Clicking Around” are a great start to combat this perception. [2].

In-Room Technology became one of the most important things in hotel business so it is vastly different than it was at the turn of the century. Today’s guests expect the in-room entertainment experience to be better than or at least as good as they have at home and they want it on demand. Gone are the days when “Free HBO” on your marquee will build hotel business. If a guest cannot access their Netflix account or various on demand streaming services, then how is the in-room experience better than what they have at home? Additionally, look for various customizable technologies to start being included in room packages. Everything from custom lighting, smart mirrors and in-room tablets will be tailored to the specific guest’s preferences before they arrive [7].

Marketing and Social Media are actively attracted attention of hoteliers. Creativity in social media has caused lots of fans, likes and followers but quantitative success does not always transfer to tangible ROI. Data and analytics must be mined to measure successes and look for new ways to improve guest experience or market toward a specific demographic. Search engine marketing, optimization and advertising initiatives are crucial to hotels’ success in this digital age [3].

Culinary Options are expanding beyond the standard hotel restaurant. Guests expect an experience at every level when visiting a hotel, so F&B should not be an afterthought (even if it is just a Grab n Go option). Locally sourced products (especially the concept of root to leaves) and unique experiences continue to be the rage but make sure to still have some mass appeal options for the wary traveler just in need of a good burger. Look for the confinements of a traditional restaurant to disappear being replaced by open social areas that can be utilized for multiple purposes. Specific menus for room and pool service will be replaced by either a full menu or unique delivery services as the open-eating concept expands to all areas of the hotel.

Company Culture has become extremely important in retaining good talent. Jumping ship is easy to do unless employees are truly engaged and supportive of the mission. While job benefits are always a positive, they are now so common place that they cannot stand alone when it comes to employee retention. Take a note from how we treat guests and create an environment where your team feels valued, cared for and respected. Then watch as your service scores reflect the work of a satisfied team. With minimum wage increasing throughout the country and a workforce more health conscious than ever, this trend of defining a positive company culture can be seen everywhere [5].

Today hoteliers are paying more and more attention to design, brands and new markets because of the pace of change is enormous and some changes meet right here. Minimalist design has certainly played a large role in some of the new soft brands as well as independent boutique hotels. Further, while it is likely not good business to focus design on one market segment, the growth of the millennial market, coupled with the growth of the Chinese market leaves us two very rapidly growing segments. Millennials became the largest generation in April of 2016 and will represent over 80 million Americans within 20 years. The Chinese outbound travel market is number one in the world and will likely hit 200 million by 2020.

Further increase in online sales is also in list of worldwide trends in hotel industry. The Internet helps people plan the trip of their dreams, find a perfect hotel and reach their destination. Creating an itinerary relies on

online networking in 80% of cases. In 2017, agents and metasearchers became the leading suppliers of online booking.

In conclusion, for the moment, their overall share amounts to 60% of all reservations made electronically. In the upcoming year, customers are expected to purchase complementary services and enrich their orders at subsequent stages of the booking process. In 2019, the effective upselling may contribute to a 20% increase in sales of new products/services offered by a given hotel facility [6].

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**THE EURASIAN ECONOMIC UNION:  
DISTINCTIONS OF ORGANIZING  
AND LONG-TERM DEVELOPMENT**

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**Olenina O.Y., Skrynyk T.I. The Eurasian Economic Union: distinctions of organizing and long-term development.** The article presents the stages of regional integration on the example of the Eurasian Economic Union, the prerequisites and features of its formation, the characteristics of the activity now and the possible directions.

**Keywords:** free-trade agreement, regional integration, the Customs Union (CU), the Eurasian Economic Union (EAEU), the European Union (EU).

**Оленіна О.Ю., Скрипник Т.І. Євразійський економічний союз: особливості формування та перспективи розвитку.** У статті розглядаються етапи регіональної інтеграції на прикладі Євразійського економічного союзу, передумови і особливості його формування, характеристика діяльності зараз і можливих напрямків.

**Ключові слова:** Євразійський економічний союз(ЄАЕС), Європейський союз(ЄС), зона вільної торгівлі, Митний союз(МС), регіональна інтеграція.

**Оленина О.Ю., Скрипник Т.И. Европейский экономический союз: особенности формирования и перспективы развития.** В статье рассматриваются этапы региональной интеграции на примере Евразийского экономического союза, предпосылки и особенности его формирования, характеристика деятельности сейчас и возможных направлений.

**Ключевые слова:** Евразийский экономический союз (ЕАЭС), Европейский союз (ЕС), зона свободной торговли, региональная интеграция, Таможенный союз (ТС).

The object of the article is the regional integration and its stages. The subject is the features of Eurasian integration on the example of the EAEU. The problem statement: the integration processes lead to the formation of the global space, wherein in the post-soviet states they proceed contradictory and erratically in different periods, but quickly, regarding the example of the formation of the Eurasian Union.

At present stage, regional integration has become an integral part of the global economy. As an phenomenon, it appeared after the Second World War, in 1949 in the USSR and the socialist countries of Central and Eastern Europe established the Council for Mutual Economic Assistance (CMEA), and in 1950 the European Coal and Steel Community was established in Western Europe [1, p. 15]. Starting from the 60s of the twentieth century, the number of such associations has been growing steadily, at present we can distinguish five largest regional groups, namely ASEAN, NAFTA, EU, MERCOSUR, EAEU. Despite the fact that all associations are different, the main goal of such processes can be formulated as creating the most successful association of countries to strengthen the presences of the group as a whole in the areas most important for this stage of globalization.

There are three main principles of creation and successful development of integration associations [1, p. 20]:

- 1) integration is a common project for all its participants;
- 2) integration requires gradualness;
- 3) integration needs a valid mechanism for making and implementing decisions.

In theory, there are five stages of regional integration; this classification was proposed in 1961 by the American economist B. Balash [1, p. 22]:

1. A free trade zone – implies the alimination of customs duties and quotas in trade between member states. At the same time, each of the participants maintains their own trade regime in relation to third countries.

2. A customs union – arises when the participants in the free trade zone introduce a common customs duties and proceed to a common trade policy with regard to third countries.

3. A common domestic market – means a customs union that provides freedom of commodity flow, plus the free movement of services, capital and individuals.

4. An economic and monetary union – can be formed from a common domestic market through the introduction of a common economic policy and a single currency.

5. A political union – involves the addition to the economic and monetary union of a common foreign and domestic policy, which brings the

regional association as close as possible to a confederation or federation.

In world practice, there has not been an occasion of creating a political union yet, despite the European Union is a typical example of the creation of an integrated regional association, and at the 4th stage they are developing the process of forming a political union. However, as opposed to the EU, the Eurasian Economic Union (hereafter EAEU) was created in 2014.

The idea of creating an integration association in the post-soviet space emerged in 1994, then negotiations and the development of a project began. In 1995, the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation signed the Agreement on the Customs Union, aimed at removing obstacles to free economic interaction between the economic subjects of the parties, ensuring free trade and fair competition and ultimately guaranteeing the sustainable development of the economies of the countries. The Agreement of three countries, which was signed in 1995, defined the integration core, which is currently the engine of integration processes in the Eurasian space [4]. Despite the name, in fact, this meant the formation of the first stage of regional integration – a free trade zone. Over the next 10 years, the Kyrgyz Republic and the Republic of Tajikistan joined this association, negotiated and concluded agreements on the transition to the next two stages of the integration process. So in 2009 an agreement on the creation of the Customs Union was signed, this time the union positioned itself in the international arena in accordance with the name. In fact, he began work in January 2010, three countries became its participants, as well as the previous time, the Russian Federation, the Republic of Belarus and the Republic of Kazakhstan. The activity of the association implied the introduction of the common customs duty, free floating of traffic of goods within the three states, the abolition of customs control and clearance at internal borders [4]. The feature of the Eurasian integration is the desire to go through the stages of regional integration in a short time while simultaneously expanding the territorial boundaries of associations. That is why, simultaneously with the formation of the CU and the realization of its goals, negotiations were held on a transition to a new stage of development – the formation of a Common Economic Space within the above three countries. In 2012, new international treaties come into force, they supplement and expand the capabilities of the participating countries within the previously existing CU, but in the format of the CES.

2014 and 2015 has become significant years for such countries as the Russian Federation, the Republic of Belarus, the Republic of Kazakhstan, the Republic of Armenia and Kyrgyzstan. During this period, agreements have been signed on the creation and definition of EAEU activities. The creation of the Union is based on the principles of the activities of the CU and the CES, and within the framework of which supranational institutions were created: the Eurasian Economic Commission, the Eurasian Court. Now the activity of the EAEU is determined by two more bodies: the Supreme Eurasian Economic Council, the Eurasian Intergovernmental Council.

In such a short period of time, the countries managed to go through three stages of regional integration. Being now at the stage of an economic union, negotiations are underway to create a single fundamentally new currency, this will become possible only in 2022-2024, if the decisions taken today do not contradict this. The financial center of the Union should be Almaty. The creation of a monetary union will give the opportunity to a political union in the future.

Now the activity is aimed at establishing trade relations in the East. Thus, in 2015, the Agreement on the creation of a free trade zone with Vietnam was signed, in 2018, on trade and economic cooperation with China and the Interim Agreement, leading to the creation of a free trade zone between EAEC and Iran.

*Table 1*

**GDP per capita in the EAEU in 2014-2017 (USD)**

	2014	2015	2016	2017
<b>EAEU</b>	<b>13 235</b>	<b>8 945</b>	<b>8 139</b>	<b>9 884</b>
Armenia	3 852	3 512	3 524	3 872
Belarus	8 289	5 829	4 997	5 729
Kazakhstan	12 807	10 510	7 715	9 030
Kyrgyzstan	1 331	1 163	1 179	1 273
Russia	14 278	9 389	8 773	10 745

Source: Official website of the Eurasian Economic Commission [3].

The Eurasian Economic Union is the largest association in the territory with a potential market capacity of 4-4.2% of GDP. It should be noted that the unstable political and economic situation of the world has led to a decrease in the value of the national currencies of the participating countries, a decrease in production, barriers to international trade outside the Union, as a result, a sharp decline in GDP in 2015. Now we are witnessing a gradual recovery of the indicator, according to forecasts, by 2025, the GDP of the EAEU countries should grow by 20% only due to the integration effect.

From the international legal point of view, the following promising areas of the Union's activities can be distinguished [2, p.166]:

1) the involvement of the countries of the former USSR republics, for this it is necessary to make wider use of the concepts of "observer state" and "associate member state";

2) expanding the range of ties with Eastern countries (China, India, Cambodia, Vietnam, Mongolia, etc.);

3) expanding cooperation of the EAEU with other international organizations and structures (SCO, APEC, ASEAN, EU).

At this stage, the second is a priority, which further deepens the integration processes in Asia. The Union sets itself complex tasks and limits itself in the time of their execution. Focusing on the experience of the European Union, it is difficult to assume that by 2025 the EAEU will be able to introduce a new currency onto the world market, which will compete with the euro and the US dollar. Although the integration in this region is quite rapid.

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## DOW JONES INDUSTRIAL AVERAGE DURING THE GREAT DEPRESSION

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**Patlah I.S., Khanova O.V., Radchenko O.I. Dow Jones Industrial Average during the Great Depression.** The article describes changes in the Dow Jones Industrial Average and identifies the main economic and socio-political factors which influenced the indicators. The beginning of the Great Depression of the USA in 1929-1933 is described from an economic point of view. The influence of the government and the Federal Reserve System on the country's crisis recovery and the increase in the price of paper assets in the USA stock market are analyzed.

**Keywords:** crisis of the USA, Dow-Jones Industrial Average, Federal Reserve System, Great Depression, paper assets, stock market.

**Патлах І.С., Ханова О.В., Радченко О.І. Індекс Доу-Джонса у часи Великої Депресії.** Стаття описує зміни промислового індексу Доу-Джонса і виявляє основні економічні та соціально-політичні чинники впливу на показники. Описано початок Великої Депресії США 1929-1933 рр. з економічної точки зору на прикладі падіння індексу. Проаналізовано вплив уряду і Федеральної Резервної Системи на вихід країни з кризи і підвищення ціни на паперові активи на фондовому ринку США.

**Ключові слова:** Велика Депресія, криза США, паперові активи, Промисловий індекс Доу-Джонса, Федеральна Резервна Система, фондовий ринок.

**Патлах И.С., Ханова Е.В., Радченко Е.И. Индекс Доу-Джонса во времена Великой Депрессии.** Статья описывает изменения промышленного индекса Доу-Джонса и выявляет основные экономические и социально-политические факторы влияния на показатели. Описано начало Великой Депрессии США 1929-1933 гг. с экономической точки зрения на примере падения индекса. Проанализировано влияние правительства и Федеральной Резервной Системы на выход страны из кризиса и повышения цены на бумажные активы на фондовом рынке США.

**Ключевые слова:** бумажные активы, Великая Депрессия, кризис в США, Промышленный индекс Доу-Джонса, Федеральная Резервная Система, фондовый рынок.

The o b j e c t of the article is the Dow Jones Industrial Average. The s u b j e c t of this article is the study of the factors which influenced the fall of the Dow Jones index during the Great Depression.

The p u r p o s e is to find out the main reasons of the index falling during the “black” days of the 1930s, to analyze the actions of the American government, to highlight the economic and socio-political factors which influenced the changes of the Dow Jones Industrial Average.

**Analysis of scientific research on the selected topic.** Many scientific papers are devoted to the study of changes in the Dow Jones Industrial Average, in particular, the works of A.P. Tsipin, A.P. Mikin, P.P. Andrukovich and V.V. Motylev.

The r e l e v a n c e of the article is to analyze the patterns of the Dow Jones index falling during the crisis period.

It is well-known throughout the world that the Dow Jones Industrial Average was designed by economists Charles Dow and Edward Jones in 1886 when the American economy was undergoing an active phase of industrialization. The formula for calculating has been changed several times. Now it is an arithmetic average of daily quotes (which determine the value of the company's securities on the stock exchange) of its member companies at the time of the stock exchange closure [8].

The Dow Jones index is often criticized for the fact that this indicator does not fully reflect the state of the American stock markets, as the calculation method is very simple (the index does not take into account the difference in the capitalization of the companies), and also considers a small number of companies. For these reasons, the S & P 500 is usually cited along with the Dow Jones index to make it more objective [5, 7].

Nowadays the index has been used for 130 years, and over such a period of time the index managed to reflect changes in the structure of the US economy at different periods.

The Dow Jones Industrial Average has the so-called “the best” and “the worst” days, which depend on many factors. One of the most significant causes is the Great Depression of the 1930s.

For example, the minimum value of the index was recorded on July 8, 1932 – 40.6 points. On March 15, 1933, the index rose by 15.34% during the day and amounted to 62.10 points, which is its most dramatic increase

in history. The sharpest fall happened on October 19, 1987 (“Black Monday”) – the index dropped by 22.61% during the day and amounted to 1,738.74 points [1, 7].

Taking into account the examples given above, one can see that the period of the Great Depression (1929-1933) is an interesting source for studying the index value, because at that time some negative changes and also sharp increases occurred.

In the 20s the US economy was on the peak for the period from 1925 to 1929. GDP grew by 14.3% from 90.5 to 103.6 billion dollars. New “innovative” types of goods appeared at that time such as cars, radio, airplanes. The development of the economy led to the increase in the standard of living, the increase in its savings which also had a positive effect on the development of the stock market. From 1925 to 1929 the capitalization of the stock market grew approximately by 3.3 times, from \$ 27 billion to \$ 89 billion. In 1929, it reached almost 86% of GDP. Inflation was not significant, the price index during 1927–1929 was 74.2, 73.3, 73.3, respectively. The principle of non-interference of the state in the *laissezfaire* economy prevailed, which gave market forces unlimited opportunities for self-regulation [3].

The monetary authorities were unable to enter the normal framework of the abnormally rapid development of the stock market. Exchange credit was quite affordable, marginal security was about 10%, i.e., that by 90% of the purchased shares you can get a new loan for buying another one. All these factors contributed to the growth of speculation. In those days it was popular with investors to build so-called “pyramids”: by pawning already purchased shares, they bought new shares for the loan they received, etc. And while the quotes were growing, this strategy gave a good income. Some of the shares were not secured by real assets. The manipulation of prices and collusion between speculators who took a wide scale relying on powerful information and financial support inflated prices for the papers they needed. At the same time, the P / E ratio (price / earnings) was normal for most companies, amounting around 14-19 for various groups of stocks in 1929 [6, 3].

In the spring of 1929 the FRS banned member banks from issuing loans to buy shares. In March 1929 there was a slight drop in the market,



but then quotations resumed their growth. On September 3 the index reached its maximum – 381.17. On Thursday, October 24, 1929 when the Dow Jones Industrial Average was at 381.17, the bubble burst and the panic sale of shares began [6], Fig.1 .

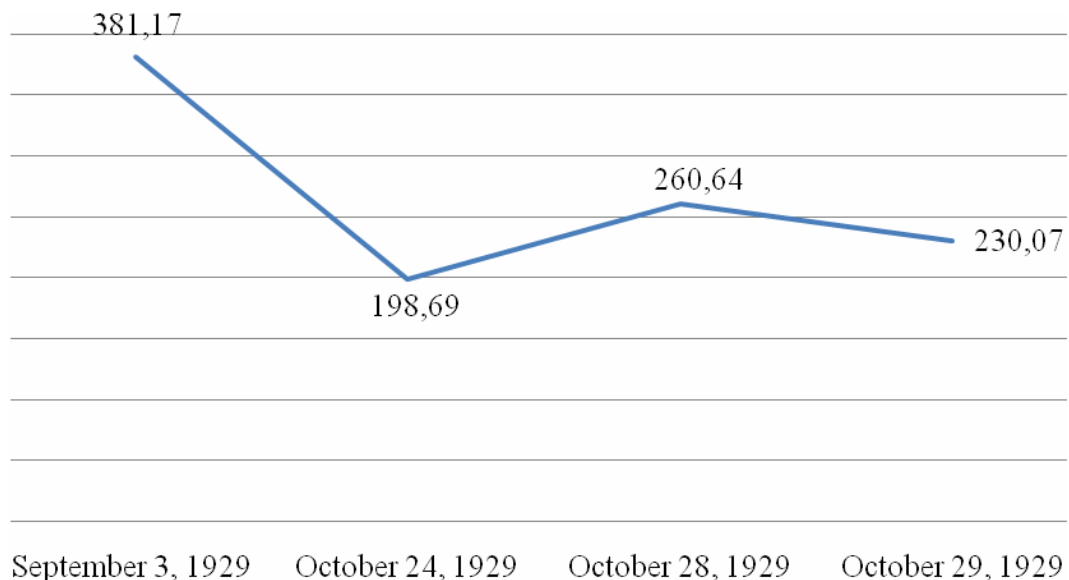


Fig. 1. Changes in the Dow Jones Industrial Average in September-October 1929. Compiled by the author [6, 3].

Trying to sell their shares before they completely depreciated, investors sold 12.9 million securities on that day. During one day the Dow Jones index decreased by 11%. During the following days about 30 million shares were sold, setting the Guinness record for sales of shares on October 29 – 16.2 million, so the prices collapsed ruining millions of investors. In general, during the week of market panic the market fell by 40% and lost about \$ 30 billion in value – more than the US government has spent during the First World War [7].

Pursuing a policy of non-interference of the state in the economic life, US President Herbert Hoover did not take serious measures. He made speeches about the imminent end of the Great Depression but neither he nor the secretary of the Treasury Mellon reacted to unpaid loans and a lack of monetary assets [3, 4].



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## THE GOLDEN RULES OF CUSTOMER SERVICE

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**Pavlenko A.G., Ryzhikov Y.A., Oliylyk N.A. The Golden Rules of Customer Support.** The article considers the problems arising in customer service area and the ways of dealing with them; examines the experience of the company Southwest Airlines in customer support as a new trend in the world service business. Their financial performance was compared with United Airlines and Delta Airlines in terms of the relationships between clients and employees, top management and their staff.

**Keywords:** business strategies, competitive advantages, customer service, customer support.

**Павленко А.Г., Рижиков Є.А., Олійник Н.А. Золоті правила підтримки клієнтів.** У статті розглядаються проблеми в сфері технічної підтримки клієнтів та шляхи їх вирішення в компаніях; досліджується досвід авіакомпанії Southwest Airlines (Саутвест Ейрлайнс) в технічній підтримці як нова тенденція в світовому сервісному бізнесі. Дослідження охоплює порівняльну статистику фінансової діяльності компанії з Delta Airlines (Дельта Ейрлайнс) та взаємини між клієнтами й працівниками, вищим керівництвом і підлеглими.

**Ключові слова:** конкурентні переваги, стратегії підприємства, обслуговування клієнтів, технічна підтримка клієнтів.

**Павленко А.Г., Рыжиков Е.А., Олейник Н.А. Золотые правила поддержки клиентов.** В статье рассматриваются проблемы в сфере технической поддержки клиентов и пути их решения в компаниях; исследуется опыт компании Southwest Airlines (Саутвест Эйрлайнс) в технической поддержке как новая тенденция в мировом сервисном бизнесе. Исследование охватывает сравнительную статистику финансовой деятельности компании с Delta Airlines Дельта Эйрлайнс и взаимоотношения между клиентами и сотрудниками, высшим руководством и подчиненными.

**Ключевые слова:** конкурентные преимущества, обслуживание клиентов, стратегии предприятия техническая поддержка клиентов.

Nowadays, it is much harder to attract new customers because of fine-tuning the product so you have to think properly before you come up with a new business idea and that is why all that remains is customer service of the company. Imagine 2 shops with almost identical types of items but the service is different. In the first store you face the staff who seem to be exhausted even before they come to work and, in the second store you have people who adore their job. They know every aspect of the product they sell, and it is a pleasure for them to satisfy your needs – this is why it is important to consider customer support rules in order to understand how it affects companies and how they can achieve success.

The s u b j e c t of the article is the phenomenon of customer service in the modern business world. The p u r p o s e of the article is to examine the impact of customer service on business performance. The r e l e v a n c e of the study is determined by the possibility to apply the experience of leading companies to the marketing model of any business in the service sector.

According to W. Band, a partner with the Strategic Management Practice, “the battle for repeat business is critical to long-term success in today’s intensely competitive marketplace. Customer service is not just a competitive edge. In many industries it is the competitive edge. Service is the new standard by which customers judge performance” [4, p. 1]. To benefit from customer service the company should focus on the following:

- Management commitment. This is the main premise for the success of customer support improvement program. Do not try to use loud advertising slogans if the highest management does not believe in individual approach for each customer and in quality service;
- Sufficient funding. A company spends a lot of money on professional development and implementing of a customer service with a big pleasure;
- Noticeable improvement in customer satisfaction. It is essential to make changes and update your products and service. Therefore, staff and their work should be much better than at competitors;
- All employees should be involved in this process. Each worker should realize how his attitude toward a client affects client’s perception of service quality and even a quality of a product [4].

Whenever the above listed standards are maintained there is a necessity to prepare personnel to accommodate customers. Nowadays companies do not attribute significance, but when there is a highly competitive market with almost similar products, they need to provide much better service to win the competition.

Loyal customers who make repeated purchases because they like the service yield 65% of a typical organization's volume, but most businesses do not understand that customer service is all about selling as it inspires customers to return more often and buy more. Loyal clients are the people who spread positive word-of-mouth advertising by telling others about your company [1].

Customer support is an important part for any company to prosper and improve well, which means that it is essential for organizations to introduce specific rules which all employees from the lowest to the highest level of organization need to follow. Here is the list of such rules provided by Lauren Schneck, Director of Marketing Communications at LiveHelpNow:

1. Provide quick responses and solid answers. Clients are willing their advisers to be confident in their speech because it shows that the worker understands what he says and you will not face any confused situations in the future.

2. Acknowledge that all cases are not equal. It always comes the moment when you face the case unlike all others. Here you have a chance to test your reaction, knowledge, emotional endurance etc. Using the same approach to all customers will never satisfy everyone.

3. Accept criticism. Do not consider the criticism as a bad thing which ruins your work. It is an important part of your life because it allows you to see problems from the other point of view.

4. Invite feedback. Feedback is the cheapest way to make changes in the structure of your company. But to receive right feedback you need to be a good listener and a speaker.

5. Value and empower your customer service employees. Provide employees with constant training. Share your experience with them and behave like you are not a supervisor but a friend. What is obvious to you is not always obvious to them. Give examples, appreciate their

participation, give them a feedback from your point of view, hold team building events [2].

It goes without saying that the most effective business strategies developed today are those that take a service orientation. Customer service is a vital function of any well-run company's operation. Even in the absence of advertising and other marketing, when a business successfully adopts a professional service strategy, then sales, profit, and return on investment usually improve geometrically — not just proportionately. Customer satisfaction and loyalty increase, and customer complaint numbers drop. [4, p. 18]

Jan Carlzon, the former president of the Scandinavian Airlines System, states that they have oriented themselves to become a customer-driven company that recognizes that its only true assets are satisfied customers, all of whom expect to be treated as individuals and who won't select them as their airline unless they do just that so as you can see there is no better illustration of the value of customer loyalty that the consequences of disloyalty and loss of customers [4, p. 21].

Southwest Airlines is the largest carrier of passengers in the U.S. with 481 Aircraft. Herb Kelleher, CEO, founded Southwest in 1966 with \$10 000 of his own money. His stake is now worth more than \$500 million. The name 'Southwest' became synonymous with Customer Service and a great place to work. Herb Kelleher argues, "the culture of Southwest is probably its major competitive advantage, but the hardest things for someone to emulate is the spirit of your people.", so the employees own about 13 percent of the corporate stock [4, p. 4].

Southwest Airlines achieved a profit of \$587 million in 2006 on revenues of \$9.1 billion, up 20 percent vs. \$425 million in profit in 2005, its 34th consecutive year of profitability. No other airline in the world can match this. For 2004, Delta lost \$3.3 billion and United lost \$1.2 billion. Southwest Airlines, after September 11, 2001, was the only U.S. carrier to not lay off any employee of furlough any planes. Its profit in 2001 was \$511 million. Each of the major U.S. airlines lost billions of dollars per year through 2006 while Southwest made millions. Southwest forced the major U.S. Airlines into bankruptcy because of its low prices and superior service [3].

According to the figures mentioned above, there follows the conclusion that lack of fear towards social disturbances is justified by their customers' loyalty. The result of it is that the number of regular customers increases and there is the point where a stable development has its roots. The more clients feel that a product of a company is accessible at any point of time the more they want to buy it as it allows them to get rid of some minor problems which happens in their lives every day. Also, it is similar to the chain reaction because their loyalty starts the process of giving advice to their friends and colleagues.

Southwest's market capitalization is greater than that of all the major U.S. competitors combined. They know that they are in the service business while their competitors believe they are in the airline or transportation business.

Southwest Airlines is an exceptional example of how customer service can mislead all competitors and cause them to bring any changes in their business strategy but still be behind the leader. They brought a new trend into the world market – to consider any industry in terms of its relation to people, as a service business. Such changes in the company policy towards their way of doing business affect each customer without any exceptions. So far, only Jetblue has decided to copy Southwest's speed, technology, and price built around the service.

To sum up, customer support is a vital part of the stable operating business that can help achieve success and win the competition. Each organization should have customer support department in order to reduce the quantity of arising clients' complaints and provide sustainable development. If it functions properly, companies can increase their customers' loyalty and make them repeat the business but if it is ignored by organizations, constant problems are certain to arise. The golden rules existing in companies should be accepted according to specific features of the organization to extend possibilities of growth and development. Therefore, top management need to invest money and time in customer support area.



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## **FOREIGN TRADE POLICY OF THE EUROPEAN UNION: PROBLEMS AND PROSPECTS**

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**Pivovar D.O., Pirog I.I. Foreign trade policy of the European Union: Problems and Prospects.** The article analyzes the peculiarities of functioning of the EU foreign trade system in the current conditions of development, elucidates the main directions of modern changes in the regulation of trade relations of the EU countries, highlights the main aspects of the structure of EU foreign trade. Also, the article deals with the main problems of the EU foreign trade policy and prospective ways of its development.

**Keywords:** EU, politics, relations, development, foreign trade, regulation.

**Пивовар Д.О., Пірог І.І. Зовнішньоекономічна політика Європейського Союзу: проблеми та перспективи.** У статті проаналізовані особливості функціонування системи зовнішньої торгівлі ЄС в сучасних умовах розвитку, з'ясовані основні напрями сучасних змін в регулюванні торговельних відносин країн ЄС, висвітлені основні аспекти структури зовнішньої торгівлі ЄС, описані основні проблеми зовнішньоторговельної політики ЄС та перспективні шляхи її розвитку .

**Ключові слова:** ЄС, політика, відносини, розвиток, зовнішня торгівля, регулювання.

**Пивовар Д.О., Пірог І.І. Внешнеторговая политика Европейского Союза: проблемы и перспективы.** В статье проанализированы особенности функционирования системы внешней торговли ЕС в современных условиях развития, выяснены основные направления современных изменений в регулировании торговых отношений стран ЕС, освещены основные аспекты структуры внешней торговли ЕС, рассмотрены основные проблемы внешнеторговой политики ЕС и перспективные пути ее развития.

**Ключевые слова:** ЕС, политика, отношения, развитие, внешняя торговля, регулирование.

The r e l e v a n c e of the article is that at the moment the EU is the only integration association that possesses a unique qualitative status, embodied in a combination of the features of the integration association on the territorial basis and the presence of legal documents, characteristics of the content and purpose-setting for international organizations. The o b j e c t of the research is the European Union itself, as an international integration association. The subject of the research is the current state of the EU foreign trade system, as well as the main difficulties and prospects of its development. The p u r p o s e of this article is to focus on the main objectives of the EU in terms of foreign trade policy, as well as to define the difficulties and perspectives of this organization in this field.

The European Union is by far the most active in trade on the world market among integration associations. EU Member States unites 28 countries whose common idea is to properly manage advanced technologies and resources to secure their future. The idea that a united Europe should act on the world stage as a whole has become an incentive for the EU co-operation in developing a consistent approach to foreign policy. Over the past two decades, the European Union has stepped up its efforts to ensure that its role in resolving international politics is more in line with its economic status [3].

The European Union consists of various institutions that co-form the policy of the European Union. When analyzing the structure of the European Union, its peculiarity should be taken into account: the EU is an alliance of states and peoples. It is not an alliance or federation of states and acts as an intermediate form of these two classic models.

The EU demonstrates how countries can integrate their political and economic resources into a common interest. In all countries of the Union, there is a standardized system of laws through which a common market was created, which guarantees the free movement of goods, services, capital, people, including the abolition of passport control within the Schengen zone, including both Member States and other countries. The EU faces many challenges, but one of the main ones is the expansion of the territory of peace, security and prosperity beyond the borders of the EU, as well as the expansion of opportunities and the improvement of foreign trade [3].

For the EU, the regulation of foreign trade has always been a matter of not only economic, but also political, so the EU's trade policy is a tool for realizing geopolitical interests for specific countries and regions. The main directions of modern changes in the regulation of trade relations of the European Union countries should be highlighted, such as certain changes in the choice of applying foreign trade regulation methods from tariff to non-tariff, supporting free trade principles, regulation is regional in nature, protecting the interests of EU members as a whole and contributing to their economic integration, changes in the purpose of state regulation of competition in relation to interstate mergers of companies [5, p. 147–149].

One of the important reasons for such changes in the regulation of foreign trade in the EU countries was the pursuit of a policy of unifying the tax systems of the associated countries in order to create a common market. It is impossible to ignore the fact that the EU has a great influence on the world economy, being the largest donor together with its member states; the EU helps poor countries economically and contributes to business development in member countries [4].

The common foreign trade policy of the member states, the absence of restrictions within the EU, the particular use of tools, foreign trade policy measures and preferences across the groups of countries, the constant spread of the groups, has both positive and negative consequences for the main partners and competitors of the EU – all this can be attributed to modern features of the European Union's trade policy. It should be noted that in the external trade of the EU countries there is a tendency to increase in distance trading. Also, the peculiarities of the EU's foreign trade include the fact that most developing countries have huge benefits in foreign trade with EU countries because the EU has signed the Lomé Conventions.

Achieving economic unity and equal development of all EU member states is becoming increasingly problematic, since many applicant countries with a relatively low level of economic development and a weak technical infrastructure do not meet the EU for accepting new members [4, p. 37].

The following aspects in the fields of foreign trade and investment policy are planned to be looked into and improved by the end of 2020:

- reduction of barriers in foreign trade with the main foreign trade partners;

- improvement of international regulatory cooperation while maintaining high European standards, making efforts to eliminate non-tariff barriers, ensure effective management of customs, especially the movement of goods through international supply chains at the bilateral and international levels;

- encouragement of innovation and technological exchange;
- simplification of free movement of labor between countries [1].

**C o n c l u s i o n .** The European Union's new strategy regarding free trade is treated as the most important lever of economic recovery and stabilization of post-crisis development. According to the forecasts of the European Commission for the next 10 to 15 years, more than 90% of global demand will be concentrated outside the European Union. In relation to this statement, the key priority of the EU trade policy is opening of foreign markets for the European business.

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## CURRENT ASSETS FINANCING OF AN ENTERPRISE

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**Pochueva A.V., Kasianova V.G. Current Assets Financing of an Enterprise.** The article is devoted to theoretical, methodological and practical aspects of company current assets financing. It allows to investigate the basic principles, methods and means of determining needs to finance current assets of the company and develop ways to improve the management of company current assets financing.

**Key words:** current assets, policy and strategy of current assets financing, efficiency of current assets financing management.

**Почуєва А.В., Касьянова В.Г. Фінансування оборотних активів підприємства.** Статтю присвячено теоретичним, методичним і практичним аспектам у фінансуванні оборотних активів підприємства. Представлена робота дозволяє дослідити основні засади, методи та засоби визначення потреби фінансування оборотних активів підприємства та розробки шляхів покращення управління фінансуванням оборотних активів.

**Ключові слова:** оборотні активи, політика та стратегія фінансування оборотних активів, ефективність управління фінансуванням оборотних активів.

**Почуева А.В., Касьянова В.Г. Финансирование оборотных активов предприятия.** Статья посвящена теоретическим, методическим и практическим аспектам финансирования оборотных активов предприятия. Представленная работа позволяет исследовать основные методы и способы определения необходимости финансирования оборотных активов предприятия и разработки путей улучшения управления финансированием оборотных активов.

**Ключевые слова:** оборотные активы, политика и стратегия финансирования оборотных активов, эффективность управления финансированием оборотных активов.

In conditions of integration of Ukrainian enterprises into the international economic space, there emerges a necessity for a unified

interpretation and methodology of the study of such a diverse economic category as "current assets", which is relatively new to Ukrainian economic theory and practice.

The importance and relevance of the study of financing of company current assets is unquestionable. In general, much attention is paid only to the issue of the effectiveness of the formation, use, planning and financing of current assets in the operating or investment process in the overall management system. In this case, financing of current assets is a relatively new area of functional management of an enterprise. It is a system integrating the methodological principles of financial management, innovation management, accounting, control, logistics and other special fields of knowledge.

Nowadays, when the Ukrainian economy has switched to market functioning methods, each enterprise independently decides what products should be released and at what prices to implement them. At the same time, the effectiveness of a company becomes a prerequisite for survival in the competitive environment of market economy. This is achieved, first of all, by the successful management of an enterprise on the whole, and its production process, in particular.

It is important to note that elaboration of efficient production process is impossible without rational organization of asset management of an enterprise, including current assets.

The study of the problems in organization of accounting and analysis, in particular, planning and financing of current assets, can be found in the scientific works of such national scientists and economists as I.A. Blank, L.A. Lakhtionova, O.V. Pavlovskaya, N.M. Prytulyak, N.Y. Nevmerzhitskaya, M.Y. Korobova, Izmaylova etc. Among the foreign authors, this issue was considered in the scientific works of M.I. Bakanova, I.T. Balabanova, V.V. Kovaleva, M.N. Kreinina, V.F. Palia, R.S. Sayfulin, A.D. Sheremeta, etc. Also, this issue was considered by such economists as A. Smith, J. Stuart Mill, K. Marx, M. Matthew, P. Perer, etc.

The o b j e c t of the research are current assets of an enterprise and management of their financing.

The s u b j e c t of the research is theoretical, methodological and applied aspects of the formation of the mechanism of current assets financing of the enterprise.

It should be noted that planning and financing of current assets need further research due to the difficulty of forecasting the value of current assets in unstable economy.

The a i m of the study is to summarize theoretical and methodological grounds regarding the current assets financing of an enterprise and to make proposals for improving the efficiency of current assets financing management.

The t a s k s are the following ones:

- to reveal the essence and structure of current assets of an enterprise and to consider approaches to their classification;
- to investigate the policy and strategy of current assets financing;
- to characterize the system of indicators of efficiency to manage current assets of an enterprise;
- to characterize the current assets financing sources of a company;
- to explain the appropriate current assets financing policy of a company;
- to calculate the planned needs in current assets in the perspective period;
- to develop general recommendations for increasing efficiency of current assets financing management.

All Ukrainian research institutes are independent economic entities that have the rights of legal entities and carry out production, research and commercial activities in order to receive the corresponding profit based on the decisions of the founder of their property with the right to hire a workforce.

The i n f o r m a t i o n b a s e of the study are legislation and regulations in the field of financial and economic activity of the enterprise management, official materials of the State Statistics Committee of Ukraine, textbooks, manuals, monographs, scientific articles, materials of scientific conferences, accounting and reporting data of Ukrainian research institutes. The basis of the study is a systematic approach. In order to study the economic essence of current assets of the enterprise and to justify the



approaches to planning their volumes, general scientific and specific methods were used: theoretical generalization, dialectics, scientific abstraction and logical analysis; comparative analysis, situational approach, induction and deduction; to determine the trends in current assets management and assess the effectiveness of their formation and use there were used observation, grouping, economic and financial analysis. Logical methods have been applied in developing recommendations for increasing efficiency of using current assets of an enterprise.

In general, the term "current assets" is treated differently, depending on the stages of economic development. Thus, in political economy generalizations of the concept of current and fixed capital were introduced by Adam Smith [8]. The scientist considered the way in which they bring income as one of the differences between them. The scientist noted that the current capital which can give income to its owner may be used only in one way: when using it in the circulation.

At the same time, Adam Smith divided current capital into:

- 1) money in circulation;
- 2) edible supplies that are in the hands of both producers and merchants which are for sale with benefits;
- 3) materials for accommodation, clothes, pets, jewelry, more or less finished or in the hands of workers for their final production and circulation;
- 4) finished and usable goods in warehouses and merchants stores that are stored for the purpose of selling them with profit or which are on ships or in carts that carry them to the account of buyers or consumers".

John Stuart Mill clearly pointed out the multiple participation of fixed capital in the production process. The researcher noted that a significant part of capital, embodied in tools of production, characterized by a more or less long existence, is not excluded from it, but remains in it, and the function of this part of capital is not limited to a single use [2].

The division of assets on the current ones and fixed ones was also studied by K.Marx, M. Matthew and P. Perera [6]. The authors note that the division of assets into fixed ones and current ones is borrowed from the practice of accounting in the economy through the judicial sphere at the end of the nineteenth – the beginning of the twentieth century. It was believed

that one of the main benefits from the division of assets into the fixed and current is the ability to evaluate, based on this, the liquidity of the entity. Some scientists propose to balance current assets properly with the help of equity and loans at enterprises. Let us consider the advantages and disadvantages of it.

### **Advantages and disadvantages of using equity and loan capital**

Using of equity	
Advantages	Disadvantages
1. Making profit 2. Create enterprise autonomy, increasing financial independence, providing a reserve to avoid bankruptcy	1. The lack of a broad scope of ways to attract additional resources to increase 2. Failure to higher profitability and higher cost of own-source funding
Using of loan capital	
Advantages	Disadvantages
1. The ability to continuously attract the necessary financial resources 2. Opportunity to expand the enterprise at a faster rate	1. The increase in financial dependence and growth predicted probability of bankruptcy. 2. Reducing the amount of possible profit

Thus, the implementation of management of the borrowed capital in the company is an important factor to consider the optimal ratio of debt to equity, given the possible advantages and disadvantages regarding their use.

In managing borrowed capital on the basis of financial statements, it is useful to assess its general scope and dynamics, matching the pace of change in the rate of change of debt liabilities, changes the proportion of debt in the total amount of financial resources. The value of each element of debt according to the balance must be estimated by the weights of total capital and currency balance and to follow their dynamics during the reporting period. In terms of the administrative system, the concept of "currentfunds" was more common. Understanding the essence and functions of currentfunds was at that time monotonous. The main function

was considered as settlement and payment services of funds circulation, financing of the current costs of an enterprise. The current funds include the amounts needed to purchase materials, raw materials, wages for production and administrative personnel, for paying taxes and other expenses paid by an enterprise in the current period.

In particular, to simplify, current assets began to be identified with current funds. International Accounting Standard [1] «Presentation of Financial Statements» states that "Current assets are cash and cash equivalents that are not restricted in use, as well as other assets intended to be realized or consumed during the operational cycle or during twelve months from the balance sheet date".

After analyzing the definitions of current assets, we propose our own definition of this concept. Current assets are a set of property values of an enterprise serving the current economic process and are fully or partially consumed during one operating (production and commercial) cycle. As a rule, current assets include revolving funds and funds of circulation

In recent years, in the industrial sector of Ukraine's economy, the share of revolving funds in the amount of current assets averaged to 70-72%, and the share of funds of circulation was 28-30% [4]. Revolving funds are a part of the production assets of an enterprise which are fully consumed in each technological cycle of manufacturing products and completely transfer its value to the value of these products. Revolving funds of an enterprise have tangible and cost form.

Such factors affect the structure of current assets:

- duration of the production cycle;
- level of specialization, concentration, cooperation of production;
- location of an enterprise;
- the complexity of products being produced;
- terms of delivery;
- product completeness and packaging requirements;
- payment system and payment discipline.

In modern conditions of management, an enterprises of all forms of ownership are given a wide independence in maneuvering of current assets. They have the right to determine the planned need for current assets and manage them during the year. The net profit remaining at the disposal of an

enterprises may be used to form reserve funds intended to cover losses and unpredicted losses.

Theoretical foundations of financing current assets of enterprises are reflected in the works of Western scholars: Eugene F. Brigham [11], J.C. Van Horne [9], S. Vishwanath [10]. Ukrainian scientists have made a significant contribution to the development of the theory and practice of managing current assets of enterprises, among them A. Baldinuk [11], I. Blank [11], A. Semenov [11], and Russian economists V. Kovalev [11], and others. To survive in a market environment, each enterprise must ensure the efficient use and acceleration of the turnover of current assets, maintain a sufficient level of solvency and liquidity of the balance sheet.

Under these conditions, an enterprise must develop a policy of integrated operational management of current assets, consisting of:

- the choice of the optimal level and rational structure of current assets, taking into account the specifics of an enterprise activity;
- determination of the size and structure of sources of financing of current assets.

The definition of sources of current assets formation is an important task for an enterprise, since they provide a continuous process of production, and their lack can lead to a reduction in production, and as a consequence – of a decrease in profits. Thus, the choice of the appropriate sources of funding in order to manage current assets of a company ultimately determines the ratio of the parameters of the efficiency of the use of current assets and the level of risk affecting its financial stability and solvency.

Therefore, the choice of appropriate sources of funding for the management of current assets of a company ultimately determines the ratio of the parameters of the efficiency of current assets and the level of risk affecting its financial stability and solvency. The purpose of the strategy of financing current assets is to choose the optimal level and rational structure of current assets, taking into account the specifics of each enterprise.

Therefore, strategies for financing current assets are based on the chosen policy of managing current assets. In trade, compared with other spheres of the economy, the share of current assets in the property of enterprises is the highest. The financial condition of enterprises depends

directly on the structure, placement, efficiency of use and structure of sources of current assets financing.

State of current assets is availability of current assets at a certain date of the reporting period. Comparison of the actual availability of current assets with the norm allows to determine the deficit or surplus of own current assets. The deficit of own current assets – exceeding the normative value of current assets exceeds their actual availability. The deficit of own current assets may result from the fault of an enterprise itself and other enterprises as a result of changes in the conditions of management that are not taken into account in due time, because of natural disasters and for other reasons. Surplus of own current assets is when the actual availability of current assets exceeds their established norm [3].

In conclusion, current assets are an important part of a company's capital and ensure the smooth functioning of the production process. They are constantly in motion, consistently passing the stages of the cycle and changing their shape. Current assets are classified by a number of features: in terms of turnover, by elements, by affiliation, by coverage of valuation, by sources of formation. The basis of rational use of current assets is considered to be their normalization – the definition of the minimum necessary, but sufficient for the uninterrupted process of production value. The criterion for the effectiveness of the use of current assets is their reversibility. The faster the current assets passes all stages of the cycle and return to a company in the form of sales proceeds, the more efficiently they are used. Since the need for current assets exceeds the amount of own sources of funding, there is a need to attract additional financing from the borrowed funds. Management of the use of current assets involves a constant search for factors and reserves to accelerate their turnover.

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## MARKETING RESEARCH OF THE SPORT TOURISM MARKET IN UKRAINE

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**Popova Y.V., Kalyuzhna A.B. Marketing research of the sport tourism market in Ukraine.** This article provides an outline of the level of development of certain types of sport tourism and their territorial organization in Ukraine. The work examines natural conditions for the development of different types of tourism. The results of the conducted analysis of ski areas, resorts and their tourist infrastructure are provided. The territories of the country suitable for mountain-pedestrian routes, water tourism, speleotourism as well as their categories of complexity are also identified in the article.

**Key words:** adventure tourism, category of complexity, health and fitness tourism, sport tourism, resort.

**Попова Є.В., Калюжна А.Б. Маркетингове дослідження ринку спортивного туризму в Україні.** У статті розглядається стан розвитку окремих видів спортивно-оздоровчого туризму та їхня територіальна організація в Україні. Розглянуто природні умови для розвитку різних видів туризму. Наведено результати аналізу гірськолижних районів, курортів та їхньої туристичної інфраструктури. Також наводиться перелік територій країни, придатних для проведення гірсько-пішохідних маршрутів, водних туристських походів, спелеотуризму та визначається їх категорія складності.

**Ключові слова:** екстремальний туризм, категорія складності, курорт, спортивний туризм, спортивно-оздоровчий туризм.

**Попова Е.В., Калюжная А.Б. Маркетинговое исследование рынка спортивного туризма в Украине.** В статье рассматривается уровень развития отдельных видов спортивно-оздоровительного туризма и их территориальная организация в Украине. Рассмотрены природные условия для развития различных видов туризма. Приведены результаты анализа горнолыжных районов, курортов и их туристической инфраструктуры. Также приводится перечень территорий страны, пригодных для проведения горно-пешеходных маршрутов, водных туристских походов, спелеотуризма и определяется их категория сложности.

**Ключевые слова:** категория сложности, курорт, спортивно-оздоровительный туризм, спортивный туризм, экстремальный туризм.

Sports and recreation and amateur active tourism are an integral part of the domestic tourism industry. They promote the development and dissemination of active forms of recreation, and therefore have recreational, cognitive, educational, economic and other functions [2, p. 51–58].

The object of the article is sport tourism market whereas the subject is marketing research of the sport tourism market in Ukraine. The aim of the research in this paper is to analyze the types of sports and health tourism in Ukraine. The necessity to increase touristic attractiveness of the country explains the relevance of the article.

The natural conditions of Ukraine (i.e. climate, vegetation and relief) facilitate the development of both adventure tourism and health and fitness tourism, including sport tourism. The most popular and most widespread type of sport tourism is skiing. Ukraine has available natural resources and preconditions for the development of this type of tourism. In Ukraine, skiing is developing in the Carpathian region, in the territory with low, an average height of 1200–1400 meters, volcanic origin mountains – the Carpathian Mountains.

The Carpathian region is divided into 2 parts – Precarpathians and Transcarpathian. Precarpathians include Lviv, Ivano-Frankivsk and Chernivtsi regions, and Transcarpathia – Transcarpathian region. The most developed ski areas among tourists are Yaremchansky in Ivano-Frankivsk; Rakhiv, Mizhhirsky, Velyky Bereznyansky and Volovetskiy in Transcarpathian; Skolevsky in Lviv and Vyzhnytsky in Chernivtsi region, because they are located in the highest parts of the mountains and have large well-equipped ski resorts [6].

Ukraine has a sufficient number of ski resorts, some of them equipped according to international standards [3, p. 32–40; 4; 5]. The most significant ski resort in Ivano-Frankivsk region is Bukovel; in Transcarpathian – Dragobrat, Pylypets and Krasiya; in Lviv – Slavske and Tysovets; in Chernivtsi region – Mygove.

The structure of accommodation facilities in the resorts is very different. The most common are hotels, private lodging and mini-hotels. Their share in the structure of accommodation is 80% [4; 9, p. 76–81]. Other



facilities include travel, recreation, leisure complexes, motels and resorts. One of the indicators of the analysis of ski tourism is the availability of pricing policies for accommodation, as well as equipment rental and the cost of one climb to the summit. The cost of staying at the ski resorts of the Carpathians varies greatly depending on the accommodation facility (hotel, private board, mini-hotel, tourist complex, recreation center), level of infrastructure and quality of offered services. The most expensive accommodation is represented at such resorts as Bukovel, Dragobrat, Krasia, Slavske, Tysovets, Migove [4; 9, p. 103–111].

An obligatory element of the characteristics of ski tourism is the availability of tourist flows. In 2012, the leader in the number of visits was the ski resort Bukovel – 1.5 million tourists from Ukraine, Russia, Belarus, Moldova and other countries. Another popular resort is Slavske with the number of tourists up to 0.6 million people and the young and prospective resort of Tysovets with 0.035 million tourists [9, p. 237–249].

Not less popular among tourists is hiking, which covers almost the entire territory of Ukraine. Particularly popular mountain-pedestrian routes are in the Carpathians and Crimea. Hiking routes in the Carpathian Mountains are of the I, II and III categories of complexity, because in the Carpathians mountain and highland areas range from very high mountain peaks to the mountains suitable for easy hikes or weekend hikes. Hence, mountain-hiking in the Carpathian and Crimean Mountains has all the conditions for the development of this type of tourism – high mountains and passages, which, in turn, have mountain and water obstacles [1, p. 145–160; 8].

Ukraine has also a fairly dense river system and more than 70 thousand rivers suitable for conducting water tourism trips on collapsible and inflatable craft of different classes. There are 8 large rivers with a length of more than 500 km and 113 rivers with a length of more than 100 km in the territory of Ukraine. The lowest level of difficulty (up to category I) have the rivers of Poles'ka, Pridneprovskaya and the Black Sea lowlands. These include the Dnipro with the right tributaries of Pripyat, Irpin, etc., the right tributaries of Pripyat-Goryn, Stih, Stokhid and the left tributaries of the Dnipro, Desna with the Seim and Ostrom, Sula with Uday, Psel, Vorskla, Samara, Seversky Donets and others. All these rivers are quite accessible to

beginners. The most common rivers for rafting and other types of water tourism are Cheremosh, Sluch, Smotrych, Prut, Chorna Tisza, and others. They differ in the category of complexity, so they are designed for both beginners and professionals [5; 7 p. 106–110].

Ukraine is extremely rich in caves. There are more than 1100 caves of different types from small to gigantic in size in Ukraine. Currently 756 caves are being explored. There are four main areas for conducting hiking in the caves on the territory of Ukraine: the Crimea, Podillya, Bukovina and the Carpathian region. The first three areas are dominated by caves of the horizontal type of various categories of difficulty, and in the Crimea – vertical, as well as combined ones [4].

On the territory of Ukraine such types of tourism as cycling, horse riding, diving are becoming popular. For cycling tours of the 1st and 2nd categories of difficulty the territories of all regions of Ukraine are suitable.

Equestrian tourism, namely, one-day and multi-day horse-riding, is spread in the Crimea, in the mountains of Demerdzhi, Ai-Petri, Ayudag, and also in the Carpathian region. There are 20 and 11 horse clubs that organize such routes in the Crimea and in the Carpathians, respectively [10].

Diving is common in the Crimea, the area of the Tarkhankut Peninsula is interesting in this regard, especially the coast called Great and Small Atles. There are also many sunken ships of interest for exploration. Also, diving is common on the Southern coast of the Crimea (Noviy Svet, Sudak, Karadag) and on the cape of Ayia, in the area of Battleman and in the Blue Gulf near Simeiz. There are 18 diving centers and schools in the Crimea [3, p. 164–171; 10].

There are enough resources and favorable natural conditions for the development of sports tourism in Ukraine. But the low level of development of tourism infrastructure and social standards of the population has led to the fact that sport tourism lags in its development behind global trends in this field [8; 10].

**C o n c l u s i o n .** The collected data prove good prospects for the development of sport tourism, namely, skiing, pedestrian, mountain-pedestrian, water, speleological, cycling, equestrian, diving and extreme tourism in Ukraine. There is a great potential for sport tourism, which can be revealed with the general socio-economic development of the state.

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## **RUMORS AS A PR (PUBLIC RELATIONS) TOOL**

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### **Povelitsa V.V., Broslavska Y.M. Rumors as a PR (public relations) tool.**

The article discusses the problem of rumors as a powerful tool for influencing people both within social groups and between them. The article defines the concept of rumors and analyzes their nature. It researches the technology and causes of the creation and spread of rumors as well as identifies the ways of rumors' neutralization.

**Key words:** rumors, rumors' creation, rumors' neutralization, public relations, PR tool.

**Повелиця В.В., Брославська Є.М. Чутки як інструмент PR (паблік рїлейшнз).** У статті розглядається проблема чуток в якості потужного інструменту впливу на людей як всередині соціальних груп, так і між ними. Стаття присвячена визначенню поняття чуток, аналізу їх природи. Досліджуються технології і причини створення і поширення чуток. Визначено шляхи нейтралізації чуток.

**Ключові слова:** зв'язки з громадськістю, нейтралізація чуток, створення чуток, чутки, PR-інструмент.

**Повелиця В.В., Брославская Е.М. Слухи как инструмент PR (паблік рїлейшнз).** В статье рассматривается проблема слухов в качестве мощного инструмента воздействия на людей как внутри социальных групп, так и между ними. Статья посвящена определению понятия слухов, анализу их природы. Исследуются технологии и причины создания и распространения слухов. Определены пути нейтрализации слухов.

**Ключевые слова:** нейтрализация слухов, связи с общественностью, слухи, создание слухов, PR-инструмент.

The o b j e c t of the article is rumors as a phenomenon in the communicative space. The s u b j e c t of the article is the use of rumors in PR activities. The p u r p o s e of the article is to analyze rumors as a PR tool, to demonstrate the range of tools with the use of rumors in PR activities and develop recommendations to dispel rumors.

Rumors are an important factor in the formation of public opinion, the image of an individual, organization, or enterprise. That is why rumors are of great interest to specialists in various fields: psychologists, sociologists, image-makers, journalists, public relations practitioners, marketing and advertising professionals as well as specialists engaged in information and propaganda support of the activities of state and law enforcement agencies.

Rumors are defined as 1) a circulating form of communication [7, p. 107]; 2) quite a frequent element, a communicative unit of mass communication [6, p. 69]; 3) a communication system that exists in parallel with official sources [8, p. 81]; 4) information distributed without provision of the conventional certificates of authenticity; it is sometimes confirmed, but it turns out to be erroneous in most cases [5, p. 116]; 5) a message that translates itself; message that it is quite difficult to keep [4, p. 490]; 6) an indirect manifestation of certain archetypal manifestations, the collective unconscious; a response to the collective and disturbing expectations that everyone has [3, p. 47]; a response to public perceptions and desires; a form of communication within a crowd [2, p. 12].

There are the following prerequisites for the functioning of rumors: 1) with the development of civilization, the improvement of specialization and division of labor, the complexity of intra-group and inter-group relations, the need for the exchange of information and its collective interpretation has increased; 2) faced with an incomprehensible phenomenon, and not finding a satisfactory explanation, people have long been accustomed to turning to the community for help [1, p. 62].

According to the degree of influence on the psyche of people rumors are divided into those that:

- cause anti-social behavior of certain social groups;
- excite public opinion in certain groups of people or in general, but do not cause clearly expressed forms of antisocial behavior;
- violate organizational and managerial relations and social ties between people and cause panic, riots, etc.

According to the degree of reliability of specified information there are the following types of rumors:

- absolutely unreliable;

- unreliable;
- relatively reliable;
- close to reality [11, p. 18].

Depending on their emotional characteristics, there can be distinguished the three main types of rumors:

a) “Rumor-desire” is a rumor that contains a strong emotional desire that reflects the actual expectations and needs of the audience in which it is distributed.

b) “Rumor-scarecrow” is a rumor that carries and causes pronounced frightening, negative emotional states and moods, reflecting some actual but undesirable expectations of the audience in which it spreads and arises.

c) “Aggressive rumor” is a rumor that not only causes negative states and moods, reflecting unwanted expectations of the audience, but is aimed specifically at stimulating the aggressive action of a rigid and aggressive emotional state. Rumors of this kind arise in situations of acute contradictions related to social, inter-ethnic and inter-group conflicts.

d) “Ridiculous rumors” stand apart from all classifications and typologies of rumors. They can be both terrible, and desirable, and even aggressive, however, their main feature is an obvious absurdity described.

The scheme of rumors’ distribution or translation can be represented as follows (Fig. 1): if the subject (C1) becomes a direct participant, an observer of a bright, exciting event (S), then he may have a desire to share his impressions with someone familiar (C2). Media reports may also be used as such an event. But such an exchange of impressions and thoughts about the event is not yet a rumor. Information about this event becomes a rumor when the second subject has a desire to tell his friends about it (C3). From that moment, we should talk about self-translation of information, which indicates that the message is a rumor [9, p. 74].

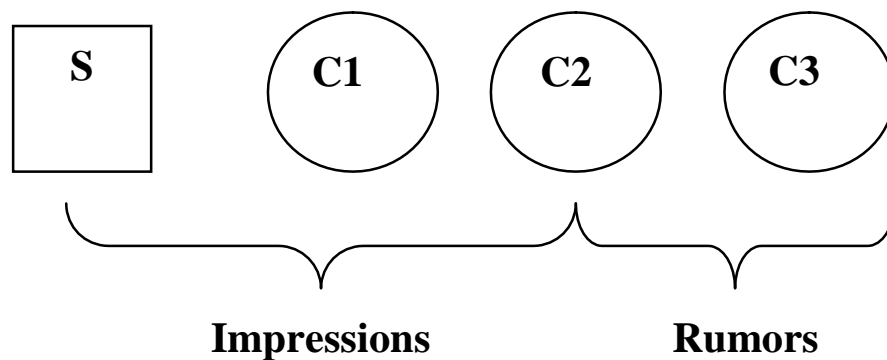


Fig. 1. The scheme of distribution, resale or broadcast of rumors

According to Walter John, an American expert on communication, most often the spread of rumors contribute to the following circumstances: incomplete authentic content of information; lack of authenticity between information from mass communication channels and official sources; lack of satisfaction of the necessary human “ego” (the pleasure of information possession “for official use”); the emergence of doubts as a result of the dissemination of false information; the emergence of the organization staff’s feeling that they cannot take care of their fate or control the situation; long delay in decision-making, which happens due to the importance of the issue under consideration; redundancy of interpersonal antagonisms and organizational conflict; the presence of serious organizational problems [10, p. 13].

Here are some general guidelines for dealing with rumors:

1. Analyze the impact and nature of the rumor before taking corrective action.
2. Try to trace the geography of the spread of rumors (the area in which it is particularly pronounced) and its causes. This will help to identify areas where it is rumored to work at the national, regional or local level.
3. Collect reliable, complete information that will confirm or refute the rumor.
4. When denying a rumor, avoid its repeating more often than necessary.
5. To refute the rumor, use external experts and public bodies that enjoy trust.

6. Try to avoid situations that give rise to rumors.

7. Apply active measures against rumors.

The modern press uses scandalous rumors about different companies in the world. Some companies are trying to increase their prestige by spreading rumors, while others use this tool to oust their competitor in the market of goods and services. Of course, no company is immune from smear campaigns, and in their activities, company managers should take this into account.

As an example of aggressive rumors we can cite the information about the Colgate-Palmolive company in Malaysia, a branch of which in the beginning of 1981 was disturbed by the message that appeared in some newspapers, about the usage of lard in the production of toothpaste. These rumors, which immediately affected the sales of the company's products in some areas, were particularly strong in some rural communities and in some schools, where teachers even advised students who professed Islam to refrain from using this toothpaste.

Due to this, a tough campaign was launched to stop Muslims from using the toothpaste of this company. Officials of some government organizations sent out circulars in which the usage of Colgate toothpaste was declared to contradict Islam.

The company's anti-rumor action plan included the following activities: holding negotiations with Muslim leaders; sending letters to the Headmasters of Muslim schools; releasing a limited series of publications supported by the Islamic press.

However, it is not always possible to stop the rumor completely. It is not uncommon for organizations to be forced to concede. As an example, let us consider the case that happened to the famous American Procter & Gamble company. This powerful corporation has traditionally used the factory brand in the form of a circle, which depicts the face of a man who protrudes from the sickle of the moon, and thirteen stars scattered on a dark background. Back in the late 70-ies, this emblem caused the spread of rumors that the company was using the sign of Satan. The peak of the rumor growth occurred in the summer of 1982, when the company received 15 thousand telephone complaints from consumers within one month. The gossip was refuted the same year on television by the leading American



browser and Evangelist Abigail van Baren. Her sister, the famous columnist Anne Landers, repeated the same denial in 1984. But the greatest concern for the company, whose annual turnover is 13 billion dollars, was caused by leaflets, which soon continued to spread rumors, but at this time with calls for “righteous Christians” not to buy products of the Procter & Gamble brand.

At the same time, the corporation, based in Cincinnati, organized a campaign to send letters to certain addresses, convincing consumers of the groundlessness of the spread fiction. Management was even ready to bring to justice anyone who could be suspected of initiating these rumors. Many people who initially believed such a gossip, changed their minds, but next to them, many continued to believe that “this is probably something there”. Attempts to find someone who spread rumors did not bring results, although the FBI was involved in the search.

Procter & Gamble needed to act decisively. Eventually, the company was forced to cede and remove the traditional factory logo from their products, leaving it only to be used as a logo on documents and letterheads.

To conclude, it should be clearly stated that rumors can lead to a crisis. Therefore, rumors should always be treated objectively in an attempt to ascertain the extent of proliferation and the damage they may cause to the company. A careful study of the dynamics of the spread of rumors, their motivating factors often contributes to the fight against the crisis and helps to overcome its negative consequences.

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**THE ROLE OF INTERNATIONAL MECHANISMS  
FOR THE PREVENTION OF TORTURE, INHUMAN  
OR DEGRADING TREATMENT AS INSTRUMENTS  
FOR THE PROTECTION OF HUMAN RIGHTS**

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**Pozhydaieva I.I., Karpusenko M.V. The role of international mechanisms for the prevention of torture, inhuman or degrading treatment as instruments for the protection of human rights.** The following article shows the main features of the system of international mechanisms and institutions which help to create the appropriate terms in order to prevent particular groups of society from torture, inhuman or degrading treatment. The analysis of international treaties mentions the wide range of norms for the human rights protection and their role for the whole world community.

**Key words:** controlling mechanism, degrading treatment, human rights, inhuman treatment, torture.

**Пожидаєва І.І., Карпусенко М.В. Роль міжнародних механізмів попередження катувань, нелюдського або такого, що принижує гідність, поводження як засобів захисту прав людини.** Дана стаття розкриває сутність системи міжнародних механізмів та інститутів, які сприяють створенню необхідних умов з метою захисту окремих груп суспільства від катувань, нелюдського або такого, що принижує гідність поводження. Аналіз міжнародних договорів вказує на широкий перелік норм захисту прав людини та їх роль для усієї світової спільноти.

**Ключові слова:** катування, контрольний механізм, нелюдське поводження, права людини, таке, що принижує гідність поводження,

**Пожидаева И.И., Карпусенко М.В. Роль международных механизмов предотвращения пыток, нечеловеческого или унижающего достоинство поведения как средство защиты прав человека.** Данная статья раскрывает суть системы международных механизмов и институтов, которые способствуют созданию необходимых условий с целью предотвращения применения к отдельным социальным группам пыток, нечеловеческого или унижающего достоинство поведения. Анализ

международных договоров указывает широкий перечень норм защиты прав человека и их роль для всего мирового сообщества.

**Ключевые слова:** контрольный механизм, нечеловеческое обращение, права человека, унижающее достоинство поведение.

The o b j e c t of the following article is relations between different international institutions which create controlling mechanisms for the protection from torture and society. The s u b j e c t is the system of international controlling mechanisms and their influence on the whole mechanism of human rights protection. The p u r p o s e of the article is to show the big number of various institutions and treaties which have been created with the purpose to prevent humanity from torture, inhuman or degrading treatment. The topic of the article is up-to-date as many people all over the world are still not protected from possible illegal appliance of torture or other cruel actions to them especially if it concerns detainees.

The number of controlling mechanisms and procedures in human rights sphere is highly important nowadays. During the time of making different international documents and agreements they contained articles about the creation of controlling mechanisms for human rights protection. The issue of international mechanisms which deal with the prevention of tortures has been analyzed by such famous Ukrainian and Russian researchers as L. Alekseyev, V. Zhukov, I. Lukashuk, Y. Titov and others.

In the modern world the controlling mechanisms which have an aim to protect human rights have started its formation after World War II, the creation of human right studies and the establishment of the UN. The protection of human rights all over the world is up-to-date issue for the development of society both inside and outside the country. Moreover, international norms which form basic human rights are not able to support the adherence to the proclaimed rights. Thus, it is important to understand that the implementation of the controlling mechanisms was made with an aim to use a protection against torture and other forms of inhuman treatment.

Since the second half of the XX century the complex of controlling mechanisms which deal with an instant protection from torture and other forms of inhuman treatment has been acting. This complex is connected

with the system of international norms in combating tortures and other cruel actions. However, it is worthy to mention that it is connected with the part which contains particular obligations for countries. Such norms are included in the Charter of the United Nations of 1945 [1], Convention on the Prevention and Punishment of the Crime of Genocide of 1948 [2], 4 Geneva Conventions for the Protection of War Victims of 1949 [3], International Convention on the Elimination of All Forms of Racial Discrimination of 1965 [4], International Covenant on Civil and Political Rights 1966 [5], International Convention on the Suppression and Punishment of the Crime of Apartheid of 1973 [6], Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment of 1984 [7], European Convention on Human Rights of 1950 [8], European Convention on the Prevention of Torture or other Inhuman or Degrading Treatment and Punishment 1987 [9], Charter of Basic Rights of the EU of 2000 [10].

Charter of the United Nations (hereinafter – the UN Charter) is one of the main international documents which in its Article 1 mentions the principle of human rights' respect. Article 55 prescribes the norm which prohibits a limitation of human rights with respect to race, gender, language, religion and other aspects. The controlling mechanisms which have an aim to follow the obligations of the UN Charter respecting human rights, including protection from torture and other forms of inhuman treatment are the UN General Assembly and the Economic and Social Council. These bodies are responsible in order to implement all the functions concerning “general respect to human rights for everyone, regardless race, gender, language and religion” (article 55). These mechanisms are universal and they spread their activity all over the world, it is organizational and acts within the framework of inter-governmental organization, it is general as it covers the vast circle of issues regarding cooperation, and finally perspective as it creates all the necessary conditions in order to support basic human rights [1].

The UN Charter influences another controlling mechanism which is the UN Commission of Human Rights (since 2006 it is the UN Council on Human Rights). If we make an analysis of this mechanism it can be described as a universal one (acts all over the world), as organizational

(works within the framework of the UN), branch-wise (covers the whole complex of human rights without any exception), perspective (creates conditions for the preserving of human rights and actions in order to stop violations of basic rights).

International Covenant on Civil and Political Rights 1966 points: the prohibition of torture and other forms of inhuman treatment (Article 4), the prohibition of making scientific or medical experiments with human beings without any consent (Article 7) and the right of the detained for humane treatment and the respect of their honor (Article 10) [5]. The controlling mechanism here is the Committee on Human Rights which was created in 1966 with the purpose to take a control over states' obligations [11, p. 58]. This mechanism is universal and contractual as functions according to international contractual norm.

The International Convention on the Elimination of All Forms of Racial Discrimination of 1965 in paragraph "b" Article 5 foresees the right for personal security and state protection from violence or other physical abuses caused by authorities and other institutions. With the purpose of implementation of such norms the Article 8 of this Convention contains the creation of the Committee on the Elimination of All Forms of Racial Discrimination [4].

International Convention on the Suppression and Punishment of the Crime of Apartheid of 1973 confirmed the term of "apartheid" which means the deprivation of life and liberty from particular racial groups applying serious body injuries, violation of their liberty and dignity by using torture or other cruel, inhuman or degrading treatments or punishments. The international mechanism which deals with this type of crimes is the International Criminal Court based on the Rome Statute of International Criminal Court of 1998 [6]. Another important document is the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment of 1984 which is a specialized international treaty dedicated to the problem of combating torture and other forms of inhuman treatment. International controlling mechanism which is connected with the mentioned Convention is the Committee against Torture created according to the article 17 of the Convention [7]. The Committee controls any situation on 3 levels: receives reports from different countries concerning

applied measures in order to stick to the commitment (Article 19), makes an investigation at the territory of parties to the Convention if there is any information about systematic appliance of torture in the country (article 20) and accepts complaints from one state-party against another state-party and also from individuals from the state where norms of this Convention were violated.

The European Convention of Human Rights of 1950 guarantees in its Article 3 that no one can be subjected to torture or inhuman and degrading treatment or punishment. An international mechanism that controls the usage of norms is the European Court of Human Rights. The jurisdiction of the mechanism covers all the states of the Council of Europe which ratified this convention. It includes all the questions of the mentioned Convention's interpretation including interstate affairs and complaints of individuals [8]. The European Convention on the Prevention of Torture or other Inhuman or Degrading Treatment and Punishment 1987 is a specialized international treaty dedicated to the protection from torture and other forms of inhuman treatment. An Article 1 of the mentioned Convention foresees the creation of the European Committee against Torture [9, p. 5]. The pointed controlling mechanism acts as a non-judicial body which plays a preventive and protective role for detainees against tortures and other forms of inhuman treatment.

Among all other European controlling mechanisms of protection against torture and other forms of inhuman treatment we can mention the Charter of Fundamental Rights of the European Union of 2001. This is one of the most recent documents which foresees the protection of human rights. The prohibition of torture and other similar forms of treatment is mentioned in such articles of the Charter as Article 1 "Human dignity", Article 3 "The right to human integrity", Article 4 "The prohibition of torture, inhuman or degrading treatment or punishment", Article 19 "Protection in case of deportation, expulsion, extradition" [10]. The Charter mentions that every person has the right to own physical and mental integrity. In addition, "no one shall be subjected to torture or inhuman and degrading treatment and punishment according to Article 4. A controlling mechanism which acts under this Charter is the Court of the EU (an institutional element of the EU [12]. The main peculiarity which differs this

mechanism from others that the Court of the EU which is subregional and it means that it spreads the action for the part on the region which includes only the EU states.

To conclude, the research shows the system of international controlling mechanisms against torture and other forms of inhuman or degrading treatment determining their main features and characteristics. The overall picture helped us to observe that there are many organizations and institutions in the world which deal with the issue of protection individuals from torture and they create their own controlling bodies or mechanisms with an aim to provide an effective maintenance of human rights avoiding any violation.

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## **ÜBERGANGSJUSTIZ UND IHRE ROLLE FÜR DIE WELTDEMOKRATIE**

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**Pozhydaieva I.I., Pirog I.I. Übergangsjustiz und ihre Rolle für die Weltdemokratie.** Der Artikel befasst sich mit dem Thema, das für die heutige demokratische Gesellschaft von großer Bedeutung ist, und zeigt die Rolle der Übergangsjustiz auf. Das besondere Beispiel der Übergangsjustiz in Deutschland zeigt einen klaren Geschäftsfall des Übergangs von dem Diktaturregime zur Demokratie.

**Schlüsselwörter:** die DDR, die Demokratie, die Diktatur, die Menschenrechte, die Übergangsjustiz.

**Пожидаєва І.І., Пірог І.І. Перехідне правосуддя та його роль для світової демократії.** Дослідження висвітлює актуальну тему сучасного демократичного суспільства та встановлює роль перехідного правосуддя. На прикладі перехідного правосуддя у Німеччині показано перехід від диктаторського режиму до демократії.

**Ключові слова:** НДР, демократія, диктатура, права людини, перехідне правосуддя.

**Пожидаева И.И., Пирог И.И. Переходное правосудия и его роль для мировой демократии.** Исследование раскрывает актуальную тему современного демократического общества и устанавливает роль переходного правосудия. На примере переходного правосудия в Германии показано переход от диктатуры к демократии.

**Ключевые слова:** ГДР, демократия, диктатура, права человека, переходное правосудия,.

Der Gegenstand des Artikels ist das Verhältnis der internationalen Gemeinschaft zur Übergangsjustiz beim Aufbau von Demokratie. Das Thema ist Übergangsjustiz im historischen und rechtlichen Rückblick in modernen demokratischen Ländern. Der Zweck des Artikels ist es, den Übergangsprozess von der Diktatur zur Demokratie und ihren Einfluss auf die Weltpolitik aufzuzeigen. Die Relevanz des Artikels zeigt sich im

aktiven Aufbau demokratischer Institutionen, die die Menschenrechte schützen und Gerechtigkeit auf der ganzen Welt schaffen sollen. So haben Wissenschaftler wie Weinke A., Romeike S., Wouters N. und andere den Forschungen zu diesem Thema große Aufmerksamkeit gewidmet.

Die Frage der Übergangsjustiz ist sehr populär. Die deutsche Geschichtsprofessorin Annette Weinke definiert den Begriff als Übergangsprozess von Diktaturen zur Demokratie. Übergangsjustiz ist die Wissenschaft, die juristische und nicht-juristische Prozesse abdeckt, die mit Versuchen der Gesellschaft verbunden sind. Die Übergangsjustiz zielt darauf ab, um die Menschenwürde und das Wohlbefinden in Bezug auf die zahlreichen Geschäftsfall von Verstößen und Gräueltaten zu schützen, die sogar von Regierungen bereitgestellt werden [1, S. 25].

Der Übergang von Diktaturen zur Demokratie entwickelte sich allmählich. Es ist wichtig zu erwähnen, dass die Diktaturen in den 1980er Jahren weltweit herrschten. In Lateinamerika gab es beispielsweise Militärdiktaturen (Samosa in Nicaragua, Pinochet in Argentinien und andere). Dann wird jedoch die Zeit der friedlichen Revolutionen in ganz Europa beobachtet. Darunter können wir die Revolution in Polen (Yaruselsky-Regime), die Velvet-Revolution in der Tschechoslowakei 1988-1989, die Revolution in Ungarn 1989, die Revolution in der DDR (Mauerfall), die baltischen Revolutionen und andere erwähnen. Diese Anlässe zeigten Protest gegen autoritäre Regime und eine besondere Herangehensweise an die Errichtung einer demokratischen Gesellschaft.

Ein akademischer Diskurs über Übergangsjustiz fand in den 1990er Jahren statt. Das Ergebnis war die Gründung des Internationalen Zentrums für Übergangsjustiz in New York. Das Internationale Zentrum für Übergangsjustiz ist der Justiz in Ländern verpflichtet, in denen massive Menschenrechtsverletzungen durch Unterdrückung und Konflikt stattgefunden haben. Es hat eine enge Verbindung mit der Vergangenheit von vielen Ländern, einschließlich europäische Länder. Das Zentrum arbeitet mit Opfern, zivilgesellschaftlichen Gruppen sowie nationalen und internationalen Organisationen zusammen, um die Wiedergutmachung der Opfer sicherzustellen und zu verhindern, dass Grausamkeiten erneut auftreten. Ziele, die das Zentrum bestimmt, sind konkret und greifbar. Dazu gehören die Bekämpfung der Straflosigkeit und die Forderung nach

Rechenschaftspflicht für schwere Menschenrechtsverletzungen, die Einrichtung rechenschaftspflichtiger Institutionen und die Wiederherstellung des Vertrauens, der Zugang der Justiz zu den Schwächsten nach den Verstößen und die Sicherstellung, dass Frauen eine wirksame Rolle bei der Verfolgung spielen eine gerechte Gesellschaft, die Wiedererlangung der Achtung der Rechtsstaatlichkeit, Erleichterung von Friedensprozessen und dauerhafte Konfliktlösung, Schaffung einer Grundlage für die Beseitigung der Ursachen von Konflikten und Marginalisierung sowie Sicherstellung, dass die Stimmen junger Menschen zu Themen gehört werden, die sie direkt betreffen, die Ursache der Versöhnung vorantreiben [2].

Man muss auf mehrere Ansätze eines Übergangsjustizsystems hinweisen. Darunter unterscheidet man strafrechtliche Verfolgung, Wahrheitssuche, Wiedergutmachung und Reformen. Es ist auch wichtig, die Punkte wie Bestrafung, Erinnerung und Lustration zu erwähnen. Aufgrund des Lustrationsprozesses waren alle Mitglieder der NS-Kernorganisationen der Entnazifizierung ausgesetzt. Lustration war auch mit Säuberungen verbunden, die als inhärenter Bestandteil der kommunistischen Ideologie und Machtspiele gelten [3, S. 49].

Ein wichtiger Punkt ist die Schaffung neuer Institutionen. Darunter beobachtet man Wahrheitskommissionen und Tribunale. Die bekanntesten waren Ad-hoc-Tribunale in Ruanda, Jugoslawien und anderen Ländern. Die Kommissionen bestimmen das Ziel der Zukunft. Sie ermitteln vergangene Menschenrechtsverletzungen, indem sie alte Dateien öffnen und Nachforschungen anstellen. Anschließend geben sie Schlussfolgerungen und Empfehlungen. Die Wahrheits- und Versöhnungskommission handelt als Justizbehörde, um die Apartheid in Südafrika zu untersuchen. Sie machten also symbolische Geständnisse, die von Verbrechern gemacht wurden, bestrafte sie auch nicht und haben keine Selbstgerechtigkeit. Solche symbolischen Bekenntnisse waren Teil der Kultur. Die Suche nach einer "moralischen Bestrafung" könnte jedoch zur "Markierung" führen und als Folge könnten solche Verbrecher Schwierigkeiten haben, einen Job zu finden oder von der Gesellschaft akzeptiert zu werden [4].

Es ist wichtig, den Hauptunterschied zwischen Wahrheitskommissionen und Tribunalen zu erwähnen. Die Wahrheitskommission hat nämlich die

Aufgabe, ein Fehlverhalten der Regierung in der Vergangenheit aufzudecken und Empfehlungen abzugeben. Tribunals sind die Prozesse, die auf die Beurteilung der Grausamkeit und des Verstößes abgezielt wird. Sie sind beide mit der Untersuchung von Verstößen verbunden, haben jedoch unterschiedliche Vorgehensweisen.

Die Frage der Übergangsgerechtigkeit ist auch in Deutschland aktuell. Dieser Prozess ist mit der Zeit der Existenz der DDR und der Gründung des vereinten Deutschlands verbunden. Der nächste Punkt ist also eine neue Etappe in der DDR-Geschichte. 1990 wurden die ersten demokratischen Wahlen in der DDR durchgeführt. Sie war der Auslöser für den Übergang von einem kommunistischen Regime zu einer wirklich demokratischen Gesellschaft. Es gab ein neues Ziel, eine Reihe wichtiger Reformen durchzuführen, das neue Ministerium für Staatssicherheit wurde eingerichtet. Diese Tatsache war ein auslösender Moment für die aufkommende Idee, Sicherheitsdateien zu vernichten, da dies zur Vergiftung der Gesellschaft und zur Polarisierung führen konnte. Kommunisten suchten nach dem Weg, wie sie diese "gefährlichen" Sicherheitsdateien zerstören können. Diese Versuche waren jedoch nicht erfolgreich. Einige Nachkommen haben alle möglichen Ansätze angewandt, um die Akten vor der Zerstörung zu bewahren. In den Akten befanden sich Dokumente, in denen die spezifische Art der Unterdrückung beschrieben wurde, Berichte von verantwortlichen Beamten, die an einem Unterdrückungssystem beteiligt waren und wahre bürokratische Vertreter waren. Diese Obsession bezog die Bevölkerung in einer „Stasi“-Debatte mit der Annahme ein, dass diese Institution mit zahlreichen negativen Punkten ein wahres Beispiel für das System sein kann [5].

Im Großen und Ganzen war das Image der DDR eher negativ, da viele Menschen Unterdrückung und Unfreiheit empfanden. Der Kontrast zwischen der DDR und dem westlichen Teil des derzeit einheitlichen Landes ist deutlich sichtbar, da die Bürger der DDR immer die Unterdrückung spürten. Es war jedoch vor allem für diejenigen geeignet, die gegen das System ankämpften. Demnach hat die Mehrheit die Unterdrückung nie erlebt. Zu einem Teil eines kommunistischen Systems gehörte der Fokus auf staatliche Unterdrückung und die alte

Bundesrepublik wurde von den Eliten und der Verwaltung der Bundesrepublik dominiert.

Zum Schluss, die Übergangsjustiz kann ein unverzichtbares Instrument im Kampf gegen wiederkehrende Zyklen von Gewalt, Straflosigkeit, gespaltenen Gemeinschaften, Vertreibung, Ungleichheit der Geschlechter, Korruption und Marginalisierung sein. ICTJ kann ihre Pläne und Missionen überall auf der Welt umsetzen, wenn grundlegende Menschenrechte verletzt werden.

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## WHAT ARE THE RISKS AND HOW TO MANAGE THEM?

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**Prihodnaya M.N., Lavrinenko I.N. What are the risks and how to manage them?** The article is devoted to the problem of risk management in entrepreneurial activity. The main levels and methods of risk management and their reduction are considered. Even in the most favorable economic conditions for any enterprise, the possibility of the occurrence of crisis phenomena that leads to losses for the company and its structural components remains. I believe that this article is relevant for Ukraine, as businessmen of our country are afraid of starting a new business, because they believe that this is a risky business, and they can lose everything.

**Key words:** business risks, external risks, internal risks, enterprise risk management, methods for reducing risks, insurance, hedging, reservation of funds, diversification, limiting.

**Приходна М.М., Лавріненко І.М. Що таке ризики, та як ними керувати?** Статтю присвячено проблемі управління ризиками підприємницької діяльності. Розглянуто основні рівні і методи управління ризиками і їх зниження. Навіть в найсприятливіших економічних умовах для будь-якого підприємства завжди зберігається можливість настання кризових явищ, які призводять до збитків компанії і її структурних складових. Я вважаю, що ця стаття дуже актуальна для України, оскільки підприємці нашої країни бояться починати нову справу, тому що вважають, що це справа ризикова, і вони можуть все втратити.

**Ключові слова:** підприємницькі ризики, зовнішні ризики, внутрішні ризики, управління ризиками підприємства, методи зниження ризиків страхування, хеджування, резервування коштів, диверсифікація, лімітування.

**Приходная М.Н., Лавриненко И.Н. Что такое риски и как ими управлять?** Статья посвящена проблеме управления рисками предпринимательской деятельности. Рассмотрены основные уровни и методы управления рисками и их снижение. Даже в самых благоприятных экономических условиях для любого предприятия всегда сохраняется возможность наступления кризисных явлений, которые приводят к убыткам

компании и ее структурных составляющих. Я считаю, что эта статья актуальна для Украины, так как предприниматели нашей страны боятся начинать новое дело, потому что считают, что это дело рисковое, и они могут все потерять.

**Ключевые слова:** предпринимательские риски, внешние риски, внутренние риски, управление рисками предприятия, методы снижения рисков, страхования, хеджирование, резервирование средств, диверсификация, лимитирование.

In the economic system, any type of activity causes the appearance of risks leading to losses (undesirable consequences) of the system as a whole or its structural components.

What are the risks of the enterprise and how to manage them?

I think that these questions are very relevant for Ukraine at this time, as businessmen of our country are afraid of starting a new business, because they believe that this is a risky business, and they can lose everything.

Therefore, there is a "stagnation" of the economy. In fact, entrepreneurs need to learn how to assess the degree of risk of their activities. The risk of an entrepreneur is a risk that one has to take by choice, consciously, because entrepreneurship is a business by its nature associated with an increased risk.

Even in the most favorable economic conditions for any enterprise, there is always the possibility of a crisis occurring. Such an opportunity is associated with risk. The risk is inherent to any sphere of human activity, which is associated with a variety of conditions and factors affecting the positive outcome of decisions made by people. Historical experience shows that the risk of underperforming the intended results became especially apparent when the universality of commodity-money relations and the competition of participants in economic turnover were manifested. Therefore, with the emergence and development of capitalist relations, various theories of risk appear, and the classics of economic theory devote much attention to the study of problems of risk in business.

To survive in the conditions of market relations, it is necessary to decide on the introduction of technical innovations and bold decisive actions, and this increases the risk. So, the main task of an entrepreneur is



the ability to assess the degree of risk and the ability to manage it, and not to avoid it.

Basing on these conditions, we can give a definition of risk.

Risk is an action performed in conditions where, in case of failure, there is a possibility of being in a worse position than before the choice.

Risks are divided into external and internal ones.

External:

Country risk is a risk directly related to the internationalization of business activities. They depend on the political and economic stability of countries – importers, exporters.

Currency risks are the risks associated with changes in exchange rates.

Tax risks are considered from two positions – the entrepreneur and the state.

The tax risk of an entrepreneur is associated with possible changes in tax policy (the emergence of new taxes, the elimination or reduction of tax benefits, etc.), as well as changes in the value of tax rates.

The tax risk of the state is the possible reduction of budget revenues as a result of changes in tax policy or the value of tax rates.

The risk of force majeure is the risk of natural disasters (natural disasters: floods, earthquakes, storms and other climatic cataclysms), wars, revolutions, putsches, strikes, etc., which prevent the entrepreneur from carrying out his activities [5].

Internal

Organizational risk is risk due to deficiencies in the organization of work.

Portfolio risk is the probability of loss for individual types of securities, as well as for the entire category of loans.

Credit risk (debt default risk) is the risk that a borrower fails to pay principal and interest on it in accordance with the terms and conditions of the loan agreement.

Innovation risk is the risk associated with the financing and application of scientific and technical innovations.

Changes in the external environment require constant updating of the enterprise management system. The risk category is one of the leading

places. Let us cite the words of R. Waterman, which most accurately show the significance of risk in the process of modern management: “A really difficult problem is to find and maintain a balance, or perhaps it would be better to say dynamic imbalance. Change is the risk of something. This plunges us into insecurity. Not changing means risking even more, but this is rarely felt that way. Renewable organizations find a delicate balance and manage it: so much security that people take risks, so much uncertainty that people try ”[3]. For the stable operation of the enterprise, it is necessary to take measures to reduce the level of entrepreneurial risk. The development of risk reduction methods requires the identification of relevant factors, its generators, and an assessment of their significance.

Enterprise Risk Management allows management to operate effectively in the face of uncertainty and associated risks and to use opportunities, increasing the potential for growth in the value of a company.

The cost growth will be maximized if management determines the strategy and goals in such a way as to ensure the optimal balance between the growth of the company, its profitability and risks; effectively uses the resources necessary to achieve the goals of the organization.

After we have identified the risks we need to reduce them by all possible methods.

#### Business Risk Reduction Techniques

The most common, widely used and effective methods of preventing and reducing risk are:

- insurance;
- reservation of funds;
- diversification;
- limiting.

- Insurance is one of the most common ways to reduce risk.

Insurance is an agreement according to which the insurer (for example, any insurance company) for a certain conditional remuneration (insurance premium) undertakes to pay damages or part thereof (insurance amount) to the insured (for example, the owner of any object) that occurred as a result of in the insurance contract of dangers and accidents (the insured event) to which the insured or the insured property is subject [6].

So, insurance is a set of economic relations between its participants regarding the formation of a trust insurance fund at the expense of monetary contributions and its use for compensation of damage and payment of insurance sums. Insurance is the transfer of risk for remuneration to any other participant, that is, the distribution of damage between the participants of insurance.

- One of the specific forms of property interest insurance is hedging.

Hedging is a system of measures that allows eliminating or limiting the risks of financial transactions as a result of adverse changes in the exchange rate, prices of goods, interest rates, etc. in the future. Such measures are: currency reservations, forward operations, options, etc. [6].

So, hedging using options provide for the right (but not obligation) of the insured for a certain fee (option premium) to buy a predetermined amount of currency at a fixed rate at an agreed time. Here the value of the option (option premium) is an analogue of the insurance premium.

- Reservation of funds (self-insurance) is a way to reduce the occurrence of risk events. So, the entrepreneur creates funds to compensate for losses at the expense of part of their own working capital. As a rule, the entrepreneur chooses this method of risk reduction in cases where, in his opinion, the cost of reserving funds is less than the cost of insurance premiums for insurance.

- Diversification is the process of distributing invested funds among various investment objects that are not related to each other. In most literary sources, diversification is considered as an effective way to reduce risks in the process of managing a securities portfolio. Diversification is a risk management technique that mixes a wide variety of investments within a portfolio. The rationale behind this technique contends that a portfolio constructed of different kinds of investments will, on average, yield higher returns and pose a lower risk than any individual investment found within the portfolio.

- Limiting is the establishment of a system of constraints, both at the top and at the bottom, which helps to reduce the risk In entrepreneurial activity, limiting is most often used when selling goods on credit, granting loans, determining the amount of capital investment, etc. First of all, this refers to cash, that is, the establishment of maximum amounts of

expenditures, loans, investments, etc. An example of a limit is the establishment of a higher limit of the amount that the insurer can keep on his withholding. Exceeding this amount entails a waiver of insurance or the use of such forms as co-insurance or reinsurance [6].

Also one of the ways to reduce the risk is to obtain complete information. With more information available, consumers can make a better prediction and reduce risk. Provision of that information is a valuable commodity; people are willing to pay for it. In practice, the most effective result can be obtained only with the integrated use of various methods of risk reduction. By combining them with each other in a wide variety of combinations, it is also possible to achieve an optimum correlation between the level of risk reduction achieved and the additional costs necessary for this.

So, to avoid risk in business is almost impossible, but you can reduce the degree of risk. Risk management consists of predicting adverse events and taking action, to some extent, with the negative consequences of these events. We, as specialists in international business, must take into account all possible risks, classify them, and be able to manage them.

But we must always remember that risk fulfills four functions, namely: innovative, regulatory, protective and analytical one. Under uncertainty, those organizations that are more flexible and mobile in a changing market situation survive. Also, the state plays an important role in reducing business risk. On the one hand, the risk is dangerous for business activities, but on the other hand, as well as competition, it has a cleaning function, and it helps the market to get rid of non-mobile organizations, contributes to the development of the economy with the right approach to risk.

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## FACTORS AND CONSEQUENCES OF LABOUR FORCE'S INTERNATIONAL MIGRATION

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**Prykhodchenko V.S., Kovtun T.D., Skrypnyk T.I. Factors and consequences of labour force's international migration.** The article is devoted to the consideration of indicators of external labour force migration. The causes of labour emigration and the consequences of its impact on the socio-economic situation of the recipient countries and exporters of labour force have been analyzed in this article.

**Key words:** causes of migration; external labour force migration; migrants' money transfers; the consequences of migration.

**Приходченко В.С., Ковтун Т.Д., Скрипник Т.І. Чинники та наслідки міжнародної міграції робочої сили.** Стаття присвячена розгляданню показників зовнішньої трудової міграції. Зроблено аналіз причин трудової еміграції та наслідків її впливу на соціально-економічне положення країн-реципієнтів та експортерів робочої сили.

**Ключові слова:** зовнішня трудова міграція; грошові перекази мігрантів; наслідки міграції; причини міграції.

**Приходченко В.С., Ковтун Т.Д., Скрипник Т.И. Факторы и последствия международной миграции рабочей силы.** Статья посвящена рассмотрению показателей внешней трудовой миграции. Сделан анализ причин трудовой эмиграции и последствий ее влияния на социально-экономическое положение стран-реципиентов и экспортеров рабочей силы.

**Ключевые слова:** внешняя трудовая миграция; денежные переводы мигрантов; последствия миграции; причины миграции.

The object of research are factors, which influence the level of international labour force migration.

The subject of the study are implications of international labour force migration for recipient countries and origin countries.

The goals are classifying of factors, which cause international labour force migration all over the world and identifying the consequences of this trend for the governments as well as communities.

Nowadays the issue is really relevant due to constantly growing mobility of labour force and dissatisfaction of many people with the current situation on labour market in their country of origin.

Today, international labour force migration has turned into a significant economic, social and humanitarian factor for the development of both origin and receiving countries. At the present, there is a large number of types, trends, patterns and causes due to which people migrate from one country to another, the main of these factors are unsatisfactory economic conditions of the working-age population and insufficient welfare, which must be supported by the government. Each participant who is involved in the process of exchanging labour resources tries to gain particular benefits for themselves. In general, international migration contributes to the further development of the globalization of many countries, because it implies labour redistribution, staff turnover, the exchange of industrial experience, the growth of labour force demand and the competitiveness of the national economies, which lead to the further development of all spheres of production and technology [1, p. 22].

The consequences of labour force migration for the recipient countries are as follows:

- Countries of origin have significant benefits from the specialists' trainings the costs of which are covered by other countries;
- Firms, in the countries of immigration, have noticeable savings from reducing costs by paying lower wages for immigrants, in addition, it's a fact that the work of foreign workers makes it possible to reduce the average level of wages in the country;
- Immigrants contribute to the labour force structure's rejuvenation in the recipient countries.

The most common consequences are indicated in the table below. All the factors apply to the whole world practice, basically regardless states' welfare as all the individuals pursue their own goals, which are not always commercial.

Table 1

**The consequences of international labour force migration**

	Positives	Negatives
Consequences for the labour force migrants	<p>Employees getting higher wages;            Employees and their family members living standards improvement;            Employees obtaining new professional experience;            Employees improving their qualification level;            Employees practicing a foreign languages;            Employees broadening their mind, acquiring awareness of the real conditions of a market economy.</p>	<p>Family members live separately, hence the number of family breakdowns rises;            Employees have a problem connected to the children raising;            Immigrants often get manual jobs, which do not require any specific skills;            Generally illegal or partly legal employment;            Immigrants have longer working hours and inappropriate working conditions, which can be harmful for the health;            Immigrants, on average, are underpaid compared to local staff;</p>
Consequences for society (state)	<p>Reduction of unemployment level in the country of origin;            Money transfers to the country of origin from migrants;            Families of the migrant workers living standards increase;            The social tension under the economic crisis conditions tends to be reduced;            The burden on social funds is reducing;            Migrant returns to the country of origin with higher qualification.</p>	<p>Unprofitability and losses from investments in education and training of specialists, who leave the country;            Loss of highly-skilled and most economically active workers;            Loss of family values in society;            Birthrate reduction;            The tax revenues and deductions to social funds are reducing;            Increase in prices for goods and services in the domestic market at the current low purchasing power of the vast majority of the population, etc.</p>

Based on [2].



The influx of workers from other countries complicates the employment problems in the recipient country, has negative effects on the welfare of local workers. Along with the economic issues, there are also social, cultural, legal and other problems. Implications for emigration countries are as follows: the return of skilled workers after getting experience abroad contributes to the development of the national economy. For some of these countries, remittances from emigrants are the main source of foreign exchange earnings, that exceeds currency earnings from exports of goods. At the same time, emigration damages countries as national economy loses the most motivated part of the labour force. This leads to the aging of the labour resources structure. Re-adaptation of workers who return after the work abroad and who are not used to the conditions of work and life in the country of origin anymore, is another complicated issue. The exodus of highly skilled specialists and scientists has a particularly negative impact on the countries of origin. Therefore, the authorities of these countries try to slow down the exodus process [3, c. 128].

Legal frameworks and practical activities of international organizations are an integral part of the development of global processes of population migration. Moreover, due to this activity, migration flows are more predictable and, in addition, can bring great benefits to the migration movement participants. The last ones, respectively, take part in their work and ratify vary of the conventions, recommendations and protocols, identify the priority of the norms of international law over the national legislation, which is important for both the state, in view of its integration into the world community, and for the migrants in terms of the need to protect their rights and freedoms abroad.

Although, the economic causes of international labour migration are not the only group of the factors, they are the most influential. The main problem, from the point of view of international labour migration management, is the combination of various groups of factors. Combining into the complex architecture, acting often in the different directions, the factors of international migration complicate their management, create the unmanageability and unpredictability of international migration labour force flows. Thus, the effect of each factors in international labour migration must definitely be investigated collectively, taking into account the influence of other factors. [4, c. 11]

Let's try to group these factors into 2 groups. First of all, as it was noted above, the reasons, causing international labour force migration are divided into economic and non-economic.

To the economic factors include:

- differences in the level of economic development in particular countries, and as a consequence, different levels of wages and social welfare;
- differences in the level of availability of labour resources in particular countries;
- Existence of the high rate of unemployment in the developing countries;

Non-economic causes of labour migration are as follows:

- political motives (*escaping from the political persecution, etc.*);
- military motives (*fighting in the country*);
- religion;
- ecology (*ecological disasters, which led to mass pollution of the environment, natural disasters such as flooding, volcanic eruption, etc.*);
- racial causes (*escaping from racial and ethnic discrimination*);
- family reasons;
- cultural and other factors [3].

Some economists believe that, along with the unemployment, the motives of employment affect the level of immigration in the country and the number of emigrants in search of employment, hence a significant factor of repulsion is a high unemployment rate, which means that it is difficult to find a job in such country, the level of wages is low or there are no opportunities for the self-realization for the large groups of people. It is obvious that the number of emigrants from such country will be bigger. Conversely, if the overwhelming majority of the population is able to find work in a country with an acceptable level of wages, opportunities for self-realization, professional and career growth, then there would be hardly any emigrants from such country.

Failure to make a career is a particularly crucial factor for students, graduates and scientists, who have the potential to improve their skills and therefore rely on a certain career growth. *For example, let's considerate*

*fact that many young scientists from Ukraine migrate to Europe not only because they will have higher wages, but, above all, because they are more likely to realize their intentions there (I.e., to become the head of a research project or to get financial support for the educational goals and researches)* [5]. In addition, for a lot of scientists it matters that there is a high demand on particular knowledge in the country of their residence (*rockets or robots construction, work with nano-technologies, etc.*). For highly qualified workers the significant repulsion factors are poor working conditions and inappropriate wages, which are always taken into account when individuals make decision to move to another country, regardless the level of education and qualification of a person.

Overall, the factors of migration have not been changing since it started long time ago. Nevertheless, the consequences of it are diversified and cause lots of the issues for the governments. The only way to overcome these particular difficulties is to deal with fundamental problems, which were listed in the article.

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## ONLINE IDENTITY MANAGEMENT AS A MEANS FOR PERSONAL BRANDING ON THE INTERNET

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**Psota T.V., Broslavska Y.M. Online identity management as a means for personal branding on the Internet.** The article discusses the issue of personal branding on the Internet aiming to create and maintain a distinguished Web-presence of a brand or an individual as a brand. The article outlines several steps, which are essential for entrepreneurs to follow in order to succeed in developing their business.

**Keywords:** brand image, impression management, online identity management, personal branding, Web-presence.

**Псьота Т.В., Брославська Є.М. Управління іміджем онлайн як засіб персонального брендингу в Інтернеті.** У статті розглядається проблема персонального брендингу в Інтернеті задля створення та підтримки виразної веб-присутності бренду або особистості як бренду. У даній статті виокремлені важливі етапи дій для успіху підприємців у розвитку їхнього бізнесу.

**Ключові слова:** веб-присутність, образ бренду, персональний брендинг, управління образом онлайн, управління особистим враженням.

**Псёта Т.В., Брославская Е.М. Управление имиджем онлайн как способ персонального брендинга в Интернете.** В статье рассматривается проблема персонального брендинга в Интернете для создания и поддержания выразительного веб-присутствия бренда или личности как бренда. В данной статье выделены важные этапы действий для успеха предпринимателей в развитии их бизнеса.

**Ключевые слова:** веб-присутствие, образ бренда, персональный брендинг, управление образом онлайн, управление личным впечатлением.

The o b j e c t of the article is the modern relations between the entrepreneurship and the Internet. The s u b j e c t is the process of online identity management as a means for personal branding in today's globalized world. The p u r p o s e of the article is to provide entrepreneurs

with innovative skills of online identity management, to outline steps for defining brand images properly and to improve the way information is presented on Ukrainian online and offline trade platforms.

With the rapid growth of the world market and the process of total globalization it is required that every entrepreneur takes decisive measures to develop his or her business. The important thing about today's state of the marketing field is that a sufficient percentage of yesterday's successful businessmen struggle to keep their brands on-the-go with all the innovations, needed for brand development.

It is true that the old means of goods and services branding, even though popular with many entrepreneurs, are not efficient enough and can't meet the customers' needs and live up to their expectations. Such methods as paper, TV and radio advertisements, word-of-mouth type of brand promotion can't fulfill the demands of the market nowadays [1, p. 35]. As a result, more and more businessmen are "left out in the cold" by their superior market competitors with a wide variety of identity management and personal branding tricks, which are mainly performed online.

Online identity management, or personal branding, is a set of methods, which help a person in charge of a business to create and maintain a distinguished Web-presence of a brand or an individual as a brand [4, pp. 1014-1016]. The term "Web-presence" means a general number of Internet appearances and the objective, in this case, is to improve quantity and quality of traffic to sites with content-related information of a certain brand. In this aspect of the online identity management, a lot has to do with such a technical issue as search engine optimization, but the object of this optimization is a brand itself with a complex of sites, related to it.

It is important to mention that the idea of online personal branding deals with a concept of an impression management, which techniques allow to affect people's perceptions of any person, organization, event or idea.

The brand presence could be reflected in any kind of content, which refers to the person, including news, participation in blogs and forums, personal web sites, social media, photos, videos, etc [5, p. 78]. Because of a wide variety of possible content, online identity management often involves participation in social media sites like Facebook, Google+, LinkedIn, YouTube, Twitter, Myspace and other community websites. Unfortunately,

the common branding practice of improving the image of an organization is buying “likes”, “friends” or “subscribers” and creating fake positive comments and reviews on goods or services [2, p.380].

The question is: what can you do as an entrepreneur to improve your business image? To what extent do you need to change your mindset in order to succeed in providing your clients with the best service possible?

What every businessman with the desire to be #1 in his field should remember, is that personal branding is a leadership requirement, not a self-promotion campaign. The reality is tough: either you become a “change agent” or face a deserved failure.

The true way to successful brand management is lying in these extremely important questions each entrepreneur should ask himself from time to time:

1. What are my core values as a leader of the business brand?
2. What do I want to achieve by providing the services my company provides now?
3. What impact has my work had on my customers so far and what impact do I want my work to have on them in the future?

The given answers to these questions are reflecting the type of business person runs and the goals entrepreneur wants to achieve in the near future. However, one important tip has to be mentioned here: if any of the answers a businessman provided are not satisfactory enough and they aren't the reflection of his desired objectives, he is going against what his work is. In such a case, a lot of research should be done in the field of business planning and motivation [3, 307-309].

In conclusion, it should be mentioned, that in a pursuit of innovative skills to improve a certain brand image, entrepreneurs should turn their attention to the following actions:

- leveraging the distinction of the business by knowing what makes it unique from others in within the industry it is in;
- over-delivering on what is expected in order to build self-trust and confidence, expand customer's expectations;
- elevating expectations by consistently adding value: the moment a leader stops adding value, their reputation begins to wane – and their effectiveness as a leader goes with it.

Needless to mention that creating, developing and maintaining a personal brand is a challenge, which has to be constantly dealt with. That is why many entrepreneurs can't define their brand images properly and that's the reason why an online reputation is valued nowadays.

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## THE CONFLICT ISSUES OF DELICTUAL OBLIGATIONS IN THE LEGISLATION OF UKRAINE

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**Redko N.S., Kalyuzhna A.B. The Conflict Issues of Delictual Obligations in the Legislation of Ukraine.** The article is devoted to the issues of conflict of laws in the field of delictual obligations and the possibilities of solving these conflicts in the legislation of Ukraine. The conditions under which delictual obligations arise are identified. Connecting factors by means of which the legislation of Ukraine resolves these collisions are considered.

**Keywords:** connecting factors, delict, delictual obligations, harm, international private law, legislation.

**Редько Н.С., Калюжна А.Б. Колізійні питання деликтних зобов'язань в законодавстві України.** Статтю присвячено питанням колізії правових норм у сфері деликтних зобов'язань та можливостям вирішення даних колізій в законодавстві України. Визначено умови, при яких виникають деликтні зобов'язання. Також розглянуті колізійні прив'язки, за допомогою яких законодавство України вирішує дані колізії.

**Ключові слова:** деликт, деликтні зобов'язання, законодавство, колізійна прив'язка, міжнародне приватне право, шкода.

**Редько Н.С., Калюжная А.Б. Коллизионные вопросы деликтных обязательств в законодательстве Украины.** Статья посвящена вопросам коллизии правовых норм в сфере деликтных обязательств и возможностям решения данных коллизий в законодательстве Украины. Определены условия, при которых возникают деликтные обязательства. Так же рассмотрены коллизионные привязки, с помощью которых законодательство Украины разрешает данные коллизии.

**Ключевые слова:** деликт, деликтные обязательства, законодательство, коллизионная привязка, международное частное право, ущерб.

Nowadays, the globalization of economies and cultures, the expansion of international cultural and business contacts in the private sphere, international tourism and population migration, scientific and technological progress, anthropogenic environmental disasters of global



scale and other similar factors give rise to various obligations, including delictual obligations in international private law. Therefore, the conflict issues of delictual obligations continue to be relevant.

The Universal Declaration of Human Rights, which was approved and proclaimed by the General Assembly of the United Nations on December 10, 1948, recognizes the right to life, liberty and security of every person (Article 3), his honour and reputation (Article 12) and the right to own property (Article 17, paragraph 2) [6]. In case of violation of these rights everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law (Article 8) [6]. These provisions are detailed by the constitutions of states and other legislation.

This legislation and other sources of law regulate the conditions under which a liability for obligations resulting from causing harm may arise. These obligations were and remain the subject of doctrinal studies of scholars in many states. The scientific thought of modern Ukraine is not an exception in terms of the research of these provisions. All this determines the relevance of this article.

The p u r p o s e of this work is to determine under what conditions, when and how delictual obligations arise in private international law, and to determine Ukraine's participation in international treaties and other sources of law on delictual obligations. The object of this work is delictual obligations arising from causing harm. The subject of the article is the legislation of Ukraine and international treaties of Ukraine, which resolve the conflict issues of these obligations. To fulfill the purpose stated, logical, formal-legal and comparative-legal methods were used.

Delict (from Latin *dēlictum* – “to be at fault, offend”) is an offense that harms a society, state or person [2]. Such an offense is the basis for bringing the offender to the liability stipulated by law. This offense is not connected with violation of the contract. Delictual obligations are also known as non-contractual.

Delicts by their sphere of origin and implementation can be divided into public law and private law offenses [3]. Among the private law delicts there are civil law offenses or delicts in the narrow sense, which will be understood by this term in the article.

Delictual obligations in their etymology reach the original sources of private law of any country of the present – the legal foundations of Roman private law. In Roman private law delictual liabilities arose as a result of a civilized rejection of the practice of revenge, which sounded as “an eye for an eye, a tooth for a tooth” [3].

The delictual obligation in private international law is a legal relationship with a “foreign element”, the content of which consists in the right of the injured person to demand, within the limits and in ways indicated in the norms of the sources of law, the restoration or compensation of the violated rights by a person (delinquent), that has done harm by wrongdoing. The delictual obligation is also known as the tort obligation [4].

Delictual obligations involve the participation of a “foreign element” in all three variations: a subject (delinquent is a foreigner), an object (doing to an object registered in another state), a legal fact (causing harm in the territory of another state or the manifestation of the consequences of causing such harm in another state).

An analysis of the sources of the law of legal systems suggests that the conditions for arising of delictual obligations are as follows: 1) causing harm to a person or property; 2) wrongfulness or omission; 3) causation between delinquent’s wrongfulness and harm done; 4) fault of the delinquent [4].

Harm is not only a condition for the arising of a delictual obligation in any legal system, but also a measure of delictual liability that means if there is no harm, there is no obligations. Traditionally, “harm” is understood as adverse, negative consequences that arise out of violation or reduction of property or personal non-property rights of the injured person [4].

By means of conflict rules which define the right to be applied to the obligations arising from causing harm, the Statute of delictual obligation is formed. The Statute of delictual liability is a set of substantive rules which govern this obligation on the basis of a reference to the conflict rule.

The following connecting factors can be used to determine the Statute of delictual obligation [4]:

- the law of the place where the delict was committed;
- the law of the forum;

- the law of the flag;
- the personal law;
- the law chosen by the parties of the delictual obligations, etc.

The law of the place where the delict was committed is one of the oldest connecting factors which, first of all, is used to regulate delictual obligations. The law of the place where the delict was committed means that the non-contractual obligations are determined by the law of the state in whose territory the harm was caused. This connecting factor is used in legislations of many countries and is quite common. The application of this law leads to the well-established judicial practice, introduces solid rules and certain exceptions to court decisions giving them stability [7]. A prerequisite for the application of other connecting factor may be the inadequacy or impossibility of referring to the law of the place where the delict was committed, for example, if the offense was committed in the high seas, airspace or outer space or Antarctica. Under these circumstances, a special connecting factor of the law of the flag is applied [8]. In addition to the law of the flag, the law of the forum, the law of the state of registration of the vehicle, the law of the location of the company that provided the employee with a business trip abroad, etc may be used as auxiliary or connecting factors.

In Ukraine, the issue of settlement of delictual obligations is resolved at the level of special regulations of the current legislation and international agreements signed and ratified by the government.

The main legal act that regulates delictual relations with the “foreign element” in Ukraine is the Law of Ukraine “On International Private Law”. The Law of Ukraine “On International Private Law” contains general provisions on the scope of application of connecting factors when choosing the Statute of delictual obligation.

Section VII of this Law is devoted to the settlement of non-contractual obligations by establishing appropriate connecting factors.

Article 48 of the Law, applicable to non-contractual obligations, defines a general prescription for the application of a connecting factor “the law of the place where the delict was committed” to delictual obligations: “1. To obligations arising out of the actions of one party, taking into

account the provisions of Articles 49-51 of this Law, the law of the state in which such an action has taken place shall be applied” [1].

Part 1 of Article 49 of the Law, applicable to obligations for remedy, details this factor within the law of the country where the wrongful act was committed which may be the basis for the arising of a delictual obligation: “1. Rights and obligations arising out of damage are determined by the law of the State in which the action or other circumstance that has become the basis for the claim for damages has taken place” [1].

The connecting factor of the law of the forum has also found its justification in the national legislation of Ukraine. According to Part 3 of Article 49 of the Law: “The law of a foreign state does not apply in Ukraine if the action or other circumstance which became the basis for the claim for compensation according to the legislation of Ukraine is not illegal” [1].

Apart from that, Ukraine is a party to international agreements, which are the source of delictual obligations settlement with a “foreign element” in the domestic law. Thus, Article 42 of Minsk Convention on legal aid and legal relations in civil, family and criminal cases states that obligations on the compensation for a damage, except those, which follow from the contracts or other legal actions, are determined by the legislation of the Contracting Party, on whose territory the action or other circumstance occurred that caused the demand on the compensation [5].

There are similar provisions in bilateral agreements on the private law sphere, between Ukraine and the Republic of Uzbekistan of February 19, 1998 (Article 42), between Ukraine and the Republic of Turkey of November 23, 2000 (Article 29), between Ukraine and Romania of January 30, 2002 (Article 33), etc. [3]

In addition to the aforementioned Convention, there are also provisions for settling special delictual obligations in other international agreements with the participation of Ukraine such as The 1994 CIS agreement on mutual recognition of the rights to indemnification, caused to workers by the mutilation, occupational disease or other damage of health connected with execution of labor obligations by them, and The 1997 Vienna Convention on Civil Liability for Nuclear Damage and the 1997 Convention on Supplementary Compensation for Nuclear Damage, etc.

Conclusion. Thus, after analyzing the legislation of Ukraine, it should be noted that the provisions of the Law of Ukraine “On International Private Law” contain a lot of novelties in the area of delictual obligations. However, it is premature to stop there. Drawing attention to the fact that the Law contains only general provisions, the conflict issues are subject to further clarification by doctrine and law enforcement practice. New trends in the development of private international law in the area of delictual obligations determine the need for further reform of the Ukrainian legislation in the area of tort liability regulation with a “foreign element”.

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**BALANCE OF PAYMENTS OF UKRAINE:  
PROBLEMS, GOVERNMENT POLICIES  
AND WAYS OF OPTIMIZATION**

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**Rost M., Skrypnyk T.I. Balance of payments of Ukraine: problems, government policies and ways of optimization.** The article discusses government policies on Ukraine's balance of payments, its current problems and possible ways of its optimization. The article describes some major methods of regulation of Ukraine's balance of payments introduced by National Bank of Ukraine. Such points as monetary policy in Ukraine and currency restrictions are also covered in the article. In the last part of the article current problems of Ukraine's balance of payments are analyzed and some possible ways of its optimization are suggested.

**Keywords:** balance of payments of Ukraine, government policies, National Bank of Ukraine, monetary policy, currency restrictions.

**Рост М., Скрипник Т.І. Платіжний баланс України: проблеми, державна політика та шляхи оптимізації.** У статті розглядається державна політика щодо платіжного балансу України, його поточні проблеми та можливі шляхи його оптимізації. У статті описані деякі основні методи регулювання платіжного балансу України, що були запроваджені Національним банком України. У статті також розглядаються такі аспекти, як монетарна політика в Україні та валютні обмеження. В останній частині статті аналізуються проблеми платіжного балансу України та пропонуються деякі можливі шляхи його оптимізації.

**Ключові слова:** платіжний баланс України, державна політика, Національний банк України, монетарна політика, валютні обмеження.

**Рост М., Скрипник Т.И. Платежный баланс Украины: проблемы, государственная политика и пути оптимизации.** В статье рассматривается государственная политика в отношении платежного баланса Украины, его текущие проблемы и возможные пути его оптимизации. В статье описаны некоторые основные методы регулирования платежного баланса Украины, которые были введены Национальным банком Украины. В статье также рассматриваются такие аспекты, как денежно-кредитная политика в Украине и валютные ограничения. В последней части статьи анализируются текущие

проблемы платежного баланса Украины и предлагается несколько возможных путей его оптимизации.

**Ключевые слова:** платежный баланс Украины, государственная политика, Национальный банк Украины, денежно-кредитная политика, валютные ограничения.

The s u b j e c t of the article is Ukraine's balance of payments. The o b j e c t is the process of regulation and optimization of balance of payments of Ukraine. The p u r p o s e of the article is to examine existing methods of regulation Ukraine's balance of payments, analyze its problems and suggest possible ways of optimization.

Ukraine takes an active part in international economic relations and all its interactions with the outside world are reflected in the balance of payments of Ukraine, which has been unbalanced for many years. This report complexly reflects the economic situation in the country and can inform beforehand about possible economic risks in the future. Effective regulation of the balance of payments can help to improve the economic, and, subsequently, social situation in Ukraine. This is why chosen topic of the article that is relevant.

### **Government policies on Ukraine's balance of payments**

Government regulation of the balance of payments is a set of economic, monetary, financial, monetary and government policies aimed at the formation of the main items of the balance of payments, as well as the coverage of the balance. The countries with a deficit in the balance of payments usually do the following measures in order to stimulate exports, containment of import of goods, attract foreign capital and restrict export of capital:

1. Deflation policy.
2. Devaluation. Reducing the exchange rate of the national currency is aimed at stimulating exports and constraining the import of goods.
3. Currency restrictions.
4. Financial and monetary policy.
5. Special measures of state influence on the balance of payments [2, p. 44].

In Ukraine, the National Bank of Ukraine (NBU) is engaged in the development and implementation of the methods of regulating the balance of payments. Further there are some of the most significant methods of regulating Ukraine's balance of payments and its separate components.

1. Anti-inflationary (deflationary) policy. The Law of Ukraine "On the National Bank of Ukraine" defines the priority objective of the monetary policy as achieving and maintaining price stability in the state.

Low and stable inflation, which can be provided by the central bank, is a major contribution to the balanced financial development and to the steady economic growth of the state. The formation of low inflationary expectations is one of the key elements for improving the macroeconomic environment and increasing the economic potential of Ukraine.

The medium-term inflation target is determined for the annual growth of the consumer price index. It is currently set at 5% with an acceptable range of variation of  $\pm 1$  percentage points and will be achieved gradually.

It is expected that stabilization and further improvement of the inflationary expectations of economic agents, reduction of the effect of the exchange rate and producers' prices on inflation, reduction of the seasonal component in the dynamics of the consumer price index and reduction of share of administratively regulated prices, which will be adjusted upwards, can contribute to the achievement and maintenance of the inflation target on a continuous basis.

2. Currency restrictions. Previously, Ukraine had a number of different currency restrictions. For example, in 2016, the NBU introduced a limitation, that one client could receive no more than 250 thousand UAH in equivalent per day. Also, there were restrictions on foreign exchange transfers abroad with maximum amount up to 15 thousand UAH per day and 150 thousand UAH per month, a prohibition on issuance of savings (deposit) certificates on a bearer, a ban on early prepayment of loans and loans to foreign creditors and for banks there was a limit for buying currency in its own position in terms of operations on the conditions of Tod, Spot and Forward.



All of these restrictions were lifted or weakened in 2017, but some remained unchanged. For example, for exporters there is a mandatory sale of 50% of foreign currency earnings.

3. Financial and monetary policy. For the balanced achievement of its goals, the National Bank adheres to the following basic principles for the implementation of monetary and financial policy:

- priority of achieving and maintaining price stability in the state;
- compliance with the floating exchange rate regime;
- prospective decision making, which should be based on a macroeconomic basis and promote economic growth. Decisions on monetary and financial policy will be based on a comprehensive macroeconomic analysis and forecast.

While conducting its monetary policy aimed to achieve inflation targets, the National Bank will use the discount rate as the main monetary instrument, which is set by the National Bank Board and reflects the state of national monetary policy. It serves as an operational objective for short-term interest rates on the inter bank credit market.

When deciding on the level of the discount rate, the National Bank will focus both on the actual inflation rate and on the forecast [3].

The aforementioned methods of regulating the Ukraine's balance of payments were developed and thoroughly investigated by experts working in the National Bank of Ukraine and, in our opinion, do not require adjustments or additions.

### **Problems and ways of optimization**

#### **Ukraine's balance of payments**

The main problem of Ukraine's balance of payments is the predominance in the structure of foreign trade of raw materials and goods with a low degree of processing, which gives grounds to assert that it is impossible to accurately forecast the country's exports for the coming years due to the situational nature of the world's development. It also restricts the ability to reduce the deficit in Ukraine's foreign trade in goods. In this regard, currently, the strategy for foreign economic activity of Ukraine should be diversification of exports by conquering international markets in finished products with a higher degree of processing [4; 5].

Another significant problem is the correction of Ukraine's balance of payments at the expense of loans received from the IMF, as they are measures of last resort which are able to make the balance of payments in a surplus, reducing a significant deficit in trade in goods. This leads to an increase in annual interest payments from the budget on loans received and to the increase of Ukraine's economic and political dependence on international organizations.

After analyzing the peculiarities of Ukraine's balance of payments, we substantiate possible ways to improve it in the long run:

I. Means of influence on the account of current operations, which in recent years had a negative balance:

- Support of the domestic commodity producers (subsidies, grants or other methods). Increasing the competitiveness of Ukrainian business on the World Market.

- Organization of production in Ukraine of goods belonging to critical import, that is replacement of foreign goods in the Ukrainian market with domestic goods.

II. Ways of impact on the expense of capital and financial transactions, which in recent years had a surplus:

- In order to consolidate the trend of improving the balance of payments NBU should provide a new impetus to increase the savings of the population.

- Ensuring sufficient foreign currency reserves which serve as an instrument of confidence of national and foreign investors in the NBU's capabilities, which contributes to the strengthening of the UAH exchange rate.

The world experience in regulating the balance of payments shows the difficulties of simultaneously achieving the external and internal balance of the national economy [1, p. 84].

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## IMPACTS OF TOURISM ON SOCIETY

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**Samoylova V.P., Litovchenko Y.M. Impacts of tourism on society.** This article analyzes the influence of tourism on society. The article provides examples of positive and negative economic, environmental and socio-cultural impacts of tourism.

**Key words:** culture, economy, environment, globalization, positive and negative impact, tourism.

**Самойлова В.П., Літовченко Я.М. Вплив туризму на суспільство.** У статті розглядається, як туризм впливає на суспільство. Було наведено приклади позитивного та негативного економічного, екологічного та соціокультурного впливу туризму.

**Ключові слова:** глобалізація, економіка, культура, позитивний та негативний вплив, туризм.

**Самойлова В.П., Литовченко Я.Н. Влияние туризма на общество.** В статье рассматривается, как туризм влияет на общество. Были приведены примеры позитивного и негативного экономического, экологического и социокультурного влияния туризма.

**Ключевые слова:** глобализация, культура, позитивное и негативное влияние, туризм, экономика.

The o b j e c t of the article is tourism industry whereas the s u b j e c t is an impact of tourism on society. The aim of the research is to provide examples of economic, environmental and socio-cultural impacts of tourism.

Since the second half of the twentieth century, tourism has been gaining momentum and in 2011 total revenues from tourism activities have reaches 1000 billion dollars. So we can firmly say that tourism, compared to other industries, has a superior capacity to distribute wealth and promote regional development, has a high multiplier effect and generates a varying consumption of goods and services.

In the 60's and 70's the first studies regarding the impact tourism could have on regions or destinations have been focused on economics. This singular point of focus was based on two facts: the economic impact was easier to quantify and there was a general optimism regarding the benefits that tourism generates. However, tourism in its nature is drawn by unique and fragile destinations, and it became clear that in some cases the economic benefits can be shadowed by the negative consequences on the community and the environment, which were never estimated in the past. The benefits and costs generated by the tourism activity should be viewed from three sides: tourists, local community and authorities. On one side, we have the tourists, who pay to enjoy a certain form of tourism. On another side, we have the local community who enjoy the benefits (mainly financial) from the tourism activity. At the same time, they are the ones who have to face the hidden costs tourists leave behind. Last but not least, we have the government and the local authorities. For them, tourism generates revenues through taxes, the creation of jobs and contribution to the balance of payments. If we go further into details, we can talk about a fourth side: investors. From their perspective, the benefits are solely financial, based on the incomes of the businesses they have set up in the host-region. Regarding the costs, investors are immune to any other cost, than the financial one.

The tourism industry seems to be the most efficient branch of the economy in generating jobs and income in less developed, peripheral countries/regions, where development opportunities are limited. In these regions, the economic impact of tourism is felt most strongly. People from these regions are generally farmers or anglers and the involvement in tourism activity can substantially increase their household income. Also, an increase in the local tourism industry can provide an incentive for related activities (agricultural products or souvenirs that could be used for the accommodation and catering). The introduction of tourism industry in these regions may have a greater effect on the welfare of the resident population, compared to a more developed region in the same country. For such a development of tourism in an emerging country or region the following are need: basic infrastructure (access roads, drinking water, etc.), lodging

(hotels, pensions, etc.) and other facilities and services necessary for tourism (catering, transport).

The market does not ensure that development will keep up with demand. It is imperative that realistic and accurate planning is made and the enforcement of rules and laws to reduce conflicts and, where appropriate, preserve and protect the unique features of the nature tourists and residents can enjoy. This is a lesson that was learned quite recently by emerging countries. At a superficial level, the economic benefits of tourism seem obvious. In recent years, an increasing number of authors have expressed reservations about the nature and extent of the benefits of tourism and expressed skepticism about the potential of tourism as a catalyst for growth and development as a means of maximizing the welfare of local people [1]. In a study conducted in Turkey, it was noted that although tourism – as an economic development strategy – increased the rate of economic growth and created inequalities between regions and social classes. The inequalities were caused by economic incentives for coastal tourism development at the expense of rural areas. In essence, this is a problem of allocating resources and whether the developing of the tourism industry represents the optimal use of available resources – natural, human, etc. Rural areas are generally lacking economic diversity and adequate infrastructure, and are based on a limited number of economic activities, and have a less educated population. All this contributes to the limitation of the rural population to secure jobs, promote investment, etc. In addition, in these regions there is some lack of planning, management and monitoring of economic activities – including tourism.

If the positive impact of tourism can be observed most easily on the economy, then surely, that the negative impact on the environment is the most evident. Compared with the economic impact of tourism, the environment has become a theme for studies and research recently, joining in the ecologist stream at the end of the 80's and early 90's. The common denominator of these actors is the man. Consequently, when we talk about the relationship between tourism and the natural environment it is necessary to consider that this relationship is the expression of human interaction with nature. So to determine the effect of tourism on the natural environment we should take into account the following: the price we attach

nature, cultural stereotypes about nature and the ethical relationship of man with nature [4]. The environment is a fundamental element of the tourists' experience. Tourists are looking for attractive natural resources, different and special, allowing specific tourism activities. At the same time, the development of tourism consumes resources, creates waste and requires a certain degree of infrastructure development, which in some cases can lead to the degradation and destruction of the environment.

On one hand, the natural environment has benefited from tourism, through the conservation actions and protection of nature (natural and national parks, protected areas, etc.). Also, tourism causes a deeper appreciation of the nature of the tourists and the local population. Tourism is considered a "friendly" alternative to other industries that could benefit the locals. On the other hand, tourism has direct negative effects on the natural environment and it puts a high pressure on the carrying capacity of host regions and indirect, from development of tourist facilities. It becomes obvious that the environment consisting of the countryside will suffer from the construction of hotels, parks, shopping malls or amusement parks [5].

Most common consequences of tourism on the environment are changing the structure of flora and fauna, pollution of water, air and soil, traffic congestion and public transport, etc. Unfortunately, the local population is one that has to "pay" the costs of the resulting environment degradation from tourist exploitation and the degradation is most of time observed or felt only after a period of time.

Also, tourism has often been associated with the contact between cultures, behaviors, values and traditions. Tourism is considered a framework where hosts and tourists can learn better about from each other, through direct interaction. In addition, tourism requires host communities to be more responsive and educated to provide quality services to tourists. And also, interactions between locals and tourists generates the emergence of new ideas, values and motivations for social and economic progress. Tourism can revitalize a community's cultural life, as art and traditions are an attraction for foreign visitors [3].

We cannot talk about the socio-cultural impact of tourism without talking about globalization and its effects on local cultures. One result of globalization is consumerism. It is defined as an increase in demand for

consumption in an increasing variety of products and services. Consumerism affects tourists, who are a part of the consumer-oriented society, characterized by modern urban lifestyle, expectations for high-level services and an attitude characterized by the expression: "everything is for sale". There are people who argue that consumerism destroys culture and generates environmental and social problems: traffic congestion and queues at natural and fabricated attractions. An example of this is Venice, which is overwhelmed by tourists, generating an increasing number of environmental and social issues. Venice is full of tourists. The invasion of tourists in San Marco Basilica caused damages to the frescoes due to the condensation created by the breath of the visitors. Also, the stone floor was constantly eroded by the river of travelers. Unfortunately, tourists often accept this type of problem as an important part of the personal experience [8].

Globalization is accused of destroying the socio-cultural identity of the local communities and indigenous values, traditions and lifestyle. Diversity gives way to efficiency and local culture to global culture. A small village, which is facing many economic problems, can succeed a change of 180 degrees, by capitalizing on several features: beautiful scenery, tranquility and lack of congestion. Unfortunately, for many communities the change equals with the loss of local traditions and values by replacing them with a false rural culture.

In rural areas, developers/investors, who transform farming and fishing communities in tourist resorts, replacing farms and forests with apartments or shopping centers, purchase land and coastal areas. Modern hotels, highways and recreation centers have no local charm. All the resources that have attracted tourists in the beginning – the beauty of the landscape, peace and tranquility – are continuously eroded by tourism development and the rapidly increasing pace of life. For this reason, the meaning of local culture might dilute and dissolve [6]. Today, tourists experience fishing on "authentic boats", while anglers work in supermarkets. This situation causes a fracture between the locals and the socio-cultural environment. Also contributing to the fracture are the growing number of tourists and the new technology and modern life.

Also, the need for "authentic" has tarnished to some extent the traditions of certain civilizations. The Keechak dance, interpreted by the



Hindu community in Bali on some special occasions, was shortened, and performed out of the religious context, daily for the foreign tourist groups. In theory, tourists may feel cheated by such non – authentic events, but that would require a good knowledge of the cultural traditions of the area visited by foreign tourists. In the cities and urban concentrations, the response to consumerism is the emergence of a growing number of stores or shopping centers in central areas. Through this process, a general feeling of security was created with an excessive control combined with increased attention. Security cameras are installed, alarm systems are engaged and security services are hired, to ensure that tourists are not bothered by the negative realities such as poverty, begging, social issues or ecosystem degradation. The less beautiful face of the world has no place in this controlled environment [7].

In conclusion, tourism development has various consequences, which are influenced by a large number of factors, especially the ability and willingness of the community to accept changes [2]. For some communities, tourism is one of the few options for economic survival. For others tourism is a combination of positive and negative factors (the most common situation). Finally, there are communities where tourism has generated a large number of negative externalities, for which the population was not ready. To avoid these unpleasant situations planning and strict control by the community and authorities are needed.

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## **SPECIAL ASPECTS OF THE ASEAN ECONOMIC INTEGRATION DEVELOPMENT**

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**Sarhsian E.L., Zmiyova I.V. Special aspects of the ASEAN economic integration development.** The article considers special aspects of the ASEAN economic and trade integration development and identifies trends in its development. The article analyzes the socio-economic indicators of the ASEAN countries, considers the trade dynamics of the integration association, carries out its trend-analysis, and identifies the current trends and problems of the ASEAN development.

**Keywords:** ASEAN, economic integration, integration association, special aspects, trade.

**Саргсян Е.Л., Змійова І.В. Особливості розвитку економічної інтеграції АСЕАН.** У статті розглядаються особливості розвитку економічної і торговельної інтеграції АСЕАН, визначаються тенденції її розвитку. Проаналізовані соціально-економічні показники країн АСЕАН, розглянута динаміка торгівлі інтеграційного об'єднання, проведено її тренд-аналіз визначені сучасні тенденції та проблеми розвитку АСЕАН.

**Ключові слова:** АСЕАН, економічна інтеграція, інтеграційне об'єднання, особливості розвитку, торгівля.

**Саргсян Э.Л., Змиёва И.В. Особенности развития экономической интеграции.** В статье рассматриваются особенности развития экономической и торговой интеграции АСЕАН, определяются тенденции ее развития. Проанализированы социально-экономические показатели стран АСЕАН, рассмотрена динамика торговли интеграционного объединения, проведен ее тренд-анализ определены современные тенденции и проблемы развития АСЕАН.

**Ключевые слова:** АСЕАН, интеграционное объединение, особенности развития, торговля, экономическая интеграция.

The s u b j e c t of the study is integration processes in ASEAN and special aspects of the association development. The p u r p o s e of the sudy is to determine the special aspects and trends of ASEAN development. At present, ASEAN remains one of the most developed regional integration associations among developing countries, around

which activities on establishing free trade areas and new broad formats of cooperation between states are being intensified. Therefore, it is necessary to conduct a study and analyze the role and special aspects of this agreement, which constitutes the actual value of the study.

Regional economic integration is a process of economic and political intergovernmental unification of countries based on the development of stable relationships and labour share between national economies [3, p. 96].

ASEAN was established in 1967 due to the need for military and political stabilization in the region of Southeast Asia [1, p. 90]. But, despite the fact that the association was established for political purposes, its economic component today plays an important role, especially since the establishment of the ASEAN Free Trade Area (AFTA) in 1992.

The Association of Southeast Asian Nations is now an example of one of the world's most successful integration associations, and is the most developed among the developing countries. Table 1 shows the total GDP of the member states, which according to the World Bank in 2017 amounted to approximately 2.76 trillion dollars. ASEAN is 7th in the world and 3rd in the Southeast Asia by this indicator. The total population of the integration group is 647.29 million in 2017.

Table 1

**Indicators of socio-economic development  
of the ASEAN member countries, 2017**

Country	Population (million)	GDP (billion USD)	GDP growth (%)	GDP per capita (thousand USD)
Brunei Darussalam	0.43	12.74	0.55	29.63
Vietnam	95.5	220.41	6.81	2.31
Indonesia	263.9	1015.41	5.07	3.85
Cambodia	16.01	22.25	6.95	1.39
Laos	6.86	16.98	6.83	2.48
Malaysia	31.6	314.5	5.9	9.95
Myanmar	53.37	66.54	6.72	1.25
Singapore	5.69	323.9	3.62	56.92
Thailand	69.03	455.38	3.9	6.60
Philippines	104.9	313.42	6.67	2.99
ASEAN	647.29	2761.53	5.3	11.74

*Source: [10]*

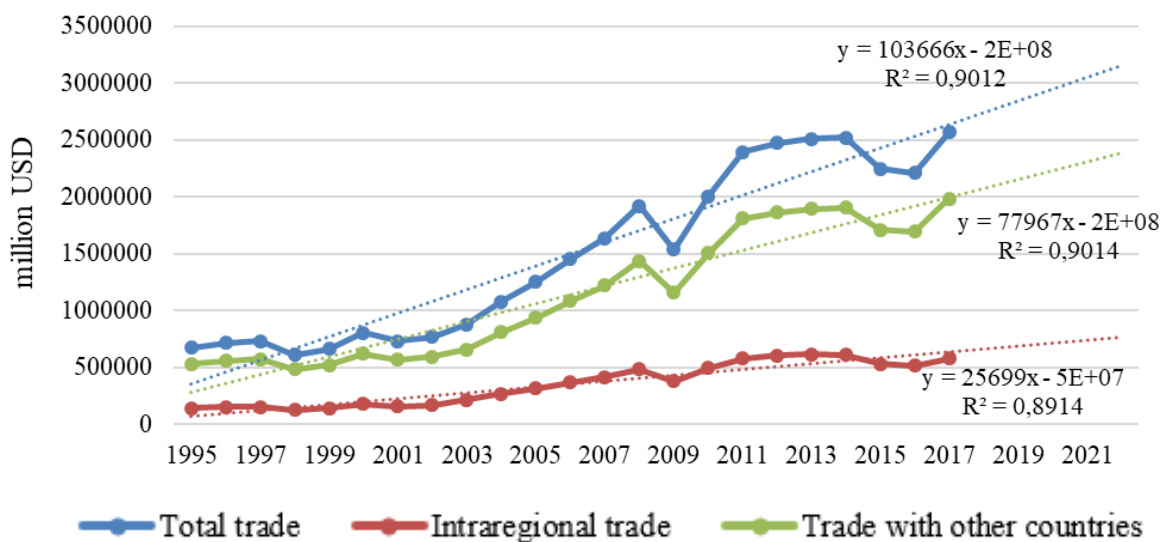
It should be noted that the member states are at different levels of socio-economic development. Therefore, ASEAN includes the core of more developed countries and the periphery, which consists of Vietnam which is a middle-income country and low-income countries, such as Cambodia, Laos, and Myanmar. Table 1 shows that the GDP per capita of the ASEAN states ranges from 1.25 thousand dollars in Myanmar to 29.63 and 56.92 thousand dollars in Brunei and Singapore respectively.

The problem with the levels of development lies in the fact that the core is becoming more and more integrated, while other member states are trying to catch up with it [2, p. 118]. ASEAN's GDP is mostly formed by only 5 leading countries: Indonesia (36.77%), Thailand (16.49%), Singapore (11.73%), Malaysia (11.39%), Philippines (11.35%), together they account for 87.73% of the total ASEAN GDP.

In 2015, the ASEAN Economic Community which provides for the creation of a competitive region that develops dynamically and is fully integrated into the world economy, was established. The economic

community can also contribute to the expansion of trade within ASEAN and the improvement of the regional economy by increasing profits from trade and inflow of FDI [6, p. 116].

Figure 1 shows the dynamics of trade volumes change of ASEAN member states during 1995-2017. The dynamics of trade of ASEAN corresponds with world trends. While there is a general growth of the trade volumes, figure 1 shows the decrease during 2008-2009, which was caused by the effects of the global economic crisis, which, according to many experts, did not end in 2009, and lasted until 2016.



Source: [11]

Figure 1. Dynamics of trade of ASEAN countries, 1995-2017

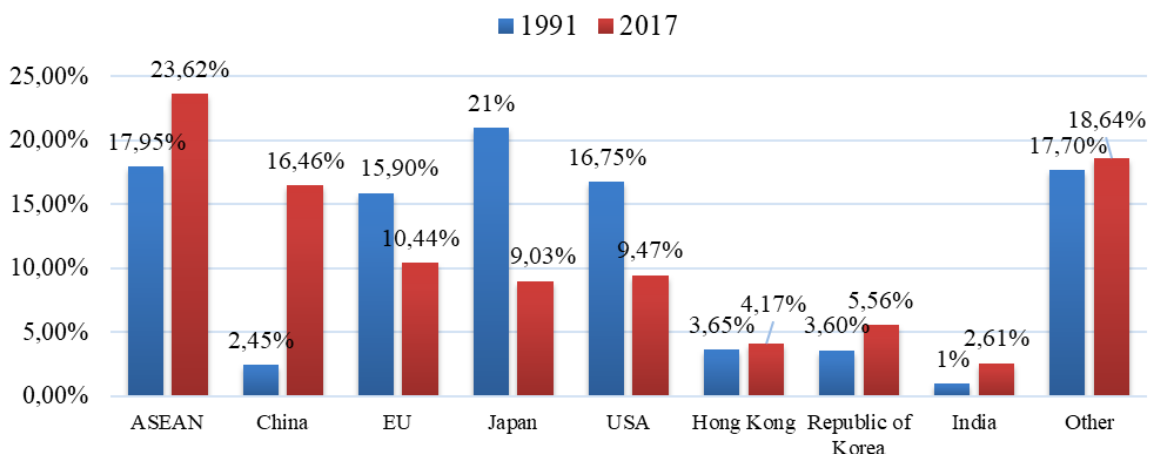
The foreign trade of ASEAN countries was developing dynamically during the analyzed period. In absolute figures, the volume of foreign trade of ASEAN member states has increased by 1894.36 billion dollars from 1995 and amounted to 2570.41 billion dollars.

A trend analysis was conducted with ASEAN indicators of intra-regional, foreign and total trade. According to the results of the analysis, all three indicators will be gradually increasing over the next years. The probability of these predictions in each case is approximately 90%, which indicates a high degree of reliability of the forecast.

Another important indicator to pay attention to is the share of ASEAN's intra-regional trade in the total trade of the association. Thus, in late 1980s, before the establishment of ASEAN free economic area, this indicator approximately amounted to 15%, and in 2017 it equaled 23.7%. The greatest value was noted before the crisis of 2008, when it equaled 25.8%.

Despite the increase in trade flows between ASEAN countries, third countries still occupy a dominant position in the geographical structure of ASEAN's foreign trade.

Figure 2 shows the geographical structure of ASEAN's foreign trade as of 1991, that is, a year before the introduction of the free trade area, and as of 2017. We can observe changes in the geographical orientation of ASEAN's foreign trade. The share of intra-regional exports and imports in the analyzed period increased from 17.95% to 23.62%. With regard to non-member trading partners, the dominant trend is China's increasing importance to ASEAN. The trade turnover between China and ASEAN increased by a factor of 6.7 and in 2017 amounted to 16.46% of total exports and imports of the association, which makes China the main trading partner of ASEAN at present.



Source: [8].

Figure 2. Geographic structure of foreign trade of ASEAN in 1991 and 2017

The share of the EU and the US has declined significantly, which was primarily influenced by the increase of the share of China, and by 2017 it amounted to 10.44% and 9.47% respectively. Thus, ASEAN is more

oriented towards intra-regional trade, as well as the development of trade relations with other East Asian countries, whose share in the geographical structure of ASEAN's foreign trade, except from Japan, is increasing year by year.

By studying the current trends in the process of integration in the Southeast Asia, it is worth mentioning that ASEAN is developing new forms of cooperation with its trading partners, which provide for the establishment of free trade areas.

In general, we can identify three areas of ASEAN cooperation:

1. ASEAN + 1 Free Trade Areas with China, Japan, India, Republic of Korea, Australia and New Zealand;
2. ASEAN + 3 Free Trade Area with China, Japan and the Republic of Korea;
3. Establishment of RCEP.

Now the talks on the establishment of a Comprehensive Regional Economic Partnership (CREP), which includes ASEAN + 6 countries (China, Republic of Korea, Japan, India, Australia, New Zealand) are underway. In November 2018, at the ASEAN Summit in Singapore, states agreed to conclude negotiations on the CREP establishment in 2019.

The purpose of the negotiations on the CREP is to achieve a modern, comprehensive and mutually beneficial agreement within the framework of the economic partnership between ASEAN and its FTA partners. To date, negotiations are focused on trade, investment cooperation, economic and technical cooperation, protection of intellectual property rights, competition development, and e-commerce. As a result, customs duties will be canceled by 95% in tariff lines [5, p. 30].

If this agreement is signed, the world's largest free trade area will be created in the Asia-Pacific region, with a combined GDP of 24.4 trillion dollars or 30.5% of the world's GDP. The population will equal 3559.7 million people (47.3%), while the share of world exports and imports will be 22.8% [10].

When studying the process of integration in ASEAN, one can not but mention the problems faced by this association on the road to development.

Among the intraregional reasons that prevent the more dynamic development of integration processes, one can highlight the principle of



non-interference in the internal affairs of the ASEAN member states. The secretariat of the association does not have significant powers, and the principle of consensus is used when making decisions. But, at the same time, it should be noted that the Association did not seek to create supranational bodies. The goal was to ensure peace and stability, as well as to contribute to the economic development of countries.

Another problem is that the integrating countries weakly complement each other's economies, and it holds back the integration process.

In the international context, today there is a problem of determining the place and role of ASEAN in a multipolar world, taking into account the growing political and economic influence in the Asia-Pacific region of China, as well as the rivalry of the United States and China for the influence in the region [4]. Competition for influence in the region between China and the United States can significantly undermine the ASEAN economic environment and affect regional growth [9]. As for ASEAN's relations with China, the issue of territorial disputes in the South China Sea, on which there is no unity among ASEAN countries, should also be mentioned [4, p. 6-7].

**C o n c l u s i o n .** At present ASEAN is an important development centre in the region. Its position in the Southeast Asia and in the world has been achieved through increasing economic growth, improving the investment climate and improving the welfare of the member states. The current trends in the functioning of ASEAN are the development of new formats of cooperation with its major trading partners in the Asia-Pacific region.

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## THE SIX BIGGEST STOCK MARKET MYTHS

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**Shandra V.P., Skripnik T.I. The six biggest stock market myths.** The securities market is one of the possible objects of investment of free cash. It is able to involve millions of people. The state of the market will be determined by their individual decision, which in turn is based on their perception of the political and economic situation in the country. Despite real problems, common myths about the stock market often arise.

**Keywords:** securities market, stocks, investors, finance, investments, price, myths, markets.

**Шандра В.П., Скрипник Т.І. Шість найбільших міфів фондового ринку.** Ринок цінних паперів є одним з можливих об'єктів вкладення вільних грошових коштів. Він здатний залучити мільйони людей. Стан на ринку буде визначатися їх індивідуальним рішенням, яке в свою чергу базується на їхньому сприйнятті політичної та економічної ситуації в країні. Незважаючи на реальні проблеми, часто виникають загальні міфи про фондовий ринок.

**Ключові слова:** ринок цінних паперів, акції, інвестори, фінанси, інвестиції, ціна, міфи, ринки.

**Шандра В.П., Скрипник Т.И. Шесть крупнейших мифов фондового рынка.** Рынок ценных бумаг является одним из возможных объектов вложения свободных денежных средств. Он способен вовлечь миллионы людей. Состояние на рынке будет определяться их индивидуальным решением, которое в свою очередь базируется на их восприятии политической и экономической ситуации в стране. Несмотря на реальные проблемы, часто возникают общие мифы о фондовом рынке.

**Ключевые слова:** рынок ценных бумаг, акции, инвесторы, финансы, инвестиции, цена, мифы, рынки.

The purpose of the article is to highlight the main myths about the stock market as an object of sociological analysis. The object of the article is the stock market as one of the possible directions of investing free cash. The subject of the article is the attitude of potential investors to the stock market. The securities market is one of the possible objects of investment of free cash.

It is able to involve millions of people. The state of the market will be determined by their individual decision, which in turn is based on their perception of the political and economic situation in the country.

According to experts, today the securities market is the most profitable way to increase capital. However, it is shrouded in many myths, sometimes not relevant to reality. Some people believe that the exchange market is a kind of casino, where everything depends on luck. Others believe that only wealthy people can really make money on stocks [1].

Many investors wonder whether or not investing in stocks is worth all the hassle. At the same time, however, it is important to keep a realistic view of the stock market. Regardless of the real problems, common myths about the stock market often arise. Here are six of those myths.

1. Investing in stocks is just like gambling.

Investment in securities is always associated with risks. This is partly the case. Risk is everywhere and the stock market is no exception. At the same time, those who spread this legend forget that risks, as well as profits, can and should be managed. This means that money should not be invested in one instrument, but distributed among different assets. It is advisable to acquire shares of companies from various sectors of the economy. For example, metallurgy, energy, oil and gas and telecom [1].

A share of common stock is ownership in a company. It entitles the holder to a claim on assets as well as a fraction of the profits that the company generates. Too often, investors think of shares as simply a trading vehicle, and they forget that stock represents the ownership of a company.

Assessing the value of a company is not an easy practice. There are so many variables involved that the short-term price movements appear to be random; however, over the long term, a company is supposed to be worth the present value of the profits it will make. In the short term, a company can survive without profits because of the expectations of future earnings, but no company can fool investors forever-eventually, a company's stock price can be expected to show the true value of the firm [3].

To limit possible losses at the minimum level, brokers have a "Stop order" function. It allows you to get rid of risky or erroneous investments. You can minimize the risks with the help of an investment advisor [1].

Gambling, on the contrary, is a zero-sum game. It merely takes money from a loser and gives it to a winner. No value is ever created.

2. The stock market is an exclusive club for brokers and rich people.

There is an opinion that in the stock market there is a high entry threshold and for successful work on the stock exchange you need solid initial capital. In fact, this is another myth, because today almost everyone can afford to buy securities. [1].

If your end goal is putting your cash to work in the hope to build a better saving nest for your future, there's no reason why you shouldn't feel confident investing in the stock market.

Many market advisors claim to be able to call the markets' every turn. The fact is that almost every study done on this topic has proven that these claims are false. Most market prognosticators are notoriously inaccurate; furthermore, the advent of the internet has made the market much more open to the public than ever before. All the data and research tools previously available only to brokerages are now available for individuals to use. Moreover, discount brokerages and robo-advisors can allow investors to access the market with a fairly minimal investment.

The high entry threshold is what discourages most people from trading in the stock market. In fact, it all depends on the tools that interest potential investors [3].

In the modern world, trading in the securities market poses no difficulty. Anyone can open a brokerage account and start trading stocks and other instruments without any difficulty. To do this, you just need to take your passport with you and go to the office of a brokerage company. Then you will get access to the trading terminal and after depositing money into your account you can start investing. Moreover, now many investment companies conduct training courses, seminars and trainings, provide an opportunity to practice, try trading on a demo account, before starting work on the stock market.

You don't need millions to start investing. A good thorough study about the company and just few bucks in the bank is enough for start investing. Even the greatest investor of all time, Warren Buffett, started his first investment with only a few dollars at an age on eleven. He didn't need a million dollars to make him a billionaire [4].

Whatever the reason for this myth's appeal, nothing is more destructive to amateur investors than thinking that a stock trading near a 52-week low is a good buy. Think of this in terms of the old Wall Street adage, "Those who try to catch a falling knife only get hurt."

Suppose you are looking at two stocks:

X made an all-time high last year around \$50 but has since fallen to \$10 per share.

Y is a smaller company but has recently gone from \$5 to \$10 per share.

Which stock would you buy? Believe it or not, all things being equal, a majority of investors choose the stock that has fallen from \$50 because they believe it will eventually make it back up to those levels again. Thinking this way is a cardinal sin in investing [3].

Price is only one part of the investing equation (which is different from trading, which uses technical analysis). The goal is to buy good companies at a reasonable price. Buying companies solely because their market price has fallen will get you nowhere. Make sure you don't confuse this practice with value investing, which is buying high-quality companies that are undervalued by the market [2].

4. To work on the stock market you need a lot of knowledge.

This is another of the well-established fallacies. It is not necessary to be a financier to work in the securities market. If you look at the legendary investors who have created a name for themselves and capital on the stock exchange, few have economic education. They simply adhere to the basic rule: "you need to know what you are buying and why." In other words, the investor should understand how well things are with the company, the shares of which he acquired, and what prospects they expect in the future [1].

"Without knowledge and experience, newcomers become a "food base" for professional participants, - Aleksey Ischenko believes. "It may, of course, be lucky in a one-time mode, but the final is usually one - a sad look at the rapidly decreasing account size and subsequent attempts to relieve stress in a nearby bar."

Experts advise to understand the economic situation of countries and companies in which money is invested. In the case of a country, it is

necessary to get acquainted with the dynamics of GDP, inflation, and the state of the political system. As for issuers, it is necessary to study the reports of companies on revenues and profits, the dynamics of production and sales, and follow corporate news (for example, plans to sell or buy shares in a company) [2].

#### 5. Stocks that go up must come down.

The laws of physics do not apply in the stock market. There's no gravitational force to pull stocks back to even. Over 20 years ago, Berkshire Hathaway's stock price went from \$7,455 to \$17,250 per share in a little more than a five year period. Had you thought that this stock was going to return to its lower initial position, you would have missed out on the subsequent rise to over \$303,000 per share in the beginning of 2018 [3].

#### 6. A little knowledge is better than none

Knowing something is generally better than nothing, but it is crucial in the stock market that individual investors have a clear understanding of what they are doing with their money. Investors who do their homework are the ones that succeed.

If you don't have the time to fully understand what to do with your money, then having an advisor is not a bad thing. The cost of investing in something that you do not fully understand far outweighs the cost of using an investment advisor [3].

**C o n c l u s i o n .** The stock market is not as bad as it might seem at first glance. When it comes to investing in the stock market, there are many misconceptions and people easily can be spooked into believing that it's just a place where people go to lose their money. With the right approach, working with securities can bring tangible profits.

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**APPEALS FOR THE PEACEFUL REGULATION  
OF THE INDIAN-PAKISTAN CONFLICT  
BY PARTICIPATION OF THIRD PARTIES**

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**Shapovalova O.V. Nikulimova I.H. Appeals for the peaceful regulation of the Indian-Pakistan conflict by participation of third parties.** The article is devoted to the study of international aspects of the Indian-Pakistani confrontation and appeals for the peaceful regulation of the Indian-Pakistan conflict by participation of third parties. The origins of the Indian-Pakistani confrontation and the reasons for its escalation are determined. The role of the external factor in the Indian-Pakistani confrontation is traced. The US policy in South Asia is analyzed, the USSR's relations with India and Pakistan are characterized, as well as their influence on the situation in Hindustan.

**Key words:** Indian-Pakistan conflict, US policy in South Asia, USSR's relations with India and Pakistan.

**Шаповалова О.В., Нікулімова Я.Г. Спроби мирного врегулювання індійсько-пакистанського протистояння за участі третіх сторін.** Стаття присвячена вивченню міжнародних аспектів індійсько-пакистанського протистояння та спроб мирного врегулювання індійсько-пакистанського протистояння за участі третіх сторін. Визначено витoki індійсько-пакистанського протистояння та причини його ескалації. Простежено роль зовнішнього фактора в індійсько-пакистанському протистоянні. Проаналізовано політику США у Південній Азії, охарактеризовано відносини СРСР з Індією та Пакистаном, а також їх вплив на ситуацію на Індостані.

**Ключові слова:** відносини СРСР з Індією та Пакистаном, індійсько-пакистанське протистояння, політика США у Південній Азії.

**Шаповалова Е.В., Никулимова Я.Г. Попытки мирного урегулирования индийско-пакистанского противостояния при участии третьих лиц.** Статья посвящена изучению международных аспектов индийско-пакистанского противостояния и попыток мирного урегулирования индийско-пакистанского противостояния при участии третьих лиц. Определены истоки индийско-пакистанского противостояния и причины его

эскалации. Прослежена роль внешнего фактора в индийско-пакистанском противостоянии. Проанализирована политику США в Южной Азии, охарактеризованы отношения СССР с Индией и Пакистаном, а также их влияние на ситуацию на Индостане.

**Ключевые слова:** индийско-пакистанское противостояние, отношения СССР с Индией и Пакистаном, политика США в Южной Азии.

India-Pakistan confrontation has been affecting the stability and security of the South Asian region for years, and constant tensions create conditions that could be the beginning of a new armed conflict in modern times. The mentioned conflict and attempts to resolve it both from the direct participants and the international community can serve as an example and useful experience for the prospect of resolving the conflict in the Donbass, which determines the relevance of the chosen topic. Issues of resolving the conflict in their writings were given by such authors as V. Belokrinitsky, who considered the foundations of South Asian regional cooperation, including the establishment of relations between India and Pakistan; M. Lebedev defined approaches to the political settlement of the conflict; D. Yevstafiev singled out the role and place of the superpowers as third parties in the peaceful settlement of the Indo-Pakistani conflict.

The basis of the Indo-Pakistani problem is the incompatibility of approaches to resolving the fate of the principality of Kashmir from the side of secular India and Muslim Pakistan, whose creation was based on the principle of "two nations". The struggle between the two countries was the result of the split in 1947 of British India and as a consequence of the emergence of two independent dominions – India and Pakistan, according to the Mountbatten Plan. Provinces with prevailing Indian and Muslim populations were to become part of India and Pakistan, respectively. Kashmir was Muslim, but in October 1947 Maharajah Hari Singh opted for India [2].

Developing not only in the military aspect, but also in the relatively new, at that time, international mechanism, which became the United Nations in 1945. In January 1948, the United Nations Security Council (UN Security Council) formally adopted a resolution that preceded India's complaint about Pakistani aggression, which legally consolidated the

involvement of the United Nations in the Kashmir conflict. In accordance with UN Security Council Resolution No. 39 of 20 January 1948, a United Nations Special Commission on India and Pakistan was established, whose main work was to prepare for a plebiscite. Further resolutions adopted by the Security Council discussed in detail the withdrawal of all Pakistani troops from the territory of Kashmir, the reduction of the Indian troops, while maintaining the forces there to maintain peace and order. The subsequent resolution of 13 August 1948 urged the parties to cease fire. The Pakistani side was dissatisfied with such conditions, as they envisaged the withdrawal of all its troops and only partially Indian. Even the presence of a representative of the UN Commission would not, according to experts, ensure an adequate monitoring of the "transparency" of the conduct of the plebiscite. After a new outbreak of battles in late 1948, India and Pakistan agreed to cease fire, which was enshrined in the UN Security Council resolution of 1 January 1949. On January 5 the United Nations Commission on India and Pakistan adopted a resolution requiring a plebiscite to settle the Kashmir problem, and an agreement on the establishment of a fire line controlled by UN monitors was signed on July 27, 1949 in Karachi [2; 3]. At first glance it seemed that the problem was being settled peacefully and the third party, without any difficulty, would be able to reconcile India and Pakistan. However, India believed that the Kashmir issue was the subject of bilateral discussions. Pakistan, on the contrary, advocated any form of settlement, including the involvement of intermediaries and arbitrators, including for discussing this issue in the UN Security Council. In 1962–1963, talks were held between the Indian and Pakistani governments on the Kashmir problem, but they did not bring any success. On December 21, 1964, a decree was passed by the President of India on the abolition of the special status of Kashmir, which caused mass discontent in Pakistan, whose government went on to exacerbate the situation. On April 25, 1965, the Indian armed forces crossed the cease-fire line, and later the state border with Pakistan. The armed clashes in Kashmir have grown into an undeclared war in Hindustan. The UN Security Council adopted a decision on the immediate ceasefire and the return of troops to the border, set on January 1, 1949. India and Pakistan have met this requirement, but Pakistan has repeatedly stated afterwards that "the cease-fire does not stop the

struggle" [3]. The second Kashmir War of 1965, both sides then perceived as the last resort to resolve the long-standing dispute. Not finding meaning in further diplomatic contacts, both sides resorted to force methods. According to the Pakistani leadership, without Kashmir, Pakistan lost its meaning to "the cradle of all Muslims in South Asia."

Until the early 1960's, virtually all foreign observers agreed that the United Nations would not be able to resolve this conflict. At the end of 1962 – early 1963, India and Pakistan, with the participation of intermediaries from the United States and Britain, held 6 rounds of bilateral talks. Despite several joint statements, negotiations have actually come to a standstill. The hopes for support in this matter from Washington and London have not been justified [1].

The most important step in the settlement of the conflict was the Tashkent Conference (November 4-10, 1966), which took place with the active participation of the USSR, which took the position of belonging Kashmir to India and the illegality of the occupation of Pakistan by part of the Indian territory, while the United States backed Pakistan's position and determination the problem as unsolved, indicating the need to give the people of Kashmir the right to self-determination by conducting a plebiscite under international control. The manifestation of the Cold War has found itself in Kashmir. The United States was guided by the protection of Pakistan from a possible Soviet threat. However, it should be noted that the USSR never played the role of mediator in the settlement of the Kashmir conflict. The USSR has created conditions for the representatives of the conflicting countries to have a chance to meet. The conference was attended by Oleksiy Kosygin, Chairman of the Council of Ministers of the USSR, India's Prime Minister Lal B. Shashtra and President of Pakistan Mohammed A. Khan. As a result of the conference, the Tashkent Declaration was signed, which fully restored diplomatic relations between the two countries, conducted mutual withdrawal of troops and exchange of prisoners of war. Such "good services" of a third party have suspended a large-scale international conflict. However, complete normalization of relations in the subcontinent did not take place. Without a cardinal solution to this problem of complete normalization of relations between countries, it was impossible to speak [1]. The USSR's government was interested in the

rapid completion of the war, fearing that China, which itself fought with India through Kashmir, could enter the war on the side of Pakistan. If that were the case, the United States immediately spoke on the side of India and then the influence of the USSR in the region would be seriously undermined.

The reason for the new aggravation of relations in the summer of 1970 was the statement of the Prime Minister of India Indira Gandhi that "the issue of Kashmir has been resolved once and for all ... The Indian side proceeds from the fact that India in general can show fidelity, but only not in Kashmir's question ". In response to this, on August 23, 1971, the Pakistani government sent a protest note to India. In a speech to the UN General Assembly, President Pakistani proposed that both sides withdraw their troops from Kashmir and create conditions for a plebiscite. The Indian side replied that it could not withdraw troops from its territory. In February 1971, Pakistan repeatedly filed complaints with India on the UN Security Council [2]. But in the interest of India, there was already a limitation on the activities of UN observers on the Indian side of the control line, because it continued to build up military capabilities at the border.

The 1971 war has led to the defeat of the Pakistani army and the formation of an independent state in Bangladesh on the territory of East Pakistan, and the agreement concluded after the end of the war contains items that directly affect the decision of the Kashmir problem (military confrontation was discontinued and a demarcation line of control was established). On June 28, 1972, a conference was opened between leaders of India and Pakistan in Simla. During the talks, the parties came to a certain compromise with regard to Kashmir: in both Jammu and Kashmir, both sides will respect the control line formed as a result of the cease-fire on December 17, 1971, without prejudice to the position of each side. Neither India nor Pakistan will seek to unilaterally change it, regardless of the differences between the two sides and the legal interpretation. Both parties further undertake to refrain from threats or use of force in order to violate this limit. Simla agreement, however, only consolidated the "status quo", but in fact the parties remained in the former positions [2; 3]. India continued to insist that the Siam Reaction provided for settlement of

disputed issues solely on a bilateral basis, while Pakistan considered it possible to address third countries.

The period from 1977 to 1980 was the most calm in the relationship between India and Pakistan. The new Indian government has announced its desire to normalize relations with its neighbors, first of all with Pakistan, for which bilateral talks should serve. Soon these negotiations took place. During their visit, the president of Pakistan has focused attention on the Kashmir problem, stating that Pakistan, like India, seeks to normalize relations, but this is possible only if it is decided in accordance with UN resolutions based on the plebiscite. In response, the Indian side said that in the future India and Pakistan should go through the cooperation without linking progress on this path to the Kashmir problem. However, the increasing involvement of Pakistan in the joint actions of the United States and China in the unpopular war in Afghanistan has led to increased tensions in relations. The call by Pakistan to conclude a pact with India for the purpose of "establishing peace and normalizing relations" has caused a negative reaction to the government of I. Gandhi. In 2000-2001, the Indian government resorted to attempts to resolve the conflict peacefully. In connection with the actions of the forces that did not accept the terms of the armistice, peaceful initiatives were disrupted. In May 2002, the situation in Kashmir intensified again, the situation was resolved with the help of Russia and the United States [1; 2].

From the experience of the second half of the twentieth century, it becomes clear that the United Nations and other countries are not able to fully resolve the conflict between India and Pakistan. Interference with the conflict of external factors, such great powers as the USSR and the United States, as well as the United Nations, turned the conflict into an integrated and extremely complicated settlement. Conferences that took place and agreements between India and Pakistan were only temporary. The mediation of the United Nations did not satisfy either the Indian side or the Pakistani one, because both countries are seeking to resolve the Kashmir issue by force. At present, more than a million troops are concentrated on the border, and in this situation any incident, any provocation may lead to a new armed conflict, and the nuclear arms race and one rocket can turn the potential Indo-Pakistani conflict into the most dangerous war on the planet.

The resolution of the conflict is only acceptable by peaceful means, when both countries will establish a unified policy regarding the disputed territory. If we are talking about just a two-way settlement of the conflict, then they must be confronted with a "win-win" strategy, in which both sides will reach a certain consensus and select the items that will satisfy both countries. However, with the difference in approaches between the two countries, the settlement process can be extended for many years to come. While maintaining such differentiated starting points of Delhi and Islamabad regarding Kashmir, there is a high probability of a fundamental legal unsettledness of this conflict.

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## UKRAINE'S PLACE IN THE WORLD AGRO-INDUSTRIAL COMPLEX

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**Shukel I., Karlyuk S. Ukraine's place in the world agro-industrial complex.** The article deals with the main indicators of the agro-industrial complex of Ukraine, its advantages and disadvantages, the place of Ukraine in the world agro-industrial complex. The main ways of development of agrarian and industrial complex of Ukraine in conditions of modern national and world economy are viewed, ways to increase its competitiveness are presented.

**Key words:** agrarian sector, agro-industrial complex, competitiveness, farm agriculture, enterprise, export.

**Шукель І., Карлюк С. Місце України в світовому агропромисловому комплексі.** В статті наводяться основні показники агропромислового комплексу (АПК) України, його переваги і недоліки, обговорюється роль України в світовому АПК. Розглянуто основні шляхи розвитку АПК України в умовах сучасної вітчизняної і світової економіки, а також пропонуються методи посилення її конкурентоспроможності.

**Ключові слова:** аграрний сектор, агропромисловий комплекс, експорт, конкурентоспроможність, сільгосп підприємство, фермерство.

**Шукель И., Карлюк С. Место Украины в мировом агропромышленном комплексе.** В статье приводятся основные показатели агропромышленного комплекса (АПК) Украины, его преимущества и недостатки, обсуждается роль Украины в мировом АПК. Рассмотрены основные пути развития АПК Украины в условиях национальной и мировой экономики, а также предложены основные методы укрепления её конкурентоспособности.

**Ключевые слова:** аграрный сектор, агропромышленный комплекс, конкурентоспособность, сельхозпредприятие, фермерство, экспорт.

The modern world economy is developing rapidly, every year it becomes more difficult to predict the future direction of its development. There are a growing number of new industries such as IT, bioengineering, robotics, etc. But even now, agriculture is a leader in the world as one of the most profitable budget items. Transactions on purchase / sale of agricultural



products are carried out every minute. This is due to the fact that nutrition is a key human need, and a task of each state is to ensure food security for its population, and therefore the demand for agricultural products will grow steadily along with the growth of population on the planet.

The agricultural sector is one of the most promising sectors of the national economy. This is the oldest and most common branch. It employs about 1 billion people (CIS – 20 million, countries of Central and Eastern Europe – 12 million, developed countries – 22 million, China – 450 million, developing countries – about 600 million people). Agro-industrial complex (AIC) is a common system of agricultural and industrial enterprises and industries welded together through integration.

Ukraine is a major producer and exporter of agricultural products. This is facilitated with a rich resource base, historical features of economic development, mild climate. Agriculture is one of the main components of Ukraine's economy. Ukraine also has the record amount of black soil, a tenth of all world reserves and 44% of the state's territory, which is also one of the most significant factors in the development of AIC. Agricultural lands occupy about 70% of the territory of Ukraine (41/5 million hectares). At the same time, large agricultural companies retain less than 19% of the total arable land. In Ukraine, almost all known grain crops, which can grow in temperate and semi-tropical natural areas, are grown. The main export crops are wheat, sunflower oil, corn, honey, and other grains and leguminous crops. According to the State Statistics Service, in 2017 the share of the AIC in the country's GDP was about 12% or 340 billion hryvnias. Over 40% of Ukrainian exports are agricultural products, totaling more than \$15 billion [4].

Ukrainian AIC is steadily growing even in the conditions of a continuous extension of the moratorium on sale of agricultural land. In 2017, farmers gathered 62.3 million tons of grain – the second largest result in the recent history of Ukraine. In addition, the volume of capital investments in the agricultural sector over the past year amounted to more than \$2 billion. This is 30.7% more than in 2016 and 4/3% more than in pre-war 2013. Over 75 % of this amount is investment in crop production and related services. Ukraine is the world leader in production and export of wheat and corn. Thus, in 2016, the world produced 175.2 million tons of wheat, and Ukraine produced 6% of the

total, which is the 7<sup>th</sup> result after the USA, Canada, France, and Russia. Ukraine holds the 3<sup>rd</sup> position in corn export. 73.7 thousand tons of honey were produced in 2013, and according to this indicator, the country ranks 1<sup>st</sup> in Europe and 5<sup>th</sup> in the world (after China, India, Argentina, and the USA). Ukraine is among the three largest producers and exporters of sunflower oil in the world. Thus, it can be concluded that Ukraine is a very big player on the global agricultural market, but along with positive trends, Ukraine's AIC has certain problems. These are corruption, bureaucracy, general instability of economy, low level of AIC infrastructure. The following issues require immediate resolution:

- Poor interaction of all components of the industry;
- A cumbersome regulatory and legal system regarding the agrarian policy in Ukraine;
- Excessive tax burden;
- The problem of unstable and traditionally overpriced economy;
- Worn-out material-and-technical base on which small and medium farmers operate;
- Total corruption in Ukraine related to AIC;
- Insufficient qualifications of small farmers in matters of modern methods of intensive agricultural production;
- Lack of state support for small and medium farmers;
- Underdeveloped and depreciated infrastructure related to ensuring the flow of goods within the country;
- Imperfect state export strategy in the field of agriculture;
- Deterioration of the situation with the organization of irrigation in the south of Ukraine.

These are the key factors that reduce the overall competitiveness of both the AIC of Ukraine and the overall competitiveness of the state on world markets. However, despite all the drawbacks, Ukraine maintains the pace of development of rural economy and it turns out that investors are not afraid of general economic stagnation, nor corruption, nor the post-Soviet bureaucracy. The question arises, "why?".

First, the land is known to be one of the most fertile in the world. With all the other things, the potential of its yield has not yet been studied. Industry experts say that over 100 million tons of grain per year are expected in future.

However, the achievement of this goal is hampered by backwardness of agricultural methods and lack of modern agricultural technology.

Secondly, Ukrainian products are increasingly being bought in the world and in particular in the EU. According to the data of the domestic Institute of Agrarian Economics, in the first quarter of 2018 alone, trade in agricultural products of Ukraine with the EU countries amounted to \$2.2 billion. Spain, the Netherlands, Italy, Poland, Germany and France are the main partners (72% of the total turnover) [1]. Mainly cereals are delivered, as well as sunflower oil.

Also, very problematic for the agricultural sector of Ukraine is a moratorium on sale of agricultural land. Today, 96% of all land in Ukraine falls under its effect. In such conditions it is very difficult to form the real value of the land, and therefore the price of its rent is one of the lowest in the world, even despite the very high yield. But even in such conditions, many small farmers prefer to work in the shadows because of which the budget is short of hundreds of millions of dollars in taxes every year. According to the World Bank estimates, lifting the moratorium will give Ukraine's budget an additional income of between \$0.7 and \$1.5 billion annually. In addition, in future the actual price per hectare of land can range from \$3,000 to \$3,500 instead of the current \$800 – \$1,200.

Key areas for solving existing problems:

- Search for innovative solutions related to minimizing the costs of harvesting, transporting, storing and processing agricultural products – in other words, using logistic approaches for doing business;
- The introduction of advanced business models, primarily based on a network economy – that is, the creation of an electronic-communicative environment in which legal entities and individuals can contact each other about joint business activities;
- Building efficient models of interaction between research centers and successful businesses;
- Development of measures to stimulate the processes of cooperation between small and medium-sized farmers through the creation of unions, associations, cooperative enterprises, etc.
- Work related to the expansion of existing and access to new markets for products of farmers from Ukraine;

- Work related to improving the quality of training young specialists in the field of agriculture, including through the exchange of experience with leading economies of the world.

Thus, Ukraine, on the one hand, is a major producer and exporter of agricultural products, primarily due to fertile lands and large volumes of the economy, and on the other hand, it needs big changes and improvements. And precisely because of the above problems, it occupies only the 23<sup>rd</sup> position among the largest agricultural players on the world arena [2].

Nevertheless, the agricultural sector, even despite the difficulties, is growing at a very high rate. And the export share of Ukraine on the world market may increase even more, provided the industry go to the production and export of finished products with high added value. Of course, the EU's quotas remain a significant obstacle to increasing exports of agricultural products. However, in future, they will be increased, but even today they do not divert farmers from developing other promising markets such as China, Israel, and the United Arab Emirates. For creation of a positive business climate fundamental changes are needed in the area of property rights protection, justice, and the fight against corruption. These problems are a stumbling block not only for Ukrainian AIC, but also for the entire economy of the country [3,4].

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## WORLD HOTEL RATING

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**Slipchenko T.E., Saprun I.R. World hotel rating.** The article discusses the problems of a wide variety of rating schemes in hotel classification used by different organizations around the world. Different hotel classification systems have been analyzed. The existence at least five different approaches has been highlighted. The most problematic points in rating schemes have been identified. Conclusions concerning different practices and processes within each approach of the hotel classification systems have been made.

**Keywords:** accommodation, American Automobile Association (AAA), hotel classification system, Hotelstars Union, organization, travelers, worldwide standard.

**Сліпченко Т.Є., Сапрун І.Р. Світова класифікація готелів.** У статті розглядаються проблеми, що стосуються різних систем класифікацій готелів, які використовують різноманітні організації по всьому світі. Проаналізовано системи класифікації готелів. Підкреслено існування як мінімум п'яти різних підходів. Виявлено найбільш проблемні моменти в рейтингових схемах. Зроблені висновки щодо різноманітних практик і процесів в рамках кожного підходу систем класифікації готелів.

**Ключові слова:** Американська Автомобільна Асоціація (AAA), організація, подорожуючі, розміщення, світовий стандарт, система класифікації готелів, Союз Hotelstars.

**Слипченко Т.Е., Сапрун И.Р. Мировая классификация гостиниц.** В статье рассматриваются проблемы, касающиеся различных систем классификаций отелей, которые используют различные организации по всему миру. Проанализированы различные системы классификации гостиниц. Выделено наличие по крайней мере пяти различных подходов. Выявлены наиболее проблемные моменты в рейтинговых схемах. Сделаны выводы относительно различных практик и процессов в рамках каждого подхода системы классификации гостиниц.

**Ключевые слова:** Американская Автомобильная Ассоциация (AAA), мировой стандарт, организация, путешественники, размещение, система классификации гостиниц, Союз Hotelstars.

The o b j e c t of the article is a hotel classification system. The s u b j e c t is the problem of creation unified international classification standards and rating criteria alongside the lines of a world star-rating system. The p u r p o s e of the article is to explore a multitude of types of official hotel classification systems across the globe, varying in terms of criteria; how the HOTREC influence on the global hotel industry at present. To identify the most problematic points, analyze the factors that the cause the problem, consider some possible solutions to the problems.

The dramatic rise of international tourism, from the pursuit of the privileged few only half a century ago to a truly worldwide phenomenon today, has seen the sector become a bedrock of our global economy, representing 9% of the world's GDP, 30% of service exports and one in every eleven jobs. But even as travelers become increasingly adventurous, seeking new and unexplored destinations, they still demand certain indicators of what they are about to experience. Official hotel classification systems have long provided such indications/information related to types of accommodation. [3]

Hotels are typically rated according to their quality. This quality is measured by the facilities and amenities provided by the hotel. Elements like room size, additional amenities, view, ease of access, food, entertainment, spas, fitness centers and locations will be considered in the classification of hotels. The development of the concept of hotel rating and its associated definitions display strong parallels. From the initial purpose of informing travelers on basic facilities that can be expected, the objectives of hotel rating has expanded into a focus on the hotel experience as a whole. Today the terms "grading", "rating", and "classification" are used to generally refer to the same concept, that is to categorize hotels. [4]

However, there is no global system to classify hotels; there are a wide variety of classification schemes around the world since various travel organizations, travel and tourism websites, and governments of different countries have their own rating systems. Nevertheless, most of these rating systems tend to be similar.

When you look at the ratings of a hotel, it is important to know that the rating may imply the reviewer's opinion of the hotel, but not the actual quality of the hotel. For example, one reviewer could rate a hotel five star

while another could rate the same hotel a four star. It is also important to find out who has rated the hotel; for example, a five-star rating of a hotel can be given by a travel blogger or a standard travel organization.

There is a multitude of types of official hotel classification systems across the globe, varying in terms of criteria, management and monitoring, but all essentially serving the same primary and crucial purpose of providing information on a product which is often purchased/listed sight unseen. This multiplicity of systems can nevertheless be a challenge for consumers, accommodation providers, travel agents and implementing agencies. Many have a system involving stars, with a greater number of stars indicating greater luxury. Forbes Travel Guide, formerly Mobil Travel Guide, launched its star rating system in 1958. The AAA (American Automobile Association) and their affiliated bodies use diamonds instead of stars to express hotel and restaurant ratings levels. [1]

The more common classification systems include "star" rating, letter grading, from "A" to "F", diamond or simply a "satisfactory" or "unsatisfactory" footnote to accommodation such as hostels and motels. Systems using terms such as Deluxe/ Luxury, First Class/ Superior, Tourist Class/ Standard, and Budget Class/ Economy are more widely accepted as hotel types, rather than hotel standards.

Some countries have rating by a single public standard – Belgium, Denmark, Greece, Italy, Malta, Netherlands, Portugal, Spain and Hungary have laws defining the hotel rating. In Germany, Austria and Switzerland the rating is defined by the respective hotel industry association using a five-star system – the German classifications are Tourist (\*), Standard (\*\*), Comfort (\*\*\*), First Class (\*\*\*\*) and Luxury (\*\*\*\*\*), with the mark "Superior" to flag extras beyond the minimum defined in the standard, but not enough to move the hotel up to the next tier ranking. [2]

In Australia the independent accommodation rating scheme and Star Rating trademarks (the "stars") are owned by the Australian Auto Clubs – the NRMA, RACV, RACQ, RAC, RAA and RACT. A Star Rating represents the quality and condition of guest facilities and is determined by more than 200 criteria that have been ranked by Australian travelers according to what's important to them. Star Ratings are awarded to properties across six accommodation types – hotels, motels, serviced

apartments, self- catering, hosted accommodation and caravan-holiday parks – following a physical inspection by qualified reviewers.

In 2015 Star Ratings Australia became one of the first independent accommodation classification systems in the world to incorporate a consumer "voice". An exclusive Travelers' Rating is presented in parallel to the independent Star Rating and is an aggregate of past guest ratings and reviews from more than 100 websites in 45 different languages. A property must have a minimum of 25 reviews (across all sites) to produce an aggregate Travelers' Rating. Weighting applies to the popularity of the source site and the date of the last guest review. The William Angliss Institute in Melbourne has developed an independent benchmarking framework to show if a property has met or exceeded guest expectations.

The HOTREC (Hotels, Restaurants & Cafés in Europe) is an umbrella organization for 39 associations from 24 European countries. On the conference in Bergen 2004, the partners drafted a hotel classification system in order to harmonize their national standards. In 2007 the HOTREC launched the European Hospitality Quality scheme (EHQ) which has since accredited the existing national inspection bodies for hotel rating. [6]

Under the patronage of HOTREC, the hotel associations of Austria, Czech Republic, Germany, Hungary, the Netherlands, Sweden and Switzerland created the Hotelstars Union. On 14 September 2009, the Hotelstars Union classification system was adopted on a conference in Prague. In January 2010 this system came into effect in the countries mentioned above, except for Hungary, Switzerland and the Netherlands, who have chosen later dates for the change. Later more countries have joined the HOTREC hotelstars system, such as Estonia (2011), Latvia (2011), Lithuania (2011), Luxembourg (2011), Malta (2012), Belgium (2013), Denmark (2013) and Greece (2013).

The European Hotelstars Union system is based on the previous German hotelstars system that influenced the hotel classifications in central Europe, with five stars and a Superior mark to flag extras. Instead of a strict minimum in room size and required shower facilities (e.g. a bath tub in a four-star hotel) there is a catalogue of criteria with 21 qualifications encompassing 270 elements, where some are mandatory for a star and others optional. The main criteria are in quality management, wellness and



sleeping accommodation. In the catalogue of criteria each entry is associated with a number of points – each Hotelstars level requires a minimal sum of points besides some criteria being obligatory for the level. The minimum requirement for the Superior flag requires the same sum of points as for the next Hotelstars level which however was not awarded due to at least one obligatory requirement being left out. [5]

During 2013 and 2014, the Hotel stars Union Members developed the first common revision of the criteria catalogue.

As a result of negotiations, the following criteria for hotel classification gained more weight from 2015 in the around 30.000 classified hotels in the participating countries:

- Better sleeping comfort,
- Better online visibility provided by hotels websites,
- Better telecommunication opportunities also in lower category hotels,
- Better food and beverages availability in all types of hotels.

According to the press, the Hotelstars Union (HSU) Managing Board met for its annual autumn meeting in Krakow on 18 October 2018 to discuss the future strategic challenges. The delegates from the 17 member countries and from potential new partners such as France, Italy and Poland dealt in particular with the revision of the common catalogue of criteria for hotel classification. In this context, the current HSU-President Jens Zimmer Christensen presented interesting figures from the recently published "Delta Check Star Count 2018": More than 400,000 or 17.6 % of the 2.3 million professional accommodations worldwide are star-rated. 50.7 % of all star-hotels are located in Europe. The Asian market occupies second place in a global comparison with 21.2%. [7]

Nowadays the Hotelstars Union enhances the reputation and quality of the hotel industry in the participating countries by creating transparency and security for the guests and thereby encouraging and supporting hotel marketing. As HSU President Jens Zimmer Christensen emphasized in his interview: “With Hotelstars Union the success story of the European Hotel Classification can continue for the benefit of the present and new members.”

So, there is no worldwide standard for official hotel classification systems, and there may well never be one due to the incredible diversity of the environmental, socio-cultural, economic and political contexts in which

they are embedded. However, there are without doubt commonalities which unite accommodation of various standards across the globe. Identifying such commonalities as well as differences can help destinations in establishing or revising their classification systems in such a way that they are relevant and useful to consumers, hotels, intermediaries and destinations alike. [3]

Most travelers do not focus on star ratings or other industry classifications when searching for a hotel but rather evaluate their options based on the following:

- Location (city/destination/area)
- Type of trip (business, leisure)
- Specific criteria (free Wi-Fi, buffet, parking area, equipped conference room)
- Price/best value based on above criteria
- Online reviews/reputation (overall & related to specific criteria)

Sites like Booking.com, TripAdvisor, Kayak, Trivago and Skyscanner have become popular because they aggregate much of this information in one place to help the traveler quickly find the best hotel for his or her specific needs.

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## INTERNATIONAL COMPANIES IN THE GLOBAL OIL AND GAS MARKETS

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**Sokolov F.S., Karpusenko M.V. International companies in the global oil and gas markets.** This article discusses the world's top oil and gas companies and their competition in the global market. It also considers prospects and the immediate problems of these companies and their ratings, which were composed by taking into account such economic indicators as: revenues, profits, assets and market value.

**Key words:** international oil and gas companies, global market, rating of world's top oil and gas companies.

**Соколов Ф.С., Карпусенко М.В., Міжнародні компанії на світових нафтогазових ринках.** У цій статті будуть обговорюватися провідні нафтові компанії світу і їх конкуренція на світовому ринку. Також будуть розглянуті перспективи та актуальні проблеми цих компаній і їх рейтинги, які були складені з урахуванням таких економічних показників, як: виручка, прибуток, активи і ринкова вартість.

**Ключові слова:** міжнародні нафтогазові компанії, світовий ринок, рейтинг топових нафтогазових компаній світу.

**Соколов Ф.С., Карпусенко М.В., Международные компании на мировых нефтегазовых рынках.** В этой статье будут обсуждаться ведущие нефтегазовые компании мира и их конкуренция на мировом рынке. Также будут рассмотрены перспективы и актуальные проблемы этих компаний и их рейтинги, которые были составлены с учетом таких экономических показателей, как: выручка, прибыль, активы и рыночная стоимость.

**Ключевые слова:** международные нефтегазовые компании, мировой рынок, рейтинг топовых нефтегазовых компаний мира.

The s u b j e c t of the study is international companies in the global oil and gas market. The p u r p o s e of the study is to consider problems, perspectives and competition of the international oil and gas companies in the global market. The r e l e v a n c e of the study is determined by

declining balance sheets of world oil and gas companies against the background of their expenses.

Forbes has made a rating of the largest oil and gas companies in the world. The rating is based on the revenues, profits, assets and market value of each company. [1]

Below are the 10 largest energy companies:

1. Exxon Mobil: Exxon has become one of the five large oil and gas companies on the Fortune 500 list, despite the unfavorable situation on the global energy market lately. And the company ranks the second place in the Fortune 500 list.

Exxon has played a huge role in protecting the oil and gas industry from novelties introduction associated with growing concerns about environmental damage, especially in the United States.

Exxon Mobil Corp is an American company, the largest private oil company in the world, one of the largest corporations in the world in terms of market capitalization. Market capitalization of the company is \$363.3 billion.

2. PetroChina:

PetroChina has become the second largest company in the world, despite the fact that it comes to life from the strong financial turmoil associated with rising production costs, as well as with the difficult situation in the global market.

PetroChina Co Ltd is a Chinese oil and gas company. PetroChina was established as part of the Chinese state CNPC in November 1999. Market capitalization of the company is \$203.8 billion.

3. Chevron:

Chevron Corporation is the second after Exxon Mobil Corp. integrated energy company in the United States, one of the largest corporations in the world.

The company conducts oil production in various regions of the world. She owns a number of refineries, as well as an extensive network of gas stations. Chevron's proven oil reserves are 13 billion barrels. Market capitalization of the company is \$192.3 billion.

4. Total:

The French company Total is one of a company seeking to create progressive standards in the oil and gas industry. Market capitalization of the company is \$121.9 billion.

5. Sinopec:

This Chinese company in recent months has experienced serious financial losses: profits have fallen by 50%.

This is the country's second-largest oil and gas company (after PetroChina). Market capitalization of the company is \$89,9 billion.

6. Royal Dutch Shell:

Royal Dutch Shell Plc is a Dutch-British oil and gas company. Shell conducts geological exploration and production of oil and gas in more than 80 countries around the world. Shell also fully or partially owns more than 30 refineries. Shell owns the world's largest network of gas stations, which has more than 43 thousand stations. Market capitalization of the company is \$210 billion.

7. «Gazprom»: Gazprom is a transnational corporation engaged in geological exploration, production, transportation, storage, processing and sale of gas, gas condensate and oil, as well as the production and sale of heating and electricity.

Gazprom has the richest natural gas reserves in the world. Its share in world gas reserves is 17%, in Russia – 72%. Market capitalization of the company is \$57.1 billion.

8. «Rosneft»: «Rosneft» is the leader of the Russian oil industry and the largest public oil and gas corporation in the world. Market capitalization of the company is \$51.1 billion.

9. Reliance Industries: Reliance Industries Ltd is an Indian company, the country's largest holding. The company's headquarters is located in Navi Mumbai, the satellite city of Mumbai.

The company's main business is concentrated in the field of oil and gas production, as well as oil refining (it owns a large oil refining complex in Jamnagar, Gujarat) – these are branches of Reliance Petroleum. Market capitalization of the company is \$50.6 billion.

10. «LUKOIL»: «LUKOIL» is a Russian oil company. The main activities of the company are operations for the exploration, production and

processing of oil and natural gas, the sale of oil and oil products. Market capitalization of the company is \$36.8 billion.

And now we will discuss the big problems of the big oil companies. The world's largest oil companies are experiencing serious problems, as their balance sheets are falling amid higher costs, falling profits and a sharp increase in debt.

The glory days of high-yielding global oil companies have come to an end. All that remains now is just a shadow of the once powerful oil industry, which is forced to control itself in order to extract the last drop of such valuable oil. [2, p. 799]

For example, Chevron made a significant profit in 1997, when the price of oil was \$ 19 a barrel. However, the company suffered losses in 2016, when the price was twice as high, reaching \$ 44. And it's even worse if you compare the company's profits with total revenues. Chevron's net profit was \$ 3.2 billion from revenues of \$ 42 billion in 1997 compared with a loss of \$ 497 million, with a total sales volume of \$ 114 billion in 2016.

To give a more realistic look at the energy industry, here are data on the seven largest oil companies in the world.

To save the world from total collapse during the 2008 financial crisis, the Fed and central banks set about the most massive money printing scheme in history. One of the side effects of this (and asset purchases) by central banks was that it raised the price of oil to a record \$ 100 per barrel in three years. Large oil companies reported good profits due to high oil prices, but many of them have spent considerable amounts of capital on oil production. [3]

For example, the seven largest global oil companies received a total of \$ 213 billion in cash from operations in 2013. However, they also allocated \$ 230 billion in capital expenditures. Thus, the net free cash flow of these major oil companies was negative – \$ 17 billion, and this is not taking into account the \$ 44 billion that they paid in dividends to their shareholders in 2013. Although in 2013 the price of oil was \$ 109, the long-term debt of these seven companies increased by \$ 45 billion.

The impending bankruptcy of the once powerful global oil industry will be a deadly stone launched into the global economy. Without oil, the

global economy will stop. Of course, this will not happen overnight. It will take some time. However, the data indicate a significant gap in the industry, which for more than a century has been supplying the world with much-needed oil.

One option can provide these oil companies with a buffer – and this is a new, even more ambitious scheme for printing money to the Fed and central banks, which will lead to strong inflation and, possibly, hyperinflation. But this will not be a long-term solution, but will become just another band in a series of similar bandages that will only delay the inevitable.

**C o n c l u s i o n.** The global market of oil and gas industry is facing certain problems, but if economists from each of the large international companies carry out a thorough analysis of statistical information and select methods for solving the problems of their companies, the overall market situation will turn to positive trends.

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## TRADE COMPETITIVENESS OF URUGUAY

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**Sterzhanova K.V., Zmiyova I.V. Trade competitiveness of Uruguay.** The article considers special aspects of the competitiveness of Uruguay in the field of trade at the international level. The article analyzes country statistics on various criteria in the field of trade and international competitiveness, considers the trade dynamics of goods and services of Uruguay both internationally and within Latin America, carries out its trend-analysis.

**Keywords:** competitiveness, international level, Latin America, trade, Uruguay.

**Стержанова К.В., Зміїова І.В. Торгівельна конкурентоспроможність Уругваю.** У статті розглядаються особливості конкурентоспроможності Уругваю у сфері торгівлі на міжнародному рівні. Проаналізовані статистичні показники країни за різними критеріями у сфері торгівлі та міжнародної конкурентоспроможності. Розглянута динаміка торгівлі товарами та послугами Уругваю, як на міжнародному рівні, так і в межах Латинської Америки, проведено її тренд-аналіз.

**Ключові слова:** конкурентоспроможність, Латинська Америка, міжнародний рівень, торгівля, Уругвай.

**Стержанова К.В., Змиїова І.В. Торговая конкурентоспособность Уругвая.** В статье рассматриваются особенности конкурентоспособности Уругвая в сфере торговли на международном уровне. Проанализированы статистические показатели страны по различным критериям в сфере торговли и международной конкурентоспособности, рассмотрена динамика торговли товарами и услугами Уругвая, как на международном уровне, так и в пределах Латинской Америки, проведен ее тренд-анализ.

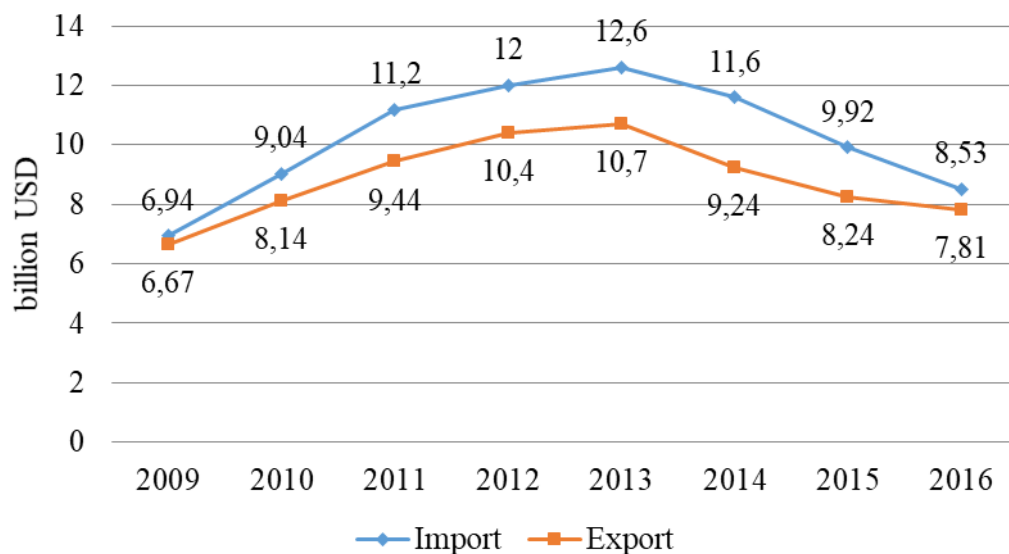
**Ключевые слова:** конкурентоспособность, Латинская Америка, международный уровень торговля, Уругвай.

The o b j e c t of the article is the international trade of goods and services in Uruguay. The s u b j e c t is a rating of the level of competitiveness of Uruguay in trade in the international market. The

purpose of the article is the systematization of trade statistics in Uruguay, the identification of the best countries for Uruguay to trade with, and also the assessment of the competitiveness of Uruguay within Latin America. The actual value of the research is the ability of an economically developed country to compete with other countries at the world trade stage.

Evaluating the statistics of Uruguay trade balance, we can make the following conclusion. From 2009 to 2016, the country's trade balance began to increase visibly. At the same time it should be noted that import indicators are several times bigger than export figures. This means that the country has a “trade balance deficit”.

Figure 1 shows that during these 8 years the highest import and export indicator was in 2013. That year Uruguay exported mainly soybeans (18%), and imported crude oil (13%). The main export destinations of Uruguay in 2013 were Brazil (16%) and China (15%), the import destinations of Uruguay in 2013 were Brazil (17%), China (16%), Argentina (14%). Therefore, it can be concluded that Brazil and China are the main trade partners for Uruguay.



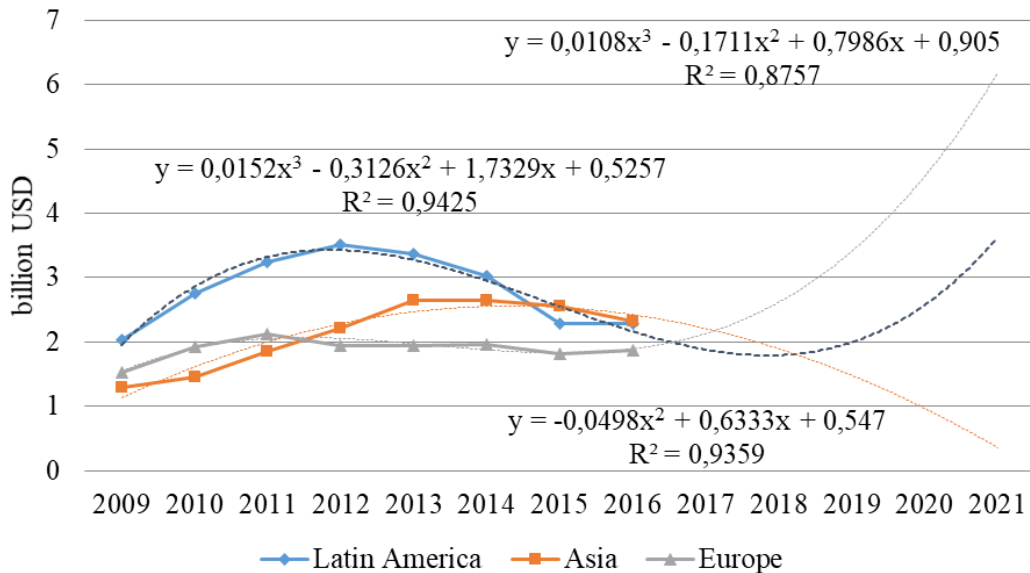
Source:[3].

Figure 1. Trade balance of Uruguay, 2009–2017.

From 2009 to 2016 the priority export areas of Uruguay are animal and plant products. Accordingly, most of all, Uruguay imports machinery, mineral products, chemical products and transport.

Uruguay, as rather a developed country in the economic sector, can compete with other countries in the field of trade. Proof of this is the export of goods to China (17%) and Brazil (16%). Uruguay is an export-oriented trading country; Uruguay export to Brazil is 54%. This is a significant advantage for Uruguay in relation to a number of other Latin American countries.

Figure 2 shows that export directions for Uruguay will noticeably change by 2021. According to the trend analysis, nowadays, European countries are the primary direction for the export of goods and services of Uruguay. Uruguay will trade less with Asian countries; its trade with Latin American countries will be maintained at a sufficient level. The approximate rate confirms the high probability of the forecast, on average  $R^2 = 0.91$ .



Source: [4].

Figure 2. Dynamics of trade of ASEAN countries, 2009–2016.

As for the export of services, there has been a great increase since 2012. According to statistics for 2017, Uruguay ranks 74th among 120 countries in the export of services [1].

According to the Enabling Trade Index for 2016, Uruguay ranked 66th out of 136 countries. The Domestic market access index is 75 of 136, and the Foreign market access index is 108 of 136. These indicators mean that the domestic market trade in Uruguay is larger than the foreign one. The Availability and quality of transport services index ranked 63 out of 136 countries. This index affects the speed and efficiency of moving goods to other countries [2, p. 310].

Nowadays, Uruguay continues to develop and expands its trade borders. For Uruguay, it is important to cooperate with other countries for mutual benefit and to increase competitiveness. Therefore, for Uruguay, a foreign trade is an integral part of the growth of the whole country. For example, in August 2018, the Parliament of Uruguay approved a free trade agreement with Chile. Priority for Uruguay will be cooperation with Latin American countries. The advantage is that it will be less transportation costs and delivery time. For Latin America it will be a winning option for the development and its competitiveness in the world, as an individual continent.

Uruguay expands its borders not only in the trade area. For example, Uruguay and Ukraine signed an agreement on visa-free regime. Now Ukrainians will be able to travel to Uruguay without a visa.

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## L'ORÉAL'S INNOVATIVE SOLUTIONS

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**Suprun O.S., Karpusenko M.V. L'Oréal's innovative solutions.** This article outlines an example of the influence of innovative solutions by the French transnational corporation L'Oréal with a long history of success in international activities.

**Key words:** innovation, marketing, advertising, transnational corporation.

**Супрун О.С., Карпусенко М.В. Інноваційні рішення компанії L'Oréal.** У статті викладено наочний приклад впливу інноваційних рішень французької ТНК L'Oréal з багаторічною історією на успіх у міжнародній діяльності.

**Ключові слова:** інноваційна діяльність, маркетинг, реклама, транснаціональна корпорація.

**Супрун О.С., Карпусенко М.В. Инновационные решения компании L'Oréal.** В статье изложен наглядный пример влияния инновационных решений французской ТНК L'Oréal с многолетней историей на успех в международной деятельности.

**Ключевые слова:** инновационная деятельность, маркетинг, реклама, транснациональная корпорация.

This article aims to show how L'ORÉAL – a small company founded in 1909 – has become the world's number one cosmetic group.

In 1904, the company's founder Eugene Schueller graduated from the French National Chemical Technology School (Ecole Nationale Supérieure de Chimie de Paris) and founded the French company for safe hair dyes, which became known as L'Oréal on July 30, 1909. [1]

After the end of the First World War a new era began. Throughout the world, women began to work more, earn more money and began to take more care of their looks. They were looking for methods to hide the gray hair that gives birth to the age. The paints "L'ORreal" ("L'ORÉAL") solved this problem and had great success even outside of France. The advanced means appear in Italy in 1910, in Austria – in 1911 and in the

Netherlands – in 1913. Soon paint could be bought in the US, Canada, UK and Brazil [2].

Eugene Schueller has grown into the lead of Savons Français, founded in 1920. The company's plant is located on Mart Street in Clichy, which later becomes the headquarters of L'Oréal. Schueller begins to implement a plan to modernize the enterprise. The main efforts are focused on improving products and updating the advertising campaign.

Eugene Schueller had little to create new products. Schueller believed that there are two types of advertising: the attacking ad, designed to cause interest, and profitable advertising, aimed at increasing sales. Soon he sent his talent to the development of marketing activities and the invention of new advertising strategies.

In 1931, he proposed to create a giant shield advertising the O'Cap hair lotion, which was placed on the wall of a Parisian house. In 1932, when the advertisement on the radio appeared only and the announcements were read by the announcers, Schueller first released an advertising song. So there was a Jingle.

Eugene Schueller has always believed that insufficient purchasing power was the cause of economic imbalance between production and consumption. He owns the idea of "proportional wages", according to which wages should be proportional to the sale of the company. This marked the beginning of the application of employee participation in the distribution of profits of the company, which later became used throughout the world. Its success has far exceeded its forecasts: in 1947, already 2,000 enterprises accrued workers "proportional wages".

Convinced that the success of L'Oréal depends on hairdressers, Eugene Schueller intends to establish a solid, long-term relationship with them. In this regard, he decides to open the school of hairdressers at the Ecole Technique des Arts et de la Coiffure, where they teach hairdressing, contribute to business development, and give advice on how to win customers. Thus, the company L'Oréal sets itself the position of the favorite brand of hairdressers [1].

In 1935, L'Oréal produces a true shampoo without soap (based on fatty alcohols), which cares more carefully for hair and sells in 1 liter

bottles. The line of remedies, called Dopal, is still on sale under the name of Dop.

As the author of the idea of using songs for radio advertisements in the 1930s, Eugene Schueller provides support for talent radio contests that have paved the way for popular shows. Schueller creates a concept of sponsored gear. For example, Crochet Dop "traveled" to France in 1947–1957, and her daily listened to 50,000 people. Racks are decorated in colors of the brand Dop, and the money is distributed to people who sing to their favorite singers: "Dop, Dop, Dop, ilest adopt on Dop!" ("Dop-dop-dop, he chose Dop!"). Eugene Schueller, the wider use of sponsorship, street marketing and traditional and new media, puts the foundation of modern advertising business.

In implementing the program of gradual conquest of all distribution channels, in 1954 L'Oréal concluded a number of technical agreements with the Société hygiene Dermatologique de Vichy (Vichy Society of Dermatological Hygiene). So, after being successful in hairdressing saloons and perfume shops, L'Oréal strengthens its position in pharmacies, and in the year 1980 Vichy is adjacent to the L'Oréal group.

After the death of Eugene Schueller, the management of the company L'Oréal goes to Francois Dahl, who breathed new life into the company. The creator of the Empire, L'Oréal, has always taken into account public opinion; it also has the idea of corporate learning. Francois Dahl was looking into the future, which for him was the only factor in the progress. A visionary leader, he makes several strategic acquisitions, expanding the group's influence in emerging market sectors and gaining new sales channels. It stimulates research – the driving force of internal growth – and strengthens the international presence of the group. His goal is to make beauty more accessible and thus attract new customers.

Next we see how the company becomes more and more socially responsible.

L'Oréal has become a member of the World Business Council for Sustainable Development, an independent international association with more than 150 companies from all major industries. The Council's mission is to exchange knowledge on environmental, economic and social issues.

Along with 2000 other companies, L'Oréal supports the ten principles of the Global Compact, the United Nations Sustainable Development Initiative, which emerged in 2000.

On May 1, 2005, the L'Oréal Professional Product Division signed an agreement with UNESCO on the establishment of a preventive education program "Hairdressers against AIDS". During the training sessions, L'Oréal's technology provides hairdressers with reliable HIV / AIDS information and encourages them to pass on this information to their clients. On May 23, 2006, this new socially significant initiative brings the Global Business Coalition Against HIV / AIDS Award.

L'Oréal also does not forget about innovations. L'Oréal has announced the launch of the revolutionary Makeup Genius application developed exclusively for L'Oréal Paris.

With Makeup Genius, consumers can test decorative makeup using a phone or tablet as a virtual mirror. You just have to choose a new tool from the catalog, a new image or crawl the product barcode in the store, and the app will instantly show how the makeup will look on the face. This proved to be a very successful marketing solution.

S u m m i n g up the observations made, it is necessary to note that L'Oréal is a company with many years of experience. L'Oréal works in more than 130 countries and more than 4 production plants. L'Oréal is a leader in the growing cosmetics industry, despite market competition. L'Oréal owns a rich portfolio of unique international brands that cover all cosmetic lines: hair care, dyeing, skin care, decorative cosmetics, perfumery. These brands are grouped into divisions within each group, each with its own distribution channel. This structure is one of the strengths of L'Oréal. It allows you to meet the expectations of each client according to his habits and lifestyle, as well as adapt to local distribution conditions anywhere in the world.

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## THE EUROPEAN STANDARDS OF COMBATING GENDER DISCRIMINATION AGAINST WOMEN

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**Sytnyk Y.V., Broslavska Y.M. The European standards of combating gender discrimination against women.** The article discusses the problem of social discrimination and domestic violence against women in modern society. The study researches the origin of this problem and measures taken by the international community to fight against it as well as discusses the level of gender equality in Ukraine and the prospects of its increasing.

**Key words:** civil protection, European standards, gender discrimination, gender equality, human rights, violence against women.

**Ситник Ю.В., Брославська Є.М. Європейські стандарти боротьби з гендерною дискримінацією щодо жінок.** У статті розглядається проблема соціальної дискримінації та домашнього насильства щодо жінок в сучасному суспільстві. Відзначені витoki даної проблеми і заходи, що застосовуються міжнародною громадськістю в боротьбі з нею. Розглядається рівень гендерної рівності в Україні та перспективи його підвищення.

**Ключові слова:** гендерна дискримінація, гендерна рівність, європейські стандарти, насильство щодо жінок, права людини, цивільно-правовий захист.

**Ситник Ю.В., Брославская Е.М. Европейские стандарты борьбы с гендерной дискриминацией в отношении женщин.** В статье рассматривается проблема социальной дискриминации и домашнего насилия в отношении женщин в современном обществе. Отмечены истоки данной проблемы и меры, применяемые международной общественностью в борьбе с ней. Рассматривается уровень гендерного равенства в Украине и перспективы его повышения.

**Ключевые слова:** гендерная дискриминация, гендерное равенство, европейские стандарты, гражданско-правовая защита, насилие в отношении женщин, права человека.

The object of the article is human rights protection. The subject is standards of combating gender discrimination in the modern European community. The purpose of the article is to highlight the importance of dealing with the problem of discrimination against women,

to indicate measures taken by European countries to combat it and to study the level of gender equality in Ukraine.

According to international standards of human rights protection, violence and exploitation on the basis of gender identity are extremely dangerous forms of discrimination. In the last decades the European community has managed to achieve practical positive changes in the field of gender equality. However, millions of women still suffer from domestic violence and fall under discrimination in different spheres of modern life because of insufficient media coverage of this problem and weakness of legal and practical protection tools.

Since the middle part of the 20<sup>th</sup> century the international community has been taking measures in fighting against women discrimination chiefly by setting up the legislative base. In 1979 the United Nations General Assembly passed the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). This document offers obligatory measures to be adopted at the state level in order to prevent discrimination against women in every sphere of life [1]. Almost all Eastern European and Central Asian countries ratified the CEDAW.

It is interesting that violence against women is not mentioned directly in the Convention. When the document was being drawn up in the 1970s, gender-based violence was not considered as a breach of human rights. The CEDAW Committee corrected this omission in 1992 by adopting the General Recommendation No. 19 on violence against women. According to this document, the member states should take all legal and other measures that are necessary to provide effective protection of women against gender-based violence, including, inter alia:

- Effective legal measures, including penal sanctions, civil remedies compensatory provisions to protect women against all kinds of violence, including, inter alia, violence and abuse in the family, sexual assault and sexual harassment in the workplace;
- Preventive measures, including public information and education programmes to change attitudes concerning the roles and status of men and women;

- Protective measures, including refuges, counselling, rehabilitation and support services for women who are the victims of violence or who are at risk of violence [4].

The Council of Europe has undertaken a series of initiatives to promote the protection of women against violence since the 1990s. In particular, these initiatives have resulted in the adoption, in 2002, of the Council of Europe Recommendation Rec(2002)5 of the Committee of Ministers to member states on the protection of women against violence, and the running of a Europe-wide campaign, from 2006-2008, to combat violence against women, including domestic violence. The Parliamentary Assembly of the Council of Europe has also taken a firm political stance against all forms of violence against women. It has adopted a number of resolutions and recommendations calling for legally-binding standards on preventing, protecting against and prosecuting the most severe and widespread forms of gender-based violence.

The Council of Europe decided it was necessary to set comprehensive standards to prevent and combat violence against women and domestic violence. In December 2008, it set up an expert group mandated to prepare a draft convention in this field. The Convention on preventing and combating violence against women and domestic violence was adopted on the 7<sup>th</sup> of April, 2011 in Istanbul. The Istanbul Convention is the first legally-binding instrument which creates a comprehensive legal framework and approach to combat violence against women and is focused on preventing domestic violence, protecting victims and prosecuting accused offenders. The Convention also aims to influence people's mindset and appeals to men for changing their position regarding the role of a woman in society. In other words, the document claims for ensuring gender equality to a greater extent [2].

How to monitor compliance of the Convention? It implies creating a monitoring mechanism to assess practical adhering to its provisions. This mechanism consists of two elements: the Group of Experts on Action against Violence against Women and Domestic Violence (GREVIO) and the Committee of Member States. Recommendations given by the Committee help to ensure the Convention compliance and to warrant its efficiency in the long run.

Ukraine signed the Istanbul Convention in 2011 but it hasn't ratified the document yet [6]. The Verkhovna Rada sent the bill to the Committee on Foreign Affairs to be refined. The parliament explained that the Istanbul Convention provisions "demolish completely the Ukrainian identity" [7].

Unfortunately, nowadays Ukraine is behind the European level of gender equality. The current Ukrainian legislation doesn't provide the efficient civil protection of violence victims. According to a survey, 3% of women have faced any form of discrimination, 11% have experienced at least one form of discrimination and 5% have experienced many forms. In other words, 1.5 million women have been ever discriminated [5, p. 13].

Regarding the problems of gender equality in the European integration process Ukraine follows the EU-Ukraine Association Agreement. Chapter 21 "Cooperation on employment, social policy and equal opportunities" highlights that "the Parties shall strengthen their dialogue and cooperation on promoting the decent work agenda, employment policy, health and safety at work, social dialogue, social protection, social inclusion, gender equality and non-discrimination" (Art. 419) [3]. The corresponding appendix contains the list of key EU directives for ensuring non-discrimination and gender equality.

Ukraine has defined its main directions of implementing the gender policy. They are:

- Providing equal opportunities for men and women to access political institutions;
- Settling discrimination in labor and employment;
- Creating the system of tools to prevent violence against women;
- Ensuring less social impacts on health and life expectancy.

In conclusion, gender equality is an essential aspect of human rights and the basis of democracy and social justice. The provisions of European legislation regarding human rights protection oblige countries to take all necessary measures to prevent, investigate and prosecute harm caused by discrimination of the part of the public authorities or private individuals.

Within the European integration process Ukraine strives to establish practically the European standards of combating gender discrimination. Today the government aims to adopt a comprehensive set of measures on providing the right on gender equality to support fair social values.

Moreover, it is vitally important for women to know their own rights

in order to counter any form of discrimination. To that end, the government should conduct a large-scale information campaign to familiarize Ukrainian women with legislative guarantees of equal rights and opportunities. It is necessary to create efficient tools of informing employers, representatives of courts, law enforcement agencies and local authorities about this problem and to develop a mechanism of prosecution for those who take for granted discrimination on the basis of sex.

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## REGIONAL POWER STRUCTURE IN THE CONTEXT OF SECONDARY STATES

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**Terebylo V.O., Davydenko I.V. Regional power structure in the context of secondary states.** The article covers the theoretical aspects of power structure in world regions, basing on various theoretical approaches within the international studies. The author highlights the position of secondary states and the ways they use to protect their interests and make the regions safe for the regionalism. The author pays attention to the institutional composition of regional institutions as a key factor of governmental communication within the region.

**Key words:** institution, power structure, region, regional power, state.

**Теребило В.О., Давиденко І.В.. Регіональна структура сили з точки зору вторинних держав.** Стаття охоплює теоретичні концепції структури сили в регіонах світу, які засновані на різних теоретичних підходах в міжнародних дослідженнях. Головним чином розглядається становище в регіонах вторинних держав і способи, які вони використовують, щоб захищати свої інтереси і зробити регіони безпечними для регіоналізму. Особлива увага приділяється інституційному пристрою регіональних установ як ключового фактора спілкування між урядами в регіоні.

**Ключові слова:** інститут, держава, регіон, регіональна держава, структура сили.

**Теребило В.О., Давыденко И.В. Региональная структура силы с точки зрения вторичных государств.** Статья охватывает теоретические концепции структуры силы в регионах мира, которые основаны на различных теоретических подходах в международных исследованиях. Главным образом рассматривается положение в регионах вторичных государств и способы, которые они используют, чтобы защитить свои интересы и сделать регионы безопасными для регионализма. Особое внимание уделяется институциональному устройству региональных учреждений как ключевого фактора общения между правительствами в регионе.

**Ключевые слова:** государство, институт, регион, региональная держава, структура силы.

The o b j e c t of the article is the position of secondary states in the regional power structure. The s u b j e c t of the article is the way to defend secondary states' interests. The p u r p o s e of the article is to define the method which can be applied by secondary states to protect their national interests.

Regionalism has been on the rise for the last several decades. More and more regional organizations increased the level of their delegations, as well as member states, gave more competencies to supranational principals. But considering the standard assumption made by scholars of international relations about the anarchic nature of the international system, regional cooperation and integration can be risky for states which are concerned about the distribution of power among them. Because of the absence of the world government, no checks and balances exist in global politics which make the world regions shape their hierarchical orders. The various distribution of power makes it difficult for weaker states (or secondary states) to pursue their own values and goals if they contradict to more powerful states. Consequently, the problem is the shortage of power, i.e. there is a gap between the power levels of dominant and secondary states. This means that there are two ways how to deal with regional powers' influence.

The first one implies secondary states to gain more power on their own to equalize the distribution of power in a region and become regional powers themselves. This option is the most obvious one, nevertheless, it doesn't make it the easiest one. The reason for this lies in the regional order that already exists in a region which means that regional hegemon simply won't allow secondary states to collect more power so that they never gain enough strength to turn the tables. Such a controversy of interests can bring states to a further escalation of conflict and destabilization in the region.

Another opportunity to impact regional order is to create special conditions in the region, which will constrain more powerful states from the abuse of power. Those constraints can be created by establishing the mechanism of collective regional management, i.e. regional institution. However, it's a common knowledge that many regional institutions are established specifically by hegemonic states when the lasts pursue their economic and political goals. Taking different regional powers (the USA,



Russia, South Africa) as an example we can see that main drivers of their promotion of regionalism were regional hegemon's national interests, e.g. maintaining stability in neighboring countries, building military alliances, easy access to vital resources (food, water, energy resources etc.) [2].

There is also an extra option which arises from arguments made by representatives of realism in international relations. Secondary states can form an alliance with other weaker states to counterbalance external or internal hegemon, e.g. the United States. To strengthen the argument an example of European integration can be provided. Scholars explain European struggle for regional integration existed in 50s as a desire to develop enough strength to communicate with the US and the Soviet Union on equal terms [3].

To avoid one-sided allocation of gains from regionalism, all the regional organizations with clear hegemon being a member should be designed with a high level of sovereignty delegation, so that all the decision-making processes cannot be influenced by regional powers using bilateral informal relations to their benefit. Establishing a supranational regional body will allow weaker member states to keep their independence as well as incorporate them in a decision-making process on equal terms with regional hegemon. Nevertheless, to make regional power to give up its unquestioned leadership, joining regional institution must look attractive enough, i.e. gains must exceed losses. For instance, one of NATO's main missions was to serve as a neutralizer to the USSR and Warsaw Pact members. Scholars also argue that ASEAN was established to defend member states from interventions of powerful states, such as China or the USA [5]. On the other hand, such approach includes a great risk for powerful states of becoming too interdependent with other actors, so the higher level of delegation to regional institution might seem relevant which brings sovereignty costs for them [7]. Liberal theories of international relations emphasize complex interdependence among states and their shared interest in dealing with the problems that arise from it by setting up international institutions, which intensify in regions due to geographic proximity [2].

But despite some strong motivation for regional integration, following the realists' argument, it's important not to allow the regional

organization to become a bridgehead for powerful states to promote their interests and set their own agenda. To do that member states should delegate more authority to a principal. But even though such states might accept formal delegation in normal times, they retain effective control through informal rules when the stakes are high [4].

According to realism, delegation is a side payment by a regional power to secondary states for their acknowledgment of hegemony. In such case level of delegation can be increased even more, if the gap between levels of power decreases, resulting in the grown authority of the regional organization. Another statement is that the more interdependent states are, the more authority they will delegate to the supranational body. In general, growing interdependence increases the difficulty of agenda-setting and decision-making which, in turn, might explain rising delegation. Whereas gradually enhancing delegation might be seen, from this perspective, as a “conventional” institutional response, losing the national veto (pooling) is a more far-reaching institutional measure. Here, high threshold levels of interdependence or imminent blockage in large-member organizations might be required [6].

It may seem controversial but secondary states to defend their interests and goals from more powerful states should increase cooperation with them. Stronger cooperation is vital to cause interdependence between states which in turn can bring to the formation of strong regional organizations. Highly institutionalized regional organizations with strong mandates are protected from veto by a more powerful state, so security issues within the region are less subject to ruling in one’s favor.

Interdependence also causes more communication between citizens of different countries, both from the public and private sectors. This leads to the necessity to provide an instrument for regular meetings and cooperation, hence, to further information exchange. Following the constructivists’ agenda, cooperation in this sphere can develop a common identity between states, as their values and will be heard on a regular basis. Furthermore, even on a personal level, interdependence causes deepening and broadening of personal communication between citizens, which evokes people’s diplomacy, which can be one of the instruments to develop further

cooperation on intergovernmental level. Those benefits rise another reason to develop cooperation and integrate more.

To wrap up all said above secondary states cannot simply escalate the conflict by growing its own power because it can trigger an unpredicted reaction from more powerful states. Forming an alliance to counterbalance hegemon can be an option but it's relevant only when there is no presence of regional power in the region itself. To avoid conflict and balance successfully between the following own interests and contradicting powerful states, secondary states should develop cooperation and integration with hegemon. Such a process includes some degree of autonomy decrease, but the "return on autonomy investment" (formation of a strong supranational body) is worth the risk.

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## **INNOVATIVE DEVELOPMENT AS THE MAIN COMPETITIVE ADVANTAGE OF TRANSNATIONAL CORPORATIONS**

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**Tertychna A.A., Kalyuzhna A.B. Innovative development as the main competitive advantage of transnational corporations.** The article discusses the main regularities of performance of transnational corporations, their role in the development of national economies of different countries; the article also investigates the factor of innovation as a decisive advantage of TNCs. The operations of TNCs in Ukraine were researched and the most promising directions for improving cooperation in this field were identified in this article.

**Key words:** actors, globalization, innovation, innovative development, national economy, TNCs (transnational corporations).

**Тертична А.А., Калюжна А.Б. Інноваційний розвиток як головна конкурентоспроможна перевага транснаціональних корпорацій.** У статті розглянуті основні закономірності функціонування транснаціональних корпорацій, їх роль у розвитку національних економік різних країн, а також досліджено фактор інноваційності як вирішальна перевага ТНК. Проведено дослідження щодо діяльності ТНК в Україні, визначено найперспективніші напрямки вдосконалення співробітництва в даній галузі.

**Ключові слова:** актори, глобалізація, інновації, інноваційний розвиток, національна економіка, ТНК (транснаціональні корпорації).

**Тертычная А.А., Калюжная А.Б. Инновационное развитие как главное конкурентоспособное преимущество транснациональных корпораций.** В статье рассмотрены основные закономерности функционирования транснациональных корпораций, их роль в развитии национальных экономик различных стран, а также исследован фактор инновационности как решающее преимущество ТНК. Проведено исследование деятельности ТНК в Украине, определены перспективные направления совершенствования сотрудничества в данной области.

**Ключевые слова:** акторы, глобализация, инновации, инновационное развитие, национальная экономика, ТНК (транснациональные корпорации).

Countries were main participants of international communication just several decades ago and one could hardly think of companies as of serious actors on the world's stage. However, now we face the situation when the level of a state's development is often related to the number of its transnational corporations and their scale as well. In this research we want to explore the role of TNCs in general, consider the factor of innovation within their performance and elucidate some modern tendencies of innovative development in TNCs in Ukrainian reality.

The o b j e c t of the article is the activity of transnational corporations in the context of the globalized world. The s u b j e c t is the effectiveness of implementing innovations in TNCs in order to enhance their competitiveness. The p u r p o s e of the work is to evaluate the effectiveness of the TNCs performance and the level of innovations used there as the key factor which provides competitive advantages to the corporation. The r e l e v a n c e of the article is determined by the fact that the modern world is globalized, and states are more or less integrated into global processes. Subjects of international relations are increasingly represented by multinational corporations, so it is important to investigate the basic patterns of their functioning, including the tendency towards innovative development as the main competitive advantages of TNCs.

The modern world is completely globalized, and one of the evidence of this is the existence and role of transnational corporations in global economic processes. So, what is TNC? The UNCTAD glossary says that a transnational corporation is an enterprise that unites legal entities of any organizational and legal forms and activities in two or more countries, pursues a coordinating policy and implements a common strategy through one or more decision-making centers [5]. Today there are about 80 thousand TNCs and about 850 thousand of their foreign affiliates in the world. TNCs are more effective in their business than companies that operate in just one particular country, because they have more access to natural, financial and information resources, more economically sustainable, and can adapt to the specific features of national markets of different countries [3]. Only in 2014, the global inflow of FDI (Foreign Direct Investment) has increased by 9% and amounted to 1.45 trillion dollars. According to UNCTAD experts, global FDI flows increased in

2015 to 1.75 billion dollars and in 2016 reached 1.85 trillion dollars. Foreign subsidiaries of TNCs in 2014 sold products to the amount of 36.4 trillion dollars and provided employment for about 75 million people, which is more than 20% of the world's workforce [9].

Moreover, the situation in the 21<sup>st</sup> century has progressed so much, that we should talk about TNCs as states competitors on the world arena, not just other national companies. Discussing TNCs and comparing them one can conclude that the fact, which makes some companies successful, is their R&D and innovation factor.

In the modern world, innovation is crucial for social-economic development. Scientific and technological progress takes countries to a higher level, gives competitive advantages compared with the less developed technically countries, provides military, political and economic power. Innovations are usually determined as the introduction of a new or significantly improved product (product, service) or process, a new sales method or a new organizational method in business practice, workplace organization or external communications [5]. Developed countries tend to innovate by providing the necessary funding, creating a favorable investment climate, providing social guarantees, since this is important for their economic growth. There is an increase in the value of human potential, associated with the formation of intellectual, knowledge-based societies.

Specialists say that there are two main types of innovations: radical and growing. They affect three critical areas that are critical to competitiveness: the economy and its sectors, entrepreneurship and business activities, products and processes [1, p. 29]. With a large part of the scientific and technical staff and applying technical knowledge on a global scale, TNCs are essentially the most important actors in the process of forming the global infrastructure of technological innovations. Thus, innovative activities carried out by TNCs have a significant impact on the competitiveness of countries in the world economy system, determining the leading position of some and the lag of others. The largest TNCs investing in innovation are in the US, EU countries, and Japan, making them world leaders [1, p. 30; 2] (Fig.1).

Rank	Company	Revenue (\$ billion)	Profit (\$ billion)	HQ Country
1	Wal-Mart	482.1	14.78	U.S.A.
2	State Grid Corporation	329.6	10.2	China
3	China National Petroleum	299.3	7.1	China
4	Sinopec Group	294.4	3.6	China
5	Royal Dutch Shell	272.2	1.9	Netherlands
6	Exxon Mobil	246.2	16.28	U.S.A.
7	Volkswagen	236.6	- 1.5	Germany
8	Toyota	236.6	19.3	Japan
9	Apple	233.7	53.78	U.S.A.
10	BP	226	- 6.5	Britain

Fig.1 The world's 10 largest TNCs, 2016

According to the results of the integrated analytical survey "Global Index of Innovation 2016", the ranking of countries according to the criterion of innovation development in the last 2-3 years hasn't practically changed. This ranking is chaired by countries such as Switzerland, Sweden, the United Kingdom, the Netherlands, the United States, Hong Kong, Singapore [6, p. 244]. There is also a tendency for economic growth in developing countries (China, Argentina, Brazil, Poland, India). At the same time, the scale of R & D in these states is increasing faster than in high-income countries.

The largest number of TNCs is based in the United States, which characterizes the United States as the motherland of the most powerful companies. Among them: Amazon.com, Salesforce.com, Regeneron Pharmaceuticals, Netflix, VMware and Tesla [8]. This fact explains why the United States has substantially increased cost of software development and employment in high technology industries. It should be noted that the specialization in the sector of the market in certain regions can differ. Companies based in the EU spend the most of their revenues on research and development in the automotive and constituent sectors (24.9%), pharmaceuticals and biotechnology (17.5%), and technical equipment and equipment (10.2%) [8]. In the research and development of American

companies, the focus is on high-tech industries, such as: technical equipment and engineering (25.2%), pharmaceuticals and biotechnology (22.1%), and software and computer services (18.2%). These three high-tech sectors account for 65.5% of US R&D investment, while for the EU 30% and 26% for Japan [8].

As for the part of Ukraine in the global economic cooperation, the following can be stated. Ukraine is a developing country, integrated into general economic processes. The most attractive sectors of the Ukrainian economy for TNCs and investors from the European Union and the USA are: food processing and processing of agricultural products (15.7% of FDI); trade (15.6%); financial sector (8.5%); machine building (8.0%); transport (7.6%); real estate transactions (4.6%); pharmaceuticals and petrochemical industry (4.1%) [3].

Transnationalization for Ukraine has both positive and negative consequences. Among the positive ones there is the formation of clusters, freedom of movement of labor, capital, means of production, goods and services, intellectual property objects, access to more qualitative and cheap resources, development of the scientific and technical sphere, qualitative development of the country's production, strengthening of the role of the state in the international space. The negative effects are: the decline of the sectors that are not attractive to the TNCs, the strengthening of dependence on more developed countries in economic and political terms, the sharp increase in cross-border mergers and acquisitions of domestic companies, the location of labor-intensive, environmentally hazardous industries in the territory of the state, the conversion of profits to industrialized countries, avoiding the taxation of profits [7].

Overcoming the negative trends in terms of raising the level of investment climate in Ukraine and ensuring the transition to innovative developmental principles that should be the engine of development, which will result in improvement of its ratings both as components of technical readiness and as components of the innovation subindex, requires, on the one hand, an increase in the cost of science and new technologies to the level recognized as the world optimal for countries that are successful in this regard (2.0-2.5% of GDP), and on the other – changes in the organization of research and experimental designers activities [4].



As for Ukrainian companies, in order to form their own competitive advantages in international markets, they should engage in cooperation with foreign TNCs not as a source of cheap raw materials or a backward technological appendage, but they should take advantage of the attraction of FDI.

*Conclusion.* The presence of TNCs is the key to a well-developed economic system of the country. In the modern world, there are about 80 thousand TNCs, and the countries with the largest number of such corporations (Western Europe, USA, UK, Hong Kong, Singapore) are also the most developed countries in the scientific and technical sense. This suggests that by investing in science-intensive industries (pharmaceuticals, production of technical equipment and machines, robotics, computer technologies), countries finance the development of TNCs, which, in return, bring huge profits to the national bank. Ukraine is involved into world integration processes, rather as a state, which is attractive to foreign TNCs, but is not a corporations country-owner. This situation has both positive and negative sides, but the following can be stated for sure. We should think about creating favorable conditions for setting up and successful operating of our own TNCs and allocation of funds on scientific and technical research.

Therefore, the prospects for further research should lie in working out the precise steps on developing national TNC system, investing in the most promising areas of production and learning from experience of the developing countries, which managed to create such national policies in a short period of time.

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## FOREIGN DIRECT INVESTMENT IN THE UKRAINIAN ECONOMY

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**Tkachenko D.D., Oliynyk N.A. Foreign direct investment in the Ukrainian economy.** The article examines changes in the level of foreign direct investment (FDI) flows, which came to Ukraine during the period from 2010 to 2017, FDI's structure by origin and the recipients' economic activity and Inward FDI Performance Index in Ukraine. The research provides the main causes of unfavorable investment and economic climate, and their impact on the development of investment policy and the amount of FDI.

**Keywords:** foreign direct investment, investment trends, investment policy, inward FDI Performance Index.

**Ткаченко Д.Д., Олійник Н.А. Ключові тенденції розвитку прямих іноземних інвестицій в українській економіці.** У цій статті розглядаються зміни рівня потоків прямих іноземних інвестицій, які надійшли в Україну з 2010 по 2017 рр., структура ПІІ за походженням, видами економічної діяльності їх одержувачів та індекс реальної динаміки ввозу ПІІ. Виділені основні причини несприятливого інвестиційного та економічного клімату та їх вплив на розвиток інвестиційної політики та обсяги ПІІ.

**Ключові слова:** інвестиційна політика, інвестиційні тенденції, індекс реальної динаміки ввозу ПІІ, прямі іноземні інвестиції.

**Tkachenko D.D., Oleynik N.A. Ключевые тенденции развития прямых иностранных инвестиций в украинской экономике.** В этой статье рассматриваются изменения уровня потоков прямых иностранных инвестиций, поступавших в Украину с 2010 по 2017 гг. структура ПИИ по происхождению, видам экономической деятельности их получателей и индекс реальной динамики ввоза ПИИ. Выделены основные причины неблагоприятного инвестиционного и экономического климата и их влияние на развитие инвестиционной политики и объемы ПИИ.

**Ключевые слова:** инвестиционная политика, инвестиционные тенденции, индекс реальной динамики ввоза ПИИ, прямые иностранные инвестиции.

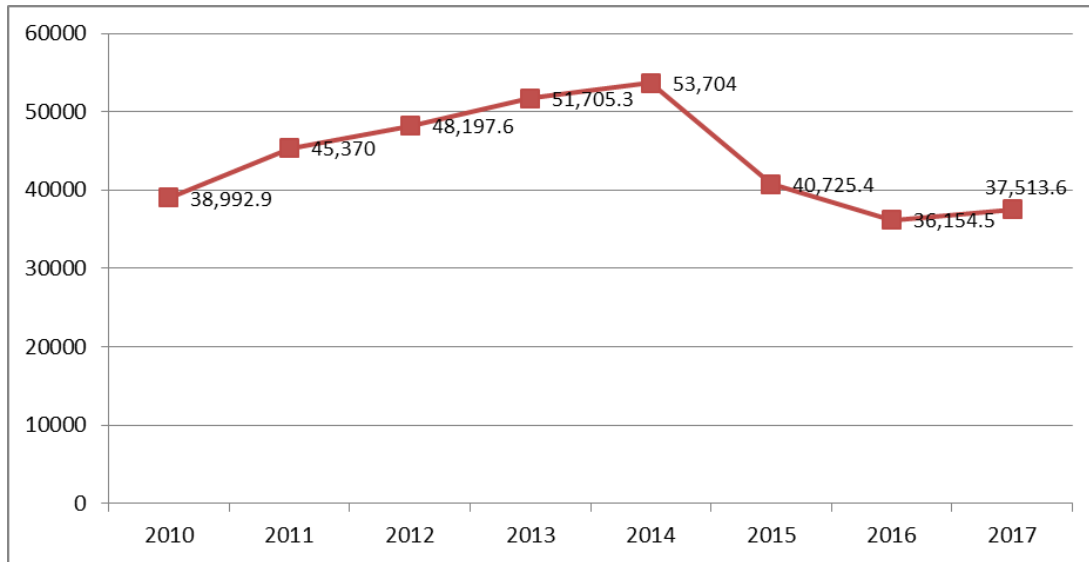
Attraction of foreign investment is one of the most important problems in reforming and modernizing the Ukrainian economy. Ukraine needs foreign capital to create advanced technologies, apply modern management methods and contribute to the development of domestic investment.

The o b j e c t of the article is the main trends of foreign direct investment. The s u b j e c t of the article is foreign direct investment in Ukrainian economy. The p u r p o s e of the article is to point out and analyze the main changes in FDI structure and the biggest problems related to the investment unattractiveness of the Ukrainian economy. The pressing need for the investments and investment policy development in the Ukrainian economy justifies the r e l e v a n c e of the article.

Foreign Direct Investment (FDI) is a type of international investment made by a resident of particular country (direct investor) in order to realize its long-term interest in other country`s resident-enterprise (the recipient of direct investment) [3, p.7].

Flows of FDI impact on the improvement of research and development stimulate entrepreneurs to promote their capital and goods to the global market or to expend domestic market, and at the same time to compensate for the deficits in national money.

Figure 1 shows the dynamics of FDI annual growth in Ukraine. There are upward and downward trends in the development of FDI over the period from 2010 to 2017. At the beginning of the researched period the amount of FDI was 38,992.9 million dollars. Over the next five years it increased steadily by 14,711.1 million dollars. However, in 2015 it suddenly plummeted, having lost over 4 billion dollars. This sharp fall was caused by a lot of reasons, such as political and economic instability, consequently, depreciation of the hryvnia and losses of financial sector. It then started to decline over the next year falling as low as 36,154.5 million dollars by 2016.



*Source: made by the author based on the data of the State Statistics Committee of Ukraine [2]*

Figure 1. FDI growth (in billion dollars) in Ukraine in 2010–2017

The Government of Ukraine made some efforts to improve the country's business climate in 2017. For instance, it adopted the draft law aimed at creating an investment council and anti-raider commission, improving a privatization law and a law on limited liability companies. There was a slight recovery taking FDI back above 37 billion dollars in 2017.

Table 1 shows the origin of FDI (%) in Ukraine by regions (parts of the world) before (2010) and after the crisis (2017). Europe and Asia are the main sources of FDI in 2010 as well as in 2017, in spite of decreasing of the amount of investment. Changes in FDI's structure by origin have been largely caused by investment in the banking sector, because financial and insurance activities are one of the biggest recipients of FDI in Ukraine. The others are industry, wholesale and retail trade. The recapitalization of foreign-owned banks led to the increase of FDI stock from some countries. This recapitalization was required by Ukraine's central bank as part of the measures aimed at strengthening the Ukrainian banking sector and was in many cases assisted by European Bank for Reconstruction and Development. The increase in the FDI sometimes did not mean the

injection of new funds, as the existing subordinated debt was converted into capital [4].

Share of investments made by European countries decreased by approximately 7 %, due to the economic instability and high level of corruption. In 2017 the biggest investors of European region are Netherlands (15.9%), Russian Federation (11.5), UK (5.4%), Germany (4.2%), Switzerland (3.9%), Austria (3.4%), France (3.5%). The main investments objects of all European countries apart from Russia are process manufacturing, construction, financial and insurance activities, wholesale and retail trade, while Russian position is based on recapitalization, described above.

*Table 1*

**The origin of FDI in Ukraine in 2010–2017  
(% of the total FDI)**

	<b>2010</b>	<b>2017</b>
Europe	67	60
Asia	24	30
Africa	0.22	0.38
America	8.72	9.51
Australia and Oceania	0.06	0.11

*Source: made by the author based on the data of the State Statistics Committee of Ukraine [2]*

Cyprus is the largest investor (25.8%) in Asia, Seychelles (0.4%) – in Africa, British Virgin Islands (4.5%) – in America and Marshall Islands, (0.11%) – in Australia and Oceania. This is due to the corrupt structure of Ukrainian economy and offshore companies, who are involved in moving money out of the country, before their returning to Ukraine as FDI.

Inward FDI Performance Index is used to explain more precisely the country's FDI inflows. This index is the ratio of the country's share in global FDI flows to its share in global GDP [1, p. 39].

Inward FDI Performance Index for 2010 and 2017 were calculated using the mathematical formula:  $IND_{2010} = 1.68$ ,  $IND_{2017} = 1.04$ . Both values are greater than one, so the amount of investment that the country receives exceeds the size of its economy. However, Inward FDI Performance Index decreased by 0.64 from 2010 to 2017, this decline was caused by insufficient investment.

Investments are needed for structural adjustment of the Ukrainian economy. There are the following objective and subjective factors adversely affecting the process of foreign investment in Ukraine:

- attraction of foreign investments takes place in the conditions of economic crisis;
- some investors suspended their activities in Ukraine, due to the economic policy of the government;
- unstable legislation, lack of reliable guarantees of protection against its changes for foreign investors.
- slow pace of privatization;
- the inflation rate remains at a much higher level than in Western Europe and the US;
- low level of infrastructure development, thus Ukraine cannot provide investors with the possibility of operational control.

To sum up, there are both upward and downward FDI development trends with the latter one is due to the real FDI decline and the steady increase in the share of fictional investments and widespread investment machinations connected with the offshore activity. The loss of countries-investors is caused by the political, economic and social instability, national insecurity and high level of corruption. The government should focus on eliminating these problems, thus it should improve investment climate and increase the amount of FDI flows in Ukraine.

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## **SERVICES AND THEIR CLASSIFICATION. INTERNATIONAL TRADE IN SERVICES**

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**Troshchiy K.S., Zmiyova I.V. Services and their classification. International trade in services.** The article considers the peculiarities of the concept 'services', determines the tendencies of international trade in services. The various definitions of the term 'service' are given, the classification of services is considered on various grounds, the issues of international trade in services are separately disclosed.

**Keywords:** foreign trade, international relations, international trade in services, peculiarities of development, services.

**Трошій К.С., Зміїова І.В. Послуги та їх класифікація. Міжнародна торгівля послугами.** У статті розглядаються особливості поняття «послуги», визначаються тенденції міжнародної торгівлі послугами. Наведені різноманітні визначення поняття «послуга», розглянута класифікація послуг за різними ознаками, окремо розкриті питання міжнародної торгівлі послугами.

**Ключові слова:** зовнішня торгівля, міжнародні відносини, міжнародна торгівля послугами, особливості розвитку, послуги.

**Трошій К.С., Змиїова І.В. Услуги и их классификация. Международная торговля услугами.** В статье рассматриваются особенности понятия «услуги», определяются тенденции международной торговли услугами. Приведенные различные определения понятия «услуга», рассмотрена классификация услуг по различным признакам, отдельно раскрыт вопрос международной торговли услугами.

**Ключевые слова:** внешняя торговля, международные отношения, международная торговля услугами, особенности развития, услуги.

In the modern world one of the main driving forces of economic development is international trade, which is the sphere of international economic relations and represents a set of foreign trade in goods and services of all countries of the world. Today it accounts for 80% of all

international relations. This fact determines the actual value of the article.

The object of the research is the social relationships which arise in international trade in services and the subject is services and international trade in services.

The services are extremely diverse and cover a wide range of activities – from trade and transport to financing, insurance and intermediation. Airlines and banks, hotels and restaurants, educational and sports facilities, tourist centers and campsites, radio and television stations, consulting and law firms, their further development and diversification are fully in line with the character of modern development of humanity, economic systems, scientific and technological progress. The term ‘services’ has existed since the times of ancient Greece, but there are still different opinions about the definition of the essence of this concept. In the "Great Economic Dictionary" the service sector is interpreted as "the system of sectors of the national economy, products whose consumer value is expressed in the provision of amenities" [1, p. 515].

It has such features as high dynamism, territorial segmentation and local character, high rate of capital turnover, higher profit margin and relatively short payback periods compared to many commodity production sectors, and the key categories are the concept of ‘services’ and ‘trade in services’. Unlike Adam Smith, who considered the work of the supplier of services to be unproductive and the one which does not create (increase) wealth, but only redistributes it, Karl Marx in his work ‘Capital’ showed that labor can be productive, that is, it can create and increase national wealth. Describing the services, Marx wrote: "This expression means nothing at all as the particular consumer value that this work provides, as well as other labor; but the special consumer value of this work got that specific name ‘service’ because labor renders services not in the form of things, but in the form of activity" [6, p. 76].

Marx noted that the special consumer value, which labor ‘gives’, expresses itself in special commodities resulting in the fact that "at each moment among the number of items of consumption, along with commodities in the form of goods, there is a certain number of items of consumption in the form services. Consequently, the total amount of

consumption is always higher than what it would have been in the absence of services suitable for consumption" [6, p. 75].

Another approach to defining the term 'service' is generally used by a well-known economist T.P. Hill: "A service may be defined as a change in the state of a person or commodity belonging to any economic unit, which is the result of the activity of another economic entity from the prior agreement of the first person or economic unit" [11, p. 82].

It is worth mentioning the concept of 'service' by other prominent scholars. In particular, the economists McConnell and Brue in their book gave the following interpretation: "Service is something that is intangible and in exchange for what the consumer, firm or government are ready to give something valuable" [5, p. 203].

An American scientist F. Kotler defines a service as any measure or benefit that one person can offer to another and which is basically invisible and does not lead to the possession of anything. In this case, the production of services may or may not be related to the goods in its material form [4, p. 466.].

Studies of the nature of services and their role in the economic system can be found in our economic literature. Specifically, A.P. Rummyantsev and Y.A. Kovalenko give the following definition: "A service is a type of activity, in the process of which a new materially proprietary product that had not existed before, but the quality of the created product is changing. In addition, the service can be defined as a type of activity that satisfies a particular human need, may or may not have a material form, is closely related to the production of goods or is completely self-designed" [9, p. 6].

The definition of the service can be found in the works of Russian scholars. According to the opinion of economist O.P. Kireyev, 'services' represent a change in the position of the institutional unit, which occurred as a result of actions and on the basis of a reciprocal agreement with another institutional unit [2, p. 165]. V.V. Kotilko calls the service as a useful action, a beneficial effect of the consumer value of a product or directly on labor, which is created in the process of expedient activity aimed at satisfying certain needs of people [3, p. 58].

The high rates of development of services in the leading countries of the world in the 1980s-1990s largely determined the overall growth of their economy, being its basis and a prerequisite for maintaining the growth dynamics for the future.

According to the approach adopted by UNCTAD (Trade and Development Organization), eight services are allocated: financial; communications; construction and design; transport; professional and business (legal, medical, etc.) commercial; tourist; audiovisual.

According to the classification of services by the forms of implementation, they can be divided into four main groups, depending on the location of the manufacturer and the consumer at the time of consumption [8, p. 46]:

1. The service is offered on the territory of its consumption.
2. The service is consumed abroad, which determines the movement of the consumer service.
3. The service is offered both in the territory of its consumption, and abroad.
4. The service is not moved from country to country.

In general, international services include transport, communication services, tourism, consulting, engineering, information, legal, insurance, intermediary, financial, educational and medical services.

The specificity of certain types of services is determined by market participants and the order of their interaction, the technology of providing services and their nature and purpose. In other words, the objective criteria for classifying services are the nature of their participants and factors, namely: service providers; subjects and objects of services; relations between market participants; the mechanism of service delivery [10, p. 101].

International services, according to the criteria of the presence or absence of connection with commodity trading and capital movements and production co-operation processes, can be classified as follows: services related to trade; transport services, maintenance, insurance, etc .; services related to investment and production cooperation; technology transfer, hotel, professional services, etc .; services that are both linked to investment and production cooperation and to trade; communication,

construction, maintenance of production equipment; services that are autonomous; informational services, personal, cultural, recreational services, etc.

According to its own general classification approach, the World Bank allocates the following services:

- factor services related to the movement of capital, labor and other components and tools of the production process;
- non-factor services (non-financial services) (transport, tourism and other non-financial services).

In the system of international trade services, the following two blocks can be distinguished [7, p. 74]:

1. Structural and sectoral components of the system of international trade in services are information services as a dynamic factor of international economic activity, international transport, banking and insurance services, international tourism.

2. Production and commercial services included in the system of international trade in services – leasing, franchising, engineering, licensing exchange, international leasing operations. Services are at the same time the subject traded on the world market, and its powerful dynamizer, a factor that more and more determines its parameters, trends and even the nature of the processes of globalization.

It should be noted that in the world practice services are also classified according to the features of participation in international exchange and are divided according to the above characteristics into three groups: services that can be subject to foreign trade (communication, international credit and insurance contracts, air and sea passenger and cargo transportation); services that can not be subject to foreign trade (social, state, individual, infrastructure); services that can be produced both for internal needs and for export.

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## L'INTERACTION DE L'UKRAINE AVEC L'UE DANS LE DOMAINE DE LA SECURITE DE L'INFORMATION

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**Tyrtova T.P., Dudka L.A. Interaction of Ukraine with the EU in the field of information security.** the article deals with the main legal acts signed between Ukraine and the EU in the field of information security, their content and features. The activity of CERT-EU – a specialized structural unit for providing cyber defense and counteraction to cyber threats has been explored. The main shortcomings in the construction of the information society in Ukraine are noted.

**Key words:** CERT-EU, information security, information society, cyber threats, cyber defense, legal acts.

**Тиртова Т.П., Дудка Л.А. Взаємодія України з ЄС у сфері забезпечення інформаційної безпеки.** У роботі розглянуті основні нормативно-правові акти, які підписані між Україною та ЄС у сфері забезпечення інформаційної безпеки, їх зміст та особливості. Досліджено діяльність CERT-EU – спеціалізованого структурного підрозділу для забезпечення кіберзахисту та протидії кіберзагрозам. Відзначені головні недоліки в побудові інформаційного суспільства в Україні.

**Ключові слова:** CERT-EU, забезпечення інформаційної безпеки, інформаційне суспільство, кіберзагрози, кіберзахист, нормативно-правові акти.

**Тыртова Т.П., Дудка Л.А. Взаимодействие Украины и ЕС в сфере обеспечения информационной безопасности.** В работе рассмотрены основные нормативно-правовые акты, которые были подписаны между Украиной и ЕС в сфере обеспечения информационной безопасности, их содержание и особенности. Исследована деятельность CERT-EU – специализированного структурного подразделения для обеспечения киберзащиты и противодействия киберугрозам. Отмечены главные недостатки в построении информационного общества в Украине.

**Ключевые слова:** CERT-EU, обеспечение информационной безопасности, информационное общество, киберугрозы, киберзащита, нормативно-правовые акты.

L'objet du travail sont les activités visant à assurer la sécurité de l'information dans le monde moderne. Le sujet est l'interaction de l'Ukraine avec l'UE dans le domaine de la sécurité de l'information. L'objectif de ce travail est d'étudier les particularités de l'établissement de relations dans le domaine de la sécurité de l'information entre l'Ukraine et l'UE, afin de construire une société de l'information moderne.

L'une des principales priorités de l'Ukraine est la volonté de construire une société de l'information centrée sur le citoyen, ouverte à tous et axée sur le développement, dans laquelle chacun puisse créer et recueillir des informations et des connaissances, avoir un accès complet à eux, les utiliser et partager pour permettre chacun de réaliser pleinement leur potentiel.

À cet égard, il est nécessaire d'étudier les aspects théoriques et scientifiques de la garantie de la sécurité de l'information dans le monde moderne et en Ukraine, en particulier.

La Constitution de l'Ukraine a consolidé le droit fondamental à la liberté d'information. L'article 34 de la Constitution garantit à chacun le droit à la liberté de pensée et d'expression, à la libre expression de ses opinions et de ses convictions. Toute personne a le droit de collecter, de conserver, d'utiliser et de diffuser librement des informations oralement, par écrit ou de toute autre manière, de son choix [1]

La première loi ukrainienne, qui a jeté les bases de la politique d'information de l'Ukraine, peut être considérée une loi du 02.10.1992 «Sur l'information». Cette loi régit les relations concernant la création, la collecte, la réception, le stockage, l'utilisation, la distribution, la protection, la défense de l'information [2].

En Ukraine, comme dans d'autres pays européens, la société de l'information est en train de se constituer et de se développer et mener des activités qui vise à créer un système de sécurité de l'information.

Car, l'Ukraine, conformément à la loi «Sur les principes de la politique intérieure et étrangère», déclare, que la région euro-atlantique est orientation stratégique de sa politique étrangère [3], elle a commencé à se concentrer sur la stratégie de développement des pays membres de l'Union européenne dans tous les domaines de la société, en particulier dans le secteur de l'information. C'est pourquoi, comme Eugene Makarenko a



indiqué: «Il est le vecteur européen et une nouvelle qualité de la politique d'information de l'Ukraine est une priorité pour informer le public ukrainien sur les composantes du critère du rapprochement avec l'Union européenne et l'OTAN, le moment décisif de cette situation est un facteur réel, comme la critique croissante progressif des approches européennes du développement du système politique, en particulier sa politique d'information» [4].

Ainsi, en Juillet 1994 on a signé un protocole d'intention entre le Comité d'État pour les communications et l'information et la Direction générale de l'UE sur les problèmes de la société informationnelle, qui a jeté les bases au niveau officiel d'une action commune dans le domaine de la société de l'information [5].

En 1998, l'Ukraine a adopté la loi « Sur le Programme national de l'informatisation», qui définit les principes généraux de la formation, l'application et l'adaptation du Programme national de l'informatisation.

Le programme national de l'informatisation vise à déterminer des stratégies pour résoudre le problème des besoins en informations et du soutien en informations des activités socio-économiques, écologiques, scientifiques, techniques, de la défense, nationales, culturelles et d'autres activités dans les domaines d'importance nationale [6].

Dans son développement ultérieur, les dispositions du Protocole et de la loi «Sur le Programme national de l'informatisation» ont été reflétées dans le Mémoire d'accord entre la Direction générale de la société de l'information de la Commission européenne et le Comité d'État pour la communication et l'informatisation de l'Ukraine sur le développement de la société de l'information, signé le 14 septembre 2000.

Comme il est indiqué dans le Mémoire, l'Union européenne et l'Ukraine ont convenu de travailler ensemble pour développer la société de l'information en Ukraine. À son tour, la DG Société de l'information de la Commission européenne fournira des conseils en réponse aux demandes sur les stratégies de la société de l'information réalisées en Ukraine et les services de la Commission fourniront une assistance technique et des experts conformément aux procédures et règles en vigueur (point 3.6) [7].

L'étape suivante dans la détermination de relations entre l'Ukraine et l'UE pourrait être appelé l'Accord entre l'Ukraine et l'UE sur les procédures

de sécurité pour l'échange d'informations à accès restreint, signé en 2005 à Luxembourg, ratifié en 2006 et entré en vigueur en 2007.

Ainsi, afin de réaliser les objectifs de renforcement de la sécurité de chacune des parties cet Accord, les parties «doivent assurer la sécurité du régime et ont les actes normatifs, reposant sur les principes de base et les normes minimales de sécurité qui à mettre en œuvre dans les systèmes de sécurité des Parties institué en vertu de l'article 11 pour assurer un niveau équivalent de protection des informations à accès restreint couvertes par cet Accord» (p. 6). Pour application cet Accord entre les parties «a conclu des accords sur la sécurité, qui établissent des normes pour la protection mutuelle des informations à accès restreint couvertes par cet Accord» (art. 11, par. 1) [8].

En plus du cadre législatif et réglementaire en Ukraine sur la base du Centre d'Etat de la cyberdéfense et de la lutte contre la cyber-menace Service national des communications spécial et de la sécurité de l'information de l'Ukraine, fonctionne une unité spécialisée – Équipe réponse aux urgences informatiques en Ukraine (CERT-UA) pour fournir cyberdéfense et la lutte contre la cyber-menace. CERT-UA travaille activement avec CERT-UE – un groupe permanent d'intervention d'urgence pour les institutions, agences et organes de l'UE.

Le but de CERT-UA est d'assurer la protection des ressources d'information de l'État et des systèmes d'information et de télécommunications d'un accès non autorisé, l'abus et les violations de la confidentialité, l'intégrité et la disponibilité [9].

Toutefois, il convient de noter que, bien que la construction d'une société de l'information en Ukraine ait commencé depuis son indépendance, le développement actif de ce processus n'a que ces dernières années. Auparavant, la création du cadre légal, qui, malheureusement, personne n'était réalisé – le premier et unique institut public dans le domaine de la sécurité de l'information en Ukraine immédiatement après son indépendance, à la fin du XXe siècle du XXIe siècle, était le Département des systèmes spéciaux de télécommunication et de la sécurité de l'information, qui a été remplacé en 2006 par le Service d'État pour la protection spéciale de la communication et des informations de l'Ukraine. Tout cela explique le développement insuffisant de la société de

l'information ukrainienne non seulement par rapport à l'Union européenne dans son ensemble, mais même par comparaison avec les différents pays de l'Europe occidentale. De plus, aujourd'hui, malgré le fait que le cadre légal de la politique d'information de l'Ukraine est relativement considérable, et elle continue de se développer à ce jour, de nouvelles lois et réglementations sont publiées. Cependant, à notre avis, l'Ukraine pourtant ne dispose pas assez, des institutions publiques dont les activités seraient visant à réglementer les relations dans le domaine de la sécurité de l'information.

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## NORMS OF INTERNATIONAL LAW

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**Usikova V.I., Karpusenko M.V. International law.** This article considers the relationship between the norms of general international law and local norms, and also defines the basic principles of international law and their normative content.

**Keywords:** norms, international law, principles, subjects, Vienna Convention, international treaties.

**Усікова В.І., Карпусенко М.В. Норми міжнародного права.** У статті розглянуті співвідношення між нормами загального міжнародного права і нормами локальними, і так само визначені основні принципи міжнародного права і їх нормативний зміст.

**Ключові слова:** норми, міжнародне право, принципи, суб'єкти, Віденська конвенція, міжнародні договори.

**Усикова В.И., Карпусенко М.В. Нормы международного права.** В статье рассмотрены соотношение между нормами общего международного права и нормами локальными, и так же определены основные принципы международного права и их нормативное содержание.

**Ключевые слова:** нормы, международное право, принципы, субъекты, Венская конвенция, международные договора.

Since international law is an aggregate and a system of norms, it is necessary to establish the meaning of the terms “rule of law” in general and “rule of international law” in particular, which determines the purpose of this article.

The rule of law, according to the national general theory of law, is a legally binding rule of conduct for its intended recipients, whose behavior it regulates and which are referred to as subjects of law. The legal obligation of the rule of law is that the behavior of the subject of law prescribed by it is ensured by coercion, if necessary. In domestic law, the norms of behavior of subjects of law are established or sanctioned by the state and, if necessary, they are provided with coercion to comply with them.

The norms of international law, respectively, are legally binding rules of conduct envisaged by these norms of subjects of international relations, protected, if necessary, by compulsion to observe them.

In accordance with the method of international legal regulation, the norms of international law are established by mutual agreement and agreement between the subjects of international relations and are protected by the use of coercion to comply with them when necessary.

According to the general theory of law, the norms of law (national and international) include three elements that have a three-term structure: a hypothesis denoting a condition for the action of an established rule of conduct; the disposition setting out this rule, and the sanction indicating the adverse legal consequences that occur for a legal entity that has violated this rule.

The rights and / or obligations arising for the subject of law from the established rule of conduct are called its subjective rights and obligations. In the theory of international law and in international legal acts, the term “obligation” is used instead of the term “obligation”, again in accordance with the method of international legal regulation.

The norms of international law differ in their addressees – the subjects, the relations between which they regulate. Therefore, they are structurally subdivided into norms of general international law established by the international community of states and addressed to all subjects or all mainly subjects of international law – states, and local norms addressed to two or several of its subjects, by agreement between which they are established. More specifically, these are norms of bilateral or multilateral international treaties.

Among local norms, it is also possible to single out individual norms that determine the behavior of subjects in a particular, isolated case. These are, for example, decisions of international courts or arbitrations, binding on the parties to the dispute only in this case.

The correlation between the norms of general international law and local norms is that the latter should not contradict the essence of the norms of general international law, i.e. must fit them at their core. So, according to Art. 103 of the Charter of the United Nations (the main act of general international law), in the event that the obligations of the members of the Organization under this Charter are in conflict with their obligations under any other international agreement, the obligations under this Charter prevail. The core of general international law is its basic norms – principles. It is a subsystem of the original and interrelated norms of general international law, establishing the basic rights and obligations of

states and thereby determining the essential content of modern international law and its purposefulness.

Nowadays, the basic principles of international law and their normative content are set forth in the Declaration of Principles of International Law Concerning Friendly Relations and Cooperation between States in accordance with the Charter of the United Nations (hereinafter the Declaration of Principles of International Law of 1970), unanimously adopted by the UN General Assembly in 1970. ).

The Declaration of Principles, by which the participating States will be guided in their relations, contained in the Final Act of the Conference on Security and Cooperation in Europe in 1975 (now the Organization for Security and Cooperation in Europe) is also of significant importance in this regard. \*

In recent decades, after the adoption of the Vienna Convention on the Law of International Treaties in 1969, imperative norms that have the character of *jus cogens* (a universally binding right) have been singled out in the aggregate of norms of general international law. According to Art. 53 of this Convention, as well as similar articles of other general (universal) international treaties, “the imperative norm of general international law is a norm that is accepted and recognized by the international community of states as a whole as a norm, deviation from which is unacceptable and which can be changed only by the subsequent common norm international law of the same character.”

First, if a local agreement is not concluded, one way or another “deviating from the dispositive norm of general international law, then the latter is unconditionally valid.

Secondly, the above provisions of Art. 103 of the UN Charter concerned the obligations of states under general international law as a whole, since at the time of the adoption of the Charter the concept of the existence of imperative norms had not yet crystallized to its logical end. Now, these provisions, it must be assumed, concern only dispositive norms, since deviations from imperative norms are generally not allowed.

Thirdly, the deviation of the local norm from the dispositive norm of general international law seems to be permissible if the local norm does not become incompatible with the essence and purpose of the universal norm.

Finally, among the norms of general international law, regulatory norms are distinguished, also referred to as primary ones, i.e. the norms governing the behavior of states and other subjects of international law in

the process of their “friendly relations and cooperation” (see the title of the Declaration of Principles of International Law of 1970), and law enforcement norms, also called secondary. The latter are secondary in the sense that they come into effect if the subject violates primary, regulatory norms and establish the legal consequences (sanctions) that occur for him in the case of an internationally wrongful act. In particular, these are the rules on the international responsibility of states, which are codified by the UN International Law Commission. The norms of international law are subject, of course, to interpretation. To do this, they must be expressed in writing, which is the case if there is an international treaty. The subjects of interpretation are, of course, the parties to the treaty or, in the case of multilateral treaties, also the contracting parties and the actors involved in the negotiation of the treaty, i.e. in making his text.

The basic rule for the interpretation of treaties, according to the Vienna Convention on the Law of International Treaties of 1969 and the Vienna Convention on Treaties between States and International Organizations or between International Organizations, 1986, \* is the rule: give the terms of the contract in their context, as well as in the light of the object and purpose of the contract ”.

With regard to general international law established by the international community of states, this concerns, in particular, the interpretation of the general (universal) international conventions concluded by way of codification of contemporary international law, including the ones mentioned above. In principle, the interpretation of general international treaties should be carried out by the international community of states. A classic example of such an interpretation is the Declaration on the Principles of International Law of 1970, containing the official interpretation of the basic principles of modern international law.

At the same time, to interpret international treaties to which this state is a party, it is also necessary to reveal those international obligations that are to be reflected in its domestic law. In this case, such an interpretation is entrusted to the competent bodies of the external relations of the state, primarily on its ministry (department) of foreign affairs. In some cases, international treaties are interpreted by state justice authorities. This is usually done taking into account the conclusions of the competent authorities of the state’s external relations, as well as the relevant international practice.



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## INTERNATIONALES SOZIAL VERSICHERUNGSRECHT

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**Usikova V.I., Pirog I.I. International law of social security.** The article deals with the problem of the subject of international social security law, as well as the principles of international social security law and the clash of national legislation with social security.

**Keywords:** international law, subject, principles, conflict, procedural, social security.

**Усікова В.І., Пірог І.І. Міжнародне право соціального забезпечення.** У статті розглядається проблема предмета міжнародного права соціального забезпечення, принципи міжнародного права соціального забезпечення та зіткнення національного законодавства з соціальним забезпеченням.

**Ключові слова:** міжнародне право, предмет, принципи, колізійне, процесуальне, соціальне забезпечення

**Усикова В.И., Пирог И.И. Международное право социального обеспечения.** В статье рассматривается проблема предмета международного права социального обеспечения, принципы международного права социального обеспечения и столкновение национального законодательства с социальным обеспечением.

**Ключевые слова:** международное право, предмет, принципы, коллизионное, процессуальное, социальное обеспечение.

Die Relevanz des gewählten Themas ist darauf zurückgeführt, dass der aktiv wachsende Einfluss des Völkerrechts auf das System und die Bereiche des innerstaatlichen Rechts, die Stärkung der zwischenstaatlichen Migration der Bevölkerung, die vielfältige Wechselwirkung der Staaten bei der internationalen rechtlichen Regelung der Beziehungen im Bereich der sozialen Sicherheit vorgeben. Der Zweck besteht in der Analyse und Forschung der Besonderheiten des internationalen Rechts der sozialen Sicherheit. Objekt des Artikels ist Internationale Beziehungen. Zum Gegenstand gehört die Forschung des Internationales Sozialversicherungsrechts.

Die internationale Gemeinschaft trat mit einem internationalen Sozialkodex in das 21. Jahrhundert ein. Im Wesentlichen haben die internationalen Bemühungen eine Reihe internationaler sozialer Standards

im Bereich der sozialen Sicherheit geschaffen. Gehen wir auf die Hauptmerkmale des internationalen Rechts der sozialen Sicherheit ein.

Das internationale Recht der sozialen Sicherheit hat eine komplexe Struktur. Unseres Erachtens umfasst das Völkerrecht der sozialen Sicherheit als strukturelles rechtliches Phänomen drei Grundeinheiten:

- allgemeiner Teil;
- Kollisionsnationales Sozialversicherungsrecht;
- verfahrensrechtliches (Kontroll-) Völkerrecht.

Der allgemeine Teil enthält die allgemein anerkannten Grundsätze und Normen des internationalen Rechts der sozialen Sicherheit, die das Recht auf soziale Sicherheit, seine verschiedenen Arten und das Recht auf Schutz vor sozialer Ausgrenzung legalisieren.

Das Völkerrecht der sozialen Sicherheit umfasst internationale Kollisionsnormen, die die internationalen Beziehungen der sozialen Sicherheit regeln, unter Beteiligung ausländischer Personen (Migranten, Ausländer, Staatenlose). Mit Hilfe dieser Regelungen wird eine besondere Art der Kollision gelöst, die sich aus der Rechtsordnung der Länder bei der rechtlichen Regelung der Sozialversicherungsbeziehungen ergibt.

Das verfahrensrechtliche Völkerrecht soll eine normative Regulierung der Einhaltung internationaler Rechtsnormen, Formen und Möglichkeiten zum Schutz der Rechte der sozialen Sicherheit gewährleisten, die in internationalen Rechtsakten vorgesehen sind. Zunächst geht es um die gerichtlichen, administrativen Formen: Kontrollmechanismen der IAO, die Aktivitäten des Europäischen Gerichtshofs für Menschenrechte usw. Rechte, Aktivitäten von Nichtregierungsorganisationen zum Schutz von Frauen, Behinderten usw.

Die internationale Rechtsregulierung äußert sich in der Entwicklung internationaler Standards im Bereich der sozialen Sicherheit, in der Harmonisierung und Koordinierung der nationalen Rechtsvorschriften zur Wahrung erworbener Rechte, zu Sozialleistungen, wenn ein Bürger von einem Staat in einen anderen wechselt, im Rahmen der Beschäftigung oder der Wahrung erworbener Rechte auf eine bestimmte Rentenart oder Vorteile bei einem Wechsel des Landes des ständigen Wohnsitzes.

Die Harmonisierung der internationalen Rechtsregulierung erfolgt durch die Formulierung allgemeiner Grundsätze, die dann in die nationalen Rechtsvorschriften verschiedener Länder aufgenommen werden können. Wenn die allgemeinen Grundsätze in den Normen eines internationalen

Vertrags verankert sind, ist ihre Umsetzung für die Mitgliedstaaten oder für die Länder, die den Vertrag ratifiziert haben, verpflichtend.

In der Theorie des Sozialversicherungsrechts ist das Problem der allgemein anerkannten internationalen Rechtsgrundsätze und Normen von höher Relevanz, vielfältig und in der Lösung vieldeutig. In Anbetracht dessen werden wir uns auf folgende Themen konzentrieren:

- 1) rechtliche Konsolidierung der allgemein anerkannten internationalen Rechtsgrundsätze des Sozialversicherungsrechts;
- 2) Vorrang und unmittelbare Anwendung allgemein anerkannter internationaler Rechtsgrundsätze und Normen des internationalen Rechts der sozialen Sicherheit.

Am Ende des zwanzigsten Jahrhunderts entwickelte sich die internationale Gemeinschaft grundlegende Prinzipien des sozialen Schutzes der Bevölkerung weiter. Zu diesen allgemein anerkannten Grundsätzen und allgemein anerkannten internationalen Normen gehören diejenigen, die vor allem in den gesetzlich vorgeschriebenen Dokumenten internationaler Organisationen (UN, IAO usw.) zusammengefasst wurden.

Die allgemein anerkannten Grundsätze des internationalen Rechts der sozialen Sicherheit spiegeln sich auch in internationalen Abkommen und feierlichen Erklärungen wider. Diese Quellen geben ihnen nämlich den Charakter allgemein anerkannter Prinzipien und Normen, die von der (internationalen) Weltgemeinschaft anerkannt werden. Wir sprechen über grundlegende internationale Akte (die UN-Charta, die Allgemeine Erklärung der Menschenrechte, den Internationalen Pakt über wirtschaftliche, soziale und kulturelle Rechte usw.).

In der Theorie des Völkerrechts wird das Konzept der „allgemein anerkannten Grundsätze des Völkerrechts“ als ein allgemeines, integrierendes Konzept betrachtet, das „allgemeine Prinzipien und Industrieprinzipien“ umfasst. Nach der russischen Rechtslehre werden den allgemeinen Grundsätzen des Völkerrechts sieben Grundsätze zugeordnet: Gleichheit, Zusammenarbeit, gewissenhafte Erfüllung von Verpflichtungen, friedliche Beilegung von Streitigkeiten, Nichteinmischung und Gewaltanwendung, Achtung der grundlegenden Menschenrechte und des Rechts der Nationen auf Selbstbestimmung. Diese allgemeinen internationalen Rechtsgrundsätze erhalten eine sektorale Ausprägung.

Die Unverbindlichkeit / Verbindlichkeit der allgemein anerkannten Prinzipien und Normen des internationalen Arbeitsrechts ist auf die

Mitgliedschaft eines Staates in einer internationalen Organisation oder Gemeinschaft zurückzuführen. Die allgemein anerkannten Grundsätze des Völkerrechts sind als grundlegende, zwingende Normen des Völkerrechts zu verstehen, die von der internationalen Staatengemeinschaft als Ganzes akzeptiert und anerkannt werden. Zu den allgemein anerkannten Grundsätzen des Völkerrechts zählen insbesondere der Grundsatz der allgemeinen Achtung der Menschenrechte und der Grundsatz der treuen Erfüllung internationaler Verpflichtungen.

Die allgemein anerkannte Norm des Völkerrechts sollte als Verhaltensregel verstanden werden, die von der internationalen Staatengemeinschaft insgesamt als rechtsverbindlich anerkannt und anerkannt wird. Die allgemein anerkannten Grundsätze des Völkerrechts sind wie alle Rechtsgrundsätze nicht nur grundlegende Rechtsvorstellungen, sondern Ideen, die "in internationalen Abkommen, Übereinkommen und anderen Dokumenten verankert" sind.

So zeichnen sich folgende Merkmale aus:

- 1) rechtliche Konsolidierung in internationalen Rechtsquellen;
- 2) Anerkennung durch die internationale Gemeinschaft insgesamt;
- 3) Imperativität.

In der Praxis unterscheidet sich die Interpretation der Liste der allgemein anerkannten internationalen Grundsätze des Gesetzes über soziale Sicherheit in der Praxis nicht. Das System allgemein anerkannter internationaler Rechtsgrundsätze und Normen des Sozialversicherungsrechts.

Jedes System / Klassifizierung rechtlicher Phänomene sollte auf der Grundlage der Kriterien erstellt werden, die deren Zweck und Wesen bestimmen. Dies sollten Kriterien sein, die die Art der regulierten Öffentlichkeitsarbeit (Subjektkriterium) und die Art der gesetzlichen Regelung widerspiegeln. Das erste ist das Kriterium der Einheit des Naturrechts und der positivistischen Prinzipien bei der Bestimmung der Natur sozialer Rechte. Dies bedeutet Einheit und Interdependenz im Rahmen des Systems der Prinzipien des Sozialversicherungsrechts, das einerseits Gleichheit und Gerechtigkeit in den Sozialversicherungsbeziehungen verkündet, andererseits die Gewährleistung und den Schutz dieser Rechte durch den Staat.

Schlussfolgerungen. Das Kriterium der Methode der Rechtsregulierung, die in der Klassifizierungsgrundlage und der

Systematisierung allgemein anerkannter Grundsätze des Sozialversicherungsrechts liegt, bedeutet die Einheit privater und öffentlicher Grundsätze in der rechtlichen Regulierung der Sozialversicherungsbeziehungen. Auf der Grundlage dieser Kriterien wird daher das folgende System allgemein anerkannter internationaler Grundsätze des Gesetzes über soziale Sicherheit aufgebaut. Die erste Gruppe von Grundsätzen besteht aus Grundsätzen, die auf naturrechtlichen und privatrechtlichen Kriterien beruhen.

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## LES OPERATIONS DE DEPOT DE LA BANQUE COMMERCIALE

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**Vachtenko I.O., Bezvesilna N.T. Les opérations de dépôt de la banque commerciale.** Dans l'article donné on a analysé les caractéristiques des opérations de la banque commerciale de la société publique par actions "Privatbank", on a renseigné les programmes de dépôt pour les personnes physiques et pour les personnes morales et aussi on a examiné les programmes de dépôts pour les professionnels.

**Les mots clés:** la banque, le dépôt, les opérations de dépôt, le compte, les revenus.

**Ващенко І.О., Безвесільна Н.Т. Депозитні операції комерційного банку.** У статті розглянуто особливості операцій комерційного банку ПАТ КБ «Приватбанк», наведено депозитні програми юридичним та фізичним особам, а також розглянуто депозитні програми для корпоративних клієнтів.

**Ключові слова:** банк, депозит, депозитні операції, рахунок, прибуток.

**Ващенко И.А., Безвесильная Н.Т. Депозитные операции коммерческого банка.** В статье рассмотрены особенности операций коммерческого банка ПАО КБ «Приватбанк», приведены депозитные программы юридическим и физическим лицам, а также рассмотрены депозитные программы для корпоративных клиентов.

**Ключевые слова:** банк, депозит, депозитные операции, доход.

Le but de l'article c'est l'analyse des opérations de dépôts de la banque commerciale.

L'objet de recherche ce sont les opérations de la banque commerciale de la société publique par actions "Privatbank".

L'objectif de recherche est la banque commerciale de la société publique par actions "Privatbank".

L'actualité d'objet "les opérations de dépôt des banques commerciales" consiste en ce que la question portant sur les opérations de dépôt est actuellement très généralisée et très importante pour la population. La société cherche à économiser et à augmenter les revenus.

*Le dépôt (placement)* (en latin *depositum* c'est-à-dire *remis à l'épargne*) ce sont les ressources qui sont versés par les consommateurs (les personnes physiques et morales) sur leurs comptes à la banque commerciale et utilisées selon le compte et la législation bancaire [1, 559].

En Ukraine l'ordre de l'achalandage des fonds des personnes physiques et morales par les banques commerciales sur les comptes de dépôt sont soumis à "La réglementation de l'accomplissement des opérations de dépôt pour les dépôts bancaires" qui est approuvé par la Décision de la gestion de la banque nationale de l'Ukraine du 30.06.98p. № 250.

Privatbank occupe la première place parmi les banques depositaires ukrainiennes. A la date du décembre 2017 la somme des investissements de dépôt, qui sont placés par les consommateurs corporatifs, totalise un montant de 11,9 milliards. de grivnas [2].

Privatbank propose les programmes suivants de dépôt pour les consommateurs corporatifs (tableau 2.3):

1. Hebdomadaire plus – le dépôt à court terme avec possibilité de renfort, de renouvellement et de taux différenciés.

2. Dépôt à terme – le dépôt sur n'importe quel terme et des intérêts sur le choix du client.

3. Dépôt actuel est libre de disposer des fonds sur le compte du client.

Ayant fait le choix du dépôt et du compte de dépôt le client doit déterminer l'espèce du compte dont il a besoin d'ouvrir.

Pour l'ouverture du compte la personne morale doit apporter un paquet pertinent de documents à la banque. Si ladite personne morale n'a pas de compte à la banque, elle doit apporter les documents suivants :

- la demande de l'ouverture d'un compte de dépôt. La demande susmentionnée doit être signée par le chef de la personne morale ou par un autre mandataire qui a le droit de signifier de pareils documents ;

- l'ampliation du document statutaire déposée dûment (du statut / du traité statutaire / de l'acte statutaire / du règlement statutaire) ;

- l'ampliation du relevé d'un Registre unique d'Etat des personnes morales et des personnes physiques des entrepreneurs qui contient les renseignements au sujet de la personne morale ;

- les fiches ayant les échantillons des signatures et des fingerprints.

L'employé du service de dépôt de la banque de commerce ouvre un dossier de dépôt pour chaque client de la banque, qui a un compte de dépôt ouvert. Si un dirigeant de l'entreprise veut placer temporairement de



l'argent libre de l'entreprise en banque en dépôt à terme, il doit présenter une lettre-sollicitation au service de dépôt adressée au nom du président de l'administration de la banque. Cette lettre-sollicitation doit contenir la demande de recevoir de l'argent en dépôt à terme déterminé.

Si les termes et les intérêts sont déterminés pour l'argent reçu en dépôt, il faut conclure un contrat en deux exemplaires.

Ayant conclu le contrat de dépôt le sous-chef de service de dépôt compose l'ordonnance de la section d'exploitationsur l'ouverture du compte de dépôt, où sont montrés le numéro de l'opérateur, la dimension des taux de dépôt, le numéro du contrat de dépôt et le terme de son action.

Pendant les trois journées de travail le client doit informer l'imposition d'office au sujet de l'ouverture du compte de dépôt.

Après la conclusion du contrat de dépôt le déposant transfère le chèque libellé à l'aide de l'ordre de paiement du compte d'entreprises au compte de dépôt. Les intérêts du compte de dépôt doivent être payés au déposant au frais de la banque et être fixés au compte bilan 7021 (A) « Les frais de pourcentage d'après les comptes de terme, qui sont reçus des individus de l'activité économique ».

Le paiement des pourcentages peut être réalisé : par anticipation (du commencement de l'action du contrat) ; mensuellement avant la date de chaque mois notée dans le contrat ; une fois chaque semestre ; une fois chaque année ; simultanément avec la remboursement de la somme de dépôt.

Les intérêts courus sont transférés au compte de dépôt du client au titre de l'ordre commératif.

Les dépôts des personnes ont le plus grand pourcentage aux opérations passives des banques de commerce du monde. La banque commerciale de la société publique par actions "Privatbank" propose au personnes physiques de tels programmes de dépôt [2]:

Le standart de terme ce sont les meilleurs taux annuels.

Le standart donne la possibilité d'accomplir la rupture anticipée.

Le dépôt Plus de terme donne la possibilité de prendre part au programme de la loyauté le « Bonus Plus ».

Le Favorable c'est quand le client choisit lui-même la date du remboursement du compte commode pour lui à l'intervalle entre 60 et 360 jours.

Le privat-apport permet de retirer une partie d'argent sans la diminution des taux.

Le service le «Standard sans fisc» existe pour les bénéficiaires du salaire, de la pension, du paiement social, en ce cas les taux n'ont pas d'impôt.

Le service la « Boîte » donne la possibilité d'augmenter automatiquement les sommes.

Le service « Sur la question » peut être ouvert par la banque à l'occasion du prolongement de la consignation pour un nouveau terme.

La somme maximum du complètement des fonds [2]:

1. Les dépôts le « Standard », le «Standard à échéance », le « Dépôt Plus », le « Dépôt Plus à échéance », le « Dépôt Favorable » : La somme du complètement pendant le mois de calendrier ne doit pas dépasser la somme initiale et ne pas s'élever à plus de 50000 grivnas, 3000 dollars US, 3000 euros.

2. Le service la « Boîte » : 50 000 grivnas pendant le mois de calendrier.

3. Le service le «Standard sans fisc» et le service "Privat-investissement" sans limitation.

L'accomplissement du dépôt pour la somme de 50000 dollars US (d'après l'équivalent) peut être exécuté dans la variante des dépôts à échéance sans la possibilité de l'interruption anticipée (le « Standard à échéance » et le « Dépôt plus à échéance »), le « Certificat de dépôt » ou bien le « Privat-dépôt ».

S'il y a la prolongation automatique du dépôt (le « Standard à échéance ») le taux d'argent est fixé selon du taux qui existe à la date de la prolongation des contrats du type donné et du terme plus la majoration (en grivnas 0,5%).

L'ouverture du compte courant de la personne physique a une forme sous tel ordre :

- la personne physique doit présenter à l'employé mandaté de la banque son passeport (ou le document qui peut le remplacer), et aussi le document qui certifie son code d'indification du payeur d'impôts ;

- l'employé mandaté de la banque identifie la personne physique qui ouvre un compte et confirme la réalisation de l'indification à l'aide des copies des documents susmentionnés ;

- la personne physique remplit la demande de l'ouverture d'un compte courant et la fiche où il y a des modèles de signature ;

- les modèles de la signature sont certifiés par le seing de l'employé mandaté de la banque ;

- le contrat de compte bancaire est passé entre la personne physique et la banque .

Pour ouvrir le compte de carte les personnes physiques doivent déposer les documents qui sont nécessaires pour avoir la possibilité d'ouvrir sauf la fiche où il y a des modèles de signature. Si le client susmentionné a déjà le compte à la banque, l'ouverture du compte de carte se réalise par la voie de la conclusion du contrat à la base de la demande de l'ouverture du compte de dépôt.

Les recherches du thème « Les opérations de dépôt de la banque commerciale » ont donné la possibilité de faire de telles conclusions.

*Le dépôt (le placement)* (en latin depositum ce que signifie transmis à la disposition) ce sont les comptes versés à la banque commerciale par les clients (les personnes physiques ou bien les personnes morales, qui sont à leurs comptes et sont employés selon le type du compte et de la législation de la banque.

La source principale de la formation des comptes reçus est la réception des dépôts des personnes physiques et des personnes morales.

A l'heure actuelle les opérations de dépôts évoluent beaucoup et elles doivent progresser avec une grande vitesse. La réalisation pratique de données opérations doit atteindre de l'air intégrale. Chaque client pourra lui-même régler ses comptes.

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## **COFFEE TOURISM, AS A NEW GASTRONOMIC TREND IN TOURISM INDUSTRY**

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**Vysotskaya A.I., Litovchenko Y.M. Coffee tourism, as a new gastronomic trend in tourism industry.** The article analyzes the background for the development of coffee tourism, basic information about gastronomic coffee tourism and its features. The work examines the geographical specialization and allocation of regions where coffee tourism is carried out. The article reviews one of the most popular coffee routes – the Coffeemuda Triangle in Colombia in detail.

**Key words:** Arabica, coffee tour, coffee tourism, Coffeemuda triangle, gastronomic tourism, Liberica, Robusta.

**Висоцька А.І., Литовченко Я.М. Кавовий туризм, як новий гастрономічний напрямок в туристичній індустрії.** У статті розглядаються передумови розвитку кавового туризму, базова інформація про кавовий гастрономічний туризм і його особливості. Була розглянута географічна спеціалізація і виділення регіонів, де здійснюється кавовий туризм. А також було більш докладно проаналізовано один з найпопулярніших кавових маршрутів – Coffeemuda Triangle в Колумбії.

**Ключові слова:** арабіка, гастрономічний туризм, кавовий тур, кавовий туризм, Кавамудський трикутник, ліберіка, робуста.

**Высоцкая А.И., Литовченко Я.Н. Кофейный туризм, как новое гастрономическое направление в туристической индустрии.** В статье рассматриваются предпосылки развития кофейного туризма, базовая информация о кофейном гастрономическом туризме и его особенностях. Была рассмотрена географическая специализация и выделение регионов, где осуществляется кофейный туризм. А также был проанализирован более подробно один из самых популярных кофейных маршрутов – Coffeemuda Triangle в Колумбии.

**Ключевые слова:** арабика, гастрономический туризм, кофейный тур, кофейный туризм, кофемудский треугольник, либерика, робуста.

The o b j e c t of the article is the role of coffee tourism in global tourism industry whereas the s u b j e c t is a growing popularity of coffee

tourism and the development of top coffee destinations in the industry. The aim of the research is to determine the importance of coffee tourism and the main aspects of its operation, as well as to explore the geographical division of the regions of coffee tourism and to consider the most interesting destinations.

In recent years, the gastronomic tourism has begun to gain more and more popularity among tourists. Nowadays there is a trend among tour operators to draw up more exotic and interesting tours of this type [4].

However, if you think about it, every tourist during his/her journey gets unwillingly involved in gastronomic tourism. For instance, while ordering a national dish of the visited country, trying new sweets or even drinking national hot drinks or alcohol, the tourist lightly touches the gastronomic peculiarities of the country.

And now let's imagine that more than 70% of people start their morning with a cup of fragrant coffee even when they are abroad. That means that more than 70% of people have been involved in coffee tourism at least once in their life [6].

Coffee consumption plays a very important role in communication between people. The ritual of preparing and drinking coffee among many peoples is part of the national culture. At the same time, a cup of coffee is firmly associated with the relaxing moment between strained parts of the day or with the awakening in the morning, when a person remains alone with his thoughts, or leisurely talking with friends or relatives. That was those social moments that gave the impetus to the great popularity of coffee tourism.

Coffee – a drink that is made of roasted fruits (beans) of the coffee tree. An ancient drink with a rich history. According to some estimates, the coffee drink is the second most consumed beverage on the Earth after water [5].

Coffee trees are quite difficult to classify, due to their extreme variety. In total, there are about eighty kinds of coffee trees – from dwarf shrubs to 10-meter giants, among which there are only 4 main species. And only two kinds of coffee trees are interesting for coffee connoisseurs [5].

Namely, it is *Coffea Arabica* (Arabica), which is also called Arabian coffee, and *Coffea Canephora* (Robusta), sometimes called Congolese coffee [5].

The other two varieties of the coffee tree are *Coffea Liberica* (Liberica), discovered in Liberia and *Coffea Dewevrei*, the most famous subspecies of which is *Eccelsus*. These two varieties are inherent in the quality of Robusta and quite acceptable, but very mediocre taste [5].

It is necessary to distinguish the concept of "kind of coffee" and "sort of coffee." To call Arabica, Robusta, Liberica, or *Eccelsus* «the sort» is wrong [5].

These are kinds, or rather, varieties of coffee trees. And each kind has many sorts.

Names of different sorts are given [5]:

- by the country of origin;
- by the port from which the delivery is made;
- by the subspecies of the coffee tree (Bourbon, ., Touris);
- by name of the farm, estate, possession, where coffee is grown;
- by name of the terrain, mountains, valleys or cities;
- as a commercial name;
- according to the national system of quality classification of the producer state.

There are also many different classifications of coffee by the quality of the grown grains. In different countries, this classification is carried out in different ways [7]:

- SHG (Strictly High Grown) – coffee grown in the mountains;
- HG (High Grown) – coffee grown in the foothills;
- MG (Medium Grown) or CS (Central Standard) – that is, coffee grown on flat plantations;
- SHB (Strictly Hard Bean), that is, coffee with a very hard grain;
- HB (Hard Bean), that is, coffee with a hard grain;
- A – coffee of better quality. B – mediocre quality coffee; and. C – low quality coffee;
- AA – the best coffee ;. AB is good coffee ;. VA – mediocre coffee ;. BB – poor quality coffee

Nowadays, there are a big variety of different coffee tours organized especially for tourists, that includes passing through the centers of coffee production. Tourists are not only getting acquainted with the history of coffee, but also participate in the tasting of this hot drink. Tourists give

coffee a variety of ratings: from a "soft" (pleasant, impatient, almost sweet) to the "hard" (with a sharp, iodine taste). Coffee tourists appreciate the processes of mixing, roasting, grinding, methods of making (preparing) coffee [7].

Today, such methods of making coffee are known [7]:

- o Eastern coffee – prepared in the so-called cezve (Turk);
- o Coffee filter – American way;
- o French press – a special flask in which the piston with a sieve separates the coffee grounds from the beverage;
- o Neapolitan coffee, in a geyser – the geyser consists of three parts: water is poured into the fist, and ground coffee is poured into the second, and in the third after a while a ready drink appears;
- o Espresso – means using a special espresso machine, in which hot water is fed through ground coffee under pressure, heated to a temperature of 88 °

Coffee is grown in more than 50 countries. The countries where coffee tourism is developing can be divided into four geographical areas [2; 3]:

1. South America. The world's largest producer of coffee, and therefore coffee tourism, of course. Brazil, which satisfies the global demand for arabica coffee by one third. The following are: Colombia, Venezuela, Peru and Ecuador [2; 3].
2. Central America. The culture of local coffee has a paramount importance for the economies of the countries of this region – from Mexico to Panama and the countries of the Caribbean, such as Nicaragua, Guatemala, El Salvador, Costa Rica, Dominican Republic, Cuba. And Jamaica is generally famous for one of the most expensive coffees in the world [2; 3].
3. Africa. This is a continent with a more temperate climate. It produces mainly Robusta coffee: Cameroon, Congo, Rwanda, Burundi, Malawi. But in some countries, more labor-intensive Arabica is also grown, this is Ethiopia, Kenya, Tanzania [2; 3].
4. Asia and Australia. Here, coffee production and coffee tourism are developing thanks to the modernization of this culture in India and Indonesia. 35-40% of all coffee production in this region is exported

from India. Other regions like Yemen, China, Laos, Papua New Guinea are also trying to keep up. [2; 3].

As a result of the growing popularity of coffee tourism today, tour operators began to create a lot of coffee tours and open all new coffee destinations. One of the most popular coffee routes is the Coffeemuda Triangle in Colombia, which includes: Caldas, Risaraldo and Quindio [1].

Here did began the heyday of the Colombian coffee era, so tourists often come here to replenish their stores. But these destinations are famous not only for their excellent coffees – there you can perfectly relax and see a lot of wonderful surroundings that you will not find in Ukraine.

Quindio is the heart of the Colombian coffee triangle, there is always a mild climate and many opportunities for an unforgettable vacation. There are a lot of coffee homestead-hotels, built in the colonial style. They are popular with those who prefer to relax in a comfortable suburban atmosphere, inhaling the aroma of dark green coffee plantations located next door. Quindio is full of photogenic bamboo groves, scenic landscapes, bright colors and nature reserves. Here you can visit the center of coffee culture and a huge coffee theme park, ride a horse, go fishing, climb to the top of the volcano, explore the local caves and much more [1].

It's worth going to Risaraldo even for the sake of its capital, Pereira, the second corner of the coffee triangle. Of course, there are plenty of cozy coffee shops and bars serving incredible coffee masterpieces, a lot of themed coffee houses and various museums. But the main attraction of Pereira is the Zoo Matecaña, where the richest collection of animals expropriated from the famous Colombian drug lord Pablo Escobar after his arrest are displayed. Since he was fond of various exotic things, there is definitely something to see at Matecaña, especially for children. Well, adults will enjoy thermal cascading pools and a local water park [1].

The capital of Caldas, Manizales, was once the center of the Colombian coffee industry. It lies in the midst of the most picturesque green valleys and consists of ancient streets, architectural monuments and beautiful cathedrals with great historical value. After enjoying the local coffee, tourists usually go to see the beauties of the Los Nevados National Park and Ruiz Volcano. Here you can find warm thermal pools, a unique high-mountainous ecosystem of the Andes, unusual plants and other



attractions. And, of course, from all three departments, tourists take a lot of coffee-related souvenirs, including world-famous Colombian coffee [1].

Summarizing all the above, we can conclude that coffee tourism is steadily gaining popularity, as a relatively new type of outbound tourism. So we can say that the creation of new specialized coffee tours in the tourist market is a promising and profitable direction. The creation of such tours by Ukrainian tour operators can become a new profitable and popular aspect in the Ukrainian tourist market.

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## ROLE OF AIRLINES IN THE TOURISM INDUSTRY

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**Yaitskii V.A. , Bolibok N.O. Role of airlines in the tourism industry.** The article analyzes role of airlines in the tourism industry. The article provides examples of economic and social effects of tourism. Also data are given about flight history and charters, importance of air travel in tourism.

**Key words:** airlines in tourism industry, air travel in tourism, economic and social effects of tourism, flight history and charters.

**Яїцький В.А., Болібок Н.О. Роль авіакомпаній в туристичній індустрії.** У статті розглядається роль авіакомпаній в туристичній індустрії. Було наведено приклади економічного та соціального впливу на туризм. Також наведені дані про історію польотів та чартерів, важливість повітряних подорожей у туризмі.

**Ключові слова:** авіакомпанії в туристичній індустрії, економічний та соціальний вплив у туризмі, історія польотів та чартерів, повітряні подорожі в туризмі.

**Яицкий В.А., Болибок Н.А. Роль авиакомпаний в туристической индустрии.** В статье рассматривается роль авиакомпаний в туристической индустрии. Были приведены примеры экономического, и социального влияния на туризм. Также приведены данные о истории перелётов и чартерах, важность воздушных путешествий в туризме.

**Ключевые слова:** авиакомпании в туристической индустрии, воздушные путешествия в туризме, история перелётов и чартеров, экономическое и социальное влияние в туризм.

The object of the article is tourism industry whereas the subject is the role of airlines in the tourism industry. The aim of the research is to provide examples of economic and social effects of tourism.

The astounding growth of the airline industry and international tourism has made the world a delightfully smaller place with a colossal level of mobility and accessibility. With over a billion tourist arrivals

recorded globally, the Maldives is also enjoying unprecedented numbers of arrivals with forecast of further increases in the coming years. With the official opening of the international airport in 1966, then known as Hulhule Airport, it did not take long for the first tourist resort to open in the island of VihamanaaFushi, close to Male. The resort was Kurumba Village and opened in 1972. From then on there has been a direct correlation of the growth of both these industries as government policy geared towards the development of the airport and increasing the number of resorts [1].

As the government recognized the importance of a thriving tourism industry for the economic development of the country, it was crucial that the international airport be developed to facilitate the growing number of airlines coming into the country. Initially it was charter flights from Europe and Air Ceylon, which had been operating as far back as 1962 even before the airport was officially opened. The 1970's saw the opening of 24 tourist resorts in the country, mainly in Kaafu Atoll. To cater to these establishments the government upgraded and developed facilities for international arrivals, improved the runway for long haul flights to land and established smoother immigration and customs procedures. This phase of airport modernization continued throughout the 80's as more resorts cropped up all over the country, in a dedicated effort to influence development throughout the nation [7]. By now major international carriers were operating scheduled commercial flights bringing in an unprecedented number of tourists and the resorts were trying to keep up with the ever increasing demand.

The first two decades since the onset of the tourism industry was truly a remarkable stage in the development of the Maldives. The natural splendor of the Maldives had been laid bare for the world to see. Without the introduction of airlines, or the rapid improvements of the airport, the islands would have been woefully inaccessible. Or, more sadly, would not have the opportunity to welcome guests even if established worldwide as a premium holiday destination. And as tourism expanded, the nation's progress and prosperity took giant leaps from its ancient economy comprised of simple fisher folk. Today the 34 airlines and 11 charters operating to Maldives brings in large numbers of tourists to occupy the 105 plus resorts, guest houses and liveboards spread out across the country [2].

Tourism to Maldives had been dominated by European arrivals throughout the 70's, 80's and early 90's, although this trend had begun to show a significant change with an emerging Asian market, mainly from China and Japan and also from the America's. This had a direct impact on airlines as they sought to tap into this growing market. Scheduled airlines started carrying passengers from Asia, including seasonal charter flights. Now an increased number of tourists were arriving from Asia, Europe, Americas, Oceania and the Middle East. Airlines from all these regions started operating or if they already were, increased their frequency to the Maldives.

Srilankan Airlines is notably a longtime friend of the Maldives. They have had their presence in the country on an official capacity since 1979, formerly operated as Air Lanka. Tourism owes a portion of their success to the airline as it has brought in guests continuously since then. Originally it was tourists from Europe who flew to Colombo to get to the Maldives, or as charters. As their fleet expanded Air Lanka – and subsequently Sri Lankan – started daily flights to the Maldives in the early 90's and now as stated by the Area Manager for Maldives and Sri Lanka, Mr. Dileepa Wijesuriya, 'with the Srilankan Airlines fleet of 5 flights a day, 37 flights a week, Maldives enjoys the most number of passengers from its global destinations'. This is quite impressive as the airline is a major global leader in aviation 'with a global network of 89 destinations in 44 countries', according to Mr. Wijesuriya. The main markets coming via the airline are from South and South East Asia, Europe, Australia and the Middle East [3].

Similarly Singapore Airlines has been a close companion of Maldivian tourism. Starting operations in 1984 with 81 holidaymakers from Amsterdam and Zurich, the airline has proved to be a constant source of tourists to the country [5]. Although the airline initially intended to bring in mostly Europeans, changing global trends has set them firmly, at least for the time being, as one of the major carriers bringing in tourists from China, Korea and Japan. Singapore Airlines began operations on a weekly schedule but now operates twice daily flights to meet the growing demand.

A more recent arrival to the Maldives, Qatar Airways, is a success story worth mentioning. Starting off operations with 3 flights per week in

2001, the airline now has double daily flights. With a vast fleet of modern aircrafts and 145 destinations, Maldives is connected via Qatar Airways to all corners of the world. Most leisure travelers the airline brings in are from Germany, France, UK, Italy, Qatar and Saudi Arabia. “The airline has a dedicated mission to attract more customers,” said Commercial Manager to the Maldives, Mr. Kaminga De Zoysa. “Maldives is definitely one of the most popular tourist destinations in Qatar Airways’ route network. We are confident in bringing in more and more tourists to Maldives in the coming years as we continue our route expansion strategy to meet the growing needs of our passengers.” [8]

With the onset of the virtual era, tour operators have evolved and in some cases have lost the powerful role they played in tourism. Airlines are taking advantage of this and many airlines have their own holiday packages which assist in attracting the leisure markets. Amongst them, Emirates Holidays, Mas Holidays and Srilankan Holidays are selling successful packages to the Maldives all over the world. This has enabled more control for the airline itself, and to the customer, as it cuts out the role of the middle man. Also the onset of web based tour operators such as Agoda are global forces which makes it easier for customers to choose a package and then book tickets from the online booking systems offered by airlines [5]. The adaptability of airlines to modern trends has proven beneficial to global tourism and in turn, Maldivian tourism.

The significance of charter flights to Maldives’ tourism industry cannot be underestimated in any review of the sector. Ever since an international airport was developed in the Maldives, charters have proven to be one of the most reliable sources of tourists. Major tour operators work in conjunction with airlines and some of them even have their own fleet of aircrafts. Maldives is a beneficiary of this as world leading charters bring in thousands of tourists yearly. Most of these are from Europe, such as First Choice, Edelweiss, Transaero, Volare, Belair, Neos Spa and many more. There are local agents who have been working successfully with foreign tour operators to arrange packages with hotel and air transport.[6]

Splendid Asia, an established tour operator in the Maldives, has been serving a large clientele with working relationships with major European tour operators, has been successful organizing charter flights to

Gan International Airport the southernmost atoll Addu. ‘Charter flights are vital to the tourism industry as it provides a consistent flow of tourists,’ said Ahmed Abrar, Marketing Manager of Splendid Asia. Underlining this claim is the fact that the Maldivian flag carrier Mega Maldives is also a charter based operation, mainly flying tourists from China to Maldives.

According to Abrar, they are unable to cater to the demand for charter flights from travelers because of the limited number of three to four star category rooms available in the country. Despite this, Splendid Asia successfully organized a charter from Prague to Gan International Airport in 2014 and is set to begin operating a charter from Denmark to Gan beginning from January 2015.

As we explore the development of these two industries it is glaringly obvious that it is an irreversibly interdependent relationship. One simply cannot survive without the other. The success and growth of one industry inspire growth and progress of the other.

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## MERGERS AND ACQUISITIONS IN INTERNATIONAL BUSINESS

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**Yakovenko O.O., Maksymenko O.V. Mergers and acquisitions in international business.** The article deals with the causes and consequences of mergers and acquisitions in the international sphere. The research reveals the volume of mergers and acquisitions over the recent years and considers the influence of mergers and acquisitions on the international market.

**Keywords:** cross-border deal, international business, international market, influence of mergers and acquisitions, mergers and acquisitions.

**Яковенко О.О., Максименко О.В. Злиття та поглинання в міжнародному бізнесі.** У статті розглядаються причини та наслідки злиття та поглинання в міжнародній сфері. Дослідження показують обсяги злиття та поглинання за останні роки; розглянуто вплив злиття та поглинання на міжнародному ринку.

**Ключові слова:** вплив злиття та поглинання, злиття та поглинання, міжнародний бізнес, міжнародний ринок, транскордонна угода.

**Яковенко А.А., Максименко Е.В. Слияния и поглощения в международном бизнесе.** В статье рассматриваются причины и последствия слияния и поглощения в международной сфере. Исследования показывают объемы слияния и поглощения за последние годы; рассмотрено влияние слияния и поглощения на международном рынке.

**Ключевые слова:** влияние слияний и поглощений, международный бизнес, международный рынок, слияния и поглощения, трансграничная сделка.

The o b j e c t of the article is the process of mergers and acquisition. The s u b j e c t is reasons and motives of such process. The p u r p o s e of the article is to analyze the process of mergers and acquisitions in order to understand how it affects consumers and what the consequences of mergers and acquisitions are.

The process of mergers and acquisitions (hereafter M & A) is one of the most important tools for business development in a market economy. The goals of these processes are most often the growth of the company and the use of various types of synergies that manifest themselves in increasing its impact on markets and increasing the efficiency of business.

Most M & A deals are made by industrialized countries, and their role is also increasing for developing countries (most often in the form of acquisitions, because mergers with local firms are rare). These processes are very often in Western Europe and the United States, and rare – in Asia and Latin America.

In the 90's of the twentieth century, the so-called period of megamergers in the world practice began. This period was characterized by the growth of international M & A operations, especially among British companies with the USA. The British companies were the leader in international mergers and acquisitions. Strengthening of mergers and acquisitions was observed in all sectors, but the greatest development was in the field of communications, information technology, banking and financial services, the medical industry and transport.

The process of mergers and acquisitions at the turn of the XX – the beginning of the XXI century. moved to a new stage of development, the hallmark of which is the merger of transnational corporations and their sectoral consolidation in the high-tech sector.

The main reasons for M & A for companies are:

- Globalization of the economy and the liberalization of world trade. Entering the struggle for redistribution of markets, companies are striving to strengthen their positions.
- Transferring the center of gravity of international competition in the sector of high-tech goods and services, which necessitates an increase in Research and Development expenditures.
- The problem of overproduction and the search for markets. [1]

A positive effect of mergers and acquisitions is the intensification of international cooperation. At the international level, the emergence of large companies after M & A leads to increased competition and redistribution of influence among the largest multinational corporations. Until the majority of commodity markets and services markets are monopolized, competition



will remain an important guarantor of the need and effectiveness of M & A operations.

The group of motives aimed at increasing or stabilizing revenues include the following: the motive of mutually complementary resources; the motive of acquiring large contracts; the motive of advantages in the capital market; monopoly motive; diversification of production, which is carried out for surplus resources; the motive of access to information (know how); the motives, neutral in relation to the movement of resources; the motive of saving on work on the development and creation of new types of products and others.

The motive of complementary resources is used when a merger may be appropriate if two or more companies have complementary resources. These companies after the merger will cost more than the amount of their value before the merger, because each acquires what it lacks, and receives these resources cheaper than they would have if they had to create them on their own.

Mergers in order to obtain complementary resources are characteristic of both large firms and small businesses. Most often, small companies become the object of absorption by large companies, because they are able to provide the missing components for the successful operation of the first ones. Small businesses sometimes create unique products, but they lack the production, technical and marketing structures to organize large-scale production and sales of these products. Large companies are often able to create the necessary components themselves, but they can be much cheaper and faster to gain access to them by absorbing the company that already produces them.

The motive for acquiring large contracts is possible when a new company has enough capacity to compete for large (including government) contracts – it's an opportunity that no one of the merged companies owns. Obtaining such a contract provides the optimal capacity loading and allows you to realize economies of scale.

The motive of the advantages in the capital market is possible, when the size of the company that is the guarantor of stability, allows you to obtain the necessary credit facilities, which depends on the further development of the enterprise. In addition, this structure has more

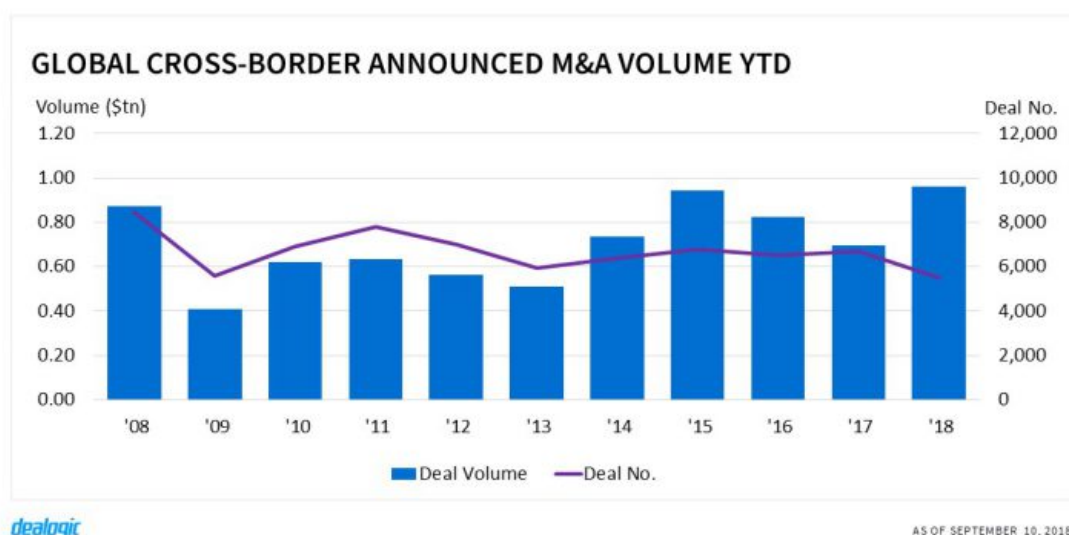
opportunities for optimal use of capital (for example, for diversification). The use of transfer prices, the internal diversification of capital, the establishment within the framework of the group of regulated competition for capital are only some of the possible options for optimizing the operation of capital within the enterprise.

The monopoly motive manifests itself occasionally when merging the horizontal type and seeks to achieve or strengthen a monopoly position. The merger in this case enables companies to curb price competition. However, the antitrust laws restrict mergers with explicit intentions to raise prices. Sometimes competitors can be acquired and then closed, because it is more profitable to buy them and eliminate price competition than to make prices lower than average variable costs, forcing all producers to incur substantial costs during a period.

And according to the latest news the volume growth for cross-border M&A in the world is as follows. So far this year, a record \$962.6bn worth of cross-border deals have been announced via 5,498 transactions. This represents a 38% increase in volume year-on-year (\$696.1bn in 2017 YTD), despite deal activity having dropped 18% over the same period (6,680 deals in 2017 YTD). [3]

*Table 1*

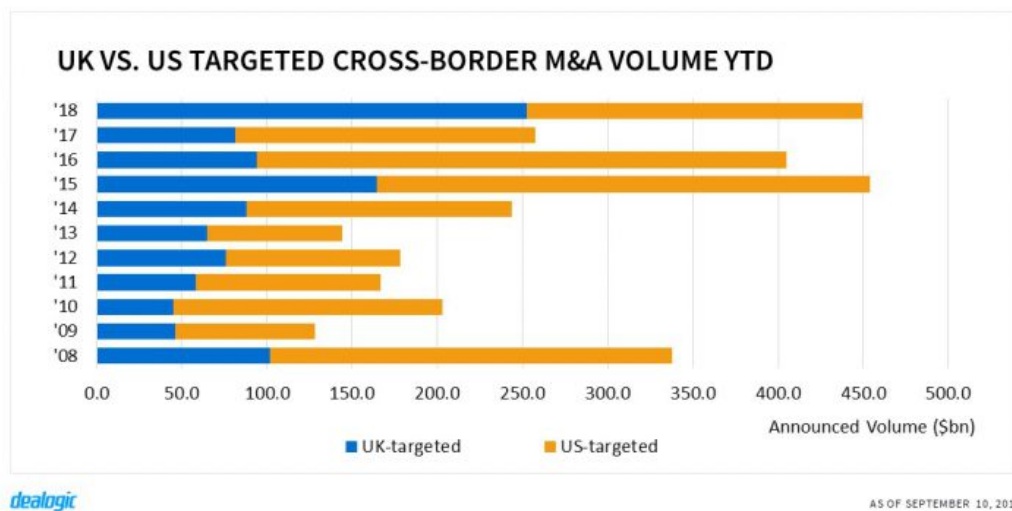
### **M&A volume over recent years**



The most active country now is the UK. Since 2011, the USA and the UK have been the top target countries for cross-border deals, with the UK taking the lead this YTD and significantly increasing its share of volume to 26.2% from 11.2% in 2017 YTD. Despite the lack of clarity over the UK's future on economic and trade relations, companies are still attractive to foreign buyers given their experience and proximity to European markets. Takeda Pharmaceutical's \$81.5bn acquisition of Shire announced in April, has been a primary driver of the UK volume. [4]

*Table 2*

### M&A volume of the UK and the USA



Definitely it is impossible to answer, what consequences of activation of merging and acquisitions processes are. On the one hand, they can have a positive result, especially from the corporate point of view, if they have a synergistic effect, promote diversification, economies of scale, improve management and are beneficial to the economy and consumers as a whole.

However, it is not always possible to achieve the effect through mergers and acquisitions. Empirical studies conducted since the mid-1960s convinced that a significant part of M & A deals did not add value to shareholders of companies that buy a company, and in some cases completely destroy it. The reason for the negative mergers and acquisitions is the lack of proper integration of the merged companies.[2]

At the same time, local M & A markets lead to the formation of oligopolistic structures and the restriction of competition, which may threaten the stability of the national economy and adversely affect consumers. Many experts believe that a new wave of mergers and acquisitions will inevitably lead to an increase in unemployment, which, in turn, will exacerbate the social situation and will require additional spending from the budget.

In order to limit the negative effects of M & A processes and prevent excessive concentration, anticompetitive behavior and price increases, government control is required. The main areas of such control in developed countries should be:

1. Antitrust regulation.
2. Regulation of operations with securities.
3. Taxation (because the amount of tax payments depends on the direct cost of the merger or acquisition transaction).

Researches have shown that this process increases competition only between huge corporations, and in small markets, on the contrary, it establishes a monopoly, which is not very good for the national economy.

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## **THE MAIN FEATURES OF NATIONAL INNOVATION SYSTEMS OF USA, AUSTRIA AND GERMANY**

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**Yarmak T.Y., Skrypnyk T.I. The main features of national innovation systems of the USA, Austria and Germany.** The article is devoted to the analysis of basic features of national innovation systems of USA, Austria and Germany. The author has made the research of main directions and programs of government support and financing of innovations in these countries.

**Keywords:** innovation, national innovation system, research and development.

**Ярмак Т.Є., Скрипник Т.І. Загальні риси національних інноваційних систем США, Австрії та Німеччини.** Стаття присвячена виявленню основних особливостей національних інноваційних систем США, Австрії та Німеччини. Автор роботи провів аналіз головних напрямів там програм підтримки та фінансування інноваційної сфери цих країн.

**Ключові слова:** інновація, національна інноваційна система, науково-дослідні та дослідно-конструкторські роботи.

**Ярмак Т.Е., Скрипник Т.И. Основные черты национальных инновационных систем США, Австрии и Германии.** Статья посвящена выявлению основных особенностей национальных инновационных систем США, Австрии и Германии. Автор работы провел анализ основных направлений и программ поддержки и финансирования инновационной сферы данных стран.

**Ключевые слова:** инновация, национальная инновационная система, научно-исследовательские и опытно-конструкторские работы.

The subject of the article is national innovation systems of USA, Austria and Germany. The goal is to analyze national innovation systems of these countries and to identify features of main directions and programs of government support and financing of innovations. The relevance of the study is determined by the development of national innovation systems in present circumstances,

which is the main factor of competitiveness of national economy of any country.

The impact of scientific and technological progress on economic growth has been proven by American scientists in the twentieth century. This caused the formation and implementation of innovation policies and strategies in science and technology in developed countries. In turn, this development of events led to the emergence of specialized institutions, which activities were focused on creating conditions for increasing innovation processes. Organizations, firms, enterprises, for which scientific, technical and innovative activities become the main ones, began to appear. It led to appearance of institutions which create the conditions for their functioning and development and mediate their activity. There is a need in the interaction of all sectors of the national economy to implement the innovation process. The countries with a high socio-economic level of development are the first to be involved in the creation of national innovation systems. Gradually, developing countries join these processes.

Thus, the formation of the national innovation system and its further development become one of the driving forces strengthening the country's position in the international economic arena and is a significant factor of the competitiveness of the state.

The national innovation system is formed individually for each country. In this article is proposed to analyze the national innovation systems of the USA, Austria and Germany. These countries have been chosen as the objectives of the study because they are characterized by steady innovative development, which can be considered as a sign of the effectiveness of innovation policy implemented by government.

The national innovation system of the United States is one of the most developed. According to the Organization for Economic Cooperation and Development (OECD), it can be seen that for the period from 2000 to 2016, there was a fluctuation in the share of research and development (R&D) expenditures in the United States from 2.49% to 2.819% of GDP [4].

Long-term efforts to form universities and companies, government support for research and business development have become prerequisites for success of national innovation system of the USA. The state is ahead of other countries in volumes of government funding for research. First of all,

the state finances fundamental and applied research in universities, as well as defense research programs.

The national innovation system in the US has a model of technological leadership. This country is a developer and permanent exporter of the largest share of high technology. The universities, higher research institutes (Princeton, Los Angeles, and Santa Fe institutes) play a decisive role in the development of the innovation system, by training highly qualified personnel and interacting with representatives of world science who work in these institutes on a permanent or temporary basis, and also the National Laboratories (the largest institutes), which develop separate directions of applied science.

Important factor of innovative development in Austria is a public-private partnership and cooperation with the economic actors. Due to effective government support of Austrian innovation sphere this state succeeded to refocus its economy on an innovative way of development and to ensure the growth of relevant indicators in a relatively short time. Among the most effective methods of government support of cooperation in the field of innovations are three programs of knowledge transfer: COMET, Bridge and COIN.

COMET was founded in 2006. The main goal of this program is the development of cooperation of the economic and scientific sectors in the field of major research projects. The program is funded by the Federal Ministry of Transport, Innovation and Technology, the Federal Ministry of Science and Research and the federal lands, which actors are the beneficiaries of the program. According to the data of TAFTIE Expert Session 2017, the total amount of expenses for financing the three main COMET projects amounted to €16.5 billion. Most projects were implemented in the fields of mechanical engineering (38%), chemistry (18%), electronics and electrical engineering (13%) and information technology (9%) [2].

The next program of government support of economic and scientific spheres is Bridge: Wissenschaftstransfer, initiated in 2005. The main goal is to increase the potential of fundamental research and research works through efforts to expand the use of research results in the economic environment, facilitating access to the small and medium enterprises

(SMEs) to research, enhancing the transfer of knowledge and the intensification of high-quality research on new technologies. The program finances the activities of consortia consisting of at least one scientific partner and one enterprise, and working on a project with a real potential for commercialization.

The last of the presented programs is COIN (Cooperation & Innovation), created at the initiative of the Ministry of Science, Research and Economics and the Ministry of Transport, Innovation and Technology. The main goal of COIN is to support the transformation of research results into technological innovations, with particular reference to the SME sector [3].

According to the Organization for Economic Cooperation and Development (OECD), it can be seen that for the period from 2000 to 2016 there was a rapid increase in the share of R&D expenditures (percentage of GDP) in Austria. Thus, in 2000, R&D expenditures accounted for 1.886% of GDP, in 2016 this figure was 3.087% [4]. This is the result of support for cooperation in the field of innovations from the government and various agencies, manifested in the financing of various programs aimed at the development of scientific potential, the introduction of innovations and new technologies in production, as well as training of highly qualified labor force.

Germany, as the leading economy of Europe, has a significant feature of the active cooperation of business and science that recognized to be the main generator of medium and long-term innovative projects, which are the most in demand in order to strengthen the position of German industry in international markets. The state ranks first in the world in R&D spending, totaling \$ 49 billion. Such expenses relate to the financial resources of enterprises [5]. According to the OECD, for the period from 2000 to 2016, there has been a steady, slow growth in the share of R&D expenditures in percentage of GDP in Germany. Thus, in 2000, R&D expenditures accounted for 2.392% of GDP, in 2016 this figure was 2.939% [4].

In order to increase the effectiveness of research activities, there are thematic programs focused on the use of the mechanism of public-private partnership. Among them are government initiatives to support research and innovation in Germany, including initiatives to improve the higher education system, regional innovative development initiatives and the



creation of innovative clusters and initiatives to support and develop young talents [1, p. 18].

In the High-Tech Strategy of Germany at the national level there was formulated and presented to society a strategic goal strengthening the position of Germany in the group of countries leading in the high-tech for the long term, because in present circumstances this is the determining prerequisite for sustainable long-term economic growth and to resolve social problems.

That is, the successful experience of financing and developing innovation in Germany is based on the state-defined priorities of innovation and development, the desire and ability of business to introduce innovations, the ability of banks to finance existing priorities, and the potential of non-bank financial institutions for potential innovation growth.

Thus, the state establishes specific priorities in the formation of the national innovation system of each country. In the United States this is the development of a university base, the financing of R & D and the formation of favorable legislation framework for innovative processes. An important direction for Austrian government is creation of programs for financing cooperation between the economic and scientific sectors in the field of major research projects. In Germany the priority is to formulate a national strategy in the field of innovations in order to consolidate the leading positions of the state both among European countries and at the international level.

So, the experience of selected countries demonstrates the formation of features and competitive advantages of the national innovation system formed under the influence of the interaction of various factors. As a result of the study, it is concluded that it is possible to build an effective, competitive national innovative system, which will provide steady economic growth and improve the standard of living of the entire population based on the historically established prerequisites for the national economy, an effective state policy in creating a legal and regulatory framework, financing and stimulating innovation, building an effective innovation infrastructure in the interaction of the state, business, science and education, as well as analyzing the foreign experience of the leading countries in the global innovation processes.

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## THE ROLE OF FOREIGN LANGUAGES IN THE HOSPITALITY INDUSTRY

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**Yurchenko Y.A., Medvid M.M. The role of foreign languages in the hospitality industry.** The article discusses the problem of foreign languages in hospitality industry and their role in the hospitality management education. Multilingualism offers a competitive advantage to both companies operating in the global hospitality market as well as people who pursue a career in it. The key findings indicate a contradiction between theoretical acknowledgement of the importance of foreign languages in hospitality management and its practical promotion, particularly in regard to fluency in foreign languages, in service training initiatives and level of offered training courses.

**Keywords:** applied foreign languages, global hospitality management, education, hospitality industry.

**Юрченко Ю.А., Медвідь М.М. Роль іноземних мов у галузі гостинності.** У статті розглядається проблема іноземних мов у сфері управління гостинністю та їх роль у сфері управління готельного господарства. Багатомовність пропонує конкурентну перевагу як компаніям, що працюють на світовому ринку гостинності, так і людям, які продовжують кар'єру в цьому. Основні висновки свідчать про протиріччя між теоретичним визнанням важливості іноземних мов у сфері управління гостинністю та його практичного просування, зокрема щодо вільного володіння іноземними мовами, ініціативами з підготовки кадрів та рівнем пропонованих навчальних курсів.

**Ключові слова:** глобальне управління гостинністю, індустрія гостинності, освіта, прикладні іноземні мови.

**Юрченко Ю.А., Медведь М.Н. Роль иностранных языков в индустрии гостеприимства.** В статье рассматривается проблема иностранных языков в гостиничной индустрии и их роль в гостиничном менеджменте. Многоязычие предлагает конкурентное преимущество как компаниям, работающим на мировом рынке гостеприимства, так и людям, которые делают на нем карьеру. Основные выводы свидетельствуют о противоречии между теоретическим признанием важности иностранных языков в управлении гостиничным бизнесом и его практическим

продвижением, особенно в том, что касается свободного владения иностранными языками, в инициативах по обучению обслуживанию и уровне предлагаемых учебных курсов.

**Ключевые слова:** глобальное управление гостеприимством, индустрия гостеприимства., образование, прикладные иностранные языки.

The o b j e c t of the article is the process of usage various language skills in the modern world hotel sector. The s u b j e c t is the role of diverse language dexterity in the context of tourism prosperity in society. The p u r p o s e of the article is to highlight the current needs of hospitality management in terms of efficiency in foreign languages, as the first step towards offering future hospitality employees a competitive advantage through the development of successful higher education curricula and methodologies. Therefore, in following the international literature will be reviewed, the research process the current article is based on will be presented and its most significant findings as well as recommended concrete actions and future research will be highlighted.

All aspects which make the guest's everyday life more convenient, such as communication, can affect the tourist demand according to Pulina and Biagi [1]. Torres & Kline [3] have examined the effect of hotel employees' behavior to tourist satisfaction naming among others the importance of professionalism and friendliness as well as the ability to understand guests' needs and effectively solve any problems, while the overall importance of service quality to customer satisfaction and retention has been proven [4]. There have been held major studies which examine the language preferences of the hotel guests. Holmqvist et al. [6] have found that tourists who receive service in a language other than their first one are less likely to leave tips or to recommend the service to others. But even more important consumers tend to fear that they will not be correctly understood if using a second language, either because they do not trust their language proficiency level or because they judge some topics of communication as very important. According to Grewal et al. (cited in Holmqvist et al., [6]) feeling in control over the service the tourists are receiving affects their whole perception of the level of service received. Therefore, being allowed to express needs and wishes in the mother tongue

relieves unnecessary tension. Language is also found to have an emotional correlation with the guests' attitudes (Holmqvist et al., [6]) regarding a sense of community with people who share the same language, and an identification with the company that uses it making them feel at home away from home (Poon & Low[8]).

A UK based research (Leslie & Russel, [7]) demonstrated that 83% of European tourism administration students were in favor of obligatory foreign language learning as part of their studies since such linguistic skills are very important in the tourism sector. The research also indicated that travelling or working abroad and the high rates of participation to European student exchange programs do help international students value the importance of foreign language learning; 96% believed that fluency in more foreign languages offers better job aspects. Current international research by Ghany & Latif [5] has brought to light students' complaints on the content of their foreign language courses in relation to their future career needs hence underlying the importance of such courses to be attended independently of the tourism management program. Students who wish to enter a tertiary level hospitality management department in Greece have to pass a standard type of test to prove adequate knowledge of one foreign language. The curriculum of hospitality management studies includes courses in two foreign languages, namely English and usually German or French. The courses stretch during the first two years of study and conclude with a single semester specialized tourism terminology course for both chosen languages. The curriculum (Dimou, 2008) is normally focused on effective business communication, study abroad or job applications and interviews and tourism reports' analysis in the foreign language. Christou [2] has investigated the Greek tourism administration students' beliefs on the skills they acquire during their studies. The general notion was that English did not pose any special difficulties since the majority of them had already learned the language at younger age. However they perceived difficulties and uncertainty regarding the satisfactory for their business purposes use of the other taught language modules.

Almost 70% of the participating hotel managers stated that efficiency in foreign languages by recruiting is proved by an official language certificate, while for 14.89% a time period spend abroad for studies or work was also interpreted as proof for foreign language efficiency.

Fluency in oral communication (91.50 %) was named as the most important skill for future hotel managers, followed by the so called hospitality language (83%) and intercultural skills (65%). The need for a multilingual hotel website as well as the importance of multilingualism by telephone or email communication on the other hand has been reported by a mere 3%, underlying the predominance of English. The lack of fluency in foreign languages can result – according to their answers- in wrong understanding of guest's needs (80%), possible intercultural misunderstandings (20%) and to customer loss and negative advertising (12.77%).

In general, the respondents appeared rather satisfied by their staff's linguistic skills (76%), although they acknowledged (approximately 50%) the necessity of further improvement. At the same time 74.47% fails to have a company policy for in service foreign language training, mainly due to lack of time during high season (34.29%) as well as a low prioritization of the need to do so (34.29%) followed by lack of money (17.14%) and specialized trainers (8.57%).

The remaining quarter of the respondents implements in service training seminars in the workplace (100%), funded international internship programs, while they also tend to use asynchronous e-learning methods (8.33%).

The wide majority of the hotel managers (83%) affirmed the need to participate in the long term planning and evaluation of foreign languages for tourism curricula.

Respectively the students that participated in the research did not appear very satisfied with their offered studies, especially in regard to training of oral expression (50.5%) and listening comprehension (47.6 %) as well as cross cultural communication skills (36.9%). Moreover, they ascertained the role of international student exchange programs, integration of new technologies, longer training hours and mainly (59.2%) longer apprenticeships in the hospitality management sector, as the main tools to successfully improve their foreign language skills and intercultural competence.

It is mentioned that approximately 36% of the student respondents reported to have learned only one foreign language. Although they were not asked to name which one, one can safely presume – that it is English.

To sum up, foreign languages play an important role in global hospitality management. International research has indicated their

participation in the raising of customer lifetime value for the hospitality industry as well as of successful careers for future management personnel.

An ongoing cooperation between hospitality industry and hospitality management education could facilitate the planning and evaluation of foreign languages for tourism courses that depict the concrete needs students are most likely to face in their career. Lectures of human resources managers and possibility to longer apprentices to hotels abroad could empower the young students with valuable expertise and experience on the working environment conditions and demands.

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## **IMPACT OF EUROPEAN INTEGRATION FOR DEVELOPMENT SERVICES INSURANCE MARKET IN UKRAINE**

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**Zakharova Y.V., Zmiyova I.V. Impact of European integration on the development of insurance market in Ukraine.** The article presents an analysis of the current state and prospects of insurance market of Ukraine in the conditions of our country integration into the European Community. The features of the European countries insurance market have been characterized. The positive and negative aspects, opportunities and threats for the insurance market of Ukraine when joining the European Union have been analyzed.

**Keywords:** European Union, insurance, insurance market, insurance services, insurance premium, integration.

**Захарова Я.В., Змійова І.В. Вплив європейської інтеграції на розвиток ринку страхових послуг в Україні.** У статті представлений аналіз сучасного стану страхового ринку України та його перспективи за умов входження нашої країни в Європейське співтовариство. Охарактеризовано особливості страхового ринку європейських країн. Проаналізовано позитивні і негативні сторони, можливості і загрози для страхового ринку України при вступі до Європейського Союзу.

**Ключові слова:** Європейський союз, інтеграція, страхівка, страховий ринок, страхові послуги, страхові премії.

**Захарова Я.В., Змиева И.В. Влияние европейской интеграции на развитие рынка страховых услуг в Украине.** В статье представлен анализ современного состояния страхового рынка Украины и его перспективы в условиях вхождения нашей страны в Европейское сообщество. Охарактеризованы особенности страхового рынка европейских стран. Проанализированы положительные и отрицательные стороны, возможности и угрозы для страхового рынка Украины при вступлении в Европейский Союз.

**Ключевые слова:** Европейский союз, интеграция, страхование, страховой рынок, страховые услуги, страховые премии.

The o b j e c t of the article is the insurance market in the EU and Ukraine. The s u b j e c t is the state and trends of the development of the insurance services market in Ukraine. The p u r p o s e of this article is a comprehensive study of the international insurance market. The a c t u a l v a l u e of the research is the fact that the International Insurance market is actively developing and is an integral part of the market economy. It is important to study its state, development and directions in order to identify the problems and create new ways of development.

Insurance is an agreement represented by a policy in which an individual or enterprise receives financial protection or reimbursement against possible future losses. On the European market, a multitude of different types of insurance policies are available, and any individual or business can find an insurance company offering services tailored to their specific needs [6]. The insurance market plays a significant role in any state economy, ensuring sufficient role to cover the outcome of adverse events, funds, formation, and thus reducing the risks of the functioning of economic actors. The insurance market allows you to accumulate huge long-term investment and resources, attracting funds through “Retiring Pension Programs” and life insurance programs. The expansion of insurance business creates jobs, activates the introduction of innovations, stimulates the sustainability of the economy and mitigates the effects of global risks [4].

According to the annual study published by ‘Insurance Europe’, the European (re)insurance company, Europe took the third place of the world global insurance market in 2017, behind Asia and North America. In 2017, total insurance premiums in Europe were 1,213 billion Euros, which was by 4.7% more compared to 2016. Life insurance accounted for 59% of these premiums. France, Germany and the United Kingdom are the largest players in the European market. Extension of insurance market has become in many European countries a factor of social and economic development, improvement of population living standards, and the solution of other macroeconomic problems [9].

Ukraine, declaring that they will follow the European way of development, remains unique in terms of the functioning of the financial market, primarily in its component – insurance. In the near future, a

significant transformation should take place in the insurance market of Ukraine. In all developed countries, the insurance market is a source of investment and guarantee the implementation of social protection of the population.

The insurance market of Ukraine, like other sectors of Ukrainian economy, has suffered significantly because of political instability, foreign policy conflict, occupation of the Crimea and military operations in the east of the country. Almost all types of insurance faced a drop in insurance premiums. The most intense one was in the field of insuring financial risks, credits and liability [1].

Taking into account the European vector of integration of Ukraine, it should be noted that the accumulation of insurance companies in a number of European countries makes up to 70% of the funds in the banking system. For quite a long period of evolution of such a market, significant requirements for the quality of assets have been developed, therefore the insurance industry in these countries is a powerful component of the entire financial system. The share of insurance in the GDP of the developed countries of Europe ranges from 6 to 16% (Austria – 6.1%, Germany – 6.7%, Italy – 7.2%, the Netherlands – 9.4%, France – 11%, Switzerland – 11 %, Great Britain – 16%), and financing of medical industries in some countries reaches 20% [8].

Today, despite a significant number of insurers, in fact in the Ukrainian insurance market, 100 risk insurance companies and 15 life insurance companies provide the majority of insurance payments (99%). About 200 insurance companies are in a frozen state and are unlikely to be able to create competition to European companies in the near future. In research of the positive and negative aspects, opportunities and threats for the insurance market of Ukraine when joining the EU, it should be noted that the creation of a regulatory framework adapted to EU norms (adaptation of Ukrainian legislation to EU legislation and harmonization of domestic technical standards with the world and European ones) is a priority on the path to effective EU integration [2].

The insurance market of Ukraine is at the stage of formation, gradually adapting to the requirements of European and world markets. We have many gaps in insurance activity, but we are actively trying to

eliminate them. For this purpose, the Ukrainian insurance market must be connected to foreign insurance experience and change its own operating models. One of such options is Ukraine's cooperation in insurance area with the countries of the European Union. Thus, we will highlight the opportunities for the domestic insurance market which can be obtained from participating in the European Community:

- the increase of the level of rights protection of insurance services consumers by preventing the insolvency (bankruptcy) of insurers;
- the transition to International Financial Reporting Standards (IFRS) (IFRS standardization is not to detail all procedures and financial accounting mechanisms, in many cases preferring to trust the professional independence of accountants, who, in solving many issues, have to rely on conscientious service and personal professional judgments);
- the attraction of additional capital for the development of the insurance market of Ukraine;
- the increase of the level of capitalization of insurers by improving the share of foreign investment;
- the increase of competitiveness and transparency in the Ukrainian insurance market [5].

The insurance business depends on the state of the market, starting with the general economic situation in the world economy and capital markets, and ending with climatic conditions, the number of natural and man-made disasters. The insurance market is also affected by serious global problems: rising terrorism, increase of the risk of trading operations and implementing investment projects, aging of the population and other aspects of modern development of the global economic system. All these factors undoubtedly determine the dynamics of the development of the modern global insurance market and the globalization of the activities of insurance companies [3].

In comparison with the European countries, the insurance market of Ukraine is on the significantly lower development level, characterized by insufficient capitalization and financial stability of insurance companies, imbalance of development of certain types of insurance, low interest of the population in insurance services.

The European integration way chosen by Ukraine prompts the state to try and introduce new insurance products, which in turn have significant advantages over the modern provision of insurance services. European integration for the Ukrainian insurance market is a European experience, high standards, and investments, a strong insurance market in Ukraine that will be trusted by its customers [7].

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## THE ROLE OF FOREIGN LANGUAGES IN TRAVEL BUSINESS SPECIALIST TRAINING

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**Zhuravlyova E.O., Radchenko O.I. The Role of Foreign Languages in Travel Business Specialist Training.** The article deals the problems of studying the second foreign language at higher educational institutions by specialists in travel business. The disadvantages and advantages of studying the second language are considered. The perspectives of having second language skills are highlighted.

**Key words:** a foreign language, foreign language skills, modern trends, the hospitality industry, tourism.

**Журавльова Є. О., Радченко О.І. Роль іноземних мов у підготовці фахівців напрямку «Туризм».** У статті розглядаються питання необхідності вивчення другої іноземної мови у ВНЗ фахівців туристичного спрямування. Розглядаються недоліки та переваги вивчення другої мови. Виділено успішність фахівців зі знанням другої мови.

**Ключові слова:** володіння іноземною мовою, іноземна мова, ресторанно- готельний бізнес , сучасні тенденції, туризм.

**Журавлева Е. А., Радченко Е.И. Роль иностранных языков в подготовке специалистов направления «Туризм».** В статье рассматриваются вопросы необходимости изучения второго иностранного языка в вузе специалистов туристического направления. Рассматриваются недостатки и преимущества изучения второго языка. Выделено успешность специалистов со знанием второго языка.

**Ключевые слова:** владение иностранным языком, иностранный язык, ресторанно-гостиничный бизнес, современные тенденции, туризм.

*«Knowledge of one language allows you to enter  
the corridor of life, knowledge of two languages –  
opens to you all the doors in this corridor»*

*Frank Smith*

Over the past decade, the status of a foreign language has become quite significant in the new social and political conditions in our country, in new forms of international relations, which is reflected, in particular, in the content of the "European Recommendations on Education: Study, Teaching, Evaluation". Thus, the object of the article is a foreign language of professional orientation and the subject is a set of theoretical and practical principles of teaching a foreign language of professional orientation of future workers in the hospitality industry.

The aim of the paper is to highlight the features of teaching a foreign language of professional orientation of future tourism business professionals.

The analysis of scientific sources and publications shows that the study of the issue of teaching a foreign language of professional orientation for various spheres of professional activity is highlighted by famous Ukrainian scholars such as A. Kovaleva, N. Mykytenko, N. Mukan, O. Ponomareva, and others.

In the context of the development of intercultural cooperation and means of international relations in all areas of scientific, technical and socio-cultural life of the countries orientation to international requirements to the level of knowledge of foreign languages has greatly increased. It is known that the acquisition of a foreign language becomes a necessary component of the professional competence of an individual, a sign of their cultural level, civilization, and the ability to integrate into European values. A prominent factor in increasing the role of young people's practical skills in a foreign language is the tendency on the labor market, since there is a constant need for specialists who possess not only one but two or more foreign languages. These specialists are more mobile and competitive in choosing a place of work in our country and abroad [3, p. 312].

In the conditions of the rapid development of various international contacts, one of the mandatory qualification requirements for future

workers in the field of travel business is the study of foreign languages (English, German, French), which lasts throughout the entire educational process. Upon completion of their studies, students are free to speak two foreign languages. That is why future specialists should possess not only certain knowledge of professional disciplines, but also transfer professional information to a foreign citizen, to describe phenomena, to explain facts and give arguments in a second foreign language.

In the course of professional training of specialists in service and tourism the priority is given to the need for foreign language skills as a means of international and interethnic communication. However, the contradiction between the professional qualification requirements and the level of knowledge of the language and the traditionally formed result were determined by the low level of knowledge of students of non-English higher educational institutions for whom the subject foreign language is not profile.

Students of the higher educational institution of the specialty Travel Business study both commonly used and specialized vocabulary, so a teacher remains in the constant search of the most effective educational technologies.

The proof of this statement is an analysis of the "State Educational Standard for Higher Professional Education", which operates in one of the universities, which trains travel business specialists. A future specialist in the hospitality industry should know the main features of the full pronunciation style characteristic in the field of professional communication, know and competently use professional vocabulary in their activities, have a lexical (4,000 lexical unit of general and terminological character) and a grammatical minimum, including the grammatical structures necessary for learning oral and written forms of communication. To know the culture and traditions, the rules of language etiquette of countries are studied. He should be able to conduct a conversation – a dialogue of a general nature, adhere to the rules of speech etiquette; have a monologue speech in the framework of public speeches (report, message, presentation, etc.); make abstracts, abstracts, business letters in a foreign language; to read literature on a specialty without a dictionary in order to find information, translate texts in a specialty with a dictionary [1].



However, the question whether university students need a second foreign language is rather controversial. The main arguments against its study are the following:

1) the second foreign language is an unnecessary discipline in the curriculum, which takes hours and could be used for deeper study of the first foreign language or professional discipline;

2) the second language is always studied from scratch, so it is difficult to achieve a high reference level within the limits of the curriculum (2-3 hours per week);

3) if English as the first foreign language is exactly useful to the graduate in professional activities, then it is not necessary that the second one will need exactly the language that was studied in the university, in which case a person will have to learn a third foreign language [4].

On the other hand, second language skills, not only English is useful for a modern person. Foreign languages help a person to feel more confident when traveling abroad. It is appropriate to recall Francis Bacon's statement that a person who travels to the country without learning the language of that country goes to study rather than travel [5].

One of the main tasks of higher professional education is the fundamental training of a skilled competitive specialist capable of effectively performing of his professional duties and, therefore, and then he can successfully compete on the modern labor market. The relations of our country with other countries of the world, the processes of globalization and integration of Ukraine into the world and European business space contribute to the development of the hospitality industry. The creation of a tourist product, its popularization, promotion and implementation on the market of services are an essential basis for further increasing the need for professionally trained tourism managers and other professionals in the hospitality industry, whose professional behavior depends on the level and quality of the foreign language communication skills, which involves proficiency in a foreign language of professional orientation of future specialists.

The modern hospitality industry is one of the fastest growing industries in the world economy. Recognizing the extremely important role of tourism in its information and economic function, it should be noted that

in the modern world tourism is seen as a positive tool and an important factor in strengthening international understanding, peace and tranquility. International tourism, whose characteristic feature is that a significant part of the services is carried out with minimal on-site costs, is playing an increasingly prominent role in the global economy. It is obvious that in the process of studying foreign languages the use of innovative technologies is necessary, since in the conditions of learning the most effective in mastering a foreign language is the creation and reproduction of elements of the natural language environment [2, p. 157].

The results of our study suggest that foreign languages play a significant role not only in personal relationships, but also in educational and professional spheres. The purpose of teaching foreign languages in non-English higher education institutions is to achieve a sufficient level of knowledge for the practical use of a foreign language for future professional activities. A foreign language can become not only an object of assimilation, but also a means of development of professional skills. This implies the expansion of the concept "professional orientation" of learning a foreign language, which contains one component – a professionally oriented focus of the content of the educational material.

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**INFORMATION TERRORISM  
AS THE MAIN THREAT  
TO THE NATIONAL SECURITY SYSTEM**

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**Zinchenko O.I., Davydenko I.V. Information terrorism as the main threat to the state's national security system.** This article reveals the concept of information terrorism and its impact on the state security system and the world as a whole. The article also explains how information terrorism interferes with the usual operation of enterprises, institutions and government bodies. The article describes the most popular viruses for the last year, their impact and consequences. This article focuses on information terrorism as the main threat to the Ukrainian national security system.

**Key words:** counteraction, cyber attack, cyberspace, cyber-terrorism, information terrorism, informatization, national security system.

**Зінченко О.І., Давиденко І.В. Інформаційний тероризм як головна загроза національній безпеці держави.** В даній статті розкривається поняття інформаційного тероризму та його вплив на безпеку держави та світу в цілому. Також в статті пояснюється, як інформаційний тероризм перешкоджає нормальній роботі підприємств, установ та органів державної влади. Стаття описує найбільш популярні віруси за останній рік, їх вплив та наслідки. В статті окремо приділяється увага інформаційному тероризму як головній загрозі національній безпеці України.

**Ключові слова:** інформатизація, інформаційний тероризм, кібератака, кіберпростір кібертероризм, національна безпека держави, протидія.

**Зинченко А.И., Давыденко И.В. Информационный терроризм как главная угроза национальной безопасности государства.** В данной статье раскрывается понятие информационного терроризма и его влияние на безопасность государства и мира в целом. Также в статье объясняется, как информационный терроризм препятствует нормальной работе предприятий, учреждений и органов государственной власти. Статья описывает наиболее популярные вирусы за последний год, их влияние и последствия. В данной

статье отдельно уделяется внимание информационному терроризму как главной угрозе национальной безопасности Украины.

**Ключевые слова:** информатизация, информационный терроризм, кибератака, киберпространство, кибертерроризм, национальная безопасность государства, противодействие.

The o b j e c t of the study is the influence of cyber-terrorism. The s u b j e c t of the study is the phenomenon of cyber-terrorism, its goals, consequences, methods of counteraction. The p u r p o s e of the study is to analyze how the cyber-terrorism influences on the national security system and international security system. The r e l e v a n c e of the study is determined by the fact that one of the main factors for the development of the socio-political system is the information production and its usage.

Nowadays, information plays a key role in the functioning of not only public and state institutions, but also human activity. Today, technical progress is developing so rapidly that some of its consequences are realized by the society too late, when considerable efforts are already required to cope with the situation. It causes information terrorism, or as it is called, cyberterrorism [5, p.200]. Thousands of netizens, not just individuals, but entire countries, may suffer from cyber-terrorist activities in the virtual space. In this regard, it is necessary to develop methods to counter and prevent cyber attacks.

Having passed the stages of open military confrontation and the “Cold War”, the modern world entered the era of information wars. Under the conditions of the information society, the so-called cyberspace, or the information space, a fundamentally new environment for the confrontation of competing states has arisen. An important feature of the struggling resources in cyberspace is that they can be effectively used both in wartime and in peacetime, and are available not only for states, but also for terrorist, criminal structures and individuals [8]. Cyber-terrorism, which is based on information technologies and networks, today is considered the most dangerous terrorist manifestation in principle.

This study is to identify the information terrorist indicators, which define it as the main threat to the state’s national security system. First of all, it should be noted that information terrorism, or cyber-terrorism, is the

conscious and targeted usage of violence to force the country's political leadership to realize the political, economic, religious or ideological goals of a terrorist organization. Its purpose is to weaken the constitutional order [5, p.211-220]. Cyber-terrorism is conducted using various strength and capabilities – from the foreign special service agents to domestic and foreign media. A distinctive feature of information terrorism is the complexity of its detection. Thus, information terrorism has become one of the most dangerous sociopolitical and moral problems which humanity has faced in the 21st century.

Research of global trends suggests that information terrorism will be aimed at the world economy, and its main task will be to disorder the financial and communication networks, as well as to partially destroy the economic infrastructure and impose its will upon the authorities [2]. The most vulnerable in this regard are such areas as energy, telecommunications, aviation and control systems, financial electronic systems, government information systems, and also automated troop and weapon control systems. Ronald Dick, the director of the National Infrastructure Protection Center of the FBI, noted: "To achieve its goals, cyber-terrorism uses computer and communication networks to destroy parts of the national infrastructure, and the Achilles heel of the modern world, is a growing dependence on computer systems and information technologies "[4]. Terrorists, as a rule, use the Internet as a means of propaganda, transmitting information, by modifying and destroying it, or blocking the work of computing systems. They using such means as Trojan Horse software (programs that allow to perform certain actions without the knowledge of the user), can penetrate the system of the attacked, or intercept network management, all this things are extremely dangerous for the national security system.

Today, many countries are actively working to analyze the potential manifestations of information terrorism. One of theirs main goal is to develop countermeasures, although the development of the information industry is different in each country. Among the countries where crimes are connected with the usage of a personal computer and the Internet, there are countries of Europe, Ukraine, the Russian Federation and, the United States of America [4].

The problem of information terrorism tends to grow steadily and acquires global dimensions, which is directly dependent on the development of information technologies that stimulate the emergence of new, more sophisticated types of cyber weapons. Therefore, despite the measures undertaken by states to improve the cybercrime systems, the constant development of relevant and effective strategic and tactical information countering techniques against cyberterrorism is urgently needed.

Among the examples of recent cyber attacks, it is worth highlighting the WannaCry cyber attack that took place on May 12, 2017, when the virus coder WannaCry attacked 200,000 computers in 150 countries of the world within three days. The total damage amounted to 1 billion US dollars [1], but hackers launched a virus on the network and earned significantly less (according to experts, there were no more than 42,000 US dollars in the attackers' accounts) [6]. Another example is the cyberattack of the Petya.A virus, in Ukraine in June 2017. The virus used the same systems as WannaCry, and in order to restore access to the data, it was necessary to send 300 US dollars in bitcoins [3]. In Ukraine, mostly government agencies, banks, the media and other organizations were the victims of the Petya.A virus. In particular, the enterprises as "Novaya Pochta", "Ukrenergo", "OTP Bank", "Oschadbank", "Rozetka", "Boris", "Ukrzaliznitsya", "TNK Antonov", "Epicenter", "24 Channel", as well as information systems of the Boryspil airport, the Cabinet of Ministers of Ukraine, the State Fiscal Service, etc. Apart from that, cases of viral infection were recorded in Russia, the USA, Denmark, the Netherlands, the UK, France, Spain – 15 countries [7]. According to researchers, more than half of all cyber attacks led to financial losses of more than 500,000 US dollars.

Cyber-terrorism has acquired signs of a destabilizing factor of social development that is able to overcome the information space, without any regard for geographical barriers.

As for the Ukrainian national security system, it should be noted that there is a tendency towards a lack of development in technical and technological sphere to confront information terrorism. Thus, the informatization is carried out mainly on the basis of foreign technologies

and computer equipment, although the state support to prevent and counter cybercrime is insufficient.

Today, Ukraine is experiencing significant damage from such a global threat as information terrorism, therefore it is necessary to develop a set of measures to reduce the vulnerability of our state's national security and improve means of countering cyber-terrorism.

Thus, taking into account all the said above, one can see that information terrorism is a serious socially dangerous threat to humanity, which can be compared with nuclear, bacteriological and chemical weapons, and the extent of this threat, due to its novelty, is not yet fully realized and studied. The experience of the world community in this area testifies to the vulnerability of any state to cyber-terrorism. Another risk factor is the availability of cyber-terrorism. The above signs of information terrorism make it possible to characterize it as the main threat to the national security system. So, under the recent conditions of informatization and global technical and technological development, states are to make significant efforts to counter the consequences of information terrorism and to prevent possible cyber-attacks.

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## US FOREIGN POLICY: PUBLIC AND NON-PUBLIC ASPECTS

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**Zvarych M.V., Davydenko I.V. US foreign policy: public and non-public aspects.** The article discusses the problem of US participation in a safer, more democratic and prosperous world for the benefit of US citizens and the international community. The United States plays a crucial role in international relations, having the most developed network of diplomatic missions in the world. The United States is a founding member of the United Nations and the North Atlantic Alliance, a member of the UN Security Council. US diplomacy is actively involved in resolving a significant number of international conflicts and disputes.

**Keywords:** democracy, diplomacy, globalization, international community, international relations, prosperous world.

**Зварич М.В., Давиденко І.В. Зовнішня політика США: публічний і непублічний аспекти.** У статті розглядається проблема участі США в забезпеченні більш безпечного, демократичного і процвітаючого світу на благо громадян США та міжнародної спільноти. Сполучені Штати грають дуже важливу роль в міжнародних відносинах, маючи найрозвинутішу в світі мережу дипломатичних представництв. США – член-засновник Організації Об'єднаних Націй і Північно-атлантичного альянсу, член Ради Безпеки ООН. Дипломатія США бере найактивнішу участь у вирішенні значної кількості міжнародних конфліктів і суперечок.

**Ключові слова:** глобалізація, демократія, дипломатія, міжнародні відносини, міжнародна спільнота, процвітаючий світ.

**Зварич М.В., Давыденко И.В. Внешняя политика США: публичный и непубличный аспекты.** В статье рассматривается проблема участия США в обеспечении более безопасного, демократического и процветающего мира на благо граждан США и международного сообщества. Соединенные Штаты играют крайне важную роль в международных отношениях, имея самую развитую в мире сеть дипломатических представительств. США – член-учредитель Организации Объединенных Наций и Северо-атлантического альянса, член Совета Безопасности ООН.

Дипломатия США принимает самое активное участие в разрешении значительного количества международных конфликтов и споров.

**Ключевые слова:** глобализация, демократия, дипломатия, международные отношения, международное сообщество, процветающий мир.

The o b j e c t of the article is a modern US foreign policy which is marked by an era of global policy. The s u b j e c t of the article is the foreign policy of the United States is its interactions with foreign nations and how it sets standards of interaction for its organizations, corporations and citizens of the United States. The p u r p o s e of the United States is to recognize the fundamental change in world politics and to use America's unrivalled military, economic, and political power to fashion an international environment conducive to its interests and values. In the 21st century, the US influence remains strong, but it is gradually shrinking due to countries such as Russia, India, China, and the European Union, which have great economic potential and can compete with a country like the United States. Some foreign policy analysts suggest all five powers have similar vested interests in stability and terrorism prevention and trade; if they can find common ground, then the next decades may be marked by peaceful growth and prosperity.

These days, there are supporters and critics of American politics. For defenders of global activism, active U.S. engagement (including a willingness to use military force in a wide variety of situations) is the source of most of the positive developments that have occurred over the past 50 years and remains critical to preserving a "liberal" world order. By contrast, critics of U.S. foreign policy both at home and abroad tend to blame "U.S. imperialism," the "Great Satan," or mendacious Beltway bungling for a host of evil actions or adverse global trends and believe the world will continue to deteriorate unless the United States mends its evil ways [2, p.157].

Both sides of this debate are wrong. Of course, the United States still remains one of the most influential actors on the world stage. Although its population is only about 5 percent of humankind, the United States produces roughly 20 to 25 percent of gross world product and remains the

only country with global military capabilities. It has security partnerships all over the world, considerable influence in many international organizations, and it casts a large cultural shadow [1].

The United States, in short, is hardly the “pitiful, helpless giant” that Richard Nixon once feared it would become. At the same time, it deserves neither all of the credit nor all of the blame for the current state of world politics [3].

For defenders of the U.S.-led “liberal world order,” America’s global role is the source of (almost) All Good Things. As Samuel P. Huntington put it more than 20 years ago, U.S. primacy is “central to the future of freedom, democracy, open economies, and international order in the world.” Or as Politico’s Michael Hirsh once wrote (possibly after one too many espressos), “the role played by the United States is the greatest gift the world has received in many, many centuries, possibly all of recorded history” [1].

Hyperbole aside, that self-congratulatory worldview is almost a truism within the U.S. foreign-policy establishment. In this version of recent world events, America’s “Greatest Generation” defeated fascism in World War II and then went on to found the United Nations, lead the global campaign for human rights, spread democracy far and wide, and create and guide the key economic institutions (World Bank, IMF, WTO, etc.) that have produced six decades of (mostly) steady economic growth [4]. By leading alliances in Europe and Asia and deploying its military force far and wide, the United States has also ensured six decades of great power peace. Former Secretary of State Madeleine Albright captured this narrative perfectly when she famously said the United States was the “indispensable nation” that sees further than others do, and all three post-Cold War presidents embraced and endorsed that view as well.

There’s more than a grain of truth in some of these claims, but defenders of American “leadership” badly overstate their case. Yes, we’ve seen 60-plus years without a direct clash between major powers, but the nuclear revolution probably has as much to do with the reluctance of great powers to fight each other as with the global military presence of the United States. Moreover, as John Mueller has argued, the past few decades of peace may also be due to cultural and attitudinal changes occasioned by

the destruction and brutality of the two world wars [4, p.6]. Nor should we forget Europe's own efforts to build a supranational organization – beginning with the original European Coal and Steel Community and culminating in the European Union – that was explicitly intended to prevent a return to the bloodlettings of the past.

The point is that we do not really know why the past 60 years have been more peaceful than the decades that preceded them, but U.S. leadership was probably only one factor among several.

Furthermore, this peaceful “world order” was actually quite limited in scope and hardly covered the entire globe. As American historian Andrew Bacevich makes clear, the pacifying effects of U.S. leadership did not prevent costly wars in Korea or Indochina, did not prevent India and Pakistan from fighting in 1965 or 1971, and did not stop millions of Africans from dying in recurring civil and international wars. The United States did help end the brief Middle East wars in 1956, 1967, and 1973, but it did little to prevent them from breaking out and didn't get serious about genuine peace efforts until it helped broker the Egyptian-Israeli peace treaty in the 1970s. Washington did nothing to stop the Iran-Iraq War (1980-1988), and U.S. leaders actively fueled conflicts in Central America and Southern Africa when they seemed to serve broader strategic purposes. U.S. aid to the Afghan mujahideen may have helped bring the Soviet Union down, but it also helped wreck Afghanistan and gave birth to the Taliban and al Qaeda [5].

We should be equally cautious in crediting America with the past six decades of economic growth. To be sure, the original Bretton Woods institutions performed reasonably well in their day, and U.S. support for trade liberalization helped reduce global tariffs and fueled the post-World War II recoveries [2, p.200]. But U.S. “leadership” of the world economy was hardly an unbroken string of successes: U.S. Middle East policy helped cause the punishing oil crises of the 1970s, and the 2008 financial crisis from which the world economy is still recovering began right here in the United States.

My point is not that the U.S. role in the world has been consistently negative; the point is that those who believe U.S. leadership is the primary barrier to return to anarchy and barbarism are overstating America's

positive contributions. It is far from obvious, for example, that the United States needs to garrison the world in order to maintain a healthy U.S. economy, because it is free to trade and invest wherever profitable opportunities arise. Or as Dan Drezner has noted: “The economic benefits from military predominance alone seem, at a minimum, to have been exaggerated in policy and scholarly circles.”

### **Implications for American Foreign Policy**

Both Americanists and Globalists understand essential truths about the world today. Power continues to matter, but power alone will often not be enough to achieve goals. A pragmatic American internationalism would recognize that we do not need to pick between these two truths. Both should guide American foreign policy [4].

But what should America seek to accomplish abroad? The indisputable first objective must be to safeguard and enhance liberty, security, and prosperity. The question is how. In the new age of global politics, the best way to accomplish these goals is to promote an international order based on democracy, human rights, and free enterprise – to extend the zone of peace and prosperity that the United States helped establish in Europe to every other region of the world. Put differently, the United States needs to integrate the world’s have-nots into the globalized West. Pursuing that goal is not charity [2]. Creating an international order in which more people are free and prosperous is profoundly in America’s self-interest. In a world of market democracies, America and Americans are likely to be both more prosperous and more secure. In such a world we are most likely to realize the promise of globalization while minimizing its dangers.

Ensuring that a commitment to democracy and open markets triumphs on a global scale entails four broad strategies [3]. First, it is necessary to sustain and strengthen the bases of American power. Second, U.S. policy should seek to extend and adapt proven international institutions and arrangements. NATO’s recent transformation is a prime example [1]. During the 1990s, the collective defense organization that had safeguarded the territorial integrity of its members against the Soviet Union for four decades gradually took on a new role: providing security for every state and its citizens in an ever enlarging north Atlantic area. By taking the

lead in stabilizing conflict-ridden regions like the Balkans, as well as by opening its doors to new members, NATO began to do for Europe's east what it had done for Europe's west [1]. The world trading system is also ripe for change. Barriers to the free flow of goods, capital, and services have steadily fallen over the years, and more and more countries have joined the free trading regime. Now it is time to lower the most pernicious barriers, especially those for agricultural goods, and bring poor countries into the global economic system. Third, U.S. policy should enforce compliance with existing international agreements and strengthen the ability of institutions to monitor and compel compliance [3]. Finally, U.S. policy must take the lead in creating effective international institutions and arrangements to handle new challenges, especially those arising from the downside of globalization [2].

Can U.S. foreign policy promote a liberal world order in the new age of global politics? In many ways it has no other choice. Immediately after World War II, the United States forged a series of bold political, economic, and military arrangements that made allies of former enemies and set the stage for victory in the age of geopolitics. U.S. policymakers at the time took a broad view of American interests and understood that their efforts would be for naught if America's partners did not see them as being in the interest of all. U.S. policymakers in the age of global politics must do likewise.

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## HOTEL MARKET DEVELOPMENT IN CANADA

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**Galkina K.V., Saprun I.R. Hotel market development in Canada.** The article discusses supply growth and development trends in Canada in the recent years. The current state of hotel industry in Canada is defined. Distribution of hotel establishments by size, chain scale, room occupancy rate within Canadian provinces is researched. Development, supply, investment, technology and operations affecting the Canadian hotel market within various hotel segments are analyzed.

**Keywords:** brand, development, hotel chain, hotel industry, hotel segment, independent hotel, occupancy rate, room, supply.

**Галкіна К. В., Сапрун І. Р. Розвиток готельного ринку в Канаді.** У статті розглядаються тенденції зростання і розвитку пропозиції в Канаді в останні роки. Визначено поточний стан готельного бізнесу в Канаді. Досліджено розподіл готельних закладів за розмірами, масштабами ланцюжків, заповнюваності номерів у провінціях Канади. Проаналізовано розробки, поставки, інвестиції, технології та операції, що впливають на канадський готельний ринок в різних готельних сегментах.

**Ключові слова:** бренд, готельна індустрія, готельна мережа, готельний сегмент, занятість, незалежний готель, номер, пропозиція, розвиток.

**Галкина К. В., Сапрун И. Р. Развитие гостиничного рынка в Канаде.** В статье рассматриваются тенденции роста и развития предложения в Канаде в последние годы. Определено текущее состояние гостиничного бизнеса в Канаде. Исследовано распределение гостиничных заведений по размерам, масштабам цепочек, заанполняемости номеров в провинциях Канады. Проанализированы разработки, поставки, инвестиции, технологии и операции, влияющие на канадский гостиничный рынок в различных гостиничных сегментах.

**Ключевые слова:** бренд, гостиничная индустрия, гостиничный сегмент, гостиничная сеть, заанполняемость, независимая гостиница, номер, предложение, развитие.

The o b j e c t of the article is the hotel-development process in Canada within various hotel segments. The s u b j e c t of the article is epy development of the hotel industry and general hospitality trends in Canada at the current stage as well as its future prospects. The a i m of the article is to provide a comprehensive snapshot of the hotel industry operating within the Canadian hospitality landscape in terms of location, occupancy rates, room rates, branding and its general impact on Canadian economy.

The tourism and hospitality industry is one of the largest in the world. It is also a dominant industry in Canada, where the contribution of tourism to the gross domestic product (GDP) totals 35.37 billion Canadian dollars. The majority of this comes from spending on hospitality which accounts for 62% of the direct contribution of tourism to GDP in Canada.

Canadian stable economic and political environment creates an ideal ambience for the development of national hospitality industry. Each year hotels deliver returns that average 210 basis points higher than those of other real estate investments in the previous year. Moreover, the industry continually exhibits strong operating performance, with demand outpacing new supply over the past decade.

In the recent years a rapid growth in key markets has been stated, with the report citing the fastest-growing areas in Canada, in terms of revenue per available room: Windsor, ON; Toronto Downtown, ON; Vancouver/South Surrey, BC; Vancouver Airport, BC; and Banff, AB according to Smith Travel Research. It is believed that markets in Canada will remain strong under a moderate supply growth as demand continues to increase and RevPAR continues on an upward trend. The industry upward trend is expected to continue, which is poised to see over \$3 billion in sales volume till the end of the decade. [1]

In terms of occupancy, Canadian hotels have registered a somewhat stable occupancy level, varying between 63% and 66%. Average Daily Rates (ADR) increased substantially between 2012 and 2017, growing by a compound annual growth rate of 3.7% over the past six years. The combination of the aforementioned two key performance indicators resulted in revenue per available room (RevPAR) of \$103 for year ending in 2017. The compound annual growth rate for RevPAR is estimated at 5.1% over the past six years. The strong results of 2017 are in part the

result of several factors such as the celebrations surrounding the 150th anniversary of the confederation, along with Montréal's 375th birthday and the 50th anniversary of Expo 67.

Constantly improving economic conditions in both Canada and the United States allowed a 9.8% increase in American visitation in 2018 and an estimated 2.7% by 2019. Overseas visitation increased by approximately 14% in 2018 and is anticipated to end 2019 with a further 7.1% growth. Much of this growth is anticipated to occur from such countries as China, India, and Mexico, among others. In turn, these increases in tourism and tourist arrivals have allowed for increased tourism spending, ultimately adding an estimated 19,000 jobs within Canada. [3]

The west is the hotbed of hotel-development activity in Canada. Of all the new supply opened in Canada in the past 12 months, 70% was built on Western Canadian soil – comprising 35 new hotels with 3,785 guestrooms. This represents a 2% increase in supply, in contrast to a 1.2% increase nationally. Moreover, 63% of the rooms now under construction in Canada are in the west – 31 hotels with 4,846 rooms, reflecting a 2.5% increase in supply (compared to 1.8% nationally). Nearly all the new hotels under construction are branded and most are limited-service, select-service, or extended-stay products. Among the new brands opening in the west are Candlewood Suites, Element by Westin and Hyatt Place. In addition, Alt which originated in Quebec and is established in Eastern Canada, now has a property in Winnipeg and a property under construction in Calgary, with plans of moving into the Saskatoon market.

Alberta is driving supply growth in the west – of the 35 hotels that recently opened in Western Canada, 21 are in Alberta. This addition of 2,222 hotel rooms represents a substantial 3% increase in lodging supply for the province. Supply growth in Alberta is showing no signs of slowing, with 23 more hotels – another 3,615 guestrooms – now under construction.

Saskatchewan is also experiencing large increases in supply. In the past 12 months, nine new hotels with a total of 1,048 guestrooms have opened – a striking 5.3% increase in supply for the province. Unlike Alberta, however, new supply is now dissipating from the pipeline. Only three hotels with 336 guestrooms are now under construction; this

nonetheless represents a 1.7% increase in the province-wide supply, in line with the national average.

Manitoba experienced a flurry of hotel-development activity in 2013 and 2014, but since then construction on hotels in the province has been dormant. There are currently no hotels under construction in Manitoba and nothing new has opened in the past 12 months. A few projects are in the planning stages, but no major increase in supply is anticipated in the near future.

Despite strong RevPAR growth, B.C. has seen little new hotel development. In the last 12 months, only five hotels with 515 rooms have opened – a trifling 0.6% increase in supply. Government hurdles to development and high land values are limiting the rate of supply growth in the province and bureaucracy results in long wait times for rezoning and permit applications approvals. More significantly, the high cost of land is making hotel development less feasible and making competing uses (such as condos) appear more lucrative – it is therefore no accident all the recent hotel projects in Vancouver have a condo/mixed-use component. [2]

Approximately two-thirds of the hotel inventory is made up of hotels consisting of less than 50 rooms, with almost 50% of the hotel inventory consisting of hotels of less than 30 rooms. The importance of this information is directly related to the fact that many of the global and Canadian hotel companies and hotel management firms actively seek affiliation, franchise or management deals with hotels of a certain size, typically requiring a certain critical mass. This critical mass can vary from a minimum of 50 to a minimum of 100 rooms or more, depending upon the brand and its positioning. This, in fact, limits the hotel inventory available for potential franchising or branding given that over half of the Canadian hotels are less than 30 rooms in size.

Talking about distribution of establishments by chain scale, in total, branded hotels account for 26% of the total hotel inventory and 53% of the available room inventory in Canada. The remaining hotel and room inventory consists of independently managed hotels. These independent hotels account for approximately 47% of the available Canadian hotel room inventory and consist of much smaller hotels (average of 38 rooms per establishment). Within the brands, and despite the global emphasis on

boutique and lifestyle branded hotels, upper midscale brands represent the largest bulk of the branded hotel inventory (28%). Economy, upscale and upper upscale brands register somewhat similar market shares within the Canadian hotel inventory.

Canada is also home to a number of national hotel companies, each with its own respective brand. These Canadian brands tend to have little to no representation within the United States. Of the estimated 2,700 branded hotels, Canadian brands account for 14% of the total inventory, while the global brands make up the remaining 86%. Of the Canadian branded hotels, 9% operate within the economy segment, 53% operate within the midscale/upper midscale segments, 33% within the upscale/upper upscale segments and only 6% operating within the luxury market segment. [3]

In conclusion, it can be seen that over the last year Canada's hospitality industry has benefited greatly from several factors, including low interest rates, the lower Canadian dollar and continued economic growth, driving business travel and increased domestic and international tourism. As such, and partially as a result of the low dollar and increased direct air capacities within certain global destinations, international tourism has also registered a steady growth in Canada.[5] However, hotel development activity is spread unevenly among the Canadian provinces, shaped by differences in government policy, hotel performance, land economics and economic fundamentals. Looking to hotels in the planning stage, activity appears to be moving east. Nowadays, the Canadian hotel market is made up of primarily independent hotels (74%), however these hotels only represent 47% of available guest rooms in Canada. As such, the branded hotels, which are larger in average size, comprise only 26% of Canadian hotels but 53% of the nation's hotel inventory. [3]

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**THE DESTINATION BRANDING  
IN THE TOURISM:  
EXPERIENCE OF SOUTH KOREA**

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**Salabay A.A., Saprun I.R. The destination branding in the tourism: experience of South Korea.** The article discusses the need of tourist regions in creating their own brand, its influence and importance in promoting the region, developing individuality and uniqueness of a destination. The experience of South Korea in creating a tourism image and brand have been demonstrated. The meaning of the logo and slogan of Korean tourism have been researched.

**Keywords:** brand, destination, image, Korea, logo, marketing, tourism.

**Салабай А.А., Сапрун І.Р. Брендинг в туризмі: досвід Південної Кореї.** У статті розглядається потреба туристичних регіонів у створенні власного бренду, його вплив і значимість в просування регіону, розробка індивідуальності і унікальності дестинації. Показаний досвід Кореї у створенні туристичного іміджу та бренду. Пояснюється значення логотипу та слогану туризму Кореї.

**Ключові слова:** бренд, дестинація, імідж, Корея, логотип, маркетинг, туризм.

**Салабай А.А., Сапрун И.Р. Брендинг в туризме: опыт Южной Кореи.** В статье рассматривается потребность туристических регионов в создании собственного бренда, его влияние и значимость в продвижение региона, разработку индивидуальности и уникальности дестинации. Показан опыт Кореи в создании туристического имиджа и бренда. Объясняется значение логотипа и слогана туризма Кореи.

**Ключевые слова:** бренд, дестинация, имидж, Корея, логотип, маркетинг, туризм.

The o b j e c t of the article is impact of branding on the competitive growth of the tourist destinations. The s u b j e c t is Korea's experience in creating destination brand and logo. The p u r p o s e of the article is to analyze the role of branding management in tourism industry, explain the destination branding process in a specific geographical context, evaluate

the influence of symbolic elements such as the destination name, the logo and the tagline to the establishment of the destination brand. Destination branding is a set of marketing activities that support the creation of a name, symbol, logo, or other graphic that identifies and differentiates a destination.[8] Branding a country or city is about identifying the place's true side. So, it is combining all the attributes associated with the place under one umbrella that establishes a unique identity of the place and differentiates from that of the competitors.

In the competitive markets, with the decreased effectiveness of traditional marketing tactics and the emergence of new marketing tools, the brand becomes one of the most important assets. Branding is possibly the most powerful marketing weapon available to all kinds of marketers.

Creating and developing a "brand" is one of the core-strategies of tourist destination management. Today most destinations have superb hotels, diverse kinds of attractions; every country has a unique culture heritage, and history, each destination has its own special advantages, for example, friendly people, excellent services, natural beauty, infrastructure. Therefore, there is a strong need for the destinations to create their own identity to attract maximum tourists. Branding is the process of communicating the benefits of the product and creating an overall superior impression about it. [3] Brand managers show a product so that it gets positioned in the minds of the consumers in the way they want. They differentiate their product by stressing on the attributes which will match their target marketing needs more effectively.

Destination branding, or place branding, is a complex process. There is a multitude of brand strategies related to the needs of products or services, but location branding is effectively a combination of all those offerings collectively. Building a destination brand strategy can focus on several top line or key targets.



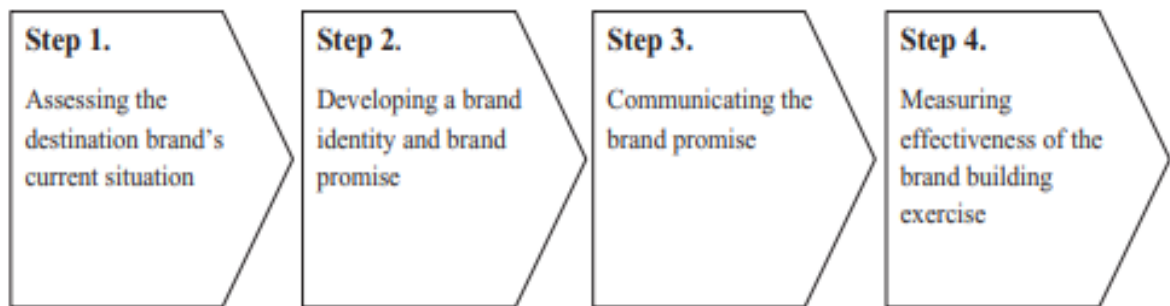


Figure 1. Building the destination brand experience [1]

The first stage in building a destination brand is to establish the core values of the destination. This stage should consider how contemporary or relevant the brand is to a today's tourist and how it compares with the key competitors. [1]

The next stage is to develop the brand identity. It is critical to the success of any destination brand to identify the extent to which the destination's brand personality interacts with the target market. A brand's personality has both a head and a heart: its 'head' is its logical features, whereas its 'heart' is its emotional benefits and associations.[4] Brand propositions and communications can be based around either, although there is an increasing focus on the latter. These emotional and functional attributes underlie the concept of brand promise, in which destinations must communicate to potential and current visitors the benefits and experiences that they can receive upon arrival.

The third step, communication of the brand, requires that the brand's essence be communicated throughout various promotional campaigns, advertisements and message types including the brand's logo, tagline, story and name. Every execution in all media contributes to maintaining brand presence. As suggested previously, there is an increasing focus on the tourist experience, and marketing messages based on experiences will have a greater importance in travel decisions in the future.

The final stage of building a destination brand is to evaluate the brand performance in the market place. Measuring the effectiveness of a destination brand is a critical role in the brand development process.

Measurement will ensure that the brand is continually evolved and enriched in order to strengthen its appeal and to broaden the market. Continuous monitoring and evaluation of the communications is the key here, as well as open-mindedness and a willingness to embrace change on the part of the brand managers.[4] Monitoring tourism arrivals is a possible way of measuring effectiveness. The functions of country branding include the following:

- It helps attracting tourists, investors, foreign capital and commercial activities to the country.

- It supports country's exporting activities.

- It strengthens national identity.

- It creates an image in the minds of the citizens of other countries within the scope of available information in any country (this may be the visits to the country, information obtained from regional studies, information obtained through mass media, etc.).

- The primary aim of country branding is to define the uniqueness of a country, its residents, and culture, in other words, everything that distinguishes this country from others.

South Korea has experienced a rapid growth of international tourist arrival numbers in early 21st century, so the branding of Korea was vital. Korea, which has become a popular tourist destination over the past few years, has begun to realize and place a greater importance of tourism in promoting itself as a tourism destination.

But when you think of Korea, the most common thought is that one of North Korea. For tourism to succeed in Korea, there must be change of what "Korea" means for potential tourists. Korea is an emerging tourist destination which is trying to differentiate itself from its stronger neighbours. Organizations such as the Korean Tourism Organization (KTO) and the Ministry for Tourism, Culture, and Sport (MTCS) are attempting to create a unique image for Korea.

An interesting finding from the KTO data reveal that the majority of those who desire to visit Korea are tourists who watch Korean dramas and listening to K-pop music on the television and through the internet.

Korea has many images associated with it, such as Seoul, Busan, K-pop, K-dramas, history, and beautiful countryside and these if promoted

properly can give a competitive advantage for the country. Thanks to the Korean Wave, Korean culture has become well known throughout the world and now is a strong brand image for the country. In recent years, Korea's culture, particularly K-pop music, TV dramas, and movies, have helped to elevate the country's international profile and attract 17.2 million foreign tourists in 2017. China was its largest source of visitors with 8 million, followed by Japan with 2.3 million.

Korea launched a new tourism tagline on July 22, 2014. The Ministry of Culture, Sports and Tourism (MCST), alongside with the Korea Tourism Organization (KTO), announced the tagline, "Imagine Your Korea". It has replaced "Sparkling Korea", the former catchphrase used since 2007. [3]

The new slogan suggests that tourists in Korea will discover more than they could imagine. According to the "Imagine Your Korea" website, it came out of an analysis of the country's core values which were identified as "diversity", "brightness" and "creativity". The slogan should show Korea's diverse, natural, historical and cultural aspects.

With the new logo also using the Korean design aspects. The slogan's design portrays energetic and dynamic aspects of Korea as a country and a welcoming message to every foreign visitor. It illustrates one of Korea's most representative color combinations and a motif of a twirling sangmo (hat worn during traditional percussion quartet performance).

The "K" of Korea is especially emphasized, so that people can better understand and remember the slogan, and to symbolize tourism resources, such as K-Wave, K-Food, and K-Style. It is emphasized both in size and in the shape of wide-open arms, a symbolic image of Korea's welcoming spirit. The color scheme is a combination of saekdong, the traditional multicolored stripes, and navy blue, which accentuate the saekdong colors. [5]

In 2018 the Korea Tourism Organization has produced new videos designed to promote Korea to a wide range of international tourists. The marketing campaign introduces the country's unique experience from the perspective of foreigners by posing viewers with the question, "Korea asks you, have you ever...?" [3]

Focusing on digital media and keeping in line with the trends of global tourism and individual travelers in Korea, the adverts were created

with diverse experiences and broad audiences in mind. Members of EXO, one of the world's biggest K-Pop groups and the 2018 honorary ambassadors for Korean tourism, introduce various experiences that can be enjoyed in Korea through six themes: history and tradition, Korean daily life, adventure, trend, healing, and Hallyu (Korean Wave).

KTO explained the aims of the campaign: "Recently, the Korean Wave has spread from K-Pop and K-Dramas to other cultural aspects and everyday life in Korea. Through K-Pop stars EXO, these ads will capture the eyes of consumers around the world with Korean daily life and cultural experiences. By using digital media, we will promote Korea's charms that can't be experienced anywhere else in the world and take the lead in attracting individual tourists". [3]

The new campaign via television and various digital channels including YouTube and Facebook began in August and will continue until the end of the year.

To sum up, it can be said that tourists tend to rely on the brand of a destination they wish to visit. A destination has to express how it is different from the other destinations through branding. It is about identifying what makes a destination unique and communicating these differences to encourage potential visitors to visit it. Thus, destination brand means:

- The place's competitive identity. It makes the destination distinctive and differentiates it from all other destinations.
- A destination brand refers to the core characteristics of the destination which comprise its personality and make it distinctive and different from all its competitors.
- A destination brand is a dynamic relationship between the destination and how it is perceived by potential customers and visitors.

The lack of originality and difference among most Korean tourism commodities has led to a deepening competition, resulting in the recognition of the importance of branding as an effective method to win consumers. "Imagine your Korea" is designed to promote the various charms of Korea in an effective and proactive manner to tourists. It reflects the improved global status of Korea through its beautiful natural environment, rich tradition and history, and it also portrays Korea as "a

trendy and creative tourism destination". "Imagine your Korea" implicates self-discovery and experiences of mentioned diverse aspects of Korea to foreign tourists while keeping in mind the importance and value of personal experience.

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## INTEGRATION IS THE HIGHEST FORM OF INTERNATIONAL COORDINATION OF ECONOMIC POLICY

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**Trofymchenko K.S, Marchenko I.S., Radchenko E.I. Integration is the highest form of international coordination of economic policy.** The article deals with the general provisions of integration, its forms and stages are indicated. The main reason for the process of economic integration development is stated. The main world integration associations are demonstrated, their comparative characteristics are presented. Each group has been characterized and the leader is determined by the size of economies of the considered unions.

**Key words:** comparative characteristics, forms, integration, integration associations, leader in terms of economics, stages.

**Трофимченко К.С., Марченко І.С., Радченко О.І. Інтеграція – вища форма міжнародної координації економічної політики.** У статті розглядаються загальні положення інтеграції, зазначено її форми та стадії. Вказано основну причину процесу розвитку економічної інтеграції. Продемонстровано основні інтеграційні об'єднання світу, наведено їх порівняльну характеристику. Охарактеризовано кожне з угруповань та визначено лідера за обсягом економік з розглянутих союзів.

**Ключові слова:** інтеграційні об'єднання, інтеграція, лідер за обсягом економік, порівняльна характеристика, стадії, форми.

**Трофимченко К.С., Марченко И.С., Радченко Е.И. Интеграция – высшая форма международной координации экономической политики.** В статье рассматриваются общие положения интеграции, указано ее формы и стадии. Определено основную причину процесса развития экономической интеграции. Продемонстрировано основные интеграционные объединения мира, приведено их сравнительную характеристику. Охарактеризовано каждую из группировок и определено лидера по объему экономик из рассмотренных союзов.

**Ключевые слова:** интеграционные объединения, интеграция, лидер по объему экономик, сравнительная характеристика, стадии, формы.

Economic integration in the world is becoming an important factor in international economic relations every day. Due to the fact that the gradual dominant tendency of world development is regional economic integration, the question of developing international relations is increasing both at the level of groups of countries and at the level of internal territories, thus forming the r e l e v a n c e of research in this direction.

Integration is an objective process of the development of sustainable economic relations and the division of labor between national economies, which have the similar level of economic development. Covering the foreign economic exchange and the sphere of production, it leads to a close interweaving of national economies, to the creation of regional economic complexes [4; 5].

The works of famous native and foreign scientists are devoted to the study of international integration processes in the global economy: V. Andriychuk, V. Reznikov [3], V. Budkina, I. Burakovsky, Y. Makohon, A. Filippenko, T. Tsigankova, O. Shnirkova.

The p u r p o s e of this study is to identify the forms and stages that take place in the process of developing the integration, and to compare the largest regional associations in the world.

The process of economic integration development is complex and controversial, which is caused both by economic and political reasons. The main reason of integration is the demands of highly developed productive forces that have already overgrown the boundaries of national economies, that is their correlation between political and economic factors has changed at certain stages.

As economic integration is developing in the regional aspect mainly today, we can distinguish the following forms:

- signing preferential trade agreements (signed bilaterally between individual countries, or between existing groups and a single country);
- a free trade zone (countries refuse to protect their national markets only in relations to their partners in this association, and in the case of third countries, they act individually, that is, they save their economic sovereignty);

- customs unions (relations with third countries are defined collectively);
- common market (eliminating restrictions to the movement of various factors of production, which encourage the economic interdependence of the member countries of this type of integration association, the characteristics of the previous form are preserved);
- economic union (the association of national economies of several countries on the basis of customs union, common market, unification of financial systems and implementation of common monetary policy);
- political union (national governments transfer to supranational authorities most of their own powers with respect to third countries, which actually means the creation of an international confederation and the loss of sovereignty by individual states).

In developed countries, integration processes have been most developed in Western Europe (EU) and North America (NAFTA). As practice shows, the expansion of the market through regional integration can lead to significant economies of scale in the participating countries. Due to increasing competition, the efficiency of production grows (if they produce the same range of products). Under such conditions, inefficient production is reduced.

The processes of economic convergence occur in the countries of Asia, Africa and Latin America. Integrative regional associations include the South America's Fractious Trade Bloc (MERCOSUR), the Association of Southeast Asian Nations (ASEAN) and the BRICS countries – Brazil, Russia, India, China, South Africa [4; 5].

As of 2017, the above-mentioned integration associations are the most powerful and have the greatest influence in the world (Table 1).



Table 1

**Comparison of the world's largest regional associations**

The name of the association	GDP (trillion dollars)	Per capita GDP (per PPP, ths USD)	Share in world GDP, per PPP, %	Number of member countries	Population (million people)	Territory (million sq. km)
EU	20,19	34,33	15,46	28	508,31	4,38
NAFTA	22,45	38,63	18,61	3	478,2	21,33
ASEAN	3,57	22,9	6,57	10	634,5	4,49
MERCOSUR	3,37	11,32	3,70	5	285	12,8
BRICS	37,40	14,25	29,7	5	3044,9	39,73

*Compiled by the author for [1; 2]*

As we can see from Table 1, the largest share of world GDP has such BRICS association, although only five countries are concentrated in it, while the EU and NAFTA, with approximately the same indicators, and 28 and 3 countries respectively, do not reach the level of the former. Analyzing ASEAN and MERCOSUR associations, it can be said that they remain at much lower level than the others, depending on the level of development of the member countries of the association.

The EU is a full-fledged integration union that has gone through all stages – from free trade to the economic and monetary union. NAFTA is the North American Free Trade Area are characterized by such features as the continental scale of the association, the grouping of only three, but large territories and economic potential of the countries, that is, it is not a common market of the Western European model, this is a free trade area that gives an opportunity to each of its participants without obstacles and restrictions to develop economic relations with other states and regions. NAFTA can be compared to the MERCOSUR association, which is also a free trade area, but in Latin America.

BRICS originated and began to exist as a kind of global grouping, as a list of large, fast-growing economies, but not adjacent to the territory and type of economies of countries, united mainly by geopolitical factors. That is, integration here serves as a process of convergence, understanding of national economic systems that have the ability to self-regulation and self-

development on the basis of a coherent inter-state economy and politics. And the goals of ASEAN are: to promote the development of socioeconomic and cultural cooperation among the member countries in the Asian region, to strengthen peace and stability.

The division of the world economy into an integration association has a contradictory effect on the process of internationalization of production. The formation of international economic associations and unions promotes the development of productive relations between member states. At the same time, this creates barriers for economic relations between countries which belong to different groups, leads to the concentration of commodity flows within economic unions.

Consequently, the consistent development of forms of international regional integration ensures the most complete, most rational use of the economic potential of the countries and an increase in the pace of their development.

The internal logic of the economic integration mechanism reflects the evolutionary process of market formation, which begins with simple forms of elimination of barriers and obstacles to the development of international trade relations, which leads to the growth of supranational regulation of economic and social life within the framework of integration.

The integration groups of different regions of the world, such as the EU, NAFTA, ASEAN, MERCOSUR and BRICS, were considered in the work. The specific features of these groups vary and depend on the goals that countries are pursuing when they enter. However, there is a common feature – gradually all these groups grow into a tight interweaving of economies.

Currently, BRICS is the leader in the volume of economies considered by the unions, but the rapid development of integration processes in Asia and Latin America can very soon lead these groups to the forefront.

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Наукове видання

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