

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ  
ХАРКІВСЬКИЙ НАЦІОНАЛЬНИЙ УНІВЕРСИТЕТ  
ІМЕНІ В.Н. КАРАЗИНА  
ІНСТИТУТ ЕКОНОМІКИ ТА МІЖНАРОДНИХ ВІДНОСИН  
ФАКУЛЬТЕТ ІНОЗЕМНИХ МОВ  
КАФЕДРА ДІЛОВОЇ ІНОЗЕМНОЇ МОВИ ТА ПЕРЕКЛАДУ

**ІНОЗЕМНІ МОВИ У СВІТОВОМУ  
ЕКОНОМІКО-ПРАВОВОМУ ПРОСТОРИ:  
СТУДЕНТСЬКІ СТУДІЇ**

**Збірник  
наукових статей студентів  
Випуск 3**

**20 лютого 2016 р.**

Харків  
2016

УДК339(063)  
ББК65.5 я431  
І 71

Рекомендовано до друку рішенням  
Вченої ради факультету іноземних мов  
(протокол № 1 від 22 січня 2016 р.)

ІНОЗЕМНІ МОВИ У СВІТОВОМУ ЕКОНОМІКО-ПРАВОВОМУ ПРОСТОРИ:  
СТУДЕНТСЬКІ СТУДІЇ : зб. наук. статей студентів. Вип. 3. – Харків : ХНУ імені  
В.Н. Каразіна, 2016. – 294 с.

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Збірник розрахований на магістрантів і аспірантів.

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## CONTENTS

K. A. Bakmanian, I. V. Davydenko TRANSFORMATION OF CANADA'S PLACE IN THE SYSTEM OF INTERNATIONAL ECONOMIC RELATIONS WITHIN THE POST-INDUSTRIAL ERA .....	9
Z.M. Barybina, A.B. Kalyuzhna MARITIME PIRACY .....	12
P.V. Batrak, Y.Y. Manzhos THE PROCEDURE AND PECULIARITIES OF TRADE MARK REGISTRATION IN THE UK .....	17
V.I. Bayrak, N.M. Startseva FINANCIAL CRISIS 2008 .....	21
M.Y. Bilenka, I.N. Shamara, I.R. Saprun PROBLEMS OF TOURISM DEVELOPMENT IN VENICE AS ONE OF THE MAJOR TOURIST DESTINATIONS OF ITALY .....	26
O.I. Chala, I. V. Davydenko MAIN ASPECTS OF UKRAINIAN AND SLOVAK ECONOMIC COOPERATION .....	30
A. A. Chubakha, M.M. Medvid MOLECULAR GASTRONOMY AS ONE OF THE CONTEMPORARY TRENDS OF DEVELOPMENT IN HOTEL AND RESTAURANT BUSINESS .....	34
K. V. Dolgoplova, I.N. Shamara, I.R. Saprun PROBLEMS AND PROSPECTS OF DEVELOPMENT OF HOSTELS IN UKRAINE .....	40
D. A. Dubova, Y.N. Litovchenko THE CURRENT STATE AND TRENDS OF RECREATIONAL AND HEALTH TOURISM IN COUNTRIES OF THE BLACK SEA REGION .....	44
Y.Y. Dudiuk, I.R. Saprun BORROWED ENGLISH WORDS IN THE RUSSIAN LANGUAGE .....	48

S.V. Em, I.S. Posokhov, I.R. Saprun THE WAYS OF USING STEREOTYPES IN TOURISM: STIMULATION OR LIQUIDATION .....	52
Ye.I. Fauzer, Ye. V. Tarasova DEVELOPMENT OF ENGLISH AS AN INTERNATIONAL LANGUAGE: A HISTORICAL OVERVIEW .....	57
A.S. Fomenko, I.S. Posokhov, I.R. Saprun UKRAINIAN VIRTUAL MUSEUM SPACE: PROBLEMS AND PROSPECTS .....	61
S.S. Gavrilyuk, T.I. Skrypnyk DESIGN AND ARCHITECTURE AS FACTORS TO INCREASE THE ATTRACTIVENESS OF THE HOTEL FACILITIES .....	65
A. V. Golubchenko, A.B. Kalyuzhna INTELLECTUAL PROPERTY AND ITS PROTECTION .....	69
A. V. Gordenko, I. V. Riabenka GLOBAL TRENDS OF WORD DEVELOPMENT IN THE CONTEXT OF CONVERGENCE OF KNOWLEDGE, TECHNOLOGY AND SOCIETY .....	75
A.O. Gulak, I. V. Davydenko ROLE OF PEOPLE'S REPUBLIC OF CHINA IN BRICS .....	79
A.H. Harus, I. V. Riabenka PROSPECTS FOR GROWTH POLES FORMATION IN UKRAINE .....	82
M.R. Horobtsov, M. V. Karpusenko THE INTERNATIONAL SPACE LAW ISSUES WORTH SPREADING .....	88
Y.Y. Ihnatenko, M. V. Karpusenko NUCLEAR NON-PROLIFERATION IN INTERNATIONAL LAW .....	93
K. A. Ivanenko, I. V. Davydenko UNEVEN ECONOMIC DEVELOPMENT OF THE WORLD ECONOMY: CENTER AND PERIPHERY .....	97
A.S. Iyevleva, I. V. Riabenka THE ECONOMIC CHARACTERISTICS OF THE USA .....	100

Y.V. Khamraieva, A.B. Kalyuzhna MODERN STATE AND DEVELOPMENT OF LEASING IN UKRAINE .....	105
A.S. Kharchenko, T.I. Skrypnyk STATISTICAL DATA PROBLEM OF RURAL GREEN TOURISM IN UKRAINE AND WAYS OF SOLVING THEM .....	110
O.A. Khmelova, Ye.M. Broslavskaia CORPORATE SYMBOLS USED BY ENTERPRISES IN THE TOURISM INDUSTRY – EVIDENCE FROM THE «PREMIER HOTELS AND RESORTS» HOTEL CHAIN .....	114
V.A. Kolesnik, O.V. Maksymenko MODELING OF LOAN TRENDS PROVIDED TO WORLD REGIONS BY IBRD AND IDA ORGANIZATIONS .....	118
A.A. Kolesnichenko, O.V. Maksymenko ACTIVITIES OF TRANSNATIONAL CORPORATIONS .....	122
K.O. Kovaliova, I.V. Davydenko GLOBAL TRENDS THAT AFFECT THE EUROPEAN UNION COUNTRIES AND WAYS TO REDUCE THEIR INFLUENCE .....	125
M.A. Kravets, N.A. Kazakova, I.I. Kulinich INFRASTRUCTURE SYSTEM AS AN INTEGRAL PART OF UKRAINIAN AGRO-INDUSTRIAL COMPLEX .....	129
O.O. Krylova, A.B. Kalyuzhna LEGAL STATUS OF SUB JUDICE TERRITORY (TERRA NULLIS) .....	134
I.I. Kukharieva, A.B. Kalyuzhna MARKET CONDITIONS OF FRANCHISING RELATIONS IN UKRAINE .....	138
L.R. Liekvinadze, I.S. Posokhov, I.R. Saprun RURAL TOURISM IN KHARKIV REGION: PROSPECTS OF DEVELOPMENT .....	143
Y.Y. Los, T.I. Skrypnyk DEVELOPMENT OF MEDICINAL TOURISM IN THE CARPATHIAN REGION .....	148

M.V. Melnichuk, V.G. Kasianova AUDIT OF MANAGEMENT ACTIVITIES IN UKRAINE .....	151
V.V. Miroshnik, I.V. Riabenka OFFSHORE CENTRES IN THE INTERNATIONAL BUSINESS .....	155
N.O. Miroshnyk, I.V. Davydenko ROLE OF HUMAN POTENTIAL IN THE DEVELOPMENT OF NATIONAL ECONOMIES .....	159
I.S. Moroz, Ye.M. Broslavskaia CURRENT STATE OF LEISURE AND TOURISM INDUSTRY IN THE POLTAVAREGION .....	163
A.R. Moskalenko, I.M. Shamara, I.R. Saprun THE PROBLEMS OF DEVELOPMENT AND ORGANIZATION OF INTERNATIONAL TOURISM IN THE COUNTRY OF AFRICAN CONTINENT .....	167
S.K. Mugli, N.M. Startseva HOW TNCs HAVE SPREAD GLOBALIZATION .....	171
J.I. Naumenko, Y.N. Litovchenko THE CURRENT STATE OF RECREATIONAL TOURISM IN UKRAINE .....	174
T.S. Nesterenko, M.V. Karpusenko PRIVACY IN THE SPHERE OF INTERNATIONAL LAW .....	178
K.V. Nosova, O.V. Maksymenko LEAST-DEVELOPED COUNTRIES IN THE WORLD TRADE ORGANIZATION: SPECIAL TREATMENT IN TRADE .....	183
A.A. Pereidenko, O.V. Yevtushenko, M.V. Karpusenko DEVELOPMENT TRENDS OF SKI TOURISM IN THE CARPATHIAN REGION .....	186
M.O. Polukarov, N.M. Startseva CREATIVE MANAGEMENT .....	190
E.O. Potapova, M.V. Karpusenko WHAT IS JESSUP COMPETITION AND WHY IT IS WORTH PARTICIPATING? .....	193

N.E. Romanenko, Y.N. Litovchenko THE GLOBAL FOOD PROBLEM PHENOMENON AT THE PRESENT STAGE OF INTERNATIONAL RELATIONS DEVELOPMENT .....	196
A.V. Sahaidachna, I.S. Posokhov, I.R. Saprun ECOTOURISM IN UKRAINE: ACHIEVEMENTS, PROBLEMS AND PROSPECTS .....	202
A.E. Sakhno, I.V. Riabenska DEVELOPMENT PROSPECTS OF SCIENTIFIC AND TECHNOLOGICAL POLICY OF OECD'S COUNTRIES UNDER THE TERMS OF CONVERGENCE OF MODERN TECHNOLOGIES AND SOCIETY .....	207
V.V. Shapoval, I.M. Shamara, I.R. Saprun EDUCATIONAL TOURISM AND ITS ROLE IN LEARNING FOREIGN LANGUAGES .....	212
V.I. Shcherbyna, Y.N. Litovchenko POSSIBILITIES OF USING CENTRAL EUROPEAN COUNTRIES' SPA TOURISM DEVELOPMENT EXPERIENCE IN UKRAINE .....	216
Yu. V. Shylova, I. V. Davydenko REGISTRATION OF SHIPS AND THE WORLD FLEET RENEWAL .....	220
O.K. Smolova, Ye.M. Broslavskaia EXPLOITING POSSIBILITIES OF SOCIAL NETWORKS FOR HOTEL PRODUCT PROMOTION .....	224
I.Y. Tereshchenko, N.M. Startseva INTERNET MARKETING IS PART OF MIDSIZE COMPANIES .....	228
A.P. Teslenko, P.O. Podlepina, I.R. Saprun SPECIES STRUCTURE AND DEVELOPMENT OF TOURISM IN THE UK .....	231
D.Yu. Tkachenko, I.V. Davydenko IMPORTANCE OF "INTERNATIONAL INFORMATION" SPECIALISTS WITHIN LABOR MARKET .....	236
O.V. Turynska, N.M. Startseva WHAT IS GLOBALIZATION AND IS IT GOOD .....	240

K.N. Tushnova, A.B. Kalyuzhna COMPARATIVE ANALYSIS OF LEGISLATIVE REGULATION OF AUDITOR'S RIGHTS AND OBLIGATIONS IN UKRAINE AND GREAT BRITAIN .....	243
K.N. Tushnova, A.B. Kalyuzhna LEGAL PROTECTION OF UKRAINIAN DIASPORA UNDER DOMESTIC LAW .....	248
K.A. Varnavska, A.B. Kalyuzhna PRODUCT LIABILITY IN THE USA .....	252
A.V. Verbitskaya, V.G. Kasianova THE ISSUES OF COMPANY'S WORKING CAPITAL MANAGEMENT AND THE FACTORS AFFECTING IT .....	257
I.O. Vitokhin, O.V. Drachuk THE MAIN TRENDS OF THE WORLD ECONOMY DEVELOPMENT AT THE BEGINNING OF THE 21ST CENTURY .....	264
A.V. Voronina, I.N. Shamara, I.R. Saprun TOURISM AND THE PROBLEMS OF LANGUAGE BARRIER .....	267
O.M. Voroshylo, T.I. Skrypyk TURKISH EXPERIENCE OF ANIMATION PROGRAMS ORGANIZATION IN SANATORIUM AND HEALTH ESTABLISHMENTS IN KHARKIV REGION .....	273
I.S. Voyevodin, M.V. Karpusenko PROHIBITED KINDS OF WEAPONRY IN WARFARE .....	276
S.O. Zayats I.V. Davydenko REFUGEES FROM ARABIC COUNTRIES IN THE EUROPEAN UNION .....	281
D.YE. Zheryobkin, I.V. Riabenska INTERNATIONAL FORFAITING IN UKRAINIAN REALITIES .....	284
E.E. Zhukovina, I.N. Shamara, I.R. Saprun THE IMPROVEMENT OF PROBLEMS OF UKRAINIAN TOURISM INFRASTRUCTURE .....	290,



# TRANSFORMATION OF CANADA'S PLACE IN THE SYSTEM OF INTERNATIONAL ECONOMIC RELATIONS WITHIN THE POST-INDUSTRIAL ERA

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**Bakmanian K.A., Davydenko I.V. The transformation of Canada's place in the system of international economic relations within the post-industrial era.** The article studies the Canadian economy, evolving for a long time due to the export of raw materials to the United States; and defines that Canada has changed a raw type of economic development into a modern developed economy with a dominant service sector under the modern conditions.

**Keywords:** export, post-industrial era, raw materials economy, services sector, tourism.

**Бакманян К.А., Давиденко І.В. Трансформація місця Канади в системі міжнародних економічних відносин у постіндустріальну епоху.** У статті розглядається місце Канади в системі міжнародних економічних відносин у постіндустріальну епоху. Відзначається, що економіка Канади довгий час розвивалася завдяки експорту сировинних ресурсів у США. У сучасних умовах постіндустріальної економіки Канада пройшла шлях трансформації від сировинного типу до розвинутого типу економіки з домінуючим сектором послуг.

**Ключові слова:** експорт, постіндустріальна епоха, сировинна економіка, сфера послуг, туризм.

**Бакманян К.А., Давиденко И.В. Трансформация места Канады в системе международных экономических отношений в постиндустриальную эпоху.** В статье рассматривается место Канады в системе международных экономических отношений в постиндустриальную эпоху. Отмечается, что экономика Канады долгое время развивалась благодаря экспорту сырьевых ресурсов в США. В современных условиях постиндустриальной экономики Канада прошла путь трансформации от сырьевого типа к современной развитой экономике с доминирующим сектором услуг.

**Ключевые слова:** постиндустриальная эпоха, сфера услуг, сырьевая экономика, туризм, экспорт.

The object of the research is the place of Canada in the international economic system. The purpose of the research is to study the transformation of Canada's place in the system of international economic relations within the post-industrial era.

Canada is one of the most industrialized countries in the world. According to the foreign trade turnover, it takes the sixth place in the world, in terms of turnover per capita the country is ahead of all other major countries. As to the gross national product Canada takes the seventh place in the world.

Canada is the largest producer of nickel, zinc, asbestos, potash and newsprint. The country is among the top three countries due to the production of gold, silver, uranium, molybdenum, titanium, gypsum, sulfur, cobalt, lead. It is also a major exporter of wheat, timber, iron ore, copper, natural gas, electricity, many types of machinery and equipment, up to space communications and nuclear reactors [2; 3].

As to the structure of exports, Canada has the first place among the exporters of manufactured goods – 29.4%, the second place among the exporters of energy – 26.3%, export of machinery and equipment – 15.8% – the third place. Canada exports agricultural and fishing goods (8.6%), forestry (5.4%), spare parts for machinery and equipment (3.8%). The country exports 25% of commercial products of industries such as pulp and paper, lumber and aluminum industry, the export volume is more than a half of the production volume [4].

The geographic location of Canada determines the commitment of its foreign trade to the two countries: the United States as a market for raw materials and semi-finished products (about 85% of the goods), and the UK as the major consumer of agricultural products and some industrial raw materials. Importing goods to the United States Canada ranks the first place; it exports to the United States the following items: automobiles, forest products, and light industry. A lot of Canadian goods are produced within free trade bilateral agreements, and some raw materials and fuel are exported from Canada to the US by quota rules.

As we can see, the place of the Canadian economy in the international economic system depends on exports of raw materials, to the United States mainly. In recent years, the structure of commodity exports has varied from fishery products to the bellows, from wood to wheat, from forest products to mineral raw materials and energy sources [1].

The Canadian economy of the XXI century is often called a post-industrial economy. Almost 68% of Canada's GDP can be accounted for the production of intangible goods, namely the service sector, in the manufacturing industry – only 17.2%, and natural resources (minerals, agricultural products and fisheries) – only 6% of GDP. In terms of employment, the service sector is even more significant and provides 75.2% of employment.

One of the most important areas of production of non-material services in Canada is tourism. Canada is a northern state, which owns more than two-thirds of the northern and Arctic regions, has multi-ethnic population, the federal form of government. In the world tourism specialization, Canada is a country, positioning natural forms of tourism, due to its huge territory, and has a variety of natural and recreational resources. Tourism is a significant source of income of the Canadian economy.

Canada's tourism industry is a major economic driver, creating jobs and providing support to all levels of the government. The industry supports over 618,000 jobs and over 170,000 tourism businesses, and in 2013 generated an estimated \$84 billion in tourism revenue. International tourism revenue accounted for \$16.4 billion in 2013, helping to make travel Canada's No. 1 service export. Canada's tourism sector has wide variety. It ranges from small and medium-size enterprises operating in a single location to large, far-reaching corporations. It also includes provincial and destination marketing organizations, as well as tourism industry and trade associations.

**Conclusion.** Canada is one of the leading countries in the international economic relations. It has significant deposits of natural resources, which are mainly exported to the US, what can be considered a very important element of the Canadian development. Natural resources are important export items of the economy of the country. However, within the post-industrial economy there are services which are being actively developed; they are factors that shape GDP and define the place of Canada within the international economic relations.

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## MARITIME PIRACY

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**Barybina Z.M., Kalyuzhna A.B. Maritime piracy.** The article deals with maritime piracy and its evolution. The meaning of maritime piracy as well as the backgrounds of this phenomenon are disclosed. The areas where maritime piracy is mostly spread are defined, the reasons for that are analyzed. Possible ways of solving this problem are provided.

**Keywords:** attacks on vessels, backgrounds of piracy, maritime piracy, pirates.

**Барибіна Ж.М., Калюжна А.Б. Морське піратство.** Стаття присвячена дослідженню морського піратства та його розвитку. Розкрито визначення та передумови морського піратства. Зазначено місця, де воно найбільш розповсюджено та проаналізовано його причини. Наведено можливі шляхи вирішення цієї проблеми.

**Ключові слова:** атаки на кораблі, міжнародне піратство, передумови піратства, пірати.

**Барыбина Ж.М., Калюжная А.Б. Морское пиратство.** Статья посвящена исследованию морского пиратства и его развития. Раскрыто определение и предпосылки морского пиратства. Определены места, где оно наиболее распространено и проанализированы его причины. Представлены возможные пути решения этой проблемы.

**Ключевые слова:** атаки на корабли, международное пиратство, пираты, предпосылки пиратства.

Maritime piracy – the plundering, hijacking, or detention of a ship in international waters – has evolved over the centuries but remains a challenge to international law. This paper attempts to provide an understanding of what actually maritime piracy means, how it affects the countries involved, because all of these acts are considered under international law. This explains the relevance of this article.

The goal of the article is to define the meaning of the maritime piracy, identify issues between countries, which cause these attacks, determine places where such practices are mainly spread and suggest ways of solving this problem.

The object of the article is the phenomenon of maritime piracy. The subject includes the activities covered by the term ‘maritime piracy’, such as, maritime terrorism, detention of a ship in international waters.

The existence of people who attack different ships and rob them is no longer a myth, they really exist nowadays. This raises the question of the reason for their existence in modern life, especially when international law forbids the acts like these marking them as criminal acts. It states “that international law, as reflected in the United Nations Convention on the Law of the Sea of 10 December 1982 (‘The Convention’), sets out the legal framework applicable to combating piracy and armed robbery at sea, as well as other ocean activities”, and the General Assembly recognized “the crucial role of international cooperation at the global, regional, subregional and bilateral levels in combating, in accordance with international law, threats to maritime security, including piracy” [4].

In recent years there has been a significant increase in the number of attacks on vessels by pirates, in particular in the Gulf of Aden, Somali Basin and the Indian Ocean. Vast areas of waters are affected making it a challenge to prevent maritime piracy incidents [4]. It is, after all, an attack on the global economy, as more than 80 percent of global trade is carried out by maritime transportation. Annual losses from piracy around the world account for \$ 40 billion [4].

Piracy has expanded over the years. Previously, attacks were carried out by small and disorganized groups of fishermen. During the last decade, we have witnessed the steady growth of the piracy in both frequency and intensity of attacks, which today are well-coordinated and unfortunately sometimes successful. According to the classification of the International Maritime Organization modern pirate groups are divided into three types [1]:

1. The small group (up to 5 people), armed with knives and guns. Attack ships in the harbor and the open sea, using the element of surprise. Rob cash and ship passengers to overload their boats and boats of the cargo. Total population – from 8–10 thousand people worldwide.

2. Gang (up to 30 people), armed with heavy machine guns, assault rifles and rocket-propelled grenades, often killing the crew of the hijacked ship. Total population – about 300,000 people worldwide.

3. International organized groups, capture ships with very valuable cargo (today it is oil and petroleum products). They have a modern satellite navigation and communications, intelligence network, cover the power structures. They most often rob tankers, bulk carriers, container ships. Sometimes attacks on private yachts happen. In 2001 there was a scandal – the Amazon pirates killed the owner of the America’s Cup yachtsman Peter Blake. Experts believe that because of stolen vehicles pirate syndicates

have organized a network of marine transportation with a turnover of about 5 billion dollars a year.

The piracy phenomenon is spread nowadays in many regions, such as Somalia, the East and West coasts of Africa, also in Southeast Asia, the Bay of Bengal and the Caribbean [5].

The main areas of attack:

1. South-East Asia and the South China Sea (Strait of Malacca, Indonesia, Philippines, Thailand).
2. West Africa (Nigeria, Senegal, Angola, Ghana), Indian Ocean, East Africa (India, Sri Lanka, Bangladesh, Somalia, Tanzania).
3. South America and the Caribbean (Brazil, Colombia, Venezuela, Ecuador, Nicaragua, Guyana).

The most “popular” scene of the attack – the coastal waters of Indonesia [1].

The backgrounds of piracy are first of all connected with geography. Somalia and the Gulf of Aden for a long time have been considered as the most dangerous places for world shipping. Piracy is very lucrative, because the coast of Somalia is a trade route that links the Mediterranean and the Red Sea to the Persian Gulf and the Indian Ocean. Considerable profits gained by pirates are the reasons for piracy in Somalia taking a nationwide character. 10% of the redemption amount are assigned by Somali pirates to the authorities of Somali province [7].

Malaysia and the Strait of Malacca. This narrow strait is another strategic area for pirates. Malaysia, Singapore and Indonesia are economically developed and rich countries, but they fail to defeat pirates, even despite a significant increase in marine protection. No fewer opportunities for pirates opens the Strait of Malacca in Southeast Asia – one of the busiest shipping lanes.

The piracy phenomenon stems from social, economic and legal backgrounds. Piracy is at the heart of poverty. Most Somali pirates are young people who cannot find a good job. The ability to engage in an interesting adventure and at the same time earn a lot of money – even these things push young people go to “black side” [7]. On the other hand, due to low awareness the public often does not realize that piracy is a criminal activity. People who were in Somalia say that they met people who could very well be pirates earning their living by piracy in their spare time, although in ordinary life they can be peaceful citizens, have a peaceful profession [6].

Maritime piracy affects major shipping lanes, and puts at risk the lives of seafarers and merchant seamen from all over the world, of whom hundreds

are taken captive each year. Millions of dollars in ransom payments are paid to pirates. It is believed that these payments are divided between the pirates, their leaders and those who finance them. Intelligence indicates that part of the money is reinvested abroad through Somali emigrants [4].

To sum up, several reasons are at the core of the problem of piracy in the geographical region in question. They include inability of the state to provide a good standard of living, give the citizens well-paid jobs to feed their families. Another reason is that the state encourages this activity. When pirates rob vessels they make certain transactions with their states for the sums of money in agreed ratio. Lack of payment for other countries vessels presence in the territory of the state provokes aggression it being the reason for pirates' actions too. This fact must be taken into account, because sometimes wrongful acts are just demonstration of protection, and we can say that some criminals are captured by another.

Nevertheless, legal actions of protection and preventing such activities should be considered. On November 16, 1994 Convention on the Law of the Sea was adopted by the United Nations, under which all States should cooperate in the repression of piracy on the high seas or in any other place outside the jurisdiction of any country [2].

In 1991 the International Chamber of Commerce established the Centre for the fight against piracy in the Malaysian capital Kuala Lumpur.

A center for training specialists in the fight against pirates operates in California (USA). It trains anti-piracy units for naval forces of Indonesia, the Philippines and Thailand [1].

We can list and adopt a great number of resolutions and documents, but the most important is to develop a mechanism for their implementation. Despite the fact of these documents adoption the International Centre for the fight against piracy announced that since the beginning of the XXI century ships of 62 countries have been attacked in the coastal seas of 56 countries. The number of offenders is also enormous. Filibusters are engaged in more than one hundred groups [1].

The international community aims at fighting against maritime piracy and these are some ways to prevent such violent actions:

- to enhance the defense on the sea, attracting many countries which have strong navy;
- to conduct trainings among countries in order to enable poorly trained states to strike pirates in the event of aggression. It can also help to develop relationships between countries, when they will cooperate against illegal actions;

- to create new, more powerful groups in fighting with pirates;
- and it may be also useful to check vessels' documentation when they are located in the dangerous regions, such as Nigeria, Somalia, Nicaragua, because some vessels have no permission to be on particular territories and it can lead to displeasure of pirates [3].

Conclusion. Maritime piracy is a threat to the maritime industry and international trade, and to the basic rights we all enjoy to travel freely and safely. The level of maritime piracy has reached enormous proportions due to a range of factors, including social, economic and legal reasons. Despite the efforts of the international community to fight against such violent activities the problem is not resolved and further measures should be taken to prevent maritime piracy.

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## THE PROCEDURE AND PECULIARITIES OF TRADE MARK REGISTRATION IN THE UK

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**Batrak P.V., Manzhos Y.Y. The procedure and peculiarities of trade mark registration in the UK.** This article gives an overview of procedure, requirements and peculiarities of trade mark registration in the UK, describes the ways to apply to register a trade mark and terms of this registration process.

**Key words:** application, brand, the UK Patent Office, trade mark.

**Батрак П.В., Манжос Я.Ю. Процедура та особливості реєстрації торгової марки в Об'єднаному Королівстві.** У статті подано огляд процедури, особливостей та вимог щодо реєстрації торгової марки в Об'єднаному Королівстві, описано шляхи подання заяви для реєстрації торгової марки та строки цього процесу реєстрації.

**Ключові слова:** бренд, заява, Патентне бюро Об'єданого Королівства, торгова марка.

**Батрак П.В., Манжос Я.Ю. Процедура и особенности регистрации торговой марки в Объединенном Королевстве.** В статье представлен обзор процедуры, особенностей и требований к регистрации торговой марки в Объединенном Королевстве, описаны пути подачи заявления для регистрации торговой марки и сроки этого процесса регистрации.

**Ключевые слова:** бренд, заявление, Патентное бюро Объединенного Королевства, торговая марка.

The article focuses on the distinguishing features, requirements and a procedure of the trade mark registration in the United Kingdom. The relevance of the topic of the article is stipulated by the importance of having a registered trademark because it gives its proprietor the exclusive right to use that trademark for the registered category of goods or services. The trademark indicates to the public that there is a connection between the goods or services and the proprietor of the trademark. It acts as an indicator of quality and can help create an image for the business. If it is used without authorization, an action for infringement of the registered trademark can be filed, with serious consequences for the infringer. It is an extremely valuable form of intellectual property and is commonly used by companies, businesses, institutions and others across the world [7]. The material of the present

study was derived from online legal resources devoted to the problems the trademark registration in the UK.

Registering a trademark is one of the most important ways for a business to protect its intellectual property. However, for many small businesses, the prospect of doing this can be daunting, and if not managed correctly has the potential to be costly and time consuming. In the UK, if the mark has accumulated goodwill and a reputation through its use then it is protected to a certain extent from copying by the common law of ‘Passing Off’; and it is even more strongly protected if it is registered [3].

A trademark is usually defined as anything that is used, or intended to be used, to identify the goods of one manufacturer from the goods of others. It is a brand name. Trademarks are important business tools because they allow companies to establish their product’s reputation without having to worry that an inferior product will diminish their reputation or profit by deceiving the consumer. Trademarks include words, names, symbols and logos. Anything that distinctly identifies someone’s company can be a trademark, provided that it is for goods. Registered trademarks may be identified by the abbreviation ‘TM’, or the ‘®’ symbol (it is illegal to use the ® symbol or state that the trademark is registered until the trademark has in fact been registered). A UK registered trade mark may be cancelled where it has not been used for five or more years (from the date of registration), provided there are no excusable reasons for non-use. The trademark may be renewed within 6 months after the due renewal date [6].

According to the established legal practice, if someone wants to register a trade mark (even if the process of registration hasn’t been finished yet), they’ll be able to take legal action against anyone who uses their brand without their permission and consent.

The main characteristic feature of a trade mark is that it must be unique. In the United Kingdom, words, logos or images or a combination of both can be registered as trade marks. Furthermore, even unusual trade marks can be protected – for example, colours, smells, sounds and holograms – although it is often more difficult to obtain protection. Invented words and logos or images are normally considered to be distinctive unless they have become customary in respect of the goods or services for which they are applied. The UK requirements for the trade marks are the following:

1. A trade mark can’t be offensive, for example, contain swear words or pornographic images.

2. A trade mark can't describe the goods or services it will relate to, for example, the word 'cotton' can't be a trade mark for a cotton textile company.
3. A trade mark can't be misleading, for example, the word 'organic' can't be used for goods that aren't organic.
4. A trade mark can't be a three-dimensional shape associated with someone's trade mark, for example, the shape of an egg can't be used for eggs.
5. A trade mark can't be too common and non-distinctive, for example, be a simple statement like 'we lead the way'.
6. A trade mark can't look too similar to state symbols like flags or hallmarks, according to World Intellectual Property Organization guidelines [3].
7. A trade mark should not have any adverse meaning in slang (in English or any other foreign language if you intend to trade abroad).
8. A trade mark must be distinctive enough to be protectable and registrable with the relevant intellectual property office [5].

Before sending an application a range of procedures should be carried out. A client must search Intellectual Property Office's online journal to check if anyone has already registered an identical or similar trade mark for the same or similar goods or services. If the similar trademark exists, the holder of an existing trade mark can be asked for the permission to register a new one and give a letter of consent, which is to be sent with the application.

The application to register a trademark can be filed by the owner of the trade mark, by an authorized person or an attorney, solicitor, in-house trade mark department or other third party representative. The details of what is to be registered are necessary with the specification of the trade mark classes (for example, class 1: chemicals, or class 43: food and drink services). The trade mark classification system is divided between goods, in classes 1–34 and services, in classes 35–45. Registering a trade mark in one class costs £170 and each additional class costs £50. [1]. Fees are not refundable and do not guarantee the registration of the trade mark. In the UK, there are two ways of applying: applying online or by post. The relevant application forms and fee sheet are to be sent to the following address:

Intellectual Property Office  
Trade Marks Registry  
Concept House  
Cardiff Road  
Newport  
South Wales  
NP10 8QQ [2].

For businesses in the UK, the trademark application can be submitted at the United Kingdom Patent Office. The trademark registration process generally takes 6 to 9 months depending on the objections from the Registry or third parties and other various factors. But it is necessary to know that a registered trademark is protected from the date the owner submits an application, with repercussions on anyone who has been using his name since that date. After an application has been filed, the Intellectual Property Office of the United Kingdom (the official government body responsible for intellectual property rights in the UK) will assign a serial number to the file and send a receipt almost instantly upon filing. An attorney for the Intellectual Property Office will study the application and publish the trademark in the journals of the British Houses of Parliament. Other parties will have 30 days from the publication date to object to the registration of the trademark. Then, if trademark clears all hurdles, the Intellectual Property Office will either issue a Certificate of Registration (if the application is based on actual use) or a Notice of Allowance (if the application is based on intended use) [4].

**Conclusion.** To sum up, registering a trademark is an important step in any business venture. By protecting the name of the business, products or services, the owner of the trade mark or authorized persons within the business ensure that others cannot use the trademarked words or designs. If the owner fails to secure such protection, anyone can start using company ideas, on the contrary, when an owner has secured the rights for the trademark, it becomes an asset that holds value and can be sold or licensed to others. A well-protected and strong brand is an essential part of business operations, and the use of registered trademarks is fundamental to the process of running a successful business [8].

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## FINANCIAL CRISIS 2008

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**Bayrak V.I., Startseva N.M. Financial Crisis 2008.** The article deals with the global crisis of 2008 years – the most dangerous crisis since the Great Depression of the 1930s, faced by the global economy, and its implications. Began in 2007 and marked by a sharp fall in property prices in the United States, the crisis spread to the entire financial sector of the United States, and then on the foreign financial markets. Among the global trends are observed increase in wealth of 1% of the world population and the impoverishment of the middle class, as well as geopolitical risks.

**Keywords:** economic slump, geopolitical risks, income inequality, mortgage lending, mortgages, the global financial crisis, unemployment.

**Байрак В.І., Старцева Н.М. Фінансова криза 2008.** У статті розглядається світова криза 2008 року – найнебезпечніша криза з часів Великої депресії 1930-х років, з якою зіткнулася світова економіка, і його наслідки. Почавшись у 2007 році, і ознаменувавшись різким падінням цін на нерухомість у США, криза поширилася на весь фінансовий сектор США, а потім і на зарубіжні фінансові ринки. Серед глобальних світових тенденцій відзначаються зростання багатства 1% населення світу і зубожіння середнього класу, а також геополітичні ризики.

**Ключові слова:** безробіття, геополітичні ризики, економічний спад, іпотека, іпотечне кредитування, нерівність доходів, світова фінансова криза.

**Байрак В.И., Старцева Н.М. Финансовый кризис 2008.** В статье рассматривается мировой кризис 2008 года – самый опасный кризис со времен Великой депрессии 1930-х годов, с которым столкнулась мировая экономика,

и его последствия. Начавшись в 2007 году и ознаменовавшись резким падением цен на недвижимость в США, кризис распространился на весь финансовый сектор США, а затем на зарубежные финансовые рынки. Среди глобальных мировых тенденций отмечаются рост богатства 1% населения мира и обнищание среднего класса, а также геополитические риски.

**Ключевые слова:** безработица, геополитические риски, ипотека, ипотечное кредитование, мировой финансовый кризис, неравенство доходов, экономический спад.

The relevance of article. The global financial crisis can be felt to this day. The most striking example is Greece, the depression economy of which is a threat to the entire euro zone. It is also worth mentioning the economy of the rest of the world, most of which have not been able to reach the pre-crisis level.

The global economic crisis is the crisis state of the global economy since 2008 and continuing until now [1]. It evolved from the financial crisis that began in the United States. If not by the depth, but by the scale and the impact it's comparable only to the Great Depression of the 1930s [2]. In 2009, world GDP for the first time since the Second World War showed a negative trend [3].

The crisis began in 2007 when sky-high home prices in the United States finally turned decisively downward, spread quickly, first to the entire U.S. financial sector and then to financial markets overseas. The casualties in the United States included: a) the entire investment banking industry; b) the biggest insurance company; c) the two enterprises chartered by the government to facilitate mortgage lending; d) the largest mortgage lender; e) the largest savings and loans, and f) two of the largest commercial banks. The damage was not limited to the financial sector, however, as companies that normally rely on credit suffered heavily. The American auto industry, which pleaded for a federal bailout, found itself at the edge of an abyss. The banks, trusting no one to pay them back, stopped making the loans that most businesses needed to regulate their cash flows and without which they could not do business. Share prices plunged throughout the world – the Dow Jones Industrial Average in the U.S. lost 33.8% of its value in 2008 – and by the end of the year, a deep recession had enveloped most of the globe. In December the National Bureau of Economic Research, the private group recognized as the official arbiter of such things, determined that a recession had begun in the United States in December 2007, which made this already the third longest recession in the U.S. since World War II.

Each in its own way, economies abroad followed the American crisis. By the end of the year, Germany, Japan and China were locked in recession, as were many smaller countries. Many in Europe paid the price for having been involved in American real estate securities. Japan and China largely avoided that pitfall, but their export-oriented manufacturers suffered as recessions in their major markets – the U.S. and Europe – cut deep into demand for their products. Less-developed countries likewise lost markets abroad, and their foreign investments on which they had depended for growth capital were reduced. With none of the biggest economies prospering, there was no obvious engine to pull the world out of its recession, and both government and private economists predicted a rough recovery.

A crisis in the American housing market began with mortgage dealers who issued mortgages with terms unfavourable to borrowers, who were often families that did not qualify for ordinary home loans. Some of these so-called subprime mortgages carried low interest rates in the early years that ballooned to double-digit rates in later years. Some included prepayment penalties that made it prohibitively expensive to refinance.

Mortgage lenders did not merely hold the loans but they sold these loans to a bank or to Fannie Mae or Freddie Mac, two government-chartered institutions created to buy up mortgages and provide mortgage lenders with more money to lend. Fannie Mae and Freddie Mac might then sell the mortgages to investment banks that would bundle them with hundreds of others into a "mortgage-backed security". Then the security would be sliced into perhaps 1,000 smaller pieces that would be sold to investors, often misidentified as low-risk investments.

The insurance industry got into the game by trading in "credit default swaps" – in effect, insurance policies stipulating that, in return for a fee, the insurers would assume any losses caused by mortgage-holder defaults. What began as insurance, however, turned quickly into speculation as financial institutions bought or sold credit default swaps on assets that they did not own.

As long as housing prices kept rising, everyone profited. Mortgage holders with inadequate sources of regular income could borrow against their rising home equity. The agencies that rank securities according to their safety generally rated mortgage-backed securities relatively safe – they were not. When the housing bubble burst, more and more mortgage holders defaulted on their loans. At the end of September, about 3% of home loans were in the foreclosure process, an increase of 76% in just a year. By 2008 the mild slump in housing prices that had begun in 2006 had become a free fall in some places.

Also a record, more than 10% reduction in world trade, had restored the volume by 2011 [4], but still falls far short of pre-crisis growth rates [5] [6]. The global industry is stagnating [7].

The downturn in the US economy and the euro area ended the second quarter of 2009, but in 2011 began the second Eurozone recession [8], which lasted until 2013 and became the longest in its history [9].

Global trends after the acute phase of the crisis in 2008 was the weakening of the middle class in the world, whereas before the crisis, its share in total world wealth remained long time stable, according to the report "Global Wealth Report 2015" Swiss bank "Credit Suisse". The share of 1% of the richest people in world wealth has exceeded 50% and continues to increase [10].

IMF chief economist Olivier Blanchard in 2014, noted that with the gradual weakening of the global crisis at the forefront in macroeconomics raises the question of income inequality [11].

The unprecedented increase in unemployment led to the achievement of its record high in the history of observations of the labor market (199 million people in 2009) [12].

In the spring of 2015 the head of the IMF Christine Lagarde said that "global economic recovery continues, but it is modest and uneven. People in many parts of the world do not feel this recovery. In addition, increased financial and geopolitical risks. "German Chancellor Angela Merkel noted that the instability of the global economic growth led to geopolitical risks caused by the conflict in Ukraine and the "Islamic state." Anxiety causes a slowdown of the Chinese economy, which accounts for over a third of global economic growth. Under the forecast of Fitch Ratings, world GDP in 2015 will grow minimum rate since 2009, but further economic recovery will accelerate.

In 2015, for the first time after the acute phase of the crisis in 2008 reduced the amount of the world's wealth, which is mainly due to the strengthening of the US dollar – is noted in the report "Global Wealth Report 2015" of the Swiss bank Credit Suisse [10].

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# PROBLEMS OF TOURISM DEVELOPMENT IN VENICE AS ONE OF THE MAJOR TOURIST DESTINATIONS OF ITALY

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**Bilenka M.Y., Shamara I.N., Saprun I.R. Problems of tourism development in Venice as one of the major tourist destinations of Italy.** This article discusses the problems and solutions of tourism development in Venice as a major tourist center. The author defines the primary role of this sector in the city life and its scale effect on natural, economic, socio-demographic conditions of the city.

**Keywords:** depopulation, destination, floods, global problem, Italy, tourism, tourist arrival, Venice.

**Біленька М.Ю., Шамара І.Н., Сапрун І.Р. Проблеми розвитку туризму в Венеції як однієї з головних туристичних дестинацій Італії.** В даній статті розглядаються проблеми та шляхи вирішення розвитку туризму у Венеції як великого туристичного центру. Визначається чільна роль туризму в житті міста і його масштаби впливу на природні, економічні, соціально-демографічні умови міста.

**Ключові слова:** Венеція, глобальна проблема, депопуляція населення, дестинація, Італія, повені, туризм, туристичні прибуття.

**Биленькая М.Ю., Шамара И.Н., Сапрун И.Р. Проблемы развития туризма в Венеции как одной из главных туристических дестинаций Италии.** В данной статье рассматриваются проблемы и пути решения развития туризма в Венеции как крупного туристического центра. Определяется главенствующая роль туризма в жизни города и его масштабы влияния на природные, экономические, социально-демографические условия города.

**Ключевые слова:** Венеция, глобальная проблема, депопуляция населения, дестинация, Италия, наводнения, туризм, туристические прибытия.

According to the classification of UNWTO (United Nations World Tourism Organization) Italy is a part of the European tourist macro region, the main center of world tourism. Favorable geographical position, significant recreational resources, a well-developed infrastructure make Italy one of the leaders on the world tourism market. Italy ranks fifth in the world and third in Europe (48.6 million, 2014) in terms of volume of tourists.

The most visited Italian regions are Veneto, Lazio, Tuscany and Lombardy. Veneto region is one of the most dynamically developing in Italy, due to the recreational and resource base and high economic potential. This region includes 7 provinces: Venice (a capital region), Verona, Treviso, Belluno, Vicenza and Rovigo [3].

Venice, one of the most important destinations not only in the region but also in the country, known for its historical part located on the islands and channels. This is currently a major tourist and industrial center which is fully included in the UNESCO World Heritage list.

At the same time, it is a city that is slowly going under water due to subsidence of the soil and frequent tides are known as “acquaalta” – “high water”. This phenomenon previously observed in the area on an average 9 times a year, now occurs 90-100 times a year. The main reasons of flooding are a wind surge and recently added the anthropogenic factor associated with huge annual flows of tourists.

In addition to the tides, tourism has grown into another disaster for the city. In 1988 it was determined that the maximum number of tourists in Venice is 33 thousand people per day. Exceeding this number of people, according to experts, entails the inevitable destruction of the city. The figures speak for themselves: there are near 80 thousand tourists only on weekends and holidays [5].

Moreover, Venice is becoming less suitable for living because of a huge number of tourists. The cost of living in the city is constantly increasing that only wealthy and elderly people can afford. There is a vivid tendency among younger generation to move to other places. Residents also prefer to leave the city during the Venice Carnival. Considering that each year more than 10 million people visit Venice and 2 million sail on cruise ships, we face with the negative impact of the tourism industry.

Therefore, the population reduction is decreasing because created conditions in Venice force many native Venetians to relocate to a city with more affordable prices. The progression of reduce of Venice population is shown in table 1.

Table 1

**The Venice population in 1951–2014 years**

The population of Venice (1951 year = 100%)		
The year	Residents	Index (%)
1951	315 811	100,0
1961	347 887	110,2
1971	363 002	114,9
1981	349 663	110,7
1991	313 967	99,4
2001	274 168	86,8
2011	270 589	85,7
2012	269 127	85,2
2013	264 886	83,9
2014	264 579	83,8

Reference: [4]

Since the middle of last century, the population of Venice has fallen by two-thirds from 315 811 to 264 579. Comparing 1951 and 2014 years, now the population is 83.8% (fig. 1).

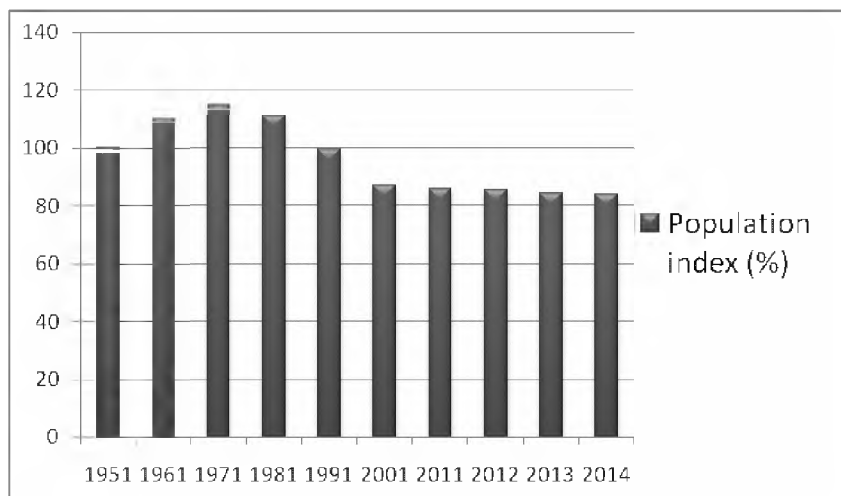


Figure 1. Population Dynamics 1951–2014 years [4]

These data enable us to conclude that the situation with Venice depopulation is worsening each year. It is predicted that there will be no permanent residents in the city by 2030 year.

With reference to Venice being a seaside resort, it should be noted that it is the international tourism center of world importance, venue of the international film festivals, artistic and architectural exhibitions. Venice's economy is based on tourism and handicrafts (art production and glass crafts from the Murano island, lace from the Burano island, mosaics) [6]. So it is impossible to imagine the city without the development of tourism, a large part of the economy is built on this industry.

Tourism income according to official figures accounted for 2 billion dollars per year. It is believed that the problems of Venice are consequent desire to benefit every euro from tourism. Talking about tourism restrictions and charging tourists face with economic value of gondoliers and hoteliers.

The negative anthropogenic impact on the cultural heritage of the old city should also be pointed out. The proximity of industrial enterprises and the seaport with their harmful emissions into the Venice atmosphere and waters led to the erosion of palaces and monuments. However, tourism is the main resource of the Venetians, and people have to be sensible with it. Uncivilized tourism destroys the city and forces residents to protest. Tourism has its meaning only when it is associated with a cultural offer, and the culture should be the engine of economic and social development of the city [1].

According to the authorities, it is vitally important to shut down the city or enter a small entrance exam with a special tax on hotels and restaurants to save the city.

Conservations of the protection committee of the cultural heritage of Italy-Italia Nostra are acting with initiative to reduce significantly the tourist flow in Venice. The proposing measures include an embargo on free independent tourist groups visiting the city. It means that tourists wishing to see Venice need to book in advance and receive special passes. Italia Nostra also insists on the ban for large ships to enter the lagoon water that would restore the lagoon ecosystem and slow destruction of monuments, which suffer from the ships' created waves.

Problems in Venice should be considered at the international level because the ancient city disappearance is the global problem. However, all these ideas about limiting tourist flow, new taxes and quotas even in high season, come in clear contradiction with the interests of the owners of hotels, restaurants, cafes, with the interests of the gondoliers and water taxi drivers.

Thus, the further development and the existence of cultural and historical destinations of Italy are at risk. Venice authorities have to prevent mass tourism. And for this purpose it is necessary to assess the full extent of the threat to

Venice. It is necessary to understand in what conditions the city may continue its existence. If the authorities do not take the necessary measures, then in the future it is likely that Venice will become the prototype of the sunken Atlantis.

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## MAIN ASPECTS OF UKRAINIAN AND SLOVAK ECONOMIC COOPERATION

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**Chala O.I., Davydenko I.V. Main aspects of Ukrainian and Slovak economic cooperation.** The article deals with the main issues of economic cooperation between Ukraine and the Slovak Republic. The article considers dynamics of foreign trade in goods and services, the commodity structure of exports and imports, current state of investment cooperation between the countries, and outlines the basic problems and prospects in trade and economic relations between Ukraine and the Slovak Republic.

**Key words:** foreign trade, investment, Slovak Republic, trade and economic relations, Ukraine.

**Чала О.І., Давиденко І.В. Головні аспекти співпраці України та Словаччини в економічній сфері.** У статті розглядаються головні аспекти економічної співпраці України та Словаччини. Наводиться динаміка зовнішньої торгівлі між

країнами, товарна структура експорту та імпорту та поточний стан інвестиційної співпраці. Визначаються головні проблеми та перспективи у торговельно-економічних відносинах країн.

**Ключові слова:** зовнішня торгівля, інвестиції, Словаччина, торговельно-економічні відносини, Україна.

**Чалая О.И., Давыденко И.В. Основные аспекты сотрудничества Украины и Словакии в экономической сфере.** В статье рассматриваются основные аспекты экономического сотрудничества Украины и Словакии. Приводится динамика торговли между странами, товарная структура экспорта и импорта и текущее состояние инвестиционного сотрудничества. Определяются главные проблемы и перспективы в торгово-экономических отношениях между странами.

**Ключевые слова:** внешняя торговля, инвестиции, Словакия, торгово-экономические отношения, Украина.

The subject of the study is foreign trade and investment cooperation between Ukraine and the Slovak Republic. The purpose of the study is to analyze main issues of foreign trade and investment between these countries and outline the basic problems and prospects in these spheres. The relevance of the study is determined by Slovak membership in the EU and the possibility to implement Slovak experience in economic sphere within the European integration.

Economic cooperation with the European Union countries, in particular with the Slovak Republic, is one of the main strategic directions of development for Ukraine. Ukraine and Slovak Republic have strong connections in trade, investment, power industry, scientific cooperation, educational sphere etc. The main areas of cooperation are foreign trade and investment [1; 2].

According to 2014 data, the Slovak Republic takes the 13<sup>th</sup> position in the volume of bilateral trade in goods and services between Ukraine and European countries with the specific gravity 2,8% of the total volume. In 2014 the volume of trade in goods and services totaled 1 billion 183,9 million USD and decreased by 20% comparing to 2013. Ukrainian exports to the Slovak Republic totaled 711,5 million USD and decreased by 10,8%, Slovak import to Ukraine totaled 472,4 million USD and decreased by 30,8%. The positive balance for Ukraine for this period totaled 239,1 million USD [3].

Table 1

**The dynamics of foreign trade in goods and services (USD million)**

	2010	2011	2012	2013	2014
Turnover	1078	1529	1326,1	1480,4	1183,9
Exports	619	893,8	710,8	797,4	711,5
Imports	459	635,6	615,3	683,0	472,4
Balance	160	258,2	95,5	114,1	239,1

Source: [3; 4].

The bilateral trade in goods in 2014 amounted 1 billion 97,4 million USD and decreased by 21,6% comparing to 2013. Exports of goods from Ukraine to the Slovak Republic totaled 670,6 million USD and decreased by 10,3%, the imports of goods from Slovak Republic to Ukraine totaled 670,6 million USD and decreased by 34,6%. The positive balance for Ukraine for this period amounted 243,8 million USD [4].

Table 2

**The dynamics of foreign trade in goods (USD million)**

	2010	2011	2012	2013	2014
Turnover	1010	1447	1260,3	1399,6	1097,4
Exports	568	843	672,6	747,4	670,6
Imports	442	604	587,7	652,2	426,8
Balance	125	239	84,9	95,2	243,8

Source: [3; 4].

Shipment of ores, slags and ash (40,4%), ferrous metals (15,9%), mineral fuels, crude oil and petroleum products (11%) and electric machines (10,6%) dominated in the commodity structure of exports to the Slovak Republic in 2014. The increase in exports in 2014 was in such commodity groups as ferrous metals – by 25% (25,5 million USD), nuclear reactors, boilers, machines – by 70% (7,9 million USD). But there was a decrease in exports of ores, slags and ash – by 19% (by 62,2 million USD), mineral fuels, crude oil and petroleum products – by 38,5% (by 46,0 million USD) [3; 4].

The situation is following in Slovak imports of goods to Ukraine. Ferrous metals (14,9%), surface transport means, except railway transport (14,1%), nuclear reactors, boilers, machines (10,9%) were dominating in commodity structure. The increase in imports in 2014 was in such commodity groups as pharmaceutical products – by 52% and essential oils – by 49,1% [4].

In 2014 the volume of trade in services was 86,5 million USD that is by 7,1% more than in 2013. Exports from Ukraine totaled 40,9 million USD and



decreased by 18.4%. Imports of services from the Slovak Republic totaled 40,9 million USD and increased by 148,1%. The negative balance for Ukraine during this period totaled 47,5 million USD [3; 4].

Concerning cooperation in investment sphere, the situation is following. Slovak direct investment in Ukrainian economy totaled 75,1 million USD in 2014, that is 0,2% of total foreign direct investment in Ukraine. The most of investment were in production (41,1%), transport, warehousing, postal and courier services (22,8%) and agriculture (17,8%). Direct investment from Ukraine in Slovak economy was made in wholesale and retail trade, car repair. The data concerning Ukrainian direct investment is confidential under the Ukrainian legislation [3; 4].

Having analyzed the given information, the following problems in economic cooperation between Ukraine and Slovak Republic can be outlined:

- 1) decrease in the volume of trade in goods and services due to economic instability in Ukraine;
- 2) domination of primary sector and goods with low added value in the commodity structure of Ukrainian exports;
- 3) discrepancy of Ukrainian goods to EU standards;
- 4) poor investment climate in Ukraine and imperfection of legislation in the area of protection of foreign investors [2].

The basic prospects in economic collaboration between Ukraine and the Slovak Republic are:

- 1) establishment in 2015 of NGO “Slovensko Ukrajinská Obchodná Komora (SUOK)” – the chamber of commerce, that aims to promote the development of bilateral trade and economic relations between Ukraine and Slovak Republic, provides the establishment of contacts between potential Ukrainian and Slovak partners, provides Ukrainian subjects of foreign economic activities with legal assistance within the Slovak market etc. [5];
- 2) increasing amount of Slovak investment projects in Ukraine, in particular – constructing, agriculture and food processing;
- 3) cooperation in power industry and in sphere of energy transit, especially due to high energy dependence of Slovak Republic and its active participation in European energy security strategy;
- 4) high-profitable joint projects in cross-border cooperation – creation of new joint ventures, increase in investment, possibilities for Ukraine to implement results of technical advances, experience of economic reforms, trade liberalization [3].

**Conclusion.** Cooperation in trade and economy sphere between Ukraine and the Slovak Republic are influenced by Ukrainian economic instability. Despite the increase of bilateral trade in goods, trade in services is increasing. Foreign trade and investment between countries are not large-scale. But creation of new cooperation bodies, joint projects and implementation of EU quality standards can boost economic cooperation significantly.

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## MOLECULAR GASTRONOMY AS ONE OF THE CONTEMPORARY TRENDS OF DEVELOPMENT IN HOTEL AND RESTAURANT BUSINESS

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**Chubakha A.A., Medvid M.M. Molecular gastronomy as one of the contemporary trends of development in hotel and restaurant business.** The article focuses on molecular gastronomy as an innovation in food processing and a new age tendency in the hotel and restaurant business.

**Keywords:** hotel and restaurant business, molecular gastronomy, technical innovation.

**Чубаха А.А., Медвідь М.М. Молекулярна кухня як сучасна тенденція розвитку готельно-ресторанного бізнесу.** Стаття присвячена вивченню молекулярної кухні як новітнього стилю приготування їжі та сучасної тенденції розвитку готельно-ресторанного бізнесу.

**Ключові слова:** готельно-ресторанна справа, молекулярна кухня, технічні інновації.

**Чубаха А.А., Медведь М.Н. Молекулярная кухня как современная тенденция развития гостинично-ресторанного бизнеса.** Статья посвящена изучению молекулярной кухни как инновационного способа приготовления еды и современной тенденции развития гостинично-ресторанного бизнеса.

**Ключевые слова:** гостинично-ресторанное дело, молекулярная кухня, технические инновации.

The topicality of the study of molecular gastronomy is based on the fact that more and more people are becoming health-minded and are following healthy life-style. The subject matter of our research is molecular gastronomy as an innovation in food processing and a contemporary tendency in the hotel and restaurant business. Hotel and restaurant business is a sector that aims to satisfy a variety of needs and provide a high level of comfort. This is one of the most highly profitable and attractive sectors of the world economy, which is leading the direction of economic and social development of Ukraine. In recent years a lot of new private hotels and restaurants started up in our country. This area is developing rapidly and demands the up-to-date level of provided services. Therefore, hotels and restaurants in order to enhance the competitiveness of their institutions must constantly introduce innovations to remain leading in this segment. The innovations in the restaurant industry include the formation of a new trend of modern cooking which is called molecular gastronomy.

At its base, molecular gastronomy is a deconstruction of traditional methods of cookery, in which heat or cold is applied to various ingredients to create a palatable result in a form of food we all recognize. In this new age system, both the basic ingredients and the way they are prepared are turned upside down, and often reduced down to their molecular levels to create entirely new forms of food: fuzzy, foamy, steamy, icy, tender, crunchy, sweet, savory, edamamic tidbits that delight the palate as much as the eye.

The concept of art is complex but, to keep it simple, that culinary art, as well as painting, music, sculpture, literature and other arts, is aimed at creating emotions. Artists never stopped introducing new ideas into their works, and

gourmands are longing for new flavors and new sensations. Note by note cuisine can make them happy, because it can produce a wealth of new possibilities. Is note by note cuisine difficult? Of course cooks will have to become more familiar with the repertoire of ingredients available to them but as new recipes are introduced it will become easier and easier. Each time we have held a note by note event, cooks had to use compounds that they did not know, and they learned to use these products to make remarkable pieces, with new flavors. Of course, one can hardly describe the flavor of these dishes: how would you describe the color blue to someone who cannot see? For all those who are afraid of losing their traditional stew, cassoulet or choucroute, let us say that modern art does not replace old art, but simply adds to it, giving more freedom and more choice. Debussy did not make Mozart or Bach disappear; Picasso or Buffet did not prevent us from admiring Rembrandt or Brueghel. Molecular cuisine does not kill nouvelle cuisine or traditional cuisine. Note by note cuisine will be an artistic addition [1].

The founder of molecular gastronomy is professor of physics at Oxford University Herve Tisza, who in the early 90s offered an unusual combination of chemistry and cooking. He made molecular formula of French sauces. A well-known promoter and practitioner of molecular gastronomy became chef Heston Blumenthal – the founder and owner of one of the best restaurants in the world The Fat Duck in Britain. The essence of molecular gastronomy is in the process of preparation of the newest technologies and advances in molecular chemistry, and it gives original texture and flavor to the taste. The main techniques of cuisine: food processing liquid nitrogen, emulsification (mixing insoluble substances), create liquid spheres, gelling, carbonization or enrichment of carbon dioxide, vacuum distillation. The characteristic feature of molecular gastronomy is that it can significantly enhance the taste of the product.

Many modern chefs do not accept the term molecular gastronomy to describe their style of cooking and prefer other terms like “modern cuisine”, “modernist cuisine”, “experimental cuisine” or “avant-garde cuisine”. Heston Blumenthal says molecular gastronomy makes cuisine sound elitist and inaccessible, as though you need a degree in rocket science to enjoy it. In the end, molecular gastronomy or molecular cuisine – or whatever you want to call this cooking style – refers to experimental restaurant cooking driven by the desire of modern cooks to explore the world’s wide variety of ingredients, tools and techniques. Molecular gastronomy research starts in the kitchen where chefs study how food tastes and behaves under different temperatures, pressures and other scientific conditions [3].

As of 2010 molecular cuisine has become the restaurant mainstream. “Molecular” food is unusual, and it is also served in an unusual manner – 15-30 different dishes simultaneously. The cook’s task is not just to feed, his goal is to surprise by an incredible combination of flavors, textures, colors, liquid bread, both hot and iced tea, clear soup dumplings. The expert who prepares meals in molecular cuisine should not only know about the chemistry and physics of food, but also to be able to use the technique, which often refers to the “kitchen”: frozen, create a vacuum and process pressure, emulsify and process food carbon dioxide and so on. Let’s have a look at the most popular technologies of molecular cooking dishes.

1. Freezing. Molecular cuisine has started using liquid nitrogen, whose temperature is minus 196 degrees Celsius. This allows to freeze any food almost instantly and keep all the beneficial properties of products, their color and natural taste. Since liquid nitrogen evaporates instantly, leaving no trace, it can be safely used for cooking various dishes including those that are made directly to the plate guests. A more accessible environment for freezing food is dry ice. This is frozen carbon dioxide, which is heated and then turns from solid state directly into gas. Smoke from dry ice exacerbates not only the taste, but all our senses together. This effect is actively used in molecular restaurants: if a block of dry ice shower is prepared in a special way, aromatic substance mixed with water can greatly change the taste and feel of food.

2. Emulsification. Dishes are created in a most delicate pin (called espumy). The molecular foam can knock from anything including meat, fruit and nuts. You can experience espuma effect by using special supplements – soy lecithin, which is removed with pre-filtered soybean oil.

3. Vacuumization. All products are put into special packages, which you cook in a water bath with a temperature about 60 degrees for several hours or even days. Meats cooked like this get incredible flavor and become very sweet and very juicy.

4. Gelatinization. Molecular cuisine involves the preparation of conventional foods with unusual products: eggs with honey, spaghetti with orange, egg with peach and so on. Dishes are prepared with agar-agar and carrageenan. These gelling agents are made from natural algae.

5. Areas. With salt of alginic acid gel you can create different size areas with edible substances. For example, red caviar with crimson taste.

6. Centrifuge. Experts in molecular cuisine use centrifuge in not quite usual way: for example, tomato juice under the process of centrifugation breaks down into three substances: delicate and fragrant tomato paste, yellow juice

and incredibly fragrant tomato foam. Each of these substances can be used in cooking, getting more fragrant, thin and light sauces and components of foods.

7. Other Senses. Some restaurants are now experimenting with food via the other senses that we normally don't relate to cuisine – such as darkness and audio. For example, when eating in a pitch black environment, diners are said to have a much greater appreciation of individual flavors in food as they are not distracted by the in-built perceptions of food that come from appearance. Other restaurants use sound to enhance flavor. It is an extraordinary experience. Scientists have shown that when a person eats a carrot with the crunch amplified via a microphone and headphones, the consumer believes it to be much fresher and cleaner tasting than a carrot without the audio equipment.

8. Powders. Powders are a new addition to modern menus – they are flavors that are dried to dust and then sprinkled or served alongside food as a garnish. In some restaurants they are served as an entire course on their own. The main method for preparing powders is to mix an oil-based liquid with Maltodextrin. This is then processed in a food processor until you get a powder of the consistency you prefer. An incredibly tasty powder is made from rendered bacon fat and Maltodextrin – it melts in your mouth while filling it with an intense bacon flavor.

9. Slow Cooking. No doubt we are all familiar with the good old slow cooked stews that our parents made. But modern cuisine has to take things further. First, a little science: when cooking meat at a high temperature, the collagen from the flesh contracts and pushes the liquid out; the end result being a dry lump of hard meat. Well! The solution to this is to cook the meat at the perfect temperature for eating – low enough not to cause constriction of the flesh. Beef can be cooked at 50 degrees for 24 hours. When it is done, you sear it with a blow torch to brown it and flavor it. The resulting flesh is so soft it can be cut with a spoon. I usually roast a chicken at high temperatures for the juices, and then cook one at low temperatures for the soft meat – I serve this with the juices from the first bird. Expensive, but worth it [2].

We all know that traditional food is not always healthy especially bearing in mind that the world faces a pandemic of obesity! Of course, some will criticize the modern diet, but it should be noted that the new food environment is not suitable for human beings in their modern way of living. Indeed, the human species has had to face alternating times of plenty and starvation, and the science of nutrigenomics is now discovering mechanisms through which the human body can face these conditions. For example, too much food does

not lead to increased excretion, as we could hope, but instead increases storage in fat tissues. Let us now consider why note by note cuisine could be interesting from a nutritional standpoint. This question relates to making ‘light products’. Does the use of sweeteners lead to overconsumption? It is certain that the science of nutrition still has questions to answer regarding the use of vitamins, oligo-elements and minor nutriment. It would be a mistake to consider that we know everything regarding these elements in food; as an example, a European study of supplementation with vitamin E (a group of hydrophobic compounds with specific antioxidant properties) had to be stopped because of a higher incidence of death in the group of participants who smoked and were receiving the supplement [1].

When people hear the words molecular gastronomy or molecular cuisine for the first time they often mistakenly view it as unhealthy, synthetic, chemical, dehumanizing and unnatural. This is not surprising given that molecular gastronomy often relies on fuming flasks of liquid nitrogen, led-blinking water baths, syringes, tabletop distilleries, PH meters and shelves of food chemicals with names like carrageenan, maltodextrin and xanthan. The truth is that the “chemicals” used in molecular gastronomy are all of biological origin. Even though they have been purified and some of them processed, the raw material origin is usually marine, plant, animal or microbial. These additives have been approved by EU standards and are used in very, very small amounts. The science lab equipment used just helps modern gastronomy cooks to do simple things like maintaining the temperature of the cooking water constant (water bath), cooling food at extremely low temperatures fast (liquid nitrogen) or extract flavor from food (evaporator).

To sum up, the main task of molecular gastronomy is giving a fresh look at the familiar taste of products.

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# PROBLEMS AND PROSPECTS OF DEVELOPMENT OF HOSTELS IN UKRAINE

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**Dolgoplova K.V., Shamara I.N., Saprun I.R. Problems and prospects of development of hostels in Ukraine.** The modern situation of the small hotel business in Ukraine, hostels, as one of the main sectors of the tourism industry is examined in this article. A number of problems associated with both the existing number of hostels and their developments, which require an immediate solution have been found out. Problems have been discussed in details, the causes have been investigated. Definite solutions to each problem have been eliminated, the prospects for further development of hostels and their positive impact on the country economy have been singled out.

**Keywords:** hostel, prospects for further development, small hotel business, tourism industry.

**Долгополова К.В., Шамара І.М., Сапрун І.Р. Проблеми та перспективи розвитку хостелів в Україні.** В роботі розглядається сучасний стан малого готельного бізнесу в Україні на прикладі хостелів, як одного з основних секторів туристичної сфери. В ході дослідження виявлено деяка кількість проблем, пов'язаних як з наявною мережею хостелів, так і з їх розвитком, що потребують негайного вирішення. У статті детально розглянуто кожну проблему та досліджено причини їх виникнення. У висновку виявлено конкретні шляхи подолання кожної проблеми, перспективи подальшого розвитку хостелів та їх позитивний вплив на економіку країни.

**Ключові слова:** малий готельний бізнес, перспективи розвитку хостелів, туристична сфера, хостел.

**Долгополова К.В., Шамара И.Н., Сапрун И.Р. Проблемы и перспективы развития хостелов в Украине.** В работе рассматривается современное состояние малого гостиничного бизнеса в Украине на примере хостелов, как одного из основных секторов туристической сферы. В ходе исследования обнаружено определенное количество проблем связанных как с существующей сетью хостелов, так и с их развитием, что требует немедленного решения. В статье подробно рассмотрена каждая проблема и исследованы причины их возникновения. В выводах обнаружены конкретные пути решения каждой проблемы, намечены перспективы дальнейшего развития хостелов и их позитивное влияние на экономику страны.

**Ключевые слова:** малый гостиничный бизнес, перспективы развития хостелов, туристическая сфера, хостел.



Nowadays sector of tourism businesses is one of the most profitable in the world. The main categories of travelers are young people who are mostly with low and average level of incomes. Most European countries quickly adapted to such category of tourists, except for Ukraine that faced several problems. This is especially true of small hotel business.

According to the research, the situation was particularly severe in those small cities of Ukraine, with the most preserved cultural and natural heritage and a strong potential for resort and recreation industry, but there are no accommodation facilities travelers [5].

Although, taking into account the global trend tourism development and an increasing number of travelers, Ukraine is also rapidly developing hotel business. However, these are 4-5-star hotels for multiplayer customers in major cities which are of interest for both domestic and foreign investors. As for the more budget accommodation in small, medium and some large cities, there are some issues that require immediate resolution.

To manage the problematic issue, the progressive experience of foreign countries in the sphere of functioning of relatively inexpensive facilities popular among travelers such as hostels is proposed to be used by international practice.

“Hostel” from English is the “youth hostel” (“dormitory”), or “recreation center”, which is the most popular and cheapest option of accommodation for travelers both abroad and within the country [5].

The main difference between hostels and ordinary hotels is cheapness concerning accommodation and a special sincerity and democratic atmosphere of the employees working in them.

So creating a number of low cost institution placements would provide young generation of travelers, students of high schools and colleges, foreign tourists and sports fans during their journeys to historical and recreational centers of Ukraine, visits of thematic fairs, concerts, sports matches, etc. with convenient and affordable accommodation.

As for the existing base of hostels in Ukraine, a list of serious problems can be pointed out.

Firstly, most Ukrainian hostels are in the informal sector, which led to a decline in quality of tourism service and deterioration of the tourist image of Ukraine as well as the considerable shortfall in revenues to budgets of all levels [4].

Secondly, a number of hostels in Ukraine are not developed enough. Small hotels and apartments are being built randomly and in most cases are not recorded as collective or individual accommodation [8]. An example of this

arrangement is the construction of hostels for Euro 2012. Thus, during the Championship average load hostels in Kyiv reached 90%, while the most highly categorical of capital hotels were almost incomplete with the figure up to 60% [1]. But Euro-2012 is not a permanent tourist resource of Ukraine, and with its end the hostels mostly faced some decline.

Since the beginning of 2014 25% of the hostels were closed in Ukraine. Most of them withstood the impact of the economic crisis and a decline in tourist flows [2].

Thirdly, every year all European hostels tackle a hard and long checking operation with acceptance inspections by anonymous inspectors. Concerning Ukraine, the checks are either not regular or are given a notice.

Therefore Ukrainian hostels almost 5 years trying to achieve the European standards, but most of them still correspond to ex-Soviet dormitories, constantly facing customers' complain about the lack of standards, such as:

- 1) comfort: safe and comfortable lodging, the shower/bathroom, possibility of self-catering, a shop near the hostel, where if necessary a tourist can buy basic foodstuffs;
- 2) purity: the highest standards of hygiene, in whatever hostel tourist wants to stay at;
- 3) security: safety for the tourist and his belongings, including preservation of luggage and any property;
- 4) privacy: in showers, bathrooms, toilets. Most hostels offer rooms for members of one sex [5].

The last, but the most common problem that applies to almost all the tourist business in Ukraine is extremely low awareness.

It is difficult to find a suitable hostel, even if the owners believe that “do personal website too expensive” and it is not necessary. The President of the Ukrainian Youth Hostel Association does not see the need for each hostel to create a website or even a page, because there is an association without which every institution is only one of the hostels, and in other situations hostel is a member of the Association for the level of service and security of which can vouch [6].

To conclude, at the present the legal foundation for the development of small hotel business has already been formed in Ukraine. At the same time, the practice of establishment of various organizational forms of small hotel business found its legal regulation [3].

In this case, the solutions to eliminate such problems are to attract the investment of capital in order to reduce the share of the informal sector;

spread the form of social tourism in terms of accommodation, aimed at budget travelers, that is, the creation of a number of hostels in towns and cities with great tourist potential; creating information websites and pages.

This will affect not only the increase of domestic and inbound tourism flows, but also a rapid formation of budgets of towns and cities, providing their citizens with jobs and with the necessary socio-domestic services.

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# THE CURRENT STATE AND TRENDS OF RECREATIONAL AND HEALTH TOURISM IN COUNTRIES OF THE BLACK SEA REGION

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**Dubova D.A., Litovchenko Y.N. The current state and trends of recreational and health tourism in countries of the Black Sea region.** This article covers an analysis of the current state of recreational and health tourism in countries of the Black Sea region. The article also includes description of trends, prospects and potential problems of the development of recreational and health tourism in countries of the Black Sea region.

**Keywords:** international arrivals, recreational and health tourism, tourist flows.

**Дубова Д.А., Літовченко Я.М. Сучасний стан та тенденції розвитку рекреаційно-оздоровчого туризму у країнах Чорноморського регіону.** Ця стаття охоплює аналіз поточного стану рекреаційно-оздоровчого туризму в країнах Чорноморського регіону. Стаття також включає опис тенденцій, перспектив і потенційних проблем розвитку рекреаційно-оздоровчого туризму в країнах Чорноморського регіону.

**Ключові слова:** міжнародні прибуття, рекреаційний та оздоровчий туризм, туристичні потоки.

**Дубовая Д.А., Литовченко Я.Н. Современное состояние и тенденции развития рекреационно-оздоровительного туризма в странах Черноморского региона.** Эта статья охватывает анализ текущего состояния рекреационно-оздоровительного туризма в странах Черноморского региона. Статья также включает в себя описание тенденций, перспектив и потенциальных проблем развития рекреационно-оздоровительного туризма в странах Черноморского региона.

**Ключевые слова:** международные прибытия, рекреационный и оздоровительный туризм, туристические потоки.

The relevance of the chosen topic is grounded by the fact that The Black Sea region, which includes six countries: Ukraine, Romania, Bulgaria, Turkey, Georgia and Russia is an important center of economic, political and tourist cooperation. The Black Sea region is also one of the most vulnerable areas of Europe in the socio-economic, cultural and environmental aspects.

Political, social and economic events of 2014–2015 that took place in Ukraine had a significant impact on the development of tourism in the Black

Sea region. There are significant changes which are reflected in the redistribution of tourist flows in 2015 compared to 2013 and 2014 years. There is a tendency of a decrease in international arrivals in the region and a well-marked increase in domestic tourist flows. It should be noted that the political and social processes in Ukraine financially affected almost all areas of activity, and industry related to the visits of foreign guests to the countries of the region is affected most of all.

The material of the study was derived from magazines, newspapers and publications on the development of recreational and health tourism in the Black Sea region that make it possible to track changes and trends in the travel market. The season of beach holiday on the Black Sea coast in 2015 was marked by the following features:

- in Ukraine, according to the Dnieper railways, passengers who used to go on vacation to the Crimea, this summer chose trips to Odessa: passenger flow in this area increased by half during the summer 2015 on last year. Overall, travelers purchased more than 235 000 tickets in this direction. Also, as an alternative to the Crimean resorts trips to Berdyansk and Henichesk were offered, however in these areas supply exceeded the demand substantially: for example, with more than 77 000 tickets proposed to Henichesk only 18% were purchased. It should also be noted that Odessa set a new record for the number of tourists at the end of the holiday season 2015. According to the city tourist information center, Odessa was chosen as a holiday destination by 1.8 million of tourists that more than doubled over last year's result (800 000 tourists) [3].

- Concerning Bulgaria, this summer the number of foreign tourists to the resorts of the country decreased by 8% and hotel revenues, which were forced to cut prices, decreased by 10-20%. This resulted in the loss of several hundred million because seaside tourism generates approximately 2-2.5 billion euros per year. In August 2015 the number of foreign tourists rested on the Bulgarian coast increased by a modest 0.4% compared with August last year. But the data, obtained for the three summer months which are June, July and August, show that the number of foreign tourists in Bulgaria has decreased by 7.9% according to annual report. The number of Russian tourists decreased by 24.3% and the number of Ukrainian tourists decreased by 19%. Despite the fact that the reduction was expected on Russian and Ukrainian travel markets, the unpleasant surprise was the reduced number of tourists from Romania (by 32.5%), the Czech Republic and Austria (almost 15%), also from France and Scandinavia. Germany again became the largest tourist market

for Bulgaria, but even the number of German tourists this summer has decreased by 1.7% compared to the previous summer season [2].

- Turkey, as it was predicted, intends to sponsor the tour operators for the cost of air travel of tourists from Russia, Ukraine, Moldova, Georgia and Azerbaijan in 2015. According to leading representatives of the tourism sector, due to a sharp decline in the number of Russian tourists as well as lower prices for hotel rooms across the country this year, losses in the tourism industry of Turkey can make about \$10–11 billion. There has been almost 25 percent reduction in the number of tourists from Russia and its neighboring republics, although the number of visitors from European countries increased by 9%. However, the increase in the number of European tourists sector can not still compensate for the losses incurred on the Russian market [5].

- Extended season and interesting international events in Georgia attract a large number of domestic and foreign tourists to the region. Thus, the flow of tourists to Adjara increased by 3%. The growth trend was more visible in Batumi International Airport in September, where the number of 11 792 foreign visitors was recorded which is 54% more than last year. It is noticeable that Ajaria made serious progress in tourism as there already are 283 hotels in the region that are capable to accommodate up to 14 286 tourists. The region has legalized casinos and this means that the industry is actively developing entertainment: many gambling, nightclubs and restaurants provide a variety of tourist recreation facilities. Also, Batumi keeps the reputation of the city with a favorable natural climate, and in 2017 Volleyball European Championship will be held in Batumi as well as the World Chess Championship will be held in 2018. Holding significant events will undoubtedly attract many tourists who can combine fun and recreation on their beach holidays [4].

- As for Romania, the growing interest for the country can be seen but it's almost has no impact on sales, since the cost of the tour increased last year. The situation has improved slightly since the summer of 2015 with reducing of the VAT rate to 9% for travel packages that led to a reduction in price of tour packages this year and thus helped the development of local seaside tourism. However, according to the National Association of Travel Agencies in Romania, additional steps should be taken for the Romanian tourism to become a more competitive player in the Black Sea region and to reach a 6% share of GDP, exceeding the current 2% [1].

- On the Black Sea coast of the Krasnodar region in Sochi about half of holidaymakers were happy with their vacation and 80% expressed a desire to come again according to their survey this summer. In total, according to the

Ministry of Resorts and Tourism of the Krasnodar region, all resorts in the region received a total of 11.7 million tourists. It is worth mentioning that Sochi tourism industry performance improved by one third compared with the same period in 2014. However, prices for accommodation in hotels of Sochi significantly increased in summer 2015 on last year. Thus, in Adler, hotels tariffs rose by an average of 3.5% and short term rental in Sochi has risen by 40%, although in Anapa rate for the year fell by 16.8% and in Gelendzhik it felt by 11.9% [3].

**Conclusion.** To sum up, the season of seaside holidays in the region in 2015 was marked by improvement in the situation on the Black Sea coast of Georgia and Russia, with the deteriorating in Bulgaria, Romania and Turkey, and Ukraine experienced major redirection of tourist flows to the Zaporizhia, Kherson, Mykolaiv and Odessa regions.

Recreation resources of the region make it possible to develop existing and open new directions of recreational tourism in the territory. However, the instability of the economic and political situation in some countries make it difficult to predict further development of recreational and health tourism, which is an urgent and important issue and that is an actual topic for further research.

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## BORROWED ENGLISH WORDS IN THE RUSSIAN LANGUAGE

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**Dudiuk Y.Y., Saprun I.R. Borrowed english words in the Russian language.** The causes of occurrences of borrowed words in the Russian language are reviewed in this article. The basic features of loan words are revealed, the general classification of borrowed words is given. The problem of borrowed words in the sphere of international relations is reviewed. The impact of borrowed words on safe keeping and the developing of the Russian language is assessed.

**Key words:** borrowing words, communication, loan words, national identity of language, terminology.

**Дидюк Ю.Ю., Сапрун І.Р. Запозичення англійських слів у російській мові.** У статті розглянуто загальні чинники виникнення англофікації в російській мові. Виявлені основні ознаки запозичених слів, приведена їх загальна класифікація. Розглянута тема запозичених слів у сфері міжнародних відносин. Дана оцінка впливу англофікації на збереження та розвиток російської мови.

**Ключові слова:** англіцизми, англофікація, комунікація, національна ідентифікація мови, термінологія.

**Дидюк Ю.Ю., Сапрун І.Р. Заимствования английских слов в русском языке.** В статье рассмотрены общие причины возникновения англофикации в русском языке. Определены основные признаки заимствованных слов, приведена их общая классификация. Рассмотрена тема заимствованных слов в сфере международных отношений. Дана оценка влияния англофикации на сохранение и развитие русского языка.

**Ключевые слова:** англицизмы, англофикация, коммуникация, национальная идентификация языка, терминология.

English borrowed words (loan-words) appeared in the Russian language long before our time. Actually, have started to penetrate into the Russian language at the turn of XVIII–XIX centuries. The words have been borrowed as a result of contacts between peoples, trade and economic relations between Russia and European countries. However, the intensity of the replenishment process in the Russian language with the help of English words increased from the end of XX till the beginning of XXI century [1, с. 26]. Rapid development of technology, globalization, the mixing of national cultures resulting from the migration of the population – all these factors only accelerated



the process of loan-words not just only in the Russian language, but also in many others, so this topic is relevant to the discussion. The aim of this study is to identify the main causes of loan-words in the Russian language, to detect the signs of them and to determine the influence of borrowed words in the preservation of the language. The object of study is the loanwords and the subject of research is the impact of loanwords on the Russian language.

The causes of occurrences of foreign words have been studied by many linguists, such as I.G. Averianova, N.D. Agafonova, A.I. Diakov, E.I. Stepanova, T.G. Linnik, I.O. Naumov, M.A. Breiter L.P. Krysin, E. Richter, and others. They have determined the possible causes of this phenomenon:

1) The need of objects and concepts names, since there are no corresponding concepts in the English language. About 15% of loanwords are borrowed for this reason (*организер – organizer, сканнер – scanner, ноутбук – notebook, тюнер – tuner*);

2) The impact of foreign culture is dictated by the fashion for English words (*деловой человек – businessman*)

3) The specification of existing concepts (*жидкое варенье – варенье – jam, варенье с цельными ягодами – jam*).

4) Changes in policy, economy and moral orientation of the society are also influence. People begin to perceive life in other countries, particularly in America, as a kind of ideal one, that is the reason of difficult economic and political situation in the state. Through the use of loanwords in the speech people think that they are approximation to this ideal.

Concerning youngsters using borrowed words in their speech, it should be noted that can easily be explained by the environment the young people were born in, where borrowed words are essential part of communication. Frequent use of internet resources, especially English speaking and English written, socializing in nets are becoming more and more popular. As a result, young generation just use the loan-words without making an attempt to look for their equivalents in their native language [4] .

Russian dictionary depicts a lot of loanword that have become literally part of the language. They all have a number of characteristics:

1) the combination of “dzh”, that is not characteristic of the Russian language. Most of the words with the same combination of letters are from the English origin (*джеб – лёгкий прямой удар – jab, джемпер – вязанная кофта – jumper*);

2) aspirated “h”, the equivalents of which in Russian phonetics began to consider the sounds [x] and [g] (*hero – герою, hobby – хобби*);

3) words that are ended with “-ing” often also from English origin (*diving – дайвинг, rating – рейтинг*);

4) English words ending in “-er, -or” are also included (*провайдер – provider, тинейджер – teenager*);

5) words ending with “-men(t)” is a sufficiently large group of loan-words (*менеджмент – management, парламент – parliament, полицмен – policeman*);

6) words ending in “-tion” are also considered to be English (*петиция – petition, публикация – publication*);

7) words ending with “-tch” are of English origin (*патч – patch, скотч – scotch*);

As the number of borrowed words is quite big and its list is being replenished every day, the grouping is necessary for its more detailed studying. Linguists that investigate loanwords have made up the following classification:

- 1) Direct borrowing. Words formed in this way are similar to the native Russian and many of them are very difficult to distinguish from the words of the Russian language. Their origin can be identified only with a careful study (*стенд – stand, клуб – club, спорт – sport*);
- 2) Hybrids – modified loan-words that are adopted to the Russian phonetics (*пудинг – pudding, хакер – hacker, банк – bank*);
- 3) Loan translation:
  - a) Lexical – a result of the Russian translation of the foreign word in parts (*sky-scraper – небоскреб*);
  - b) Semantic – words that, in addition to their meaning in Russian, get additional meaning through English (*картина – picture – произведение живописи, зрелище, под влиянием иностранного языка приобрело также значение кинофильма и т.д.*);
- 4) Exoticism – the words that are used to add a local character to a speech, while describing foreign customs and traditions (*мистер – Mr., ланч – lunch, фунт – round as the currency, etc.*);
- 5) Professionalism – loan-words that are used in the variety of human activities: politics (*спикер – speaker, парламент – parliament*), business (*босс – boss*), computer technology (*ноутбук – notebook, дисплей – display*), everyday communication (*интернет – нэт – Internet – net, компьютер – ПК – computer – PC*), sports (*футбол – football, теннис – tennis*) and the media (*шоумен – showman, бизнес – business, полицмен – policeman*);

- 6) False loan-words – neoplasms made up for naming some new for both languages notions, terms and phenomena from the compound of English and Russian or English word (*шопинг-тур – shopping-tour*);
- 7) Composites – words that have two English roots (*супермаркет – supermarket.*);
- 8) Barbarisms – expressive statements of a foreign language (*окей – OK, вау – Wow!*);
- 9) Jargon – foreign words with distorted sound in common language (*клевый – clever – умный*) [3].

It is obvious that the main part of loan-words is used in business speech, especially in the sphere of international relations. Using the newest means of communication, different high technologies reckon for optimal international terminology. As English is considered to be “the language of conversation”, all transnational corporations, big international companies and companies that keep up business relations with foreigners, use it as often as possible. That is why loanwords appear in marketers, supervisors, managers, HR-managers and promoters’ usage more and more often. Not only this, the replacement of Russian equivalents by borrowed words has already been noticed (*деловой человек – бизнесмен – businessman*) [5].

To summarize, the borrowed words taken from the English language have greatly influenced on the Russian language. They do not only arise as new concepts and definitions, they as well replace already existed word-equivalents in the Russian language. This is quite a negative effect on the development of the language, because its vocabulary is facing a decrease. Under the influence of globalization and the rapid development of technologies and accelerating progress, people use loan-words equivalents more often than Russian words. However, the preservation of national characteristics and traditions is not taken into account. On the other hand, loanwords have some positive aspects. One of which is the use of international concepts and terms that greatly simplifies the exchange of information and understanding between representatives of different nations.

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## THE WAYS OF USING STEREOTYPES IN TOURISM: STIMULATION OR LIQUIDATION

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**Em S.V., Posokhov I.S., Saprun I.R. The ways of using stereotypes in tourism: stimulation or liquidation.** The article is dedicated to the problem of stereotypes and their influence on a tourism industry. Much attention is given to ethno cultural, informational and cultural stereotypes. The paper examines R. Lewis' experiment and the analysis of American magazine "Newsweek" dealing with various superstitions of different countries about one another. Erroneous thoughts about Ukraine dramatically illustrated in Yanko Tsvetkov's atlas are given special place in the article.

**Keywords:** ethno cultural, informational and cultural, magazine "Newsweek", R. Lewis, stereotype, superstition, Ukraine, Yanko Tsvetkov.

**Em C.B., Посохов I.C., Сапрун I.P. Шляхи використання стереотипів в туризмі: заохочення або знищення.** Стаття присвячена темі стереотипів та їхньому впливу на туристичну індустрію. Багато уваги приділяється етнокультурним та інформаційно-культурним стереотипам. У роботі розглядаються експеримент Ричарда Льюїса та аналіз американського журналу "Newsweek", що стосуються низки забобонів різних країн один про одного. Продискутовано помилкові думки щодо України, які наглядно продемонстровані у відомому атласі Янко Цветкова.

**Ключові слова:** етнокультурний, журнал «Newsweek», забобон, інформаційно-культурний, Ричард Льюїс, стереотип, Україна, Янко Цветков.

**Эм С.В., Посохов И.С., Сапрун И.Р. Пути использования стереотипов в туризме: стимулирование или устранение.** Статья посвящена теме стереотипов и их влиянию на туристическую индустрию. Много внимания уделяется этнокультурным и информационно-культурным стереотипам. В работе рассматриваются эксперимент Ричарда Льюиса и анализ американского журнала "Newsweek", касающиеся ряда предрассудков различных стран друг о друге.

Отдельное место в статье отведено ошибочным мыслям об Украине, которые наглядно продемонстрированы в известном атласе Янко Цветкова.

**Ключевые слова:** журнал “Newsweek”, информационно-культурный, предрассудок, Ричард Льюис, стереотип, Украина, этнокультурный, Янко Цветков.

Since tourism is supposed to be one of the ways of mixing cultures, interaction with nationalities, the process of understanding people, moreover, willingness to do are quite important. Numerous researches state that superstitions and stereotypes play a considerable role in people’s attitude towards other cultures and traditions. Sometimes they lead to misunderstanding between people. Stereotypes often influence on a choice to visit the country or not. That is why, the investigation of this factor is essential for the development of tourism business.

The object of our article is stereotypes and their influence on tourism sphere. The goal of the article is to reveal a stereotypical influence on tourist’s consciousness, on tourism industry, in particular, and to determine the possible ways of using stereotypes in a positive manner. The article contains 4 literary sources and 1 electronic publishing.

Stereotypes present a definite, stable attitude to the reality and its different problems. They are fraught with wrong, groundless people’s thoughts, which society accepts as a standard [1]. There are social and mental stereotypes, stereotypes of communication and thinking, stereotypes of personal behavior, etc [2]. Only those stereotypes which have an influence on usage and selection of tourist services are described in this work.

The most famous stereotypes belong to ethno cultural. The word “ethno cultural” is understood as a general statement about typical characteristics that describe some nation. Stereotypical notion is supposed to connect not only with the entire nation, but with its every individual representative: German pedantry, Russian “avos’”, Chinese ceremonies, Africa’s temper, Italian irascibility, Finnish stubbornness, Estonian sluggishness, Polish courtliness, Latish reticence etc. There are two forms of ethno cultural stereotypes – auto stereotype and hetero stereotype. Auto stereotype is nation’s statement about itself. It lets a person identify himself with the nation. Hetero stereotype is a statement of one nation about other nations. Hetero stereotypes are always sources of superstitions and prejudices. A subjectivity of perception leads to a sense distortion of other nations’ actions. On the strength of this fact, the Finns consider the Italians to be too much emotional, the Spaniards believe the Norwegians are gloomy, the Argentines are vain for the Americans, and the Germans think the Australians are undisciplined. As we can see many

stereotypes are disconsolate and often simply unjustified.

A stereotypical conception is quite relative. R. Lewis, a British linguist and expert of international communication, made one experiment. Leaders from Sweden, Finland, Germany and Great Britain were offered to pass a test “National features”. They needed to choose 8 characteristics for 6 different nationalities, including themselves from the table (Table 1). As a result, leaders chose exceptionally positive characteristics for their own nation, whereas national characteristics of other countries were often distorted. For example, the Finns exaggerated the Americans’ insolence and also the Polynesians’ blatancy and talkativeness.

*Table 1*

**Criteria for the characteristics of national features**

Gloomy, with a sense of humour, excitable, honest, adventurous, snotty, serious, diplomatic, talkative, sluggish, opportunistic, weak-willed, humorless, quiet, cunning, emotional, reliable, faithful, money-oriented, collectivist, wise, literally-understanding, broad brow, shy, well-mannered, irresponsible, truthful, joker, gregarious, hard-working, conservative, individualist, blatant, bad-mannered, thoughtful, extrovert, smart, punctual, flexible, reserved, nimble, polite, time-saving, absent-minded, boring, elegant, strong-willed, old-fashioned
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A table is adapted from: [2]

At the beginning of 80s an analysis on how people of other countries see the Americans was carried out in the American magazine«Newsweek». Characteristics, which are given most seldom and most often to the representatives of the United States, can be seen in the following table:

*Table 2*

**The Americans characteristic  
by representatives of different countries**

Country	Characteristics are given most often to the Americans	Characteristics are given most seldom to the Americans
France	Hard-working, energetic, resourceful, resolute, friendly	Lazy, rude, honest, versed
Japan	Nationalists, friendly, resolute, rude, indulging desires	Lazy, honest, sexual

*Table 2 continuation*

Germany	Energetic, resourceful, friendly, versed, intelligent	Lazy, sexual, greedy, rude
Great Britain	Friendly, energetic, indulging desires, hard-working, nationalists	Lazy, versed, sexual, resolute
Brazil	Intelligent, hard-working, energetic, greedy, resourceful	Lazy, versed, indulging desires, sexual
Mexico	Hard-working, intelligent, greedy, resourceful, resolute	Lazy, honest, rude, sexual

A table adapted from: [2]

It is clearly seen that all countries have a definite stereotype. Namely, the Americans are mainly well-disposed, hard-working and resourceful people, however, with some weaknesses. For someone they seem to be greedy, for others, they are nationalists. The question is that stereotypical thoughts are not always justified, however, it can be noticed, that among the above-mentioned characteristics about the Americans, there are some coincidences. If different countries distinguish the same feature of one nation, it is most likely to be true. Obviously, stereotypes are rather relative, but they describe an average type of personality [2].

A modern tourism in many aspects is developed on basis of informational and cultural stereotypes, as they depict the usage of tourist services in every country all over the world.

For instance, we can mention the formed stereotype about cultural and historical valuables of “grandma” Europe, which causes a steady need for European trips and provides constant tourist streams into this region. According to UNWTO (United Nations World Tourism Organization), in 2014 European region was visited by 580, 1 million tourists, that is twice as many as the number of tourists, who visited Asia and Oceania, and 3 times more than in American region [5]. The process of globalization of mass media leads to the “massification” of informational and cultural stereotypes that can be displayed in translation all over the world as “behavioral” patterns and “way of life” patterns. A rising popularity (massification) of ski mountaineering with its side effects: elite holidays and branded skiing costumes can be used as an example to this process. Under these circumstances the usage of costly and economical ski tours gains special cultural value, and for the bulk it does not depend on the quality of tourism service, but depends on the model of transferred information [4].

Regarding the situation of Ukraine, the results (Table 3), which were made by Yanko Tsvetkov, a Bulgarian designer, illustrator and photographer, show that people perceive Ukraine not as separate country, but just in total combination with countries of ex-USSR:

*Table 3*

**Foreigners’ ethnic stereotypes about Ukraine**

Swiss	Ukraine – Belorussia – Chernobyl
Germans	Belorussia– Ukraine – gas transit lands
Spaniards	Ukraine – radioactive nannies
British	Ukraine – “What an odd country!”
Greeks	Belorussia, Ukraine – orthodox barbarians, as well as Russia
Americans	Russia, Belorussia, Ukraine, Moldova – communists
French	Ukraine – it seems to be Russia here?

A table adapted from: [3]

It clearly demonstrates that Ukraine cannot be identified as an independent country in countries abroad, sometimes even its geographical location is in doubt. Also it is often perceived as gas transit country or the place, where a tragic Chernobyl accident took place. Even the fact that atlas has a shade of joke and author’s humor, it cannot be say that these stereotypes do not exist at all, because everyone knows, in every joke there’s a grain of truth.

Certainly, some questions concerning struggle against stereotypes arise. Which methods can be used for these reasons? Experience of other countries can help to answer this question.

Stereotypes can play a positive role when we make a reality from them. Let’s have a look at China. The Chinese use a widespread stereotype that they eat insects. Indeed, Chinese street vendors successfully sell fried scorpions and centipedes to the brave tourists while they themselves do not consume such “dishes” in their daily food ration. But world says: “They do!” It is an example of the way when the stereotypes are not fought with, but used in tourism. It is much easier than eradicate them. Since a stereotype is already known, so there is no need to advertise and bring it into the people consciousness.

The same can be done concerning the stereotypes about Ukraine. Basically, we have already started to use them to our benefit. For example, the tours to Chernobyl take place, but whether they are legal or illegal, it is totally an issue under consideration. Also in 2011 in Kharkov, on the threshold of Euro – 2012, the possibilities of developing nostalgic tourism, related to Soviet-era past and opening the hotel in USSR style were discussed. Although this issue was disputed, everything remained unchanged.



Another way is a refutation of stereotypes, sometimes, even a combating them. It will make sense when they not only just hamper a tourist traffic, but also falsify the information and it harms to national determination of the country on the global stage. Let's take a stereotype of fuzzy Ukraine's borders, in other words, foreigners have no idea about the geographical location of Ukraine, saying about the country as "somewhere, near Russia". Don't forget about stereotype of an excessive drinking vodka. You must admit that it doesn't create a positive and appropriate image for the Ukrainians. Better popularize borsch, vareniki, galushki and other Ukrainian dishes which are tasty as well. At this point we can think about developing of gastronomy tourism.

To sum up, stereotypes are an inseparable part of people's general impression of other countries and nations. We only need to focus on the main points, present information in the best way, and always remember that everything in our holdfast: either we run stereotypes, or they run us.

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## DEVELOPMENT OF ENGLISH AS AN INTERNATIONAL LANGUAGE: A HISTORICAL OVERVIEW

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**Fauzer Ye.I., Tarasova Ye.V. Development of English as an international language: a historical overview.** The article deals with research of English language history and its position nowadays.

**Keywords:** global language, globalization, inseparability of language and culture, historical evolution, lingua franca.

**Фаузер О.І., Тарасова О.В. Розвиток англійської як міжнародної мови: історичний аспект.** Стаття присвячена дослідженню історії виникнення англійської мови та її становищу сьогодні.

**Ключові слова:** глобалізація, глобальна мова, історична еволюція, лінгва-франка, невіддільність мови і культури.

**Фаузер Е.И., Тарасова Е.В. Развитие английского как международного языка: исторический аспект.** Статья посвящена исследованию истории возникновения английского языка и его положение сегодня.

**Ключевые слова:** глобализация, глобальный язык, историческая эволюция, лингва-франка, неотделимость языка и культуры.

The relevance of the chosen topic is justified by popular use of the English language.

The material of the research was obtained from Internet sources and scientific magazines.

The purpose of this research is to scrutiny the role of English language nowadays and it prospects for development and occupation of its position as a global language.

Few people today would take issue with the status of English as an international language. Let us just look at the official statistics. Whether we like it or not, there are about 390 million people with English as their first language and 200 million peoples whose English is second language, which overall makes around 590 million people who understand and use English for professional or interpersonal communication. According to Wikipedia the estimated population of the world in 2010 is 6.2 billion. It means that nearly half of the population of the world are users of English. Fifty three countries recognized English as their official language. It is spoken as a mother tongue by around 377 million and as a second language by around 375 million people in the world. Speakers of English as a second language will soon outnumber those who speak it as their first language. Around 750 million people are believed to speak English as a foreign language. English has an official or a special status in 75 countries with a total population of over 2 billion. English is studied through the length and breadth of 5 continents. It is used in education, business, commerce, politics, sports, arts, tourism, media and the Internet. Because English was used to develop communication, technology, programming and software, it dominates the web. 70% of all information stored electronically is in English. These impressive facts and figures speak for themselves.

But before turning into a *lingua franca* of the modern world moving towards the Global Language, English had a very long way to go – a way marked by an intricate, overlap of various factors. So, let us look at some of the historical reasons which gave the English language the international status it enjoys today.

From the linguistic point of view, English is part of the Germanic branch of the Indo-European family of languages. The English language came to the British Isles from northern Europe with invading Old Germanic tribes in the fifth century AD [1]. For generations after that, Britain had been a battlefield, its people fighting many wars with numerous conquerors who craved their beautiful lands. It took centuries for Britain to turn from a conquered to a conquering state. Having shaken off the Norman rule and the influence of the French language, England grew in power, and the English language began to thrive – Chaucer, Milton, Shakespeare, to mention but a few names of the great people who contributed to its development.

It is considered axiomatic that the nations which are more advanced and powerful, influence other, less fortunate nations. Such influence includes culture, civilization, style of living and the most important – language.

From the fifteenth century onward, the British began to sail all over the world and became explorers, colonists, pirates, and finally imperialists. In the early 17th century the British Empire was the largest empire in the world. It reigned on the seas. In 1783 it ruled over thirteen colonies in North America, as well as in Africa and South America. In Asia, the British Empire ruled the subcontinent now divided into India, Pakistan and Bangladesh. In 1922 almost one quarter of the population of the world was under the rule of the British Crown, the Parliaments of these countries recognizing English as an official language. India in particular was greatly affected: even today, with over 400 languages spoken in the country, more than 30% of its population claim English as their mother tongue! The British took the English language to North America, Canada and the Caribbean, to Australia and New Zealand. They brought it to their colonies in Africa and the South Pacific. “The sun never sets on the British Empire”, Brits used to say proudly (and some still do).

On all the conquered lands, the British imposed their own rules of trade, their systems of government and education, as well as their religious and cultural values. Naturally, the local languages lacked the vocabulary to serve the people’s new needs in those circumstances, so, inevitably, the natives were forced to accept English as a means of communication with their rulers.

So, British colonialism in the 19th century became the decisive factor in the spread of English throughout the world. Before the Treaty of Versailles (1919), which ended the First World War between Germany and the Allies, diplomacy was conducted in French. However, President Woodrow Wilson succeeded in having the treaty in English as well. Since then, English started being used in diplomacy and gradually in economic relations and the media.

At the turn of the 20<sup>th</sup> century the situation began to change. The British Empire was receding into the background, going into decline economically and politically, and for the last hundred years or so, it was the USA that has been playing a leading role in most parts of the world. At the end of the 19th century and first quarter of the 20th, it welcomed millions of European immigrants who had fled their countries ravaged by war, poverty or famine – or burning with ambition to create a better life for themselves. The proverbial “American dream” drew many energetic and enterprising people to the New World in search of freedom from the class system and religious pressures – and many were able to realize their dream. This labor force strengthened American economy. As distinct from its Allies, American economy suffered little during WWII and started to boom after it. There were important breakthroughs in science and technology (most of them made by immigrants, by the way). The Hollywood film industry also attracted many foreign artists in search of fame and fortune, and the number of American films produced every year soon flooded the world market.

Since the early 20s and up to now, the USA has been more or less domineering the international economic scene. Accordingly, English continues to hold its dominant position among the world’s languages. According to experts [2], faster economic globalization is going hand in hand with the growing use of English. Its status as an international language is long established and, for the foreseeable future, is unlikely to be greatly challenged.

The year 2016 has been declared “the year of English” in this country. It signifies the importance our president and government attach to that language as a vehicle to enhance Ukraine’s entry, as a powerful independent state, into the world community, the “global village” the world is turning into today.

And yet, to quote one Americans expression, “it always pays to look into the future”. Understandably, the future of English as a global language will very much depend on the political, economical, demographic and cultural trends in the world. And those trends are very changeable and volatile. Of course, it is early to say yet, but it looks like English may be facing some serious competition in the future. What I mean is that new dynamic economies are

rising which pose a considerable threat to the US economic and political dominance. Just look at China. It is fast emerging as a young economic superpower, a threat and rival to America. More and more people around the world are becoming increasingly aware of China's growing influence. The US alone owes China billions of dollars – it's a generally known fact which Americans don't even try to deny. So, what we may be witnessing today, I think, is a subtle "change of power", so to say. American businessmen in particular are very sensitive to it, they feel it in their bones. American businessmen are no fools, they know what is good for them. No wonder, more and more of them, as well as university students of business and economics are showing great interest in the Chinese language. They sign up to and pay good money for classes to learn a language that is as different from English, as different can be. So do financiers, corporate lawyers and top managers in many other countries who want their businesses and companies to stay competitive on international markets in the years to come.

Something to think about, isn't it?

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## UKRAINIAN VIRTUAL MUSEUM SPACE: PROBLEMS AND PROSPECTS

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**Fomenko A.S., Posokhov I.S., Saprun I.R. Ukrainian virtual museum space: problems and prospects.** The modern concept of "virtual museum", its differences from the virtual tours is examined in the article. The examples of most famous sites and visited museums both in the world and on the Internet are provided. The benefits of virtual museums, their usefulness and problems associated with their promotion are revealed. Much attention is paid to the development of virtual museums in Ukraine, to the methods that allow to develop this sector and to violate the problems related to the Museum Fund of Ukraine.

**Keywords:** excursions, exhibits, museum institutions, Museum Fund of Ukraine, virtual world, virtual museum, virtual tours.

**Фоменко А.С., Посохов І.С., Сапрун І.Р. Віртуальний музейний простір України: проблеми та перспективи.** У статті розглядається таке сучасне поняття як “віртуальний музей”, його відмінності від віртуальних турів. Наводяться приклади сайтів найбільш відомих та відвідуваних музеїв як в реальному світі, так і в мережі Інтернет. Розкриваються переваги віртуальних музеїв, їх користь та проблеми, що пов’язані з їх популяризацією. Зокрема, велика увага приділяється розвитку віртуальних музеїв в Україні, методам, що дозволять розвинути цю сферу, порушуються проблеми, що стосуються Музейного фонду України.

**Ключові слова:** віртуальні тури, віртуальний світ, віртуальний музей, екскурсії, музейні експонати, музейні установи, Музейний фонд України.

**Фоменко А.С., Посохов И.С., Сапрун И.Р. Виртуальное музейное пространство Украины: проблемы и перспективы.** В статье рассматривается такое современное понятие как “виртуальный музей”, его отличия от виртуальных туров. Приводятся примеры сайтов наиболее известных и посещаемых музеев как в реальном мире, так и в сети Интернет. Раскрываются преимущества виртуальных музеев, их польза и проблемы, связанные с их популяризацией. В частности, большое внимание уделяется развитию таких музеев в Украине, методам, которые позволят развить эту сферу, поднимаются проблемы, касающиеся Музейного фонда Украины.

**Ключевые слова:** виртуальный музей, виртуальный мир, виртуальные туры, экскурсии, музейные экспонаты, музейные учреждения, Музейный фонд Украины.

With the rapid development of the tourism industry and competition, numerous organizations and institutions in tourist sector try to go in step with time, involving new technologies, which help to interest tourists. The last, without any doubt, will choose the proposal that meets modern standards.

The object of the research is a museum space of Ukraine and of the world in general. The subject is virtual museums and virtual tours. The aim of the work is to show the difference between virtual tours and real museums and just virtual museums, to show the benefits of these museums and opportunities for the development in Ukraine.

Nowadays with the development of technologies it has become possible to travel real places (in the virtual world), without spending any money and time, with the help of the computer or other devices. These sorts of trips and also excursions to museums have become popular, so this problem is very actual nowadays.

Virtual museums are a phenomenon of modern culture; its appearance is obliged to the development of the Internet, multimedia technologies, databases,

which became easily accessible through information. This is a new cultural form integrative nature multifunctional complex, existing in virtual space and irreducible to traditional museums sites on the Internet [2]. In the Internet Network, there are two types of museum sites, which are divided into:

- 1) Representation of real museums (virtual tours or without);
- 2) Proper virtual museum.

What are the advantages of virtual tours in museums? 3D virtual panoramic tour is an unusual journey that allows you without leaving your computer, look in any room, walk the hall of a museum, which is on the other side of the world. This decreases the probability that artifacts and exhibits may be affected by the human factor. During the virtual visits one could not be afraid of large concentrations of people and no one distracts the viewer's attention. Instead, there is no need for museum employees to worry about the large concentration of people.

Visiting a virtual museum on the Internet, you can "carry" all the knowledge with you, save it on your drive, and refresh the received impression from time to time, looking again in searching for the news. Taking materials from a virtual museum you can show them to your friends and relatives, thereby expanding the number of visitors to the museum.

Near 50 000 museums are counted in the modern world. About 8 000 are considered to be the most important and highly recommended possessing their own websites with virtual tours for everyone. The most visited Internet site includes the Louvre, where virtual visits are more like a passage of the quest. You should choose the direction with a cursor where to go, you can stop to bring the exhibits and read the information at any exhibition. The site of the Hermitage Museum, which offers 10 themed virtual tours, is no less popular [5].

The web-sites of the real museums are numerous and popular, provide Internet space with information about displays and exhibitions. This is the so-called virtual world of some real museum.

Actual virtual museums are encountered in the Internet much less than the representation of really existent museums. According to various estimates, the number of such museums is about 1% of all museums in the world. However, their number is increasing rapidly. Visiting a virtual museum a question arises: "Does the impression of a virtual tour meet the real impression?" The survey of habitants of Europe in 2013 based on the issue: "Do you think that the virtual museum can replace the usual museum?" – gave the following results: "yes" – 25%, "no" – 61%, "not sure" – 12%, "do not know" – 2% [3]. Thus, 3/4 of respondents do not believe the success of the virtual museum.

However, virtual museums seem to be necessary for a modern society. First of all, such museums will expand access to information for people with disabilities, who are unable to visit a real institution. It will also be useful for people who cannot afford visiting the museum or living on the other continent. Moreover, it will be of use for people who have poor eye sight, as a virtual museum is an ideal opportunity to consider the exhibit fully, with the ability to approach and zoom.

The figures of State Statistics Service of Ukraine show that during 2013 608 museums were operated in Ukraine, which is 2.7% more than in the previous year. In the Ukrainian museums 12.7 million exhibits of the main fund are retained, of which 12.2 million, or 96.2%, are belonged to the state part of the Museum Fund of Ukraine. Just 1.5 million exhibits are presented at fairs and exhibitions, it is near 11.7% of total fixed asset items [1].

Today only 15% of Ukrainian museum institutions have their own websites. There are about 100 museums. Only the largest museums in Ukraine can afford multimedia publication to promote their own institutions, expositions and exhibitions. Most regional and district museums are not connected to the Internet, do not have their own website. That is, they do not exist for a lot number of people.

Looking through the Internet sites that offer 3d tours of Ukrainian museums, one can observe the following trend. They are basically memorial house-museums of famous people, mostly writers. For example, Literary Memorial Museum of Gregory Scovoroda, Historical and Memorial Museum M. Hrushevskoho, Literary Memorial Museum of M. Bulgakov and others.

Among other museums, virtual tour at museum of money NBU also looks good. In addition, the opportunity to examine in detail each thing in exposure is worth being noted.

Unfortunately, if you try to search a phrase “virtual museum of Ukraine”, no site of real virtual museum could be found. In practice, these are the sites and virtual tours of real museums, which also speak of underdevelopment of relevant terminology in the museum sphere and consciousness.

A long search is needed to find a virtual museum of the city Zvyagel (now Novograd Volyn), a virtual museum of science and information about the project “Virtual Museum of World Ukrainians” Ukrainian Universe, which is scheduled to open in 2016.

Due to the lack of information about the concept of “virtual museum” it is difficult for Ukrainian society to accept the new format of the museum, which has several advantages compared to conventional museums.



Indeed, in Ukraine there is no clear boundary between virtual tours for real museums and virtual museums as well. Taking into account that the bulk of the exhibits of the Museum Fund of Ukraine is not involved, it would be rational to digitize exhibits, create databases and collections to the public, and realize the right of equal access of citizens to cultural heritage. Providing access to funds is not only a way to fight with plundering of museum's property, but also gives information about the cultural achievements of the country for young Internet users. The creation of virtual museums, easy access to them can cause more demand for Ukrainian museums in general.

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## DESIGN AND ARCHITECTURE AS FACTORS TO INCREASE THE ATTRACTIVENESS OF THE HOTEL FACILITIES

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**Gavrilyuk S.S., Skrypnyk T.I. Design and architecture as factors to increase the attractiveness of the hotel facilities.** In the article the historical peculiarities and factors that influenced upon forming and development of the hotel facilities. The stades of hotel service development, as well as periodic emergence of new species.

**Keywords:** architecture, design, development, increase, innovation, manufacturing, tourism.

**Гаврилюк С.С., Скрипник Т.І. Дизайн та архітектура як фактори підвищення привабливості готельних підприємств.** У статті проаналізовано історичні особливості та фактори, що вплинули на розвиток готельних підприємств. Охарактеризовано особливості розвитку підприємств готельного сервісу, а також періодичну появу їх нових видів .

**Ключові слова:** архітектура, виробництво, дизайн, інновація, підвищення, розвиток, туризм.

**Гаврилюк С.С., Скрыпник Т.И. Дизайн и архитектура как факторы повышения привлекательности гостиничных предприятий.** В статье проанализированы исторические особенности и факторы, повлиявшие на развитие гостиничных предприятий. Охарактеризованы особенности развития предприятий гостиничного сервиса, а также периодическое появление их новых видов.

**Ключевые слова:** архитектура, дизайн, инновация, повышение, производство, развитие, туризм.

Foreign experience of development of tourism industry indicates that hotel industry as part of the social infrastructure plays a positive role in the provision of relevant services. It is impossible to develop business relations, tourism and modernization of developed industrial relations without the sector allocation.

In the era of scientific and technological progress and the flourishing of new technologies, in the period of economic integration and globalization there is a rapid development of the tourism and hospitality industry. The construction occupies a special place among the various structures of the functional purpose required by the society at any time. For centuries, the shape was constantly changing, however the nature and essence remained the same. With the development of social life the shape of the hotel buildings, which are so closely connected with progress, are changing.

Benefit, durability and beauty is a modern formula for this. The harmonious combination of functional, constructive and aesthetic factors results in not just building a piece of architecture that reflects the characteristics of its era. Being a product of the synthesis of art and technology, architecture at all times was a reflection of the economic situation in society, responsive to social demand and technical progress achievements. The appearance of those or other types of architectural structures are always determined by public life and national features of the country, a system of religious beliefs and folk traditions [1].

The spread of new information technologies, the process of unification of Europe make the world more open. Every year a number of people, who

travel for business or tourism purposes is growing. The role of the modern tourism infrastructure needs to meet expectations of the client, be it a cozy and comfortable house or a hotel, to be remembered as something individually unique. The aim of the owner and staff is the creation of a positive image of the hotel, which client views as an attractive place where they want to go back again.

The role of architecture in shaping the image of the hotels is extremely important. Expressive architectural appearance is the visual factor that produces the first and strongest impression on the customer. Analyzing the hotels that exist in the world today, it can be concluded that virtually all modern architectural trends and currents found are reflected here. This is because it is difficult and complex for its intended purpose to combine accommodation and public entertainment options, the hotel allows the architect to embody the boldest, most innovative ideas to create an expressive and memorable image [2].

In Europe, where there are many well preserved original monuments of architecture, where strong cultural and historical traditions, in the architecture of the hotels there is a clear tendency towards careful attitude to history when old buildings are given new life. In the capitals and historical cities with rich cultural traditions, such hotels are usually located in close proximity to numerous attractions. The most luxurious of them are located in old, representing architectural-historical value buildings in existing urban areas. Many hotels have existed for a long time, have their own history and traditions, proud of its famous guests. The level of comfort in them is at the highest, because in the process of reconstruction and renewal they were equipped with all the means of modern engineering equipment. The external appearance of the building and the interior was restored, it was returned to its original form, recreating the real atmosphere of a bygone era. The interiors and all the furniture of hotels are in the style and traditions of a particular historical period. The task of architects, designers and decorators during the reconstruction of the interior of such a historic building is to breathe new life into old walls, to do it carefully and sensitively, retaining the charm of antiquity and high prestige of the institution. Like other phenomena of contemporary art and culture, architectural buildings, have no restrictions, so you cannot drive into the rigid framework of any one style or direction. They often combine the complex techniques of traditional and innovative architectural tools [3].

Hotel complexes with a very high level of comfort, offer a wide range of services and have well-developed infrastructure these include – “Sheraton”,

“Hilton”, etc. Architectural appearance of such hotels is, above all, the visual image of modern architecture, astounding boldness of forms and technical solutions, the most functional and modern, using the latest in building technology advances, the modern construction and building materials.

Present engineering equipment systems, Energy-and-water supply, ventilation and heating allow you to create a complex with its own microclimate, comfortable environment inside the hotel. [4].

National motifs in the decoration particularly characteristic of the architecture of country house hotels, are designed to stay. The use of architectural form of traditional local techniques, parts and materials made it possible to fit the building into the environment and to optimally adapt to climatic conditions. In addition, the national character, which is present both in architecture and in interior design is an important emotional and esthetic factor which influences the formation of positive image of the hotels. After all, all the colours always meant a lot to human psychology, often determining the mental attitude and creating psychological comfort or discomfort. Therefore, the colour solution of their housing space should be approached with great care.

So, for example, green, which was soothing, hypnotic. It affects the nervous system, relieving irritability, insomnia, fatigue, lowers blood pressure and raises the tone; the blue is antiseptic. It is effective for inflammation and suppuration. Blue helps a sensitive man more than green, but its “overdose” may lead to some fatigue and depression; the orange colour stimulates the senses and accelerates a pulsation of blood, while not affecting blood pressure. It has a strong stimulating effect, creates a sense of well-being and fun, but can be tiring; yellow affects the brain and is therefore effective in case of mental insufficiency; red is warmth. It stimulates the brain, is effective in case of melancholy, but at the same time easily has an irritating effect; purple colour enhances the endurance tissue, affecting the heart, lungs, and blood vessels [5].

**Conclusion.** Thus, for many millennia, the architecture and design thanks to its social value has played an important role in shaping the attractiveness of the accommodation. Designer boldness and innovation, the colour scheme of the exterior and interior of the hotel is determined primarily by expediency, it is precisely these factors at the present stage that influence the consumer preferences.

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## INTELLECTUAL PROPERTY AND ITS PROTECTION

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### **Golubchenko A.V., Kalyuzhna A.B. Intellectual property and its protection.**

The article deals with the issue of intellectual property, its main categories and subcategories, namely patents, trademarks, geographical indications and copyright. The definitions of the notions have been given, the importance and problems of intellectual property protection have been highlighted.

**Key words:** copyright, geographical indication, intellectual property, patent, trademark.

### **Голубченко А.В., Калюжна А.Б. Інтелектуальна власність та її захист.**

У статті розглянуто питання інтелектуальної власності, її основні категорії та підгрупи, а саме патенти, торговельні марки, географічні позначення та авторське право. Визначення основних понять були подані, важливість захисту інтелектуальної власності була підкреслена.

**Ключові слова:** авторське право, географічні позначення, інтелектуальна власність, патент, торговельна марка.

**Голубченко А.В., Калюжная А.Б. Интеллектуальная собственность и ее защита.** В статье рассмотрены вопросы интеллектуальной собственности, ее основные категории и подгруппы, а именно патенты, торговые марки,

географические обозначения и авторское право. Определения основных понятий были представлены, важность защиты интеллектуальной собственности была подчеркнута.

**Ключевые слова:** авторское право, географические обозначения, интеллектуальная собственность, патент, торговая марка.

Intellectual property and its protection has become extremely topical, especially in Ukraine, that is why the aim of the article is to analyse what can and what can not be regarded as intellectual property as well as to consider the ways of intellectual property rights protection.

The object of the article is the phenomenon of intellectual property. The subject of research – types of intellectual property and its protection in the modern world.

Intellectual property refers to the creations of human mind, including inventions, literary and artistic works, symbols, names and images which are used in commerce. Intellectual property is something unique that is physically created by a person that is why an idea alone is not intellectual property. For example, an idea for a book doesn't count, but the written words do count as intellectual property [5]. Intellectual property is broadly divided into two categories: industrial property and copyright.

Industrial property includes patents for inventions, trademarks, industrial designs and geographical indications.

A patent is an exclusive right granted for an invention, it provides the patent owner with the right to decide how – or whether – the invention can be used by others and is granted for a limited period, generally 20 years. In exchange for this right, the patentee makes technical information about the invention publicly available in the published patent document, providing a new way of doing something, or offering a new technical solution to a problem [3]. Patents are not just abstract concepts; they play an invaluable, practical role in everyday life. By protecting and rewarding ideas, patents encourage the development of innovations and new technologies in every field. Patents provide incentives to individuals by recognizing their creativity and offering the possibility of material reward for their marketable inventions. These incentives encourage innovation, which in turn enhances the quality of human life. Patents are territorial, meaning that one must apply for patent protection in each country where protection is sought [7]. In the USA patents are divided into utility patents and design patents. A U.S. utility patent is generally granted for 20 years from the date the patent application is filed; however, periodic fees

are required to maintain the enforceability of the patent. A design patent grants protection for 14 years measured from the date the design patent is granted [1; 4].

A trademark is a sign which enables distinguishing the goods or services of one enterprise from those of other enterprises. Trademarks may be one or a combination of words, letters and numerals. They may consist of drawings, symbols or three dimensional signs, such as the shape and packaging of goods. Their origin dates back to ancient times when craftsmen reproduced their signatures, or marks, on their artistic works or products of a functional or practical nature. Over the years, these marks have evolved into today's system of trademark registration and protection. The system helps consumers to identify and purchase a product or service based on whether its specific characteristics and quality – as indicated by its unique trademark – meet their needs. Trademark protection ensures that the owners of marks have the exclusive right to use them to identify goods or services, or to authorize others to use them in return for payment, the period of trademark protection varies in different countries [8]. According to the US legislation trademark generally lasts as long as it is used in commerce and defended against infringement [1; 4].

An industrial design constitutes the ornamental or aesthetic aspect of an article. A design may consist of three-dimensional features, such as the shape or surface of an article, or of two-dimensional features, such as patterns, lines or color. Industrial designs are what makes an article attractive and appealing; hence, they add to the commercial value of a product and increase its marketability. When an industrial design is protected, the owner – the person or entity that has registered the design – is assured an exclusive right and protection against unauthorized copying or imitation of the design by third parties. This helps to ensure a fair return on investment, an effective system of protection also benefits consumers and the public at large, by promoting fair competition and honest trade practices, encouraging creativity and promoting more aesthetically pleasing products [6]. Protecting industrial designs helps to promote economic development by encouraging creativity in the industrial and manufacturing sectors, as well as in traditional arts and crafts. Designs contribute to the expansion of commercial activity and the export of national products. Design is where function meets form, it is one of the key factors that attracts people to a product, or leads people to prefer using one product over another. Industrial designs can be relatively simple and inexpensive to develop and protect. They are reasonably accessible to small

and medium-sized enterprises as well as to individual artists and crafts makers, in both developed and developing countries [9].

A geographical indication is a sign used on goods that have a specific geographical origin and possess qualities or a reputation due to that place of origin. Most commonly, a geographical indication consists of the name of the place of origin of the goods. Agricultural products typically have qualities that derive from their place of production and are influenced by specific local geographical factors, such as climate and soil. Whether a sign functions as a geographical indication is a matter of national law and consumer perception. Geographical indications may be used for a wide variety of agricultural products, such as, for example, “Tuscany” for olive oil produced in a specific area of Italy, or “Roquefort” for cheese produced in that region of France [13].

Geographical indications are protected in accordance with international treaties and national laws, such as laws against unfair competition, consumer protection laws, laws for the protection of certification marks or special laws for the protection of geographical indications or appellations of origin. In essence, unauthorized parties may not use geographical indications if such use is likely to mislead the public as to the true origin of the product. Applicable sanctions range from court injunctions preventing unauthorized use to the payment of damages and fines or, in serious cases, imprisonment [11]. The main international documents regulating the usage of geographical indications include Paris convention, Madrid agreement for the repression of false or deceptive indications of source on goods, Lisbon agreement, Madrid agreement and the protocol relating to the Madrid agreement. In the USA legislation, registrations for geographical indications are not subject to a specific period of validity. This means that the protection for a registered geographical indication will remain valid unless the registration is cancelled. Geographical indications registered as collective and certification marks are generally protected for renewable ten-year periods [2].

Copyright is the second category within intellectual property. Copyright laws grant authors, artists and other creators protection for their literary and artistic creations. Copyright covers literary works (such as novels, poems and plays), films, music, artistic works (e.g. drawings, paintings, photographs and sculptures) and architectural design. Rights related to copyright (usually called related or neighbouring rights) also include those of performing artists in their performances, producers of phonograms in their recordings, and broadcasters in their radio and television programs [10].



The creators of works protected by copyright, and their heirs and successors (generally referred to as “right holders”), have certain basic rights under copyright law. They hold the exclusive right to use or authorize others to use the work on agreed terms. The right holder(s) of a work can authorize or prohibit: its reproduction in all forms, including print form and sound recording; its public performance and communication to the public; its broadcasting; its translation into other languages; and its adaptation, such as from a novel to a screenplay for a film. Thus, copyright is a very important concept, while reading a book, watching a film, transferring music, or taking a photo, these issues are ever-present. Some unique copyright-related issues are connected with video games, which can draw on audiovisual, artistic and software elements, making them complex and interesting cases in terms of copyright protection, and with the work of museums in preserving, managing and facilitating access to the works in their collections [12]. According to the American laws copyright protection is for a limited term. For works created after January 1, 1978, copyrights last for 70 years after the death of the author. For works made for hire (covering the usual type of work owned by a small business), the copyright lasts for a term of 95 years from the year of its first publication or a term of 120 years from the year of its creation, whichever expires first [4]. The duration of copyright in works created before January 1, 1978 is generally computed the same way as for works created on or after January 1, 1978: life plus 70 years or 95 or 120 years, depending on the nature of authorship. However, all works in this category are guaranteed at least 25 years of statutory protection. The law specifies that in no case would copyright in a work in this category have expired before December 31, 2002. In addition, if a work in this category was published before that date, the term extends another 45 years, through the end of 2047 [1, p. 1].

After the analysis that has been carried out, we can draw a conclusion that intellectual property is a very complex notion with several categories (industrial property and copyright) and subcategories (patents, trademarks, industrial designs, geographical indications), some of which remain unique and need clarification (copyright in videogames). The prospects of the research may include the analysis of copyright infringement in different countries of the world. IP is protected in law by, for example, patents, copyright and trademarks, which enable people to earn recognition or financial benefit from what they invent or create. By striking the right balance between the interests of innovators and the wider public interest, the IP system aims to foster an environment in which creativity and innovation can flourish.

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# GLOBAL TRENDS OF WORD DEVELOPMENT IN THE CONTEXT OF CONVERGENCE OF KNOWLEDGE, TECHNOLOGY AND SOCIETY

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**Gordenko A.V., Riabenka I.V. Global trends of world development in the context of convergence of knowledge, technology and society.** This article focuses on megatrends, those factors that will likely occur under any scenario. Appreciation of the diversity and complexity of various factors has grown, so this article focuses on scenarios or alternative worlds we might face.

**Keywords:** development, globalization, global trends, mega-cities' resources, technologies.

**Горденко А.В., Рябенка І.В. Глобальні тренди світового розвитку в умовах конвергенції знань, технологій та суспільства.** Ця стаття присвячена мегатенденціям, тим чинникам, які, імовірно, відбудуться згідно з будь-яким сценарієм. Оцінка різноманітності і складність різних факторів виросли, тому у ці статті особлива увага присвячується сценаріям або альтернативним світам, з якими ми могли би зіткнутися.

**Ключові слова:** глобалізація, глобальні тренди, розвиток, ресурси міст-гігантів, технології.

**Горденко А.В., Рябенкая И.В. Глобальные тренды мирового развития в условиях конвергенции знаний, технологий и общества.** Эта статья посвящена мегатенденциям, тем факторам, которые, вероятно, произойдут согласно любому сценарию. Оценка разнообразия и сложность различных факторов выросли, поэтому в этой статье особое внимание уделяется сценариям или альтернативным мирам, с которыми мы могли бы столкнуться.

**Ключевые слова:** глобализация, глобальные тренды, развитие, ресурсы городов-гигантов, технологии.

The relevance of the article is viewed in the fact that people begin to think about their future more and more. The article shows us the convergence in science and technology to benefit society; evaluates methods to improve its transforming tools and governance, and long-term trends in the application of converging technologies. All material were derived from interdisciplinary research, development, application projects and trends from the Americas, the European Union, Asia and Australia [2, p .7]. Thus, the object of this

article is the megatrends and the globalization processes. While the subject is the megatrends as well as possible scenarios until 2030 [2, p .7].

As the world is experiencing change at a speed and with an intensity that often seems unprecedented, the pace and quality of our collective analyses of such change should follow suit. The European Strategy and Policy Analysis System (ESPAS) project aims to help the European Union (EU) identify the main global trends, assess their implications and review the resulting challenges and policy options confronting decision-makers. At the same time, the project also signals a readiness on the part of the European Union to engage with our international strategic allies, counterparts and experts, from around the world, in order to try to reflect on, and ideally address together, those common global trends and challenges.

Four technology arenas will shape global economic, social, and military developments as well as the world community's actions pertaining to the environment by 2030. Information technology is entering the big data era. Process power and data storage are becoming almost free; networks and the cloud will provide global access and pervasive services; social media and cyber-security will be large new markets. This growth and diffusion will present significant challenges for governments and societies, which must find ways to capture the benefits of new IT technologies while dealing with the new threats that those technologies present. Fear of the growth of an Orwellian surveillance state may lead citizens particularly in the developed world to pressure their governments to restrict or dismantle big data systems. Information technology-based solutions to maximize citizens' economic productivity and quality of life while minimizing resource consumption and environmental degradation will be critical to ensure the viability of megacities.

By 2030 continued progress on health is expected to be seen – including extending the quality of life for those aging. Even in the face of the HIV/AIDS epidemic, the global disease burden has been shifting rapidly for several decades from communicable to non-communicable, global deaths from all communicable diseases – including AIDS, diarrhea, malaria, and respiratory infections – are projected to decline by nearly 30 percent by 2030, according to modeling and other studies. AIDS appears to have hit its global peak – around 2 million deaths per year – in 2004. Great strides are being made toward wiping out malaria, but past periods of progress have sometimes given way to treatment in the face of donor fatigue and growing disease resistance. Nevertheless, in Sub-Saharan Africa, where the provision of health-care services has traditionally been weak, it is believed that the declining total

deaths from communicable diseases and the increasing number from non-communicable causes (such as from heart disease) will cross over in about 2030 [1, p. 13].

For developing economies, particularly Asian ones, the new technologies will stimulate new manufacturing capabilities and further increase of the competitiveness of Asian manufacturers and suppliers. Breakthroughs, especially for technologies pertaining to the security of vital resources will be necessary to meet the food, water, and energy needs of the world's population. Key technologies, that are likely to be at the forefront of maintaining such resources in the next 15-20 years, will include genetically modified crops, precision agriculture, water irrigation techniques, solar energy, advanced bio-based fuels, and enhanced oil and natural gas extraction via fracturing [1, p. 17-18].

New health technologies will continue to extend the average age of populations around the world, by ameliorating debilitating physical and mental conditions and improving overall well-being. The health-care systems in these countries may be poor today, but by 2030 they will make substantial progress in the longevity potential of their populations; by 2030 there will be many leading centers of innovation in disease management in the developing world [1, p. 18].

Science, engineering, and technology are recognized to permeate nearly every facet of modern life and to hold the key to solving a lot of humanity's most pressing current and future challenges. In their recent book 'The Used to be Us', Friedman and Mandelbaum identify one of the main challenges for the United States as bringing activities together which is driven by a higher national purpose – 'to act collectively for the common good' [4].

We see globalization – growing interconnectedness reflected in the expanded flows of information, technology, capital, goods, services, and people throughout the world – as an overarching "mega-trend", a force so ubiquitous that it will substantially shape all the other major trends in the world of 2020. But the future of globalization is not fixed; states and non-state actors – including both private companies and NGOs – will struggle to shape their contours. Some aspects of globalization – such as the growing global interconnectedness stemming from the information technology (IT) revolution – almost certainly will be irreversible. Yet it is also possible, although unlikely, that the process of globalization could be slowed or even stopped, just as the era of globalization in the late 19th and early 20th centuries was reversed by catastrophic war and global depression.

Barring such a turn of events, the world economy is likely to continue growing impressively: by 2020, it is projected to be about 80 percent larger than it was in 2000, and average per capita income will be roughly 50 percent higher. Of course, there will be cyclical ups and downs and periodic financial or other crises, but this basic growth trajectory has powerful momentum behind it. Most countries around the world, both developed and developing, will benefit from gains in the world economy [3, p. 10-11].

More firms will become global, and those operating in the global arena will be more diverse, both in size and origin, more Asian and less Western in orientation. Such corporations, encompassing the current, large multinationals, will be increasingly outside the control of any states and will be key agents of change in dispersing technology widely, further integrating the world economy, and promoting economic progress in the developing world. Their ranks will include a growing number based in such countries as China, India, or Brazil [3, p. 12].

In the next 20 years, many of the middle powers are expected to rise above the line as both their hard and soft powers increase. Considerable weight accrues to countries with both material and diplomatic power, such as the US and China, but such countries will be unlikely to get their way without state and non-state partners. Technology will continue to be the great leveler. The future Internet “moguls” – as with today’s Google or Facebook – will have more real-time information at their fingertips than most governments [1, p. 12].

**Conclusion.** The rapid change of various countries’ fortunes – as much as the changes themselves – will put stresses both on countries’ conduct with one another and internally. A number of countries will pass through inflection points in the period by 2030: their global power will either level off or the rate of increase of their global power will slow down. By 2030, the focus will be concentrated on exhaustible resources and technology development. Such interest can be seen now, however, time will show, which country will be able to quickly adjust to megatrends and to make good work of it.

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## ROLE OF PEOPLE'S REPUBLIC OF CHINA IN BRICS

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### **Gulak A.O., Davydenko I.V. Role of People's Republic of China in BRICS.**

The article defines the place of China in the BRICS organization, which is a group of world's major emerging countries; it also determines the role of certain economic indicators in defining the country's economic influence and potential.

**Key words:** BRICS, China, development potential, economic potential, exports, foreign direct investment, GDP, imports.

### **Гулак А.О., Давиденко І.В. Роль Китайської Народної Республіки у БРІКС.**

Стаття визначає місце Китаю в організації БРІКС, що являє собою групу найбільших країн, що розвиваються; також визначається роль певних економічних показників економічного впливу та потенціалу країни.

**Ключові слова:** БРІКС, ВВП, економічний потенціал, експорт, імпорт, Китай, потенціал розвитку, прямі іноземні інвестиції.

### **Гулак А.А., Давыденко И.В. Роль Китайской Народной Республики в БРИКС.**

Статья определяет место Китая в организации БРИКС, которая представляет собой группу наибольших развивающихся стран. Она также определяет роль экономических показателей в определении экономического влияния и потенциала страны.

**Ключевые слова:** БРИКС, ВВП, импорт, Китай, потенциал развития, прямые иностранные инвестиции, экономический потенциал, экспорт.

The object of the article is the place of China among members of BRICS. The purpose of the article is to define the role and place of China in the organization, its economic influence and potential.

The People's Republic of China is one of the leading countries nowadays. China takes the first place in the world by its GDP (2015) (based on purchasing power parity) and has the second place in the world by its nominal GDP (2015). Besides, it takes the first place in the world in terms of exports of goods and services and it is the top-placed country in terms of its population [1; 4].

China is an active participant of world economic processes and it is also a member of more than 80 international organizations. One of them is BRICS (derived from the first letters of Brazil, Russia, India, China, South Africa) which is a political group of large and fast-developing countries. This

organization has a growing influence on today's world economic and political processes and its members are considered to be the "bricks" (referring to the name of the organization) on which the new world economy will be built. BRICS doesn't have a formal leader but China is considered to be the most developed and influential member of the organization [2].

Our goal is to define the main indicators of BRICS countries' development and, thus, to figure out the place and role of China among these countries.

The first indicator is the gross domestic product which is traditionally considered to be one of the main development indicators for countries. We chose gross domestic product by purchasing power parity because this index takes into consideration the difference in economic development and, thus, it is more useful when we have to compare the level of development of certain countries. We can see the rate of gross domestic product by PPP of the BRICS countries in the table 1.

*Table 1*

**Main economic development indicators of members of BRICS**

Country	GDP (PPP)	FDI	Exports (of products)	Imports (of products)
Brazil	3,263,866,821,209	96,895,162,916	229,060,056,000	225,098,405,000
China	18,017,072,919,507	289,097,181,064	2,342,343,011,000	1,958,021,301,000
India	7,384,098,903,974	33,871,408,468	317,544,642,000	459,369,464,000
Russia	3,745,156,800,194	22,890,510,447	497,833,535,000	286,648,813,000
South Africa	704,520,889,158	5,740,650,679	90,612,104,000	90,612,104,000

Source: [3; 5].

As the table shows, China takes the first place among members of the organization with its GDP which equals more than US\$18 trillion. The second place is held by India with its GDP by PPP which equals approximately US\$7,4 trln. The difference of more than 10 trillion dollars lets us say that China is the undisputed leader of BRICS by GDP (based on purchasing power parity).

The next indicator is the amount of foreign direct investment (FDI). This indicator shows us the amount of assets invested into the economy of a certain country and its attraction for the investors over the world. The meaning of FDI also shows us the country's investment climate and potential of development.

According to the table, China has the largest inflow of foreign direct investment which equals US\$289 billion. The 2<sup>nd</sup> place is held by Brazil with the foreign direct investment of 96,8 billion US dollars. According to this



information, China is the BRICS leader in terms of the foreign direct investment.

The following important indicators are exports and imports of products. They are one of the main parts of foreign trade of certain country and they let us judge about its volume. It also shows the ability of the country to fabricate competitive products and, respectively, to buy the goods from another countries. Besides, the information about exports and imports gives us an indirect idea about the resource and productive potential of a definite country.

China has the largest amount of exports of the products among members of BRICS which is 2,342 trillion US dollars – the world's biggest export indicator, according to the World Bank.

The imports of the People's Republic of China are also the largest in the BRICS; it is about US\$1,958 trln. India is the second biggest importing country in the organization; its import of products is US\$459,3 billion [3].

The figures above confirm the primary economic role of the People's Republic of China in the BRICS organization.

In conclusion, we can confirm that the People's Republic of China is the most advanced and economically developed country among the members of BRICS which can be witnessed from its economic development indicators. China has the largest gross domestic product by PPP, which is also world's biggest index of this indicator. The potential of the country's development and its attractive investment climate are proved by foreign direct investment in China, which is the highest in the world (and, respectively, it is the highest among members of BRICS). China is also a world leader in exports of goods. This can witness not only about the country's volume of sales, its level of industrial development and resource potential, but also about its influence on the world economy. Besides, China is also the leader of BRICS talking about import of products. Export and import of PRC together give us an idea as to its scope of external trade and, of its involvement in international economic processes and influence on the state of the world economy. We can also add that one of the most important factors of Chinese influence in the world and in BRICS is its demographic potential, which is stipulated by China's 1<sup>st</sup> place in the world by population.

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## PROSPECTS FOR GROWTH POLES FORMATION IN UKRAINE

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**Harus A.H., Riabenka I.V. Prospects for growth poles formation in Ukraine.** The article is devoted to the key aspects of the “development poles” theory and its practical application to the Ukrainian economy. The ways of growth poles formation in Ukraine, including possible mechanisms of their localization as growth points, are suggested.

**Keywords:** “development pole” theory, growth points, growth poles formation, mechanisms of localization.

**Гарус А.Г., Рябенка І.В. Перспективи формування полюсів зростання в Україні.** Стаття присвячена ключовим аспектам теорії «полюсів розвитку» та її практичному застосуванню для української економіки. Запропоновані шляхи формування полюсів росту в Україні, у тому числі можливі механізми їх локалізації у вигляді точок зростання.

**Ключові слова:** механізми локалізації, теорія «полюсів розвитку», точки зростання, формування полюсів росту.

**Гарус А.Г., Рябенкая И.В. Перспективы формирования полюсов роста в Украине.** Статья посвящена ключевым аспектам теории «полюсов развития» и ее практическому применению для украинской экономики. Предложены пути формирования полюсов роста в Украине, в том числе возможные механизмы их локализации в виде точек роста.

**Ключевые слова:** механизмы локализации, теория «полюсов развития», точки роста, формирование полюсов роста.

The relevance of the subject upon research is in the fact that the current economic environment shows an urgent necessity to generate a clear strategy for economic development of Ukraine, to identify perspective “locomotive” industries of national economy and to overcome socioeconomic disparities, including ones of regional development, which are deepening. To solve these challenges it is recommended to apply the theory of development poles. The material of the study is based upon the researches of the “growth poles” theory of such domestic and foreign scientists as J. Parr [5], G. Myrdal, H.P. Pidhrushnyj [7], I.Yu. Pidorycheva [8], K.M. Pavlov [6], T.M. Kalashnikova [4], R.H. Jel’kanov [3], E.A. Jeroshkina, A.M. Kuznetsov, D.A. Radushinskij and many others. The purpose of this research is to identify challenges and prospects of discovering and stimulation of growth poles in Ukrainian economy.

*Fundamentals of the “growth poles” theory*

At the heart of all “growth poles” theories there is a concept of the main role of an industry as an economic category, and first and foremost leading industries that create new products and services and are the fastest growing. Centers and areas of economic space where enterprises of advanced sectors are located become attraction poles of factors of production, as they provide their most efficient use [6, p. 19]. They distribute the effect of production growth (so-called “multiplier effects”) over the entire region or country.

Fundamental theoretical concepts of “growth poles” were built up by famous French economists Francois Perroux (1959), Jacques Boudeville (1966), J.R. Lasuen (1969) and Pierre Pottier (1963). The theory was also complemented by the underlying concepts of cumulative growth theories of G. Myrdal (1957), D.F. Darwent (1969), H.W. Richardson (1973), A.O. Hirschman (1958), J. Friedmann (1966), T. Hgerstrand (1967), H. Giersch (1979) and others.

The theory of growth poles has been recognized as the main theory of initiation and distribution of the development, and has been applied practically to work out numerous national strategies of economic growth. Creation of “growth poles” helps to resolve such problems as stimulating lagged regions, forming sectoral and territorial structure of national economy, improving investment climate, developing knowledge-intensive industries, boosting the innovation process, minimizing transport and other costs. Nowadays this concept is highly recommended to post-Soviet countries by western experts in terms of investment projects.

It is also important to point out the existing variety of theoretical definitions of the term “growth pole” in the global economic thought. There are such

identical definitions as “pole of (innovation) development”, “pole of competitiveness”, “pole of innovation” [3]. Moreover, a clear distinction should be made between the concepts of “pole”, “center / point” and “axis”.

The term “*growth pole*” has a functional sense, it is a set of the most dynamic and fastest growing industries with the above mentioned characteristics. “*Growth center*” means a geographical interpretation opole, a particular area, a city. The term “*axis of development*” is associated with spatial and transport links between growth centers and with entirely new tendencies which territories between them are becoming subject to [1]. We suggest interpreting and using these terms in the above explained meanings hereinafter.

Ukrainian researchers of “growth poles” theory focus on its application to provide the scientific bases for mechanisms to boost regional development in Ukraine, especially of depressed regions. Among them H.P. Pidhrushnyj [7], I.Yu. Pidorycheva [8], T.M. Kalashnikova [4], O.B. Vatchenko, L.I. Fedulova, V.I. Dubnytskyi should be mentioned. I.Yu. Pidorycheva made quite a fruitful conclusion that the maximum effect on regional development in Ukraine can be received by not using the single concept of “growth poles”, but applying the rational combination of different modern theories of regional economic growth and development with innovation dominant, such as the concepts of national and regional innovation systems, theories of regional clusters, relying on the basics of the theory of innovation [8, p. 94].

*The ways of practical application of “growth poles” theory to Ukrainian economy*, which are defined in this article, are the following: 1) prioritization of potential development poles (i.e. locomotive industries) through National Economic Strategies; 2) identification of current and potential leading regions in state regional policy; 3) raise of the innovation level of Ukrainian economy by the means of growth centers creation; 4) fostering the development of lagged regions.

One of the greatest problems of Ukraine has always been the lack of clear development strategy and strategic priorities. That is why the article suggests concentrating on *the application of “growth poles” theory to prioritization of locomotive sectors of Ukraine’s economy* under current conditions and *mechanisms of their localization as growth points*.

*Major obstacles for development poles creation in Ukraine are the following:*

1. The concentration of resources and investment in Ukrainian export industries, most of which are a result of the Soviet policy planning, have always

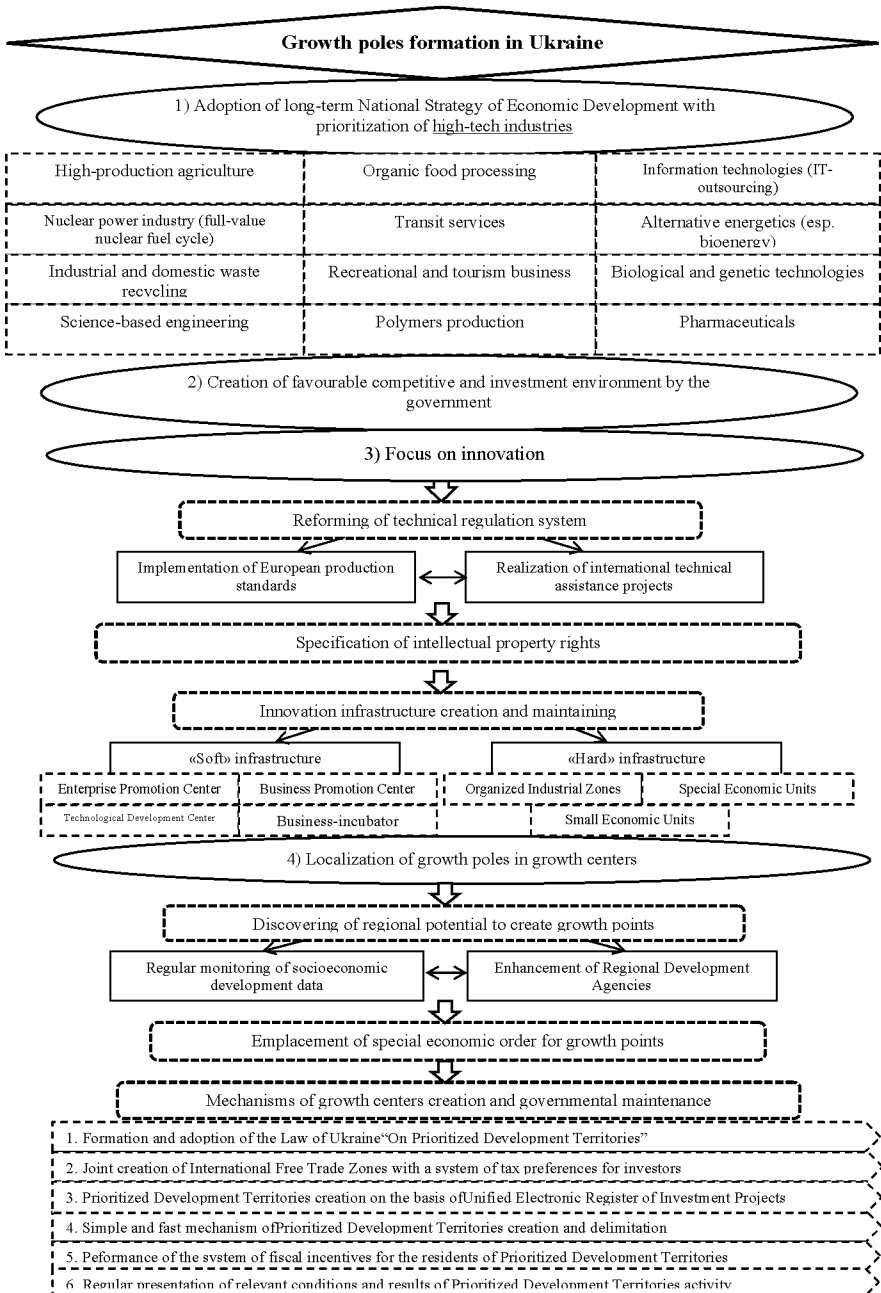
had extensive nature and nowadays are unprofitable and uncompetitive due to the exhaustion of their primary competitive position. The analysis of Ukrainian exports structure according to the State Statistics Service of Ukraine [9] made it possible to determine such specialization branches of Ukraine as metallurgic industry, agriculture, general engineering, mining, food processing, chemical industry, transport and information services. Currently these industries act as growth poles.

2. Lack of long-term National Strategy of Socioeconomic Development. There are several similar legislative decrees, for instance the Edict of the President of Ukraine of 12 January 2015 №5 / 2015 “On Strategy for Sustainable Development “Ukraine – 2020””, but there is no policy document purely devoted to the economic development of our country.

3. Unfavorable investment climate, which is lacking in three constituents: a stable legal framework, reduction of corruption level with downsizing of Ukrainian shadow economy and finally its liberalization. Economic openness of Ukraine is reflected by the Index of Economic Freedom, which is annually calculated by the Wall Street Journal and Heritage Foundation. For Ukraine it amounted to 46.9 (162 world rank) in 2015 and was lower than the world average. Thus, Ukraine belongs to the countries with repressed economies [2].

4. Low innovation level of Ukrainian economy. The Global Innovation Index (GII), which is calculated by Cornell University, INSEAD and the World Organization of Intellectual Property amounted to 36.5 for Ukraine in 2015 (64 rank among countries) and was 61 (54 rank) in 2009-2010 [10]. This fact demonstrates a widening gap between science and production, unsystematic and inefficient use of funds to finance research and development, poor performance data of commercialization of innovations.

We offer the following *ways of creating growth poles in Ukraine* (Pic. 1).



**Pic. 1. Growth poles formation in Ukraine**  
[designed by the author – AH. Harus]

However, the creation of individual points of growth does not have to end state innovation policy. The regions where growth poles are concentrated have to be linked with strong relationships and constant cooperation. Looking forward, the chance to see the whole country be transformed into an integral growth pole, which will be a dynamic region in the world spatial economy, is quite apparent.

**Conclusion.** To summarize, the creation of innovative breakthrough of national economy is based on the concentration of resources and the formation of spatial areas of outrunning growth with certain sectoral specialization (i. e. growth points). All of them are specially allotted areas where innovative infrastructure is being created by means of governmental facilitation.

Discovering development poles and creating growth centers is extremely promising for the national economy, in particular Ukrainian one. After a propulsive industry has been rooted in some region, its further integrated development is usually automatic. The possibility of designing development poles has been put into action worldwide in the countries of multiple socioeconomic development level. This experience is highly relevant to be used in Ukraine, and further research in this field includes the development and implementation of effective tools for creation and maintenance of growth poles of the Ukrainian economy.

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## THE INTERNATIONAL SPACE LAW ISSUES WORTH SPREADING

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**Horobtsov M.R., Karpusenko M.V. The international space law issues worth spreading.** The article deals with issues concerning international space law in sphere of property in outer space, colonization of Mars and alien legal collision.

**Keywords:** colonization, international space law, Mars, property in outer space, terraforming.

**Горобцов М.Р., Карпусенко М.В. Питання міжнародного космічного права, які варті обговорення.** Стаття присвячена деяким питанням міжнародного космічного права, зокрема власності у відкритому космосі, колонізації Марсу та розглядові можливих правових колізій у відносинах із інопланетними істотами.

**Ключові слова:** власність у відкритому космосі, колонізація, Марс, міжнародне космічне право, терраформування.

**Горобцов Н.Р., Карпусенко М.В. Вопросы международного космического права, стоящие обсуждения.** Статья посвящена некоторым вопросам международного космического права, в частности собственности в открытом космосе, колонизации Марса и возможным правовым коллизиям во взаимоотношениях с инопланетными существами.



**Ключевые слова:** колонизация, Марс, международное космическое право, собственность в открытом космосе, терраформирование.

In present daysspace becomes an actively discussed topic in international relations, which makes this text relevant. The goal of this article is to research the latest developments in this domain. The great interest appeared in 2015 with great discoveries and inventions in space industry and science, e.g. Rosetta satellite successfully reached Comet 67P/Churyumov–Gerasimenko and dispatched on it lander Philae [8], successful testing of the landed SpaceX’s Falcon 9 rocket [9], preparing for Jupiter and its moons exploration in 2022 [1], ambitious plans of Mars colonization by Elon Mask SpaceX and its terraforming with the help of nuclear weapon using on Mar’s poles [4] etc.

All those facts are just a small drop in the ocean of information concerning the rapidly changing space industry. However, does all of this concern mostly technical issues? Not at all. All space programs, launches of satellites, exploration of outer space are regulated by international law. Since space race and until now there have been no crucial changes in the sphere of international regulation of space activity. There are still five main treaties in international law, gathered in one document named United Nations Treaties and Principles on Outer Space in 2002 [12].

Talking about the *issues worth discussing* there are a few ones. Two of them were mentioned by video blogger VSauce in his video “Who Owns the Moon?”: property in space and curious question on alienmurder [14]. The other one is colonization of Mars, including its terraforming.

1. *The situation with property in outer space appears to be worth having a closer look at.* Lunar embassy is one of non-government commercial organizations that sells land plots on celestial bodies like the Moon, Mars and Venus. More than 4 million people already own property in outer space [15]. Impressive, is not it? However, does it really have an authority to do so? The Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies (Treaty on Outer Space 1967) in Article II prohibits “... national appropriation by claims of sovereignty, by means of use or occupation, or by any other means” [11]. In addition, an Agreement Governing the Activities of States on the Moon and Other Celestial Bodies (Moon Treaty 1979) in Article 11 (3) states “Neither the surface nor the subsurface of the Moon, nor any part thereof or natural resources in place, shall become property of any State, international intergovernmental or non-governmental organization, national organization or non-governmental entity or of any natural person” [2].

Lunar Embassy thinks that more important in the first case is what is not written in those provision “...whether commercial enterprises or private individuals can claim, exploit or appropriate the celestial bodies for profit” [13]. In the second case is that this Treaty was signed and/or ratified only by 17 states and there is no space faring states among them (Russia, USA, China etc.) [10].

Nevertheless, there is still principle of common heritage of the mankind formalized in Treaty on Outer Space and Moon Treaty. It excludes any claims for outer space and celestial bodies and implies common possession and distribution of benefits between everyone. Therefore, arguments of Lunar Embassy are creative, but useless – certificates, which they sell, are just a fake, unless some state not obliged by Moon Treaty recognizes its actions as admissible. With that in mind, recent adoption of U.S. Commercial Space Launch Competitiveness Act (H.R. 2262) by President Obama [7] makes some concerns on future peaceful space exploration. The Act allows U.S. citizens to own asteroid resources they obtain. Furthermore, it encourages the commercial exploration and utilization of resources from asteroids. This Act is definitely against the principle of common heritage of mankind and international law.

2. Imagine that a spaceship with an alien pilot landed in your backyard, and you were so surprised and confused that you shot it down. *Would it be a murder or just hunting?* The Oxford Dictionary defines murder as “the unlawful premeditated killing of one human being by another” [5] and mostly known legislatives in the world define it the same. The key point is that our earthly (human) law does not apply to aliens. The same with hunting “pursue and kill (a wild animal) for sport or food” [5], but we are not sure, that aliens are animals. Well in that case, it can be neither murder, nor hunting. So, what it would be?

It may be, in some sort, cultural vandalism. Such kind of action is not necessarily illegal, but harmful for all humanity. The good example of it is the situation with Chapman brothers [6]. They bought Goya’s paintings and defaced them. The publicity was insane, but in fact, they did nothing illegal, because it was their property.

3. *The colonization of Mars.* At first, let us have a look at the idea of terraforming. To terraform means to alter the environment of a celestial body in order to make capable of supporting terrestrial life forms [3]. From this definition we can conclude that object of terraforming will lose its primary characteristics. Here appears the first stumbling block – the implied prohibition

of such actions by international law arises from Moon Treaty 1979, Article 7 (1) “In exploring and using the Moon, States Parties shall take measures to prevent the disruption of the existing balance of its environment, whether by introducing adverse changes in that environment, by its harmful contamination through the introduction of extra-environmental matter or otherwise” [2].

Let us revise the SpaceX CEO Elon Mask’s Mars terraforming. He was supposed to blow up atomic bombs above poles on the Mars to create small suns for thawing ice, therefore creating greenhouse effect on the planetary atmosphere. We are facing here two questions concerning the law. One of them is mentioned above – atomic bombing will definitely disrupt the existing natural balance of Mars. The second one is how to dispatch bombs firstly to outer space and then to Mars’ orbit? The answer is “You can not do it”. The Treaty on Outer Space 1967 has unambiguous provision (Article IV) stipulating “States Parties to the Treaty undertake not to place in orbit around the Earth any objects carrying nuclear weapons or any other kinds of weapons of mass destruction, install such weapons on celestial bodies, or station such weapons in outer space in any other manner” [11].

As we see, international space law has strict provisions concerning outer space exploration and other actions. Let us suppose that there is already a colony on Mars. What law would people of the colony obey? Would their children still be people of the Earth or not? Would colonists proclaim independence or war against the Earth? Would it be a typical colony in our conception or even not a colony? All these questions are insoluble, at least now, but they can move our thoughts far ahead in a wish to predict the future of the Earth’s civilization.

In conclusion, we should say that the issues we have overviewed are just a small part of international space law and space sphere in general. There are still lots of issues to be discussed, but we want to draw your attention to one more matter. If the humanity entered the space era with the same unsolved problems (hunger, war, poverty, illiteracy, racism, intolerance etc.), without trust and unity inside our world society, it would be one of the greatest mistakes ever.

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## NUCLEAR NON-PROLIFERATION IN INTERNATIONAL LAW

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**Ihnatenko Y.Y., Karpusenko M.V. Nuclear non-proliferation in international law.** The article includes the information of international treaties and organizations which regulate the aspect of nuclear non-proliferation in international law. Also there is an analysis of nuclear-weapon-free-zones and the non-nuclear status of Ukraine.

**Keywords:** IAEA, nuclear non-proliferation, security, weapon-free-zone.

**Ігнатенко Є.Ю., Карпусенко М.В. Ядерне нерозповсюдження у міжнародному праві.** У статті представлена інформація про міжнародні договори та організації, що регулюють сферу ядерного нерозповсюдження у міжнародному праві. Також представлений аналіз без'ядерних зон та без'ядерного статусу України.

**Ключові слова:** безпека, без'ядерна зона, МАГАТЕ, ядерне нерозповсюдження.

**Игнатенко Е.Ю., Карпусенко М.В. Ядерное нераспространение в международном праве.** В статье представлена информация про международные договора и организации, которые регулируют сферу ядерного нераспространения в международном праве. Также представлен анализ безъядерных зон и безъядерного статуса Украины.

**Ключевые слова:** безопасность, безъядерная зона, МАГАТЭ, ядерное нераспространение.

The problem of the illegal use of the atomic energy is one of the most important and dangerous problems in the international law. The topic is quite relevant, so that the countries all over the world try to find a solution. Should they fail, the energy of all the explosives in the world can destroy the planet 40 times. The "cold war" situation has caused a great tension in the world. The only way to win the game against such crimes is international co-operation.

The outcome of the international co-operation in non-proliferation is the considerable number of the international treaties. The Treaty on the Non-Proliferation of Nuclear Weapons (NPT) is the most important deterring instrument.

Opened for signature in 1968, the Treaty entered into force in 1970. On 11 May 1995, the Treaty was extended indefinitely. More countries have adhered to the NPT than any other arms limitation and disarmament

agreement, a testament to the Treaty's significance. A total of 191 states have joined the Treaty, though North Korea, which acceded to the NPT in 1985 but never came into compliance, announced its withdrawal in 2003. Four UN member states have never joined the NPT: India, Israel, Pakistan and South Sudan.

The treaty recognizes five states as nuclear-weapon states: the United States, Russia, the United Kingdom, France, and China (also the five permanent members of the United Nations Security Council). Four other states are known or believed to possess nuclear weapons: India, Pakistan and North Korea have openly tested and declared that they possess nuclear weapons, while Israel has had a policy of opacity regarding its nuclear weapons program.

Article II forbids non-nuclear-weapon states that are parties to the treaty to manufacture or otherwise acquire nuclear weapons or nuclear explosive devices.

Article III concerns controls and inspections that are intended to prevent the diversion of nuclear energy from peaceful uses to nuclear weapons or explosive devices. These safeguards are applied only to non-nuclear-weapon states and only to peaceful nuclear activities. The treaty contains no provisions for verification of the efforts by nuclear-weapon states to prevent the proliferation of nuclear weapons.

Since 1975, NPT signatory countries have held a review conference every five years to discuss treaty compliance and enforcement.

A substantial number of problems in non-proliferation is solved by the most affluent UN organization of this international law area – the International Atomic Energy Agency. It was created in 1957 in response to the deep fears and expectations resulting from the discovery of nuclear energy. Its fortunes are uniquely geared to this controversial technology that can be used either as a weapon or as a practical and useful tool. The Agency's genesis was US President Eisenhower's Atoms for Peace address to the General Assembly of the United Nations on 8 December 1953. These ideas helped to shape the IAEA Statute, which 81 nations unanimously approved in October 1956.

The IAEA has its headquarters in Vienna, Austria. The IAEA has two "Regional Safeguards Offices" which are located in Toronto, Canada, and in Tokyo, Japan. The IAEA also has two liaison offices which are located in New York City, United States, and in Geneva, Switzerland.

The IAEA serves as an intergovernmental forum for scientific and technical cooperation in the peaceful use of nuclear technology and nuclear power worldwide. The programs of the IAEA encourage the development of the

peaceful applications of nuclear technology, provide international safeguards against misuse of nuclear technology and nuclear materials, and promote nuclear safety (including radiation protection) and nuclear security standards and their implementation.

The important side effect of the disarmament movement is the creation of the nuclear-free zones. The establishment of Nuclear-Weapon-Free Zones (NWFZ) is a regional approach to strengthen global nuclear non-proliferation and disarmament norms and consolidate international efforts towards peace and security.

General Assembly resolution 3472 B (1975) defines a Nuclear-Weapon-Free Zone as any zone recognized as such by the General Assembly of the United Nations, which any group of States, in the free exercises of their sovereignty, has established by virtue of a treaty or convention whereby:

- (a) The statute of total absence of nuclear weapons to which the zone shall be subject, including the procedure for the delimitation of the zone, is defined;
- (b) An international system of verification and control is established to guarantee compliance with the obligations deriving from that statute.

The UN Disarmament Commission in its report of April 30, 1999, recommended a set of principles and guidelines for the establishment of a nuclear-weapon-free zone, which included, inter alia:

Nuclear-weapon-free zones should be established on the basis of arrangements freely arrived at among the States of the region concerned.

A nuclear-weapon-free zone (NWFZ) should not prevent the use of nuclear science and technology for peaceful purposes and could also promote, if provided for in the treaties establishing such zones, bilateral, regional and international cooperation for the peaceful use of nuclear energy in the zone, in support of socio-economic, scientific and technological development of the States parties.

The following treaties form the basis for the existing NWFZs:

1. Treaty of Tlatelolco – Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean
2. Treaty of Rarotonga – South Pacific Nuclear Free Zone Treaty
3. Treaty of Bangkok – Treaty on the Southeast Asia Nuclear Weapon-Free Zone
4. Treaty of Pelindaba – African Nuclear-Weapon-Free Zone Treaty
5. Treaty on a Nuclear-Weapon-Free Zone in Central Asia
6. Antarctic Treaty

7. Outer Space Treaty – Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies
8. Moon Agreement – Agreement Governing the Activities of States on the Moon and Other Celestial Bodies
9. Seabed Treaty – Treaty on the Prohibition of the Emplacement of Nuclear Weapons and Other Weapons of Mass Destruction on the Sea-Bed and the Ocean Floor and in the Subsoil Thereof.

Ukraine as the modern and independent country made a big step to refuse from nuclear power.

The Budapest Memorandum on Security Assurances is a political agreement signed in Budapest, Hungary on 5 December 1994, providing security assurances by its signatories relating to Ukraine's accession to the Treaty on the Non-Proliferation of Nuclear Weapons. The Memorandum was originally signed by three nuclear powers, the Russian Federation, the United States of America, and the United Kingdom. China and France gave somewhat weaker individual assurances in separate documents.

According to the memorandum, Russia, the U.S., and the UK confirmed, in recognition of Ukraine becoming party to the Treaty on the Non-Proliferation of Nuclear Weapons and in effect abandoning its nuclear arsenal to Russia, that they would:

1. respect Ukrainian independence borders.
2. refrain from the threat or use of force against Ukraine.
3. refrain from using economic pressure on Ukraine in order to influence its politics.
4. seek immediate United Nations Security Council action to provide assistance to Ukraine, “if Ukraine should become a victim of an act of aggression or an object of a threat of aggression in which nuclear weapons are used”.
5. refrain from the use of nuclear arms against Ukraine.
6. consult with one another if questions arise regarding these commitments.

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## UNEVEN ECONOMIC DEVELOPMENT OF THE WORLD ECONOMY: CENTER AND PERIPHERY

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**Ivanenko K. A., Davydenko I.V. Uneven economic development of the world economy: center and periphery.** The article deals with the concept of the world economy and the global economy, stages of formation of the world economy, the irregularity of economic development of the world economy, globalization of the world economy, the main trends and prospects of development of the world economy.

**Keywords:** globalization, global economic outlook, group of countries, world economy.

**Іваненко К.О., Давиденко І.В. Нерівномірність економічного розвитку світової економіки: центр і периферія.** У статті розглядається поняття світове господарство і світова економіка, етапи формування світової економіки, нерівномірність економічного розвитку країн світового господарства, глобалізація світової економіки, основні тенденції та перспективи розвитку світового господарства.

**Ключові слова:** глобалізація, групи країн світової економіки, перспективи світової економіки, світова економіка, світове господарство.

**Иваненко Е.А., Давыденко И.В. Неравномерность экономического развития мировой экономики: центр и периферия.** В статье рассматривается понятия мировое хозяйство и мировая экономика, этапы формирования мировой экономики, неравномерность экономического развития стран мирового хозяйства, глобализация мировой экономики, основные тенденции и перспективы развития мирового хозяйства.

**Ключевые слова:** глобализация, группы стран мировой экономики, мировая экономика, мировое хозяйство, перспективы мировой экономики.

The relevance of the researched topic is the world economy as a collection of national economies and non-state entities, and their economic and political relations. The object of study is irregularity of economic development of the world economy. The purpose of this work is to study the nature of the world economy and the global market, revealing the irregularity of economic development of countries and study the characteristics and trends of the world economy.

The world economy is a single worldwide system of national economies, material of all countries of economic, trade, scientific, technological, monetary, credit, transport and other economic relations between the countries, groups of countries, integration groups, including interdependence, conflict and compromise [2]. Character traits: unity, common goal, lattice, historicity, multilevel, unevenness economic development [4].

The world economy as a whole had developed by the beginning of XX century. In the evolution of the world economy there are four periods:

- 15–18 centuries – formation of the national and international markets;
- 18–19 centuries – formation of the world market;
- 1950–1980 years – formation of the world economy;
- the end of the 1980s till now – the formation of global economy [1] .

The most important manifestation of uneven economic development is the existence of underdeveloped countries, which are poverty- and stagnant-zone countries, and the so-called “golden billion” – the group of leading countries, identifying trends of world development, and receiving the largest portion of the world’s income.

The gap between the poles of the world economy is expanding. “Center” is actively working for the “periphery”, and even creates it by engaging in international division of labor through trade and financial flows, leaving a top NTP.

The world economy is a holistic, but at the same time contradictory system of national economy. Not all countries (and there are about two hundred) are equally involved in the world economy. In terms of their level of development and socioeconomic organization of production in the complex structure of the world economy is quite clearly visible center and the periphery [3].

The center is a relatively small group of industrialized countries (24 countries), which accounted for almost 65% of world GDP and 71% of world exports. On the country’s “Seven” accounts for about 50% of world GDP [7; 8].

In the periphery there are developing countries with common features: multiform nature of the economy with a predominance of non-market relations and non-economic levers of economic organization; low level of development of productive forces, the backwardness of industry and agriculture; the raw specialization.

In general, they occupy a dependent position in the world economy [4].

Centre and Periphery are not isolated, but rather closely interrelated. However, the economic cooperation between them is quite controversial because they are aimed at solving different problems.

The modern global economy is characterized by the formation and development of divergent and contradictory tendencies.

There are four major trends in the world economy:

- the center of the paradigm shifts towards developing countries and markets, e.g. China;
- rapid distribution and economic impact of technologies;
- rapid aging of the population;
- increasing interdependence of the world due to the flows of trade, capital, people and information [5] .

According to the forecast it is expected that China will overtake the US in terms of nominal GDP in 2026 and in 2050 will keep its position as a world economic leader. India will rise from the ninth place in 2014 to third in the average growth rate of 5%.

In 2050, each country of the three global economic leaders (China, USA, India) will be more powerful than following them five countries (Indonesia, Germany, Japan, Brazil and Mexico) [8] .

**Conclusion.** Thus, the exchange of goods, services and capital between countries is based on the interaction of modern globalizes world economy. Such integration is manifested in all spheres of public life, characterized by reciprocity and dependence on one side and asymmetric access to global markets, on the other. International experience demonstrates that examination of the unevenness problem only from an economic perspective is insufficient, as the political and social factors are also in the interaction, forming current trends of the global economy as a state and a process. The analysis of the problem of uneven economic development shows some independent countries formed the group of “Third World countries” and the post-war transformation strengthened the division of the world into capitalist and socialist camps, which caused political and economic polarization and confrontation of the world. This resistance means increased socio-economic and trade isolation and military power that divide the world into current economic zones and blocks.

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## THE ECONOMIC CHARACTERISTICS OF THE USA

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**Иевлева А.С., Рябенская И.В. Экономическая характеристика США.** В данной статье дается экономическое описание Соединенных Штатов Америки, приводятся основные показатели экономического развития, анализируется роль и место государства в мирохозяйственных процессах, определяются факторы и динамика экономического развития.

**Ключевые слова:** импорт, инвестиции, развитие, США, товароборот, торговля, экономика, экспорт.

**Иєвлева А.С., Рябенська І.В. Економічна характеристика США.** У цій статті надається економічний опис США, наводяться основні показники економічного розвитку, аналізується роль та місце держави у світо-господарських процесах, визначаються фактори та динаміка економічного розвитку.

**Ключові слова:** економіка, експорт, імпорт, інвестиції, розвиток, США, товаробіг, торгівля.

**Iyevleva A.S., Riabenka I.V. The economic characteristics of the USA.** This article provides an economic description of the United States, as well as the main indicators of economic development; the role and place of the state in the global processes are analyzed, the determinants and dynamics of economic development are defined.

**Key words:** commodity turnover, development, economy, exports, imports, investment, trade, the USA.

The object of the article is economic situation of the USA and the subject is the macroeconomic structure and the types of economic development. To assess the dynamics and the level of economic development of the United States is the goal of this article.

Study of the Economic Development Foundation is dedicated to the work of foreign and domestic authors such as Golikov A.P. [7], Chernomaz P.A., Kozak Y.G. [8] and others. The material of the study was derived from magazines, books, newspapers and online resources.

The USA is a good subject for comparisons with other less developed countries because this country is a leader in the world and the scheme development of the economy of the USA can serve as an example to other states.

The USA is a highly developed postindustrial country. It is also an enormous country. It has the leading economic and military power in the world. It ranks the third position in the world by area and population [5, p. 27].

The main macroeconomic indicators of the USA occupy leading positions. GDP PPP (purchasing power parity) and nominal GDP, income and budget performance are higher than in any other country.

The USA has a highly developed and diversified industry, the main sectors of which are universal, transport and electrical engineering, mining, chemical and food industry, hardware and more.

During the last 100 years, the US has maintained a leading position, but since 2000, their impact on the global economy declines. This is due to the acceleration of globalization and increasing of the level of other countries. The last 10 years the country's GDP was growing with the exception of 2008. The crisis of 2008-2009 affected it [8, p. 83].

Factors that stimulated the economic development of the US include:

- Availability of significant natural resources and favorable climatic conditions;
- The bulk of the population of the United States is millions of immigrants from other countries, that at one time were attracted by land, relatively high

wages and other income. These immigrants were mostly people willing to work hard and be socially active;

- Economic growth in the country has traditionally contributed to this existing freedom of economic activity, protection and support of competition;

- Another factor in the economic growth of the United States, which can be considered specifically, is American cult business, which is traditionally strongly embedded in public consciousness. A distinctive feature of the psychology of American society is the desire to succeed. This is the motivation that makes people learn hard, work hard, improve skills and their status and, in general – the private and public welfare [11, p. 105-106].

Among the most important factors, which provide leadership for the United States in the modern world are:

- their superiority over other countries in size and wealth of the market;
- the degree of development of market structures;
- the scientific and technical capacity;
- powerful system of international economic relations in trade, investment, banking capital;
- the level of productivity [12, p. 313].

The current US economic strategy is based on liberal model. Most experts today recognize US economic model as the most effective because it is characterized by minimal regulation of business, a privatized industry, low trade barriers, stable monetary policy, low taxes. It is a favorable investment climate that enables the United States to be one step ahead of other countries when it comes to new technologies, which in turn ensure the competitiveness of the US economy [9, p.74].

However, liberalism has not always been the dominant US policy. We know about the “New Deal” of President Roosevelt, based on Keynesian theory. This theory was the base not only during overcoming of the “Great depression” of 1929–1939 and during the years of World War II, but it remained the base during the postwar decades.

On the base of the Keynesian theory, American economists C. Harris and E. Hansen offered to increase public spending to maintain optimal conditions, prevent crises and reduce unemployment in the country. The government had not only to encourage investment in the economy, but also it had to expand the state investment. Keynesians understood that the increase in government spending will cause the budget deficit, but this phenomenon is considered to be positive even in such a stimulating dynamic economic development [2, p.156].

The US role in the world economy is incomparable with any other country. The United States account for 8% of world exports and 15% of imports, they are the biggest investors in the world and the largest recipients of foreign investment. American companies, which are the foundation of the global networks of TNC (Transnational Corporations), control production of goods and services in many countries. The most important factor of influence of the United States on the world economy is, of course, their technological leadership. Throughout the past century, almost all determinants for scientific and technological inventions were introduced first into mass production in the US, even if the invention was made by experts of another state. This is facilitated by the presence of a powerful network of research institution in the country and substantial investment in R & D (research and development work). US technological lead over the competitors is particularly significant in areas such as aerospace equipment, electronic-calculated machines, bioengineering, nuclear technology. These are the areas that determine the main directions of scientific and technical progress [10, p. 73].

US Foreign policy is aimed at strengthening their position in the global economy. It is carried out both through the activities of TNCs and settling US interests by their representatives in international organizations. In particular, the United States of America are constantly defending open trade policy, the purpose of which is the access of their products to international markets. However, they (contrary to the principles of this policy) impose protectionist barriers to limit the internal market in terms of goods of their competitors. Often such restrictions give the appearance of anti-dumping measures encouraging trading partners to “voluntary” export restrictions. This policy explains the huge trade balance deficit. Thus, in 2007 the deficit was 847 billion. It is more than in any other country.

In the world economy the US leading positions gradually reduced. So, in 2003 they accounted for 30% of gross world product, 10% of exports and 18% of imports. This is explained by dynamic economic development of the newly industrialized countries and the countries with transitive economy [1, p. 95].

Trade in goods and services in the United States is ranked 2nd in the world after China. In the structure of exports of machinery and transport products, chemical products have occupied the leading role. Machines and vehicles, mineral fuels and lubricants have been imported in the country more than other goods.

The important US trading partners are Canada, China, Mexico and Japan. US diplomacy takes an active part in resolving a significant number of

international conflicts and disputes. The USA is unmatched in the world in terms of labor productivity in the economy, except in some areas where they yield to Japan [4, p. 256].

Speaking about the competitive position of the US, during 2013-2014 they took 5th place in the world. Switzerland, Singapore, Finland and Germany were ahead [3, p.125].

Despite the good performance of the economy this country has a huge monetary debt. The external debt of the United States has passed the mark of \$ 17 trillion. This amount exceeds the annual volume of the GDP. It is the main problem of the country. It is predicted that in the coming decade the US will lose its position in world gross domestic product. To summarize, it should be stressed that a significant advantage in technology, science, productivity of work actually provide long-run leadership for the USA in international economic relations [6, p. 92].

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## **MODERN STATE AND DEVELOPMENT OF LEASING IN UKRAINE**

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**Khamraieva Y.V., Kalyuzhna A.B. Modern state and development of leasing in Ukraine.** The article defines the nature, types and need of development of leasing in Ukraine. The modern state and peculiarities of the market of leasing services in Ukraine have been analysed. On the basis of the received information the existing problems that hinder the development of leasing activity in Ukraine and prospects of development of Ukrainian market of leasing services have been determined.

**Keywords:** international leasing, leasing, leasing company, lessee, lessor.

**Хамраєва Є.В., Калюжна А.Б. Сучасний стан та розвиток лізингу в Україні.** У статті визначено суть, види та необхідність розвитку лізингу в Україні. Проаналізовано сучасний стан та особливості ринку лізингових послуг в Україні. На основі отриманої інформації виділено існуючі проблеми що стримують розвиток лізингової діяльності в Україні, а також перспективи розвитку вітчизняного ринку лізингових послуг.

**Ключові слова:** лізинг, лізингова компанія, лізингодавець, лізингоодержувач, міжнародний лізинг

**Хамраева Е.В., Калюжная А.Б. Современное состояние и развитие лизинга в Украине.** В статье определено суть, виды и необходимость лизинга в Украине. Проанализировано современное состояние и особенности рынка лизинговых услуг в Украине. На основе полученной информации выделены существующие проблемы, которые сдерживают развитие лизинговой деятельности в Украине, а также перспективы развития отечественного рынка лизинговых услуг.

**Ключевые слова:** лизинг, лизинговая компания, лизингодатель, лизингополучатель, международный лизинг.

Many of the acute problems associated with the development of economy of Ukraine in post-crisis period affected such areas as international leasing and leasing operations. The growing need of domestic enterprises to

upgrade their equipment attracts more and more attention to the development of all kinds and forms of leasing, the necessity of which is proved by domestic and foreign financial and industrial practice. The introduction of leasing will allow the renewal and efficient use of fixed assets, as well as full financing of investments, preserving financial independence of enterprises. Leasing is one of the investment channels and is also a means of acquiring and marketing of products. By using it Ukraine could promote the production of quality products, that can be competitive not only in domestic market, but also abroad.

In the global economy in terms of investment leasing is second after the bank loans. The rapid development of the leasing activity is ascribed to the fact that leasing is an advanced method of logistics business activities. Thanks to its advantages it opens a wide access of business entities to progressive engineering and technology. So the problem of the development of international leasing as an innovative financial activities in terms of the development of world economies and also the study of this issue today is extremely urgent and this determines the relevance of the article.

The necessity of leasing development in Ukraine is also caused by significant amounts of obsolete equipment, low efficiency of its use and leasing services can become a key element for development of small and medium-sized businesses, which require significant investments.

The goal of this article is to assess the development of world and Ukrainian market of leasing services, identification of prospects of development of market data services in our country and possibility of application of progressive experience in Ukraine.

The object of the research is leasing and international leasing in particular, its essence, types and forms. The subject of the research is the consideration of the factors of leasing development, its qualitative advantages, its problems and prospects in Ukraine and also the consideration of possible ways to use leasing for the development of the Ukrainian economy.

Features of formation and development of the world market of leasing services are examined in the scientific writings of such scholars as V. Gazman, V. Goremykin, A. Zhilinsky, N. Ryazanova etc.

Among other Ukrainian researchers of the problem in question in terms of a transition economy N. Vnukova, A. Zagorodny, A. Lubyanyč'ky, L. Mel'nyk, V. Mishchenko, A. Mokiya, N. Slavians'ka, V. Trach, T. Unkovska, H. Holodny and others should also be mentioned. However, the conditions of leasing implementation are constantly changing because of the modern social,

economic and political processes. Therefore, a number of topical issues concerning assessment, development, financing and crediting of leasing require further study.

The evolution of economic relations in Ukraine allows to include into economic system new management tools that are most appropriate to the situation at the present stage of development. One of these tools for Ukrainian entrepreneurs is leasing. At this stage it is one of the few real opportunities to get foreign investment in a form of modern production equipment.

Today leasing as an economic category can be interpreted differently. In a broad sense most accurately this concept can be described as the investment of temporarily free or involved financial assets in which the lessor undertakes to acquire ownership of the property from a certain seller and to grant this property to the lessee for payment for temporary use with the option of purchase [1, c. 22–25].

Operational and financial leasing are the main types of leasing on the leasing services market. Operational leasing is characterized by a shorter term of the lease compared to the useful life of the asset. Lease payments do not cover the full value of the property that is the subject of leasing. As the risk for reimbursement of the residual value of the leased asset increases for the lessor, he has to provide it for temporary use for a few times and increase the lease payments. In financial leasing, the term of property use is close to the lifetime and amortization of all or most of the value of the property. The obligations for maintenance and insurance of the leasing object rest with the lessee. In this case the lessee almost completely pays for the cost of the property to the lessor [1, c. 22–25].

Today the Ukrainian market of leasing services is represented by such lessors as: Ukrainian resident banks, non-resident lessors of Ukraine (international leasing) and Ukrainian resident leasing companies. In general there is a positive trend towards the increasing of the number of lessors. Thus, their number in 2013 was 411 organizations, which is 124 more than in 2011. This fact was driven by the rising demand for leasing services. But only about 20-30 leading lessors work actively on the market. The main trend of the leasing market in Ukraine is consolidation of positions of market leaders and expansion of the scope of their influence [5, c. 252–256].

At present, the total annual volume of leasing transactions in the world is about 512 billion dollars. Leasing plays an important role in the economy of many countries and is a sign of their progressive development. In many developed markets such as the United States, leasing is the largest source of

external financing, and about 50 % of machinery is purchased with the help of it [2, c. 153–158].

The analysis of the development of the international leasing in the leading European countries showed that the total cost of financial leasing transactions in Germany is 43.8 billion euros, in France – 36.4 billion euros, in Great Britain – 34.9 billion euros. In Ukraine at the beginning of 2013, the aggregate value of transactions of financial leasing amounted to 4.3 billion euros, ten times less than the similar indicator of the developed countries [3, c. 195–198].

In the first quarter of 2015 the volume of financing of operating leasing contracts showed a negative trend on all objects, except for the trading and bank equipment. This type of financing has almost doubled. During the period of January-March the lessors have reduced the number of concluded contracts on financial leasing by 75,93%. The value of concluded contracts in the first quarter decreased by 22.11%, according to the data of the National Commission on market of financial services regulation. In absolute terms the number of contracts decreased by 1.284 thousand, the volume of leasing financing – by 296.6 million UAH. The greatest reduction was shown by the funding of such objects as computer and telecommunication equipment [6].

It is known that the main problem of lessors is their limited financial resources. A special feature of the leasing business is that there are significant start-up costs – it is necessary to buy the object of the leasing transaction immediately, but the return of the money is carried out gradually in the form of lease payments [5, c. 252–256]. That is why we mainly see banks as lessors in Ukraine. Acting as a lessor and as an investor at the same time, a commercial bank can contribute to the development of the strategy and tactics of modernization of the enterprise. It can also determine the directions of development of leasing activity, control the market of leasing services. At the same time, in Ukraine, in terms of the existing problems of leasing development, operational leasing for banking institutions may be ineffective. The risk of the implementation of operational leasing for the bank is connected with the payment of the high residual value of the leasing object in case of the absence of demand after the expiration of the contract. So for a bank, as a lessor, financial leasing is more appropriate than operational. However, it is worth noting that in Europe, the volume of financial leasing is not large, because for the European economy leasing acts mostly as an opportunity to take the equipment for temporary use only [4, c. 337–341].

Another problem is that most leasing companies depend on bank loans, as using their own financial resources they are able to cover only 10-15% of their expenditure. Companies owned by international financial groups and banks are quite confident in the market of leasing services. The former can count on the support of parent structures, the latter have expanded their services due to the leasing operations and can faster and cheaper solve the problem of raising funds for the purchase of property that will be transferred in leasing. In addition to financial constraints, there are such problems of development of leasing services as: inadequate legal framework, inconsistency of domestic legislation and international legal norms on the issues of leasing, the absence of state programmes for leasing stimulation, low solvency of the consumers of leasing services, the underdeveloped infrastructure of the market of leasing, etc. [1, c. 22–25].

The development of leasing in Ukraine will help the development of small and medium-sized businesses. This, in turn, will lead to many positive changes in the economy. In particular, leasing operations obtain the funds of large banking institutions, insurance, joint stock and other companies. One hundred percent crediting, which does not require the immediate start of payments, will happen. The leasing contract will be much easier to get than a loan. Obtaining of the necessary equipment on lease will be more favorable than under a contract of sale. There will also be an opportunity to receive additional investment from foreign partners, and not in monetary terms, but as machinery and equipment. It will be possible to reconstruct the production quickly and to direct savings to other needs using leasing [2, c. 153–158].

**Conclusion.** The main subjects of leasing business in Ukraine are mainly financial institutions. Today's leasing market in Ukraine is complex. Its main features are imperfection of the legislative and tax base and crisis phenomena in the economy. The prospect in this field is the integration of our country in the international legislative framework of leasing operations, which will provide leasing security from abroad. Considerable attention needs to be given to the spheres of economy that are promising for leasing business in Ukraine, among which we can highlight the agriculture (the object of leasing is agricultural machinery), transport, aircraft industry, oil and gas industry, food industry (the equipment for catering establishments), construction, etc.

Although there is a certain development of leasing in Ukraine, it should be noted that many changes are necessary, primarily at the legislative level before we will be able to fully enjoy all the advantages of this type of business activity.

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## STATISTICAL DATA PROBLEM OF RURAL GREEN TOURISM IN UKRAINE AND WAYS OF SOLVING THEM

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**Kharchenko A.S., Skripnic T.I. Statistical data problem of rural green tourism in Ukraine and ways of solving them.** The work is devoted to the study of development of rural green tourism in Ukraine on the example of Lviv region, highlighting current problems and development prospects. We analyzed the development of rural tourism in the country, statistical counting and identified key issues and prospects of development.

**Keywords:** rural green tourism, statistical monitoring, methods of collecting data, statistical problems and ways of solving.

**Харченко А.С., Скрипник Т.І. Проблеми статистичного обліку сільського зеленого туризму в Україні та можливості їх подолання.** Роботу присвячено проблемам статистичного обліку та вивченню розвитку сільського зеленого

туризму України на прикладі Львівської області. Висвітлено основні методи збору даних. Проаналізовано стан розвитку сільського зеленого туризму в країні та Львівській області, визначено основні проблеми та перспективи розвитку.

**Ключові слова:** сільський зелений туризм, статистичний облік, методи збору та аналізу даних, проблеми та шлях їх вирішення.

**Харченко А.С., Скрипник Т.И. Проблемы статистического подсчета сельского зеленого туризма в Украине и возможности их решения.** Работа посвящена изучению проблемам статистического подсчёта сельского зеленого туризма Украины на примере Львовской области, выделение насущных проблем и перспектив развития. Проанализировано основные методы сбора данных. Проанализировано состояние развития сельского зеленого туризма в стране и Львовской области, определены основные проблемы и перспективы развития.

**Ключевые слова:** сельский зелёный туризм, статистический подсчёт, методы сбора информации, проблемы и пути их решения.

A promising form of tourism is rural tourism, which opens opportunities for the integrated development of rural areas. Therefore, the study of the current state of development, the role of information resources in the sphere of rural green tourism and the need for effective statistical monitoring is a very important task.

The status of development of rural green tourism in Ukraine and the role of statistical accounting in the process of its formation was engaged in the work of such scholars as P.V. Gudz, S.I. Dragunov, V. Zahori, S.M. Ilyashenko, A.V. Golovach, N. Parfentieva, G.A. Kulinich and others.

We offer to prove the role of statistics in management and formation of complex industry of rural green tourism in Ukraine.

As the experience of many countries shows, rural tourism contributes to the socio-economic development of territories through the formation of small and medium businesses, improvement of village infrastructure and dissemination of historical and ethnographic heritage and, consequently, contributes to the economic growth of rural areas. However, the development of rural green tourism is the impetus for rural communities to improve village infrastructure as a whole. It is not a coincidence that the countries of the European Union have particularly supported the area of rural green tourism, as it is the basis for economic development of rural areas. For Ukraine the rural green tourism is a relatively new term, however, it has already acquired a certain popularity [1; 2; 3].

Simultaneously with the increasing role of rural tourism, there is a need for implementation and maintenance of statistical data on the condition and dynamics of its development. Now the information is obtained through the statistical observation, administrative data, national and regional organizations,

as well as tourism administration. It should be noted that these data assume the use of a theoretical, methodological and organizational principles based on geographical, environmental, economic knowledge of the territory, the General characteristic of the market of tourist services in the economic system of the region, on the background of the country as a whole.

The statistics of rural tourism considers the following criteria:

- 1) Social statistics – that studies the impact of tourism on the social conditions and processes of social life of the population;
- 2) Economic statistics – that studies the effects of various economic phenomena, the patterns of tourism development method of data collection, processing, analysis and generalization of statistical data;
- 3) Environmental statistics – that characterizes the relationship of rural tourism development with the ecological system of the area.

Statistical information is necessary for owners of tourism enterprises, tourists, potential investors, state and regional authorities, in order to characterize the level of development of a particular type of tourism and to provide further perspectives.

In general, now in Ukraine there are many problems with the collection of statistical information in tourism. The main data sources are financial, administrative, tax reporting entities. The information base according to the current legislation, is formed by the bodies of State statistics of Ukraine [4; 5].

Entrepreneurial activity of rural tourism can be analyzed by the report on activity of collective accommodation. Although such data are available annually, but to verify their authenticity is nearly impossible.

For example, market research of rural green tourism in Lviv region found out that according to the official website of statistics of Ukraine, in 2013 there were 36 houses; according to one of the sites on tours search in the countryside – 285 estates; according to the Union for promotion of rural green tourism, which certifies estates, – 4 estates. Thus, the catastrophic divergence in various systems of calculations is obvious.

For statistical analysis it is necessary to use a serious amount of information, specially arranged statistical observations. Therefore, we think, there is the need for specific monitoring systems. After all, those who work do not provide complete and accurate information regarding processes in the field of rural green tourism in Ukraine.

The monitoring system should work both at the state and at regional level that can ensure the compilation and harmonization of databases, carrying out of calculations and some planning of development.



However, the statistics sphere of rural green tourism is somewhat special due to the use of statistical graphs and cartographic materials: maps, tourist maps and orthodiagram.

Using cartograms it is possible to analyze the average intensity of tourist phenomena within a territorial division. Tourist maps – illustrate the spatial distribution, the relationship between the resources, objects and subjects of other elements of rural tourism. Cartogram allow to display the total size of the tourism processes within specific areas or regions [6].

Of course, such statistical monitoring is dependent on regulatory and organizational maintenance of statistics of rural tourism. Since rural tourism is the economic field, it can be affected by various factors, such as seasonality.

Current situation dictates the need for continuous updating of the statistical directory on the Internet and publishing of tourism statistical collections.

There is an importance of the development of innovative clusters formation of tourism enterprises, to ensure the competitiveness of products the national market of tourist services provides, in particular rural tourism, as, for example, a cluster of rural green tourism “Oberig”.

**Conclusion.** Overcoming the problems of statistical recording, not only in the sphere of rural green tourism, but also in the whole tourism sector of Ukraine, is possible through hard work. Namely, the tools of statistical observation, the completion of the reform of the system of state statistics, conducting technical re-equipment of electronic monitoring systems, creation of information and analytical support for the sphere of tourism, and training of staff – this all will facilitate the establishment of a system of collection and processing of more statistics and which will be accurate.

Despite the fact that financial constraints inhibit these processes, and today it is almost impossible to hope for material support of such projects by the state, private entrepreneurs or foreign investors, Ukraine has really good potential for the development of the effective national systems of statistics in accordance with EU standards.

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## **CORPORATE SYMBOLS USED BY ENTERPRISES IN THE TOURISM INDUSTRY – EVIDENCE FROM THE «PREMIER HOTELS AND RESORTS» HOTEL CHAIN**

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**Khmelova O.A., Broslavskaia Ye.M. Corporate symbols used by enterprises in the tourism industry – evidence from the «Premier Hotels and Resorts» hotel chain.** The article considers the elements of corporate symbols, their constituents and methods of implementation. The article also analyzes factors and elements used by a modern enterprise for maintaining and reinforcing the corporate style.

**Key words:** brand, chain, cooperation, framework, image, peculiarity.

**Хмельова О.А., Брославська Є.М. Корпоративна символіка на підприємствах туристичної індустрії (на прикладі готельної мережі «Premier Hotels and Resorts»).** У статті розглянуті елементи корпоративної символіки, її складові та методи впровадження. Проведено аналіз факторів та елементів, що застосовуються для укріплення фірмового стилю підприємства на сучасному етапі.

**Ключові слова:** бренд, імідж, мережа, специфічність, співпраця, структура.

**Хмелева А.А., Брославская Е.М. Корпоративная символика на предприятиях туристической индустрии (на примере отельной сети «Premier Hotels and Resorts»).** В статье рассмотрены элементы корпоративной символики, ее составляющие и методы внедрения. Проведен анализ факторов и элементов, которые применяются для укрепления фирменного стиля предприятия на современном этапе.

**Ключевые слова:** бренд, имидж, сеть, сотрудничество, специфичность, структура.

The relevance of the chosen topic is justified by the fact that the work considers the problems of branding and building and reinforcing corporate image, which have recently become some of the crucial concepts in modern marketing. The material of the study was derived from course books, magazines and online resources devoted to the problems of corporate culture, corporate management and branding. The purpose of this research is to give an outline of the phenomenon of corporate symbolism as well as analyze factors and elements used by a modern enterprise for creating and maintaining the corporate style. To analyze the components of corporate symbols, we have used the method of description.

The key concept in evaluating the efficiency of a company's corporate culture is benchmarking, which is defined as «the process of identifying, understanding and adapting existing examples of the effective company functioning in order to improve one's own performance».

Recent years have seen a wave of scientific and practical interest to the phenomenon of corporate symbolism. A corporate mark is one of the components of corporate culture. Corporate marks relate to shared values, attitudes, standards and beliefs that characterize “members of the club” and determine their nature. Corporate marks are rooted in an organization's goals, strategies, structures and approaches to work, clients, investors and community at large. It is a component essential for the ultimate success of a company involved in tourism business. [1]

Corporate marks can be a particularly important factor for the development of enterprises operating in the hotel industry.

Corporate marks are the most important component of organizational culture. Beautiful calendars, souvenirs, clothing, interior design elements are usually the pride of employees and drive to promote corporate culture of the company among the external publics [2].

Let's consider the importance of corporate symbols using the example of the «Premier Hotels and Resorts» hotel chain. «Premier Hotels and Resorts» is the first hotel chain in Ukraine, a collection of 5 to 3-star hotels, each offering some unique privileges, but all equally welcoming and cozy. All hotels share one common distinctive feature, which is professional high-quality service. “Premier Hotels and Resorts” is the market leader in the segment of 3, 4 and 5-star hotels. The chain includes 17 hotels located in major regional centers of Ukraine. Each hotel retains its specific atmosphere as well as reflects the history and spirit of the city. But in general they all provide high-class customer service, which is the main principle underlying the chain's corporate culture [5].

Corporate symbols create corporate identity and include many elements of the obligatory use – from logo, slogan and hymn to business cards, gift items and clothing, which allow you to create a unique «company face».

Corporate symbols also actively participate in the process of creating a brand psychology. You must create a virtually indisputable image, commercial sign and mark, which consumers will accept and remember, and only at the final stage there starts advertising, informing consumers about the company's products and their advantages compared to competitors'. [3]

Corporate symbols can attract attention, reassure or disturb, create warm or cold atmosphere. The influence of color on the psychology of the viewer is also very important, which has been proved by many studies [4].



The mark of the “Premier Hotels and Resorts” hotel chain [5]

The mark of the hotel is decorated in black and beige. These colors are appropriate and relevant to the brand image maintained by the chain. Beige has a moderate stimulating effect and evokes a feeling of stability. It can be chosen by people who do not want to change anything in their lives. Black is the color of exquisiteness and elegance. It is used to demonstrate class and style.

The font uses mainly straight lines, and it is assumed that vertical straight lines are associated with balance, clarity, solidity and even trustworthiness [4]. The basis of the company's mark is formed by the “Premier” word meaning “primary”, “foremost” as well as “first”, which first of all implies the meaning of supremacy and superiority and emphasizes the fact that «Premier Hotels and Resorts» is the first hotel chain in Ukraine [5].

We can see the mark practically everywhere in the hotel. It can be found on

- information leaflets;
- information letters;
- souvenirs;
- hygiene products;
- notebooks;

- room keys;
- door handles;
- staff uniform.

Another element of a corporate symbol is a slogan, which often goes along with the company's mark. Hotel chains use slogans that give the idea of their perception of guests, staff and everything that happens in and around them. Modern sources interpret a slogan as a concise, capacious and easy to remember phrase that expresses the basic nature of the advertising message and is the foundation of long-term brand communication [3]. The corporate slogan of the "Premier Hotels and Resorts" hotel chain is "Premier Hotels and Resorts is a hotel, creating positive emotions". It adequately reflects the activities of the company, is concise but informative, and shows a most direct appeal to the consumer. It consists of four simple words that together constitute an original, capacious phrase that evokes bright positive associations. The importance of slogans is determined by the fact that they are read more frequently and are more active than advertising texts.

**Conclusion.** We can conclude that the knowledge and understanding of elements, features and functions of corporate symbols is extremely important for a hospitality company and its success on the modern market. Corporate symbols reflect a company's strategic objectives and ideals. When every employee understands and accepts the corporate symbols of their company it enhances the ability of the company to achieve its goals. All this allows the company not only to provide high-quality services but also to continually evolve and advance.

Corporate symbols can provide certain benefits and advantages. The «Premier Hotels and Resorts» hotel chain includes 17 hotels, so creating a consistent system of corporate symbols can bring a number of specific advantages, including:

1. capitalization,
2. optimization,
3. increase in sales.

Moreover, corporate symbolism contributes to the effective positioning of a company on the respective market segment.

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## **MODELING OF LOAN TRENDS PROVIDED TO WORLD REGIONS BY IBRD AND IDA ORGANIZATIONS**

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**Kolesnik V.A., Maksymenko O.V. Modeling of loan trends provided to world regions by IBRD and IDA organizations.** The article reveals the trends of total credit volumes by IBRD and IDA – the long-term crediting organizations, which are in the World Bank Group. The research analyzes the results of these loan trends.

**Keywords:** economic and mathematical modeling, IBRD, IDA, international organizations, loans, trends, World Bank, world regions.

**Колеснік В.О., Максименко О.В. Моделювання тенденцій кредитування регіонів світу організаціями МБРР і МАР.** У статті змодельовані тенденції сукупних обсягів кредитування організаціями довгострокового кредитування МБРР і МАР, які входять до групи Світового Банку, проведений аналіз результатів.

**Ключові слова:** економіко-математичне моделювання, кредитування, МАР, МБРР, міжнародні організації, регіони світу, Світовий Банк, тенденції.

**Колесник В.А., Максименко Е.В. Моделирование тенденций кредитования регионов мира организациями МБРР и МАР.** В статье смоделированы тенденции совокупных объемов кредитования организациями долгосрочного кредитования МБРР и МАР, которые входят в группу Мирового Банка; проведен анализ результатов кредитования.

**Ключевые слова:** кредитование, МАР, МБРР, международные организации, Мировой Банк, регионы мира, тенденции, экономико-математическое моделирование.

The object of the study is crediting by the IBRD and IDA organizations. The purpose of the study is to identify the tendencies of the world regions crediting by the IBRD and IDA organizations and to analyze the gained results.

The analysis of trends was chosen to be brought to light, as the determination of a tendency or a trend is a key technical approach to the analysis of the dynamic market. First of all any economy doesn't move strictly in one particular direction. The rising and falling dynamics forms a tendency of a market [3].

As to cover all countries is a difficult task and the obtained data would not be informative enough and almost impossible for operative and/or strategic use, regions which had been first of all the subject to the crediting were chosen in this study. The regional analysis has to be objective and rather full in terms of right distribution to regions, that is why they were integrated on a geographical sign, then were corrected by the cluster analysis on the cumulative volumes of crediting by IBRD and IAD [5].

The regions on which the analysis was carried out are: Europe and Central Asia; The Middle East and North Africa; Southern Asia; East Asia, Pacific ocean, Latin America and Caribbean Region; The Countries of Africa to the South from Sahara [4].

The period was taken classically: five years. As the full information of 2015 is not available yet, the period from 2009 till 2014 fiscal years was chosen.

It is known that linear equations of a trend has a general view:

$$y = ax + b \quad [3]$$

Marking the equation in our case:

y – the total volume of crediting, million of the USA \$

x – fiscal year of crediting

One more indicator which is important is determination coefficient. It is important for determination of influence of abscissas on ordinates.

$$R^2 = 1 - \frac{\sum(y_i - y_x)^2}{\sum(y_i - y)^2} \quad [3]$$

After carrying out calculations the following equations were received:

## Equations of a trend for specific regions

Region	Equations	
	Europe and Central Asia	$y = 221,91x - 443460$
The Middle East and North Africa	$y = 119,91x - 239394$	$R^2 = 0,4276$
Southern Asia	$y = 119,88x - 239866$	$R^2 = 0,4247$
East Asia, Pacific ocean, Latin America and Caribbean Region	$y = 3,0889x - 6097,8$	$R^2 = 0,0102$
The Countries of Africa to the South from Sahara	$y = 353,72x - 708818$	$R^2 = 0,879$

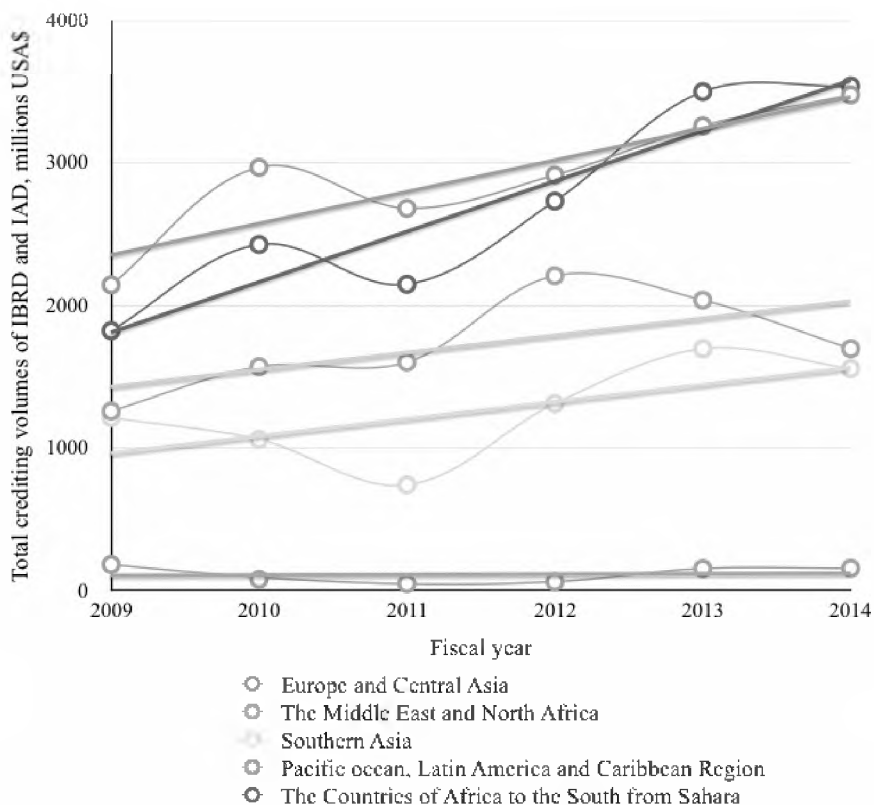
Source: made by the author on materials [2; 6].

Elasticity coefficient everywhere is less than 1. Therefore, at change of X for 1%, Y will change less than for 1%. In other words the influence of X on Y isn't essential. It is also important to note that the year of 2009 is the first after an exit of the vast number of the countries from the world crisis, that is why it is adequate to choose it as the first fiscal year for creation of a model, because the crisis state is force majeure, and the reason for taking it in order to display an incomplete picture of such period is disputable.

The general tendency is evident: increase in total crediting volumes of regions of the world within the chosen period, the region <sup>14</sup> "East Asia, Pacific ocean, Latin America and Caribbean Region" is the only one that has the line of a trend actually parallel to ordinate axis – that reflects an invariance of a tendency to increase or reduction, that reflects static character of a financial streams tendency during the chosen period. This region also has the smallest absolute and relative measures.

The most dramatic escalation of total crediting volumes has the region "The countries of Africa to the South from Sahara". According to calculations, it is possible to predict that next year this region will be the first to cross the line of \$4 billion of loans per year.





Picture 1. Lines of a trend of total by IBRD and IAD in 2009–2014

Source: made by the author on materials [2,6]

Regions “The Middle East and North Africa” and “the Southern Asia” have parallel lines of a trend, it means that IBRD and IAD appoint proportional increase in financial projects in these regions, and in future researches, carrying out the deeper cluster analysis, could make it possible to unite regions. Besides, nowadays it is possible to mention proportional participation of the World Bank in development of both regions. It is also important to note that even though lines of a trend note positive tendencies, however the 2014 became rotary for both regions – they had a reduction of cumulative crediting.

*Conclusion.* The general trend in the world is the increase in total crediting volumes provided by IBRD and IAD in 2009-2014. The most dramatic escalation of total volumes of crediting has the region “The countries of Africa

to the South from Sahara”. According to calculations, it is possible to predict that next year this region will be the first to cross the significant line of \$4 billion of loans per year.

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## ACTIVITIES OF TRANSNATIONAL CORPORATIONS

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**Kolesnichenko A.A., Maksymenko O.V. Activities of transnational corporations.** The article deals with the concept of transnational corporation, activity of transnational corporations and the kinds of it.

**Keywords:** activities of TNCs, franchise, licensing, management contracts, provision of technical and marketing services, transnational corporation.

**Колесніченко А.А., Максименко О.В. Види діяльності транснаціональних корпорацій.** У статті розглядається поняття транснаціональної корпорації, діяльність транснаціональних корпорацій та її види.

**Ключові слова:** види діяльності ТНК, ліцензування, надання технічних і маркетингових послуг, транснаціональна корпорація, управлінські контракти, франчайзинг.

**Колесниченко А.А., Максименко О.В. Виды деятельности транснациональных корпораций.** В статье рассматривается понятие транснациональной корпорации, деятельность транснациональных корпораций и ее виды.

**Ключевые слова:** виды деятельности ТНК, лицензирование, оказание технических и маркетинговых услуг, транснациональная корпорация, управленческие контракты, франчайзинг.

The subject of the study is the activity of transnational corporations. The purpose of the study is to analyze the main kinds of activity of transnational corporations. The relevance of the study is determined by the need to study the transnational corporation's activities which are typical for the modern stage of the world economy.

Transnational corporation (TNC) is a special type of corporation that has outgrown national borders and operating on the global market through its overseas branches and subsidiaries. It is a national company with foreign assets. In modern conditions TNCs have become one of the main actors of the world market. The development of multinationals is a testimony to strengthen the internationalization of economic life [1; 3].

Transnational corporations act mainly in the form of international trusts and corporations that create a vast network of foreign-controlled enterprises. They should be distinguished from the multinational corporations, which are formed by the merger of capital of different national origins. By the end of the XX century, transnational corporations have taken a significant place in the system of international economic relations [2].

Expanding its extension TNCs use different forms of development of the world market. These forms are largely based on the contractual relationship and are not associated with participation in the equity of other companies.

Among these forms of economy TNCs typically include:

- licensing;
- franchising;
- the management contracts;

- the provision of technical and marketing services;
- surrender enterprises “turnkey”;
- the time-limited contracts for joint ventures and agreements on the implementation of specific operations [4].

In practice, it is often difficult to distinguish clearly between some forms of TNCs. They are not differentiated, and often intertwined. Frequently they are not alternatives to traditional overseas investment, but complement it.

The most widespread form of TNCs is licensing agreement – legal contract for which the licensor grants certain rights to the licensee for a while and for a certain fee. The transfer of licenses is carried out both for intra contracts TNCs and external channels for the transfer of technology.

A special kind of license agreement is franchise – the license agreement, designed for long term. Thus franchisor provides certain rights to the client-company. These rights include the use of the trademark or trade name, as well as services in technical assistance, improving labor skills, marketing and management for a fee [2].

Since the late 80s the provision of management and marketing services as a form of TNCs became popular. It is an agreement whereby the operational control of the company or the phase of its activity provided to another company for the corresponding reward. The functions performed by enterprises under the contract may include production management, including responsibility for the technical and engineering aspects of the production; human resource management; purchase of equipment and raw materials; marketing and financial management [3].

Nowadays surrender enterprises “turnkey” is a popular form of TNCs. In this case, the TNC is responsible for the implementation of all activities required for the planning or construction of a specific object.

In general, the trend towards the use of multiple forms of international economic relations TNK is developing as well as the process of internationalization of capital and production, demonstrating new forms and approaches [5].

The latest form of the conquest of international markets by the TNCs is the creation of overseas special investment companies. The objectives of these structures are investments in subsidiaries to stimulate the promotion of their products in the regional markets. This approach is used by the largest international companies for the sale of non-alcoholic beverages “Pepsi-Cola” and “Coca-Cola” in Africa [4].

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## GLOBAL TRENDS THAT AFFECT THE EUROPEAN UNION COUNTRIES AND WAYS TO REDUCE THEIR INFLUENCE

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**Kovalova K.O., Davydenko I.V. Global trends that affect the European Union countries and ways to reduce their influence.** This article reveals five major trends and three revolutions that will overtake the EU in the future in terms of economic integration. The article also reveals solutions to the problems that will arise due to the impact of these trends and revolutions.

**Key words:** economics, European Union, geopolitics, integration, revolution, technology, trend.

**Ковальова К.О., Давиденко І.В. Глобальні тренди, які впливають на країни ЄС, та шляхи зменшення їх впливу.** Стаття має ціллю виявити п'ять основних трендів і три революції, що настигнуть Європейський Союз у майбутньому в умовах економічної інтеграції. Стаття розкриває шляхи вирішення проблем, які виникнуть у результаті впливу цих трендів та революцій.

**Ключові слова:** геополітика, економіка, Європейський Союз, інтеграція, революція, технології, тренд.

**Ковалева Е.А., Давыденко И.В. Глобальные тренды, влияющие на страны ЕС, и пути уменьшения их воздействия.** Статья раскрывает пять основных трендов и три революции, которые настигнут Европейский Союз в будущем в условиях экономической интеграции. Статья раскрывает пути решения проблем, возникающие в результате воздействия этих трендов и революций.

**Ключевые слова:** геополитика, Европейский Союз, интеграция, революция, технологии, тренд, экономика.

The object of the study is global trends that will affect the EU countries in the future.

The purpose of the study is to identify essence of scientific category ‘trend’; attempt to predict the future of the EU in order to prevent the majority of problems.

Identification of global trends, that is defining or will define the future, is one of the key objectives of the global agenda of scientific, technical and innovation policy [2].

So, the trend is the direction of changes in economic indicators, defined by the processing of the statistics and reports that leads to the establishment of the trends of economic growth or decline on these basis [1].

ESPACE project ‘Global trends to 2030: Can the EU meet the challenges ahead?’, identified the main global trends and their implications for Europe, and analyzed it’s challenges and opportunities.

This report listed the following trends that EU will face in its development:

- The human race is aging and becoming richer and, at the same time, the middle class is growing, that leads to rising of the inequality.
- Economic development and political power is shifting to Asia. In the process of globalization, the sustainable development of the world economy is becoming increasingly vulnerable to problems and weaknesses.
- The technological revolution will transform society in almost all spheres. Digitalization becomes a radical occupier that leads to irreversible changes.
- Due to the growth of energy consumption and the restructuring of production the resource issue is becoming the pressing one.
- The interdependence of countries is not accompanied by strengthening of the world governance. The global order is becoming more brittle and unpredictable [3].

The second part of the report considers three structural ‘revolutions’ that will create more complex and insecure world. These are the trends that could lead to the emergence of problems in the European Union:

1. Economic and technological revolution: the convergence of technologies and the spread of the tools that are available to the masses will transform the economy and society. There will be new opportunities in such fields, as productivity, welfare and individual empowerment. Nevertheless, the social disturbances may include a further increase of unemployment, inequality and the impoverishment of the middle classes in the developed countries, including the Europe [3].

2. The social and democratic revolution: people will become more creative due to the fact that they will have mobility and more opportunities. They will be more dynamic and linger less in one work place, but they will become more demanding and critical. This evolution can allow countries to radically upgrade its ‘social policy’ and to invent new forms of governance. But it will be more difficult to develop collective agreements and to form common approaches to traditional structures, such as political parties or trade unions. It will be necessary to resort to the less traditional and more local initiatives. Accurate accountability and transparency at various levels of management will be more important [3].

3. The geopolitical revolution: the development of Asia is gathering pace, and two centuries of global domination of the European continent and the United States comes to the end. The development of other nations in Africa and Latin America will lead to a more multipolar world. Globalization will continue to take over the world, but will increasingly depend on new members, which have different goals. This can lead to a more confrontational mode among the key actors [3].

The European Union is facing these trends and challenges in the beginning of a new political and economic cycle. Achievement of the sustainable growth in Europe will not be easy during the next twenty years.

Success will depend on the ability of the EU to anticipate, being more flexible, agile and adaptive. At the same time, the European Union must act strategically and contribute to the long-term policy in the public and private sectors.

The report identifies five key and interrelated political ‘problems’ for the European Union, which should be considered in subsequent years.

This is not a political initiative, but an attempt to formulate a number of possible strategic challenges that decision-makers may face. These problems are related to reshaping of the economy, prompting the community to changes and innovations, the fight against the growth of inequality and exclusion, allowing

expanding of individual rights, opportunities and democracy, as well as increasing international role of the European Union [3].

The main tasks for the EU are:

- to restructure the economy: to build a new platform for sustained and durable economic growth, to mobilize public and private investments, to complete the formation of the single market and to improve governance in the euro zone;
- to encourage society to alterations and innovations: to create a European research and innovation field, to transform the education system;
- to fight against the growth of inequality and the growing isolation: to eliminate the inequality between communities in member-states, to review the migration problem;
- to provide the individual empowerment and democracy: to improve the management of policies and political responsibility;
- to increase the international role of the European Union: to promote stability and development, to strengthen the global system through the effective promotion of the multilateral system, to develop cooperation with allies, to increase the authority [3].

**Conclusion.** Taking into account those facts, that were listed above, the global trends and revolutions have a controversial impact on the whole economy of the EU, we can definitely state that the only effective management strategy will promote the stable development of EU states and the EU in general.

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# INFRASTRUCTURE SYSTEM AS AN INTEGRAL PART OF UKRAINIAN AGRO-INDUSTRIAL COMPLEX

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Agro-industrial complex is the basis for steady and successful governmental activity of any country in the world as it ensures state's food and supplies security. The operation of agricultural system depends on its infrastructure facilities, which service and unite all the branches of the agro-industrial complex. Current conditions of operation and development of Ukrainian agro-industrial complex infrastructure are analyzed and ways of solving ongoing problems are offered in the paper.

**Key words:** agricultural exchanges, agricultural infrastructure, architecture of transport system, competitiveness, governmental regulatory policy, mechanisms of agricultural output realization, modern business requirements.

**Кравець М.А., Казакова Н.А., Кулініч Я.Ю. Інфраструктура як невід'ємна складова агропромислового комплексу.** Агропромисловий комплекс є основою стійкої та успішної життєдіяльності будь-якої з держав світу, оскільки він гарантує продовольчу безпеку країни. Життєдіяльність системи сільськогосподарської галузі залежить від інфраструктурної мережі, яка обслуговує та поєднує у єдине всі складові агропромислового комплексу. У статті досліджуються нинішні умови функціонування та розвитку інфраструктури АПК України та пропонуються шляхи вирішення існуючих проблем.

**Ключові слова:** архітектура транспортної системи, вимоги сучасного бізнесу, державна регуляторна політика, інфраструктура АПК, конкурентоспроможність, механізм реалізації сільськогосподарської продукції, сільськогосподарські біржі.

**Кравец Н.А., Казакова Н.А., Кулинич Я.Ю. Инфраструктура как неотъемлемая составляющая агропромышленного комплекса.** Агропромышленный комплекс является основой устойчивой и успешной жизнедеятельности любой из стран мира, поскольку он гарантирует продовольственную безопасность страны. Жизнедеятельность системы сельскохозяйственной отрасли зависит от инфраструктурной сети, которая обслуживает и объединяет все составляющие агропромышленного комплекса. В статье исследуются нынешние условия функционирования и развития инфраструктуры АПК Украины и предлагаются пути решения существующих проблем.

**Ключевые слова:** архитектура транспортной системы, государственная регуляторная политика, инфраструктура АПК, конкурентоспособность, механизм реализации сельскохозяйственной продукции, сельскохозяйственные биржи, требования современного бизнеса.

The object of the paper is the agro-industrial complex of Ukraine. The subject is the infrastructure system of the aforementioned complex. This paper provides an overview of the development and specifics of agro-industrial complex infrastructure, analyzes its actual conditions and future prospects. The growing problem of the development of agricultural sector in Ukraine determines the topicality of the article. Such data sources as Ukrainian special economic editions and statistical sources were used in the research.

Both the efficiency of an agricultural sector of economy functioning and a level of its international trading integration depend greatly on the agricultural infrastructure system conditions. Herewith, the infrastructure comprises not only wholesale organizations or shipping companies which it is usually associated with, but also a number of specialized financial, educational, informational and judicial institutions playing a very important part in the system's running.

In terms of countrywide approach to the "infrastructure" notion (from Lat. "infra" – below, under + structure – framework, structure) it is defined as a constituent of economic and political life mechanism that has adjuvant importance and assures a normal activity of economic and political systems in general. In other words, infrastructure is a basis, background, internal constitution of economy [2, p. 91].

Speaking of the agricultural infrastructure, first of all, one should look into the infrastructure of grain complex which is one of the biggest and most strategically important constituents of agricultural industry and economy altogether.

In 2014 there were more than 1200 certified granaries with the total capacity of nearly 41 m tons (not taking into account the facilities adapted for storage of grain objects in small and middle agricultural ventures), although the certification of granaries was abolished in April, 2014. Considering that the peak load on the granary system in 2013 totaled 62,8 m tons of grain including about 15% of total volume on technological needs, the real capacity for 2013 harvest amounted to 72,2 m tons. Consequently, about 30 m tons of grain were stored in adapted places instead of certified facilities [5]. All in all, there is a great deficit of appropriate granaries.

Due to the planned increase in grain production (Ukraine tends to gather 100 m tons of grain), the building of storage chain is a very important and necessary step. That is why a new drying gear (with an output of about 120 tons of grain per hour) was put into operation in the grain terminal of "Uzhniy"

seaport in October, 2015 and a new storage facility will have been launched by April, 2016 [4].

For the last five years the architecture of market transport system has been considerably changed. The fraction of railway transportations of grain has decreased from 70 to 60% whereas the fraction of automobile shipping has increased from 27 to 35%. At the same time, the share of river transportation of grain is extremely low. Therefore, there is an excellent perspective to raise the volumes of agricultural conveyance (first of all grain) by river transport usage. Moreover, there is an opportunity to use the Dnipro and the Southern Buh for river shipping almost all year long on condition that certain means in some river sections are provided (by making the bottom deeper, for example). Furthermore, the above mentioned rivers cover the main regions of grain cultivation. It helps to cut transport costs noticeably [8].

Nowadays the fraction of river conveyance of grain in Ukraine amounts to 5% comparing with 25% and 55% in France and the USA respectively. River transportation is not new for Ukraine. The annual shipping volumes used to be 60-70 m tons during the times of the USSR existence. But today Ukraine practically does not have its own fleet. In 2000 Ukraine had 1670 boats, in 2010 – 904 boats, in 2013 – only 635 boats, including tugboats and auxiliary fleet. It means that Ukraine should revive its own river shipping companies and attract foreign ones [8].

As for the railway transport, the vast majority of rolling stock is outdated and overloaded. Most railroads are mounted with wooden sleepers, 15-17% of which are unsuitable for further usage.

The slowdown of transport system development (especially at road building level) has been noted. There is an urgent problem of insufficient railway and automobile domestic production (in 2014 the amount of automobile and railway manufacturing decreased by 40 and 54,7% respectively) [4].

It means that the outlined agricultural infrastructure elements do not meet modern business requirements. The core of the problem is the undeveloped market infrastructure (wholesale institutions and exchanges that play a leading role in European countries' wholesale agricultural products trading). Over the last couple of years the quantity of agricultural exchanges in Ukraine has been on the decrease (there were 24 exchanges in 2015 comparing with 34 suchlike organizations in 2004) [6]. At the same time, the total amount of exchanges is constantly increasing (there was a 5% drop of gross exchange amount in 2015 caused by territorial decrease (excluding temporarily occupied territories) but the general quantity was increasing till 2014).

In 2013-2014 the volumes of wholesaling on Ukrainian exchanges decreased 7 times because of 5-times decrease in the exchange trading [7]. This condition was caused by a drop in exchange trading as such, by improper work of agricultural exchanges as well as due to low efficiency of governmental regulatory policy and the disability of government to stimulate the development of this sector.

The presented arguments prove that the principal problem of Ukrainian agricultural industry is yet to be solved: the issue of impossibility for average agricultural producers (private households) to put on sale their output at acceptable prices and on reasonable terms. Recently accredited enterprises have access to commodity exchanges while they do not produce agricultural commodities. At the same time, small ventures still market their products at enormously low prices, which leads to inefficiency of activity, degeneration of villages, labour resources retraining, an increase in agricultural goods prices and, in the long run, a decrease in their competitiveness at domestic and foreign markets [1, p. 180].

The right solution for this situation could be to develop wholesale markets of agricultural output where every entrepreneur has an ability to sell his products at free market prices without mediators. It will help to strengthen producers' position and to improve a quality of goods.

Today there are more than 350 wholesale agricultural markets in Ukraine, but only 4 of them meet European standards: "Stolychnyi" (Kyiv), "Shuvar" (Lviv), "Kopani" (Kherson), alive cattle market "Charivnyk" (Kyiv region) [3].

Another important constituent of agricultural industry infrastructure is financial establishment. An adequate access to short-, mid- and long-term financial resources is critically purposeful for Ukrainian agrobusinesses [1, p. 181].

We consider that agrocredit activity depends on the qualified management workers of agricultural enterprises. It means that much attention should be paid to agricultural educational institutions that train agrobusiness specialists. Nowadays there are 18 higher educational institutions and more than 100 lyceums training agricultural experts in Ukraine [1, p. 181]. But these elements of educational system train broad profile specialists in economic and management areas whereas at current stage highly qualified agrobusiness experts are required. These are the people who are knowledgeable about agricultural export features and domestic mechanisms of agricultural output realization.

Apart from education, weighty role in progress and harmonization of agricultural production belongs to informational provision. An access to agricultural market information is complicated today: sites of Ministry of Agrarian Policy and Food of Ukraine and Ukrainian Agricultural Union do not provide full information on the condition of Ukrainian agricultural market. It complicates the producers' activity forcing them to make wrong decisions due to unreliable information about the real circumstances [1, p. 182].

To summarize, it should be pointed out that infrastructure complex considerably influences the condition of domestic agricultural market and the fulfilment of the country's export potential. We assume there is a need to develop all the sectors of Ukrainian agriculture market considering their internal links. Development and adjustment of storage and transport infrastructure is an integral part of successful mobilization and transportation of agricultural output. Governmental regulatory policy should be directed towards human resources potential formation and also at financial, informational and trading infrastructure reforming, determining the model of subjects' behavior on agricultural market.

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## LEGAL STATUS OF SUB JUDICE TERRITORY (TERRA NULLIS)

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**Krylova O.O., Kalyuzhna A.B. Legal status of sub judice territory (terra nullis).**

The article deals with the international legal status of sub judice territory. Special attention is paid to the Spitsbergen archipelago legal status and its regulation in accordance with The Svalbard Treaty of 1920.

**Keywords:** international legal regime, state sovereignty, sub judice territory, terra nullis, the Svalbard.

**Крылова О.О., Калюжна А.Б. Територія з невизначеним статусом («нічийна земля»).** У статті подано аналіз правового режиму території з невизначеним статусом («нічийна земля»). Особлива увага приділена правовому статусу архіпелагу Шпіцберген та його регулюванню згідно з Договором про Шпіцберген 1920 року.

**Ключові слова:** архіпелаг Шпіцберген, державний суверенітет, міжнародно-правовий режим, «нічийна земля», територія з невизначеним статусом.

**Крылова О.А. Калюжная А.Б. Территория с неопределёвшимся статусом («ничейная земля»).** В статье дан анализ территории с неопределёвшимся статусом («ничейная земля»). Особенное внимание уделено правовому статусу архипелага Шпицберген и его регулированию согласно Договору о Шпицбергене 1920 года.

**Ключевые слова:** архипелаг Шпицберген, государственный суверенитет, международно-правовой режим, «ничейна земля», территория с неопределёвшимся статусом.

Territorial issues have a long history. On our planet there are almost no “blind spots” or, to put it another way, the land territory the regime of which is not determined. Spitsbergen (Svalbard) can be considered as such a “blind spot” in international legal regime. The current significance of Spitsbergen,

its legal status raises a large number of issues in international law and this explains the relevance of the article.

The goal of the article is to consider legal issues concerning unsettled areas of international law such as sub judice territory. The object of the article is international legal status of sub judice territory. The subject of investigation – peculiarities of the Spitsbergen archipelago legal status.

The Spitsbergen archipelago and the surrounding waters have traditionally been the areas of peculiar industrial, political and strategic interest for the main continental coastal states in the region. This resulted not only in the enhanced cooperation and in the desire to safeguard the region from excessive interference of other countries, but also in some legal disputes and competition between the neighboring states.

The status of “no man’s territory” of the Svalbard archipelago (Spitsbergen archipelago) was confirmed in 1872 in the agreement between Russia, Norway and Sweden [1].

At the Paris Peace Conference in 1920 between Norway, Sweden, Britain, the USA, France, Italy, Denmark, the Netherlands and Japan the Treaty of Spitsbergen was signed, under which sovereignty over the archipelago was assigned to Norway, and to the members of the contract the right was granted to have a share in mining, fishing, hunting sea animals (basically for whales) on the islands and in archipelagic waters [1]. The Treaty established Norwegian sovereignty over Spitsbergen, but only on the condition that all vessels and nationals of the Contracting Parties can conduct economic, transport, scientific and other activities on the archipelago on absolute equality basis, will have equal liberty of access and entry to Spitsbergen for any reason or object, and the archipelago will never be used for military purposes.

The Soviet Union joined the Treaty on May, 7 1935 [1]. Since Russia became the legal successor of the Soviet Union, it uses the same rules as the nationals of the High Contracting Parties [2]. The issue of succession of Ukraine concerning this agreement should be resolved in accordance with international law and the principle of continuity [1].

There are many interesting distinguishing features of Spitsbergen, which differentiate this territory from others. For instance, Svalbard is the territory, where a man can neither die nor be born, because of polar bears, which can come to the colony, having smelt the man. Moreover, the number of bears far exceeds the number of people there.

On these grounds many challenges can arise. The legal regime of sub judice territory doesn’t extend to a state sovereignty on this territory, but doesn’t turn it into terra nullius either [2].

The state, which has such a territory in possession, implements its jurisdiction and control functions within the ambit of rules provided by international legislation, which determine the legal status of the territory. Human status (state affiliation, nationality) is provided in accordance with each specific case [3].

There are also a number of issues that need further clarification and they are as follows:

What was the legal status of Spitsbergen before the conclusion of the Treaty of Paris in 1920?

Can we now ascertain the presence of historical rights of Russia on Bear Island and other islands of the Svalbard archipelago?

What is the amount and scope of the “natural resource” rights of Russia and other participant states according to the Svalbard Treaty of 1920?

The question remains whether Norway has broken The Svalbard Treaty without the consent of the other parties, extending its rights and its national legislative control on all new marine areas around the archipelago, namely: a) having extended the territorial waters of Svalbard to 12 miles; b) having spread gradually the national legislative control of the entire area, not only on land and territorial waters of Svalbard, as established in the Svalbard Treaty [2].

Are the claims of Norway on the continental shelf areas adjoining Spitsbergen legal?

Nowadays, these questions can be regulated with the help of The Svalbard Treaty.

The urgency of the modern interpretation of the context of the Treaty of Paris of 1920, especially on the conditions of the Norwegian sovereignty over the archipelago, is characterized by the disputes between Norway and parties to the Treaty on the rights to natural resources, but mostly not as on the land in Svalbard, as in the sea areas around it, which were only marked in the contents of the Treaty of 1920 [2].

The interpretation of those provisions of the Treaty, where the limits of its action are provided, makes it clear that if as a result of movement of the earth's crust, volcanic or other natural processes in the area of the Treaty action an island arose, it would also fall within the meaning of Article 1 of the Treaty, under the notion of «Svalbard» [2]. The Treaty in question stipulates that «...the High Contracting Parties undertake to recognize, subject to the stipulations of the present Treaty, the full and absolute sovereignty of Norway over the Archipelago of Spitsbergen, comprising, with Bear Island of Beeren-Island, all the islands situated between 10° and 35° longitude East of Greenwich



and between 74° and 81° latitude North, especially West Spitsbergen, North-East Land, Barents Island, Edge Island, Wiche Islands, Hope Island or Hopen-Island, and Prince Charles Forland, together with all islands great or small and rocks appertaining thereto», under the notion of «Svalbard» [4]. Thus, since the geological evolution of the planet is a continuous process, Norway will carry on its sovereignty over this territory under the conditions provided by the Treaty of Svalbard, no matter what State will be the first to discover the newly-formed island or will try to assert their Rights to it».

Maritime space around Svalbard (Spitsbergen) became a priority policy of Norway, Russia and other countries. Much now depends on the decisions and actions of politicians and how they will solve the problems manifested in the maritime areas of Svalbard (Spitsbergen) as well as on how the specification of the existing status of these spaces will be developed.

**Conclusion.** As a result of our research we can draw a conclusion that the question of legal status of sub judice territory raises a lot of issues for consideration in terms of international law. Due to lack of clarity of the law as to legal status of the Spitsbergen archipelago legal disputes may arise concerning unilateral actions of different countries expanding their authority to marine areas surrounding the archipelago. Such actions should take into account the necessity to maintain legal principles established by the Treaty of Paris.

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## MARKET CONDITIONS OF FRANCHISING RELATIONS IN UKRAINE

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**Kukharieva I.I., Kalyuzhna A.B. Market conditions of franchising relations in Ukraine.** The article deals with such form of conducting the business as franchising. The common features of the use of franchising in Ukraine have been analyzed. An analytical review of development of franchising has been given, preconditions of growth of the franchising market have been identified, problems that hinder the development of franchising in Ukraine have been analyzed.

**Keywords:** business, franchisee, franchising, franchisor, International franchise association.

**Кухарєва І.І., Калюжна А.Б. Стан ринку франчайзингових відносин в Україні.** У статті розглянуто сутність такої форми ведення бізнесу як франчайзинг. Проаналізовано загальні особливості використання франчайзингу в Україні. Наведено аналітичний огляд розвитку франчайзингу, виявлено основні передумови зростання ринку франчайзингу, проаналізовано наявні проблеми, що гальмують розвитку франчайзингу в Україні.

**Ключові слова:** Міжнародна асоціація франчайзингу, підприємництво, франчайзери, франчайзинг, франчайзі.

**Кухарева И.И., Калюжная А.Б. Состояние рынка франчайзинговых отношений в Украине.** В статье рассмотрено сущность такой формы ведения бизнеса как франчайзинг. Проанализированно общие особенности использования франчайзинга в Украине. Приведены аналитический обзор развития франчайзинга, выявлены основные предпосылки роста рынка франчайзинга, проанализированы существующие проблемы, тормозящие развитие франчайзинга в Украине.

**Ключевые слова:** Международная ассоциация франчайзинга, предпринимательство, франчайзеры, франчайзи, франчайзинг.

In modern conditions the development of any small business primarily faces the risk of uncertainty of the results of the activity, which is manifested in the inability of the entrepreneur to predict 100% return on investments and positive market acceptance of new products or services that are provided by a new player. Among minor, but not less important risks, such as limitations of their own financial resources, significant interest rates and difficult conditions for obtaining credit, competitive pressure on the part of much larger companies that also operate in selected market niches should also be considered.

Under such conditions, close relevance of the interaction of small and large businesses in a franchise is acquired. As a result of this “cooperation” the small business gets an already widely known and recognized trade brand, the prevailing business model advisory services to build up logistics and management of their own activities, thus practically leveling specified risk of uncertainty. In turn, the big business gets new markets and outlets without the need for deployment activities of their own.

In recent years franchising has become a popular operating strategy for companies competing in the global marketplace. In particular, international retailing companies have increasingly been adopting franchising as a market entry mechanism. This paper attempts to provide a framework for the study of franchising as a strategy for retailers expanding into international markets under ongoing changes in economic environment. This explains the relevance of this article.

The goal of the article is to assess the level of international franchising in Ukraine and abroad, identify gaps and issues of franchise relations, providing parameters and properties of the franchise on the basis of such methods as description and comparison.

The object of the article is franchise business in international economic relations. The subject of investigation – features, issues, trends and prospects of development of franchise business today.

The practical significance of the work, first of all, is the possibility of using the data for professional training and further research in the study of international franchising.

The first franchise point in Ukraine began to work in 1983 – in the international information system “Compass” (the Netherlands); later on McDonald’s, Coca-Cola, “Kodak Express”, “Baskin Robins” appeared on the market. Since 1997 the first national network of quick-service catering (for example “Mak Smak”) was introduced.

Franchise agreements in Ukraine have been signed from the middle of the 1990s; however today in the Ukrainian legislation such term as “franchising” is absent. In jurisprudence there is a term “commercial concession” and legislation is used on the basis of it. However “commercial concession” doesn’t hamper the development of franchising and can be used as a loophole by businessmen in this situation [3, p.1–2].

Another aspect that hinders the development of franchising in our country is the lack of detailed information on franchising as a method of doing business.

Despite the fact that the phenomenon in question has attracted particular attention of such scholars as J.G. Levchenko [1], V.P. Mazurenko [2], M. Naychuk-Khrushch and Anna Ploska [3] and others, it is still of great significance and receives the attention of the following scholars: V. Denysyuk, F. Kotler, J. Delta J. Lamben, M. Mendelson, N. Kovalchuk, I. Boychuk, A. Vynogradska, I. Rykov, O. Kuzmin, M. Makashev and others.

However, the analysis of the literature allows one to speak about the lack of research of trends and dynamics of the franchise in recent years, problems and prospects of development of the franchise in the modern world. Thus, there is a need to consider this kind of international business.

The study conducted by the company “TRIARH” shows that in Ukraine 65–0% of companies do not meet international rules and requirements of franchising [4].

Unlike other countries where the franchisor has no right to sell a franchise, if there was not a testing of business by this franchise, in Ukraine there is a practice of selling a completely new franchise without conducting the commercial activity in this area of business by a franchisor.

Accordingly, this practice is unacceptable because the sale of described business processes without being tested at its retail outlets in most cases is doomed to be unprofitable.

The Tax Code of Ukraine significantly reduces the prospects for the development of small businesses and forces entrepreneurs to seek workarounds in making payments of “royalty” and “lump sum” to their partners [1, p. 211–215]. There are other problems that break the widespread use of franchising schemes in Ukraine, in particular: a substantial franchise value compared to the low purchasing power of buyers, the lack of qualified personnel, difficult conditions and barriers for organizing and operating the business, lack of appropriate consulting structures. The problem of rather strict administrative and tax pressure, difficult conditions for exports, causing high costs for exporters are marked as the most specific ones.

A group of social and psychological factors should also be mentioned: the lack of domestic entrepreneurs, lack of experience in franchising and general understanding of business by Western standards, distrust of Ukrainian businessmen to a foreign approach of doing business, lack of proper respect for intellectual property, the fear of potential franchisees to lose their independence due to “excessive” control of the franchisor, unwillingness to provide the partner with complete and accurate information.

To implement the prospects of franchise development in Ukraine there is

a need to create certain conditions: to include a system of franchising development in government support for small businesses; create a system of tax incentives for franchisees, especially at the initial stage of development of the franchise system; to enable franchisees to use the simplified accounting system; create a network of educational and counseling centers with franchise nationwide [2, p. 79–82].

According to the research of the International Franchising Association, less than 8% of franchise businesses in the world turn out to be unviable, while on average 90% of newly created independent companies cease to exist during the first three years of operation. The average return on investment for the first 10 years of working for independent companies is about 300%, and for franchisees – more than 600% [4].

The required sum to start a business can range from as low as \$5,000 to as high as one million dollars. It all depends on the level at which the company enterprise decides to work with. The most popular franchises in Ukraine today are those that need up to 10,000 USD – 15, 000 USD for opening, such as fast-food, vending, and tourism. That is why the franchise market can be regarded as a promising one for doing business in Ukraine and we should expect an increase in the number of franchisers and especially franchisee [3, p. 2].

Negative trends in the development of franchising in Ukraine significantly deepened during 2014 as the unstable political situation and protracted hostilities in the east affected the business development, the investment climate and caused the increase in consumer demand.

According to the statistics, provided by Finance.ua, in the third quarter of 2014 only three new franchised brands entered Ukrainian market; they are Menswear – N.E. byMango, products for babies – Prenatal Milano and clothing store – Peacocks. Abandoned their plans to enter the Ukrainian market in the near future the network of clothing stores H & M, French network for the sale of sportswear Decathlon (owned by the owners of Auchan), a French chain of fashion stores Kiabi and the British company selling natural cosmetics Body Shop, fast food network Subway and Papa John's [5].

In the market of franchising in Ukraine, a new phenomenon – the so-called “settlers franchisees” has appeared recently. They are economically active entrepreneurs who were looking for options to move their business from the Eastern part of Ukraine and the Crimea. On the one hand, they were seeking the opportunity to quickly enter a new business, on the other hand, some of them were ready to buy the businesses that were already successfully operating. Thus the choice of franchises increased rapidly, became

more active and the agreements on the purchase of real estate used in business appeared. Another trend noticed is the emergence of small mobile franchises.

According to Franchise Association at the beginning of 2014 in Ukraine there were 570 franchises operating by the end of the year the number of such networks reached 620 [4]. The growth was mainly due to smaller bids for new businesses and a network of companies that previously were not interested in franchising.

**Conclusion.** Franchising is a highly effective form of business organization, characterized by low risks and high profits. The need for franchising in Ukraine is caused by the loss of markets for many domestic companies in terms of increased competition, lack of sufficient financial capacity to introduce new technologies into production, lack of competitiveness compared to foreign companies.

One of the major problems of franchising development in Ukraine is the lack of stability due to constant jumping development of the economy, leading to sharp fluctuations in demand for all kinds of goods, regular redistribution of property and so on. The situation is complicated by the deficiency of Western investment in Ukrainian economy, which can be explained by unfavorable investment climate.

The system of franchising has a whole list of benefits that allow to organize business activities more effectively at lower cost, which will increase the competitiveness of the domestic economy.

In the franchising business in Ukraine, the most profitable and active remain the companies that develop foreign franchises. In the structure of domestic franchise market leading positions belong to the catering and retail trade.

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## **RURAL TOURISM IN KHARKIV REGION: PROSPECTS OF DEVELOPMENT**

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The development of rural (green) tourism in the Kharkiv region and its actualization among potential employees are discussed in the article. The current situation of this type of tourism in the region is analyzed. The tourism potential in Sloboda region and problems that interrupt the development of tourism are characterized. A comparison between the state of green tourism in Lviv and Kharkiv regions is made. Examples of effective development of green tourism in the European Union are provided.

**Key words:** crafts, European experience, green mansion, rural green tourism, social and economic development of the country, tourism development in Kharkiv region.

**Леквінадзе Л.Р., Посохов І.С., Сапрун І.Р. Сільський туризм на Харківщині: перспективи розвитку.** У статті розглядається питання розвитку сільського (зеленого) туризму в Харківській області, його актуалізація серед потенційних працівників. Аналізується сучасне положення даного виду туризму в області. Характеризується туристичний потенціал Слобожанщини та проблеми, які заважають розбудові цієї галузі туризму. Проведено порівняння між станом зеленого туризму в Львівській та Харківській областях. Наведено приклади ефективної розбудови сільського зеленого туризму в країнах Європейського союзу.

**Ключові слова:** європейський досвід, зелена садиба, народні промисли, розвиток туризму на Харківщині, сільський зелений туризм, соціально-економічний розвиток села.

**Леквінадзе Л.Р., Посохов И.С. Сапрун И.Р. Сельский туризм в Харьковской области: перспективы развития.** В статье рассматривается вопрос развития сельского (зеленого) туризма в Харьковской области, его актуализация среди потенциальных работников. Анализируется современное положение данного вида туризма в области. Характеризуется туристический потенциал

Слобожанщины и проблемы, которые мешают развитию этой отрасли туризма. Проведено сравнение между состоянием зеленого туризма в Львовской и Харьковской областях. Приведены примеры эффективного развития сельского зеленого туризма в странах Европейского союза.

**Ключевые слова:** европейский опыт, зелёная усадьба, народные промыслы, развитие туризма на Харьковщине, сельский зелёный туризм, социально-экономическое развитие села.

The rural green tourism is an original form of recreation in private farms in the countryside. It is a type of entertainment that gradually sprang in Ukraine. The country colouring and natural features of cultural, historical and ethnographic heritage of Sloboda Ukraine should not leave any tourist indifferent. *The material* of research is prospects of development the rural green tourism in Kharkiv region and its contribution to the economics of region.

The aim of the research is to analyze the situation in the market of rural green tourism in Kharkiv region and designate the ways of its development and improvement at the current stage. The object of the research is development of rural tourism in Sloboda region. The subject of the research is rural green tourism in Kharkiv region. The methods of research are: statistical, method of comparison, analysis.

The rural tourism, a component of complex rural development and rural infrastructure, is one of the ways to increase the sources of income among rural population. Green tourism could be a strategy of poverty reduction in the countryside. Therefore, in the developing countries, rural green tourism is supported and encouraged by the state, the access to activities in this area is simplified and entities that provide services in this area, receive tax benefits and other privileges. The families living in the countryside play a great role in the recreation management. Their main aim is to keep their private farms while the side aim is to use their household to provide different green tourism services like: recreation, accommodation and also familiarize tourists with local culture and traditions.

Sloboda Ukraine is rich in many cultural monuments and popular tourist attractions. In particular, Kharkiv region is known for the birthplace of the famous artist Ilya Repin. The Repin Museum in Chuguev attracts tourists and artist's talent lovers. Not only this, there are some well known villages in Kharkiv region. Namely, Malynivka is famous for its wedding festival. Skovorodinovka is known for its philosophical festival. Pechenegi is popular with its glorious festival "Pecheniz'ke pole". Farms in country style and folkloric



centers gradually appear in the regions. Thus, the development of green tourism is vitally important to Kharkiv.

The Director of the Culture and Tourism Department of Kharkiv Regional State Administration reports at the conference of 07/11/2012 on the measures of the development of rural tourism that have been undertaken by the Kharkiv regional administration to popularize domestic tourism. And the green tourism is a part of it. Besides, the “Kharkiv management and methodical center of tourism” was created, three tourism information points were opened at the main entrance thoroughfares of Kharkiv, the maps of the region were printed, the regional souvenir shop was founded and bike trails were marked.

The scientists and experts of tourist business constantly discuss the development of rural tourism. Sloboda is said to possess a potential. Special conditions for the rural tourism sector have to be created to make it attractive for tourists and profitable for businessman.

To make rural tourism more interesting for its fans, environmental safety and tourist’s leisure should be taken care of: a variety of excursions have been made up, management of fishing or hunting, visiting the trade fairs or the study of folk have to be implemented. This depends on owner’s imagination and creativity.

Union for Promotion of Rural Green Tourism in Ukraine in 2013 stated: “The vast majority of owners working in this area, realize that it is not enough to provide tourists with accommodation and food. It is necessary to entertain them somehow”. Therefore, the owners begin to draw up various leisure programs. The question is for constructive interaction between businessmen, local government, historians, scholars, because the development of green tourism stimulates the flow of money to the region, this in its turn, is sure to improve the infrastructure and restore the local objects of tourist interest and improve the people’s welfare in Sloboda.

Today the rural tourism in Kharkiv is underdeveloped. According to the Kharkiv regional management and methodical center of tourism, only seven farms deal with the green tourism. However, 17 farms are registered. Namely, in Western Ukraine, rural tourism has more than 1,000 farms (according to the data of 2012). It can be explained by the fact that the Western region has certain characteristics that make it more interesting for tourists, such as unique natural, historical and cultural resources, territorial proximity to Europe, creating a positive image of the green tourism among residents and potential workers in this sector.

There is a small list of services (fishing, gardening, pottering, etc.) in rural dwellings in Kharkiv. However, it presupposes great unused potential. The establishment of the Regional Centre for International Technical Cooperation that will deal with the involvement of international technical assistance of international organizations is among the plans of the Department of Economics and International Relations is. Rural tourism sector is the priority in the center's activities.

The development of rural tourism in most countries is seen as an essential part of a comprehensive social and economic development of the village. It could engage potential employees. It is about a quarter of Kharkiv region's population (rural population is about 20% according to 2014). This will allow farmers to expand the sphere of employment, give the extra earnings and benefits that improve the living standards of residents.

With the growth of green tourism in the Kharkiv region, the experience of other countries where this type of tourism has become prosperous should be gained. As follows, France is a leading country in the sphere of green tourism. Depending on the province the industry offers a myriad of services such as sampling authentic (local) food and beverages (a kind of culinary tourism), care for domestic animals at farms (lambs, pigs, and rabbits), hiking in the countryside, pottering and arranging leisure and so on. A part of village dwellings of different categories welcomes guests with their pets: cats, dogs, guinea pigs, etc., they organize a special infrastructure for them. In France there is a special children's activity program in rural areas during school holidays. Children aged 3-13 are invited to stay in the family, to play an active game with their friends outdoors, to go for interesting hikes and adventures. Also, the children can learn folk dances, arts and crafts, foreign languages. A significant part of these events could be used in the Kharkiv region.

In the XXI century more than 2/3 of the European rural tourism market product are sold through a global computer system. Moreover, the average consumer often books the eco houses and receives further information in the Internet.

Now the system of promotion and sale of products and services is developing exponentially via the Internet, thanks to strong support from European governments and the US. Every year around two billion dollars is spent to build a new network infrastructure in the villages. The research in the field of network communications in green tourism is held by governments of the United Kingdom, Sweden, Finland and Germany.

This allows to self-study the European experience of rural tourism to get acquainted with some new achievements in this sphere, build rapport with foreign partner associations, entrepreneurs and rural tour operators. Each of the sites offers direct marketing conditions, opportunities to find and book an eco houses in any region of the EU.

Nevertheless, there are unresolved issues with the introducing training system for experts, training and retraining of farmers. In Kharkiv no working group of trainers-advisor could be found. There are no any mansions certified by certain authorities as well as no mansions with their own Internet page for tourists. This complicates the access to the necessary information greatly.

In conclusion, Kharkiv region has the right and possibilities to develop rural green tourism. The government should address the growth of this type of tourism which makes up the attractive field of activity for creative peasant families. To promote it, the experience of foreign countries could be used, a plan for building of this sector should be developed and a unique tourist product should be created. This process will also require a balanced integrated scientific approach, good marketing support and good educational and information provision.

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## DEVELOPMENT OF MEDICINAL TOURISM IN THE CARPATHIAN REGION

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**Los Y.Y., Skrypnyk T.I. Development of medical tourism in the Carpathian region.**

This article is dedicated to the research of the modern state of medical tourism in the Carpathian region dealing with description of medical resources and main indexes of the medical institutions and detection of the main obstacles for the successful growth of medical tourism and way for their overcome.

**Keywords:** the Carpathian region, medical tourism, mineral water, therapeutic mud, resorts, sanatoriums, treatment boarding house.

**Лось Ю.Ю., Скрипник Т.І. Розвиток лікувального туризму в Карпатському регіоні.** Ця стаття присвячена дослідженню сучасного стану лікувального туризму в Карпатському регіоні, завдяки опису лікувальних ресурсів, основних показників діяльності лікувальних закладів, виявленню перешкод успішного розвитку лікувального туризму й шляхів їх подолання.

**Ключові слова:** Карпатський регіон, курорти, лікувальний туризм, лікувальні грязі, мінеральні води, пансіонати з лікуванням, санаторії, санаторії-профілакторії.

**Лось Ю.Ю., Скрипник Т.И. Развитие лечебного туризма в Карпатском регионе.** Эта статья посвящена исследованию современного состояния лечебного туризма в Карпатском регионе, благодаря описанию лечебных ресурсов, основных показателей деятельности лечебных учреждений, выявлению препятствий успешного развития лечебного туризма и путей их преодоления.

**Ключевые слова:** Карпатский регион, курорты, лечебные грязи, лечебный туризм, минеральные воды, пансионаты с лечением, санатории, санатории-профилактории.

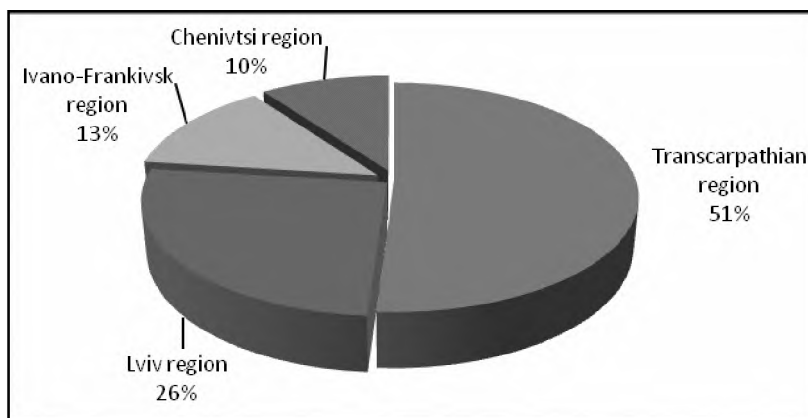
The aim of the article is to conduct the analysis of the growth of the medical tourism in Carpathian region. Object of study is the medical tourism. Subject of the study is the development of medical tourism in Carpathian region. Information is taken from the articles of Ukrainian scientists and statistic documentation.

Carpathian region is traditionally known as the Ukrainian most perspective region for the tourist recreation industry. Rich natural resources of the region and beneficial geographical placement as well as years of experience and developments in field of recreation and also significant labour potential and well-developed infrastructure all of this factors are important enough

prerequisite for priority development of spa treatment that is focused both on domestic consumers and foreign visitors. That is why the detailed study of the development of medical tourism in Carpathian region is essential.

The mineral water existence is one of the most important factors for the growth of spa in Carpathian region. In the region there are over 800 wells of medical mineral water of all known types which makes more than 57.5 thousands  $\text{m}^3$  per day and is about the fourth part of all mineral water in Ukraine and 15% of total supply. Water reserves can satisfy threatment of more than 7 million people per year. But nowadays not more than 15% is used [2, p. 184].

Most of the wells are in the Transcarpathian region that is 51% of the whole number in the region. There are 26% of water sources in Lviv region, 13% are in Ivano-Frankivsk region and 10% in Chenivtsi region. But the Transcarpathian region owns about  $\frac{2}{3}$  (64%) of the total supply of the Carpathian water.



Pic.1. Water supply distribution in the Carpathian regions [2, p. 152]

Lots of spa resorts in the Carpathian use sodium chloride, hydrogen sulfide, siliceous-thermal or arsenic. They are present in water and "Naptusya" type of water containing organic substances. Most of them are in Transcarpathian region (Poliana, Holubyne, Soymy, Syniak, Borzhava, Teplitsa, Shayan), less of them are in Lviv region (Truskavets, Morshyn, Skhidnytsia, Lubin Veliky, Shklo, Nemiroff) and one mud-bacteriological spa is in the Ivano-Frankivsk region (Cherche). Chernivtsi region is the only one in Ukraine that does not have any spa of this type despite of sufficient conditions for developing this

activity. Mentioned resorts are specialized in different treatment profiles but the main among them are diseases of gastrointestinal tract, urogenital, cardiovascular, nervous and peripheral system, musculoskeletal system, female genital, skin and etc [1, p. 57].

Natural potential of mud-treatment of Carpathian region is provided by peat mud supply that consists of mud containing organic substations (over 25%) with major decomposition over 40%. Geological reserve of peat mud is 1402 thousands m<sup>3</sup>. The biggest reserve of peat mud is in Lviv region, then are the Ivano-Frankivsk and Chernivtsi regions and the last is the Transcarpathian region. The Morshyn source is known as the biggest one and it contains 239 thousand i<sup>3</sup> of peat.

The spa resorts as Cherche in Ivano-Frankivsk region and Lubin Veliky in Lviv region are based on such peat. As a support treatment the mud is used at the Truskavets, Morshyn, Shklo and Nemiroff spas of Lviv region. These resorts are specialized in treating the peripheral nervous system, musculoskeletal system, female genital mutilation, urology and skin [3, p. 80].

There are lots of sanatoriums with different medical services and some preventive health sanatoriums and treating boarding houses on the territory of this region resorts. Main activity factors of treating institutes are in the table 1.

*Table 1*

**Number of spas in Carpathian region in 2013 year**

Type	Trans-carpathian region	Ivano-Frankivsk region	Lviv region	Chernivtsi region	Total in Carpathian region
Sanatorium	20	11	46	4	81
Prevent health sanatorium	4	3	5	-	12
Treating pension	2	4	2	1	9

Table based on source [4].

Most number of spa are in Lviv region (46), that is 57% of whole number in Carpathian region, 1/4 are in Transcarpathian region(20), 14% are in Ivano-Frankivsk region (11) and very small amount in Chernivtsi region. Lviv is the most industrialized city of the region. That is why the highest number (5) of spas that are based on the industrial companies are in Lviv region, 4 are in Transcarpathian region, 3 are in Ivano-Frankivsk region while Chernivtsi region doesn't have any. Small amount of treating boarding houses is in Carpathian region while the half of them (4) are in the Ivano-Frankivsk region.

The successful development of the tourism in Carpathian region is determined by the rich treating resources of the region. Main obstacles for the successful growth are outdated material and technical base of existing institutions, underdeveloped infrastructure, poor service, insufficient number of single rooms, high prices for spa services, weak marketing support, seasonal fluctuations in demand, lack of scientific developments of the successful industry development.

Growth of the activities should be carried by improvement of the state policy in the sphere of resorts, implementing of new technologies in medical diagnostic work and rehabilitation, improvement of logistics, reconstruction of existing and construction of new accommodation, dining and other facilities, a favorable development of resorts for tax and investment climate, creating a positive spa image of the state.

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## AUDIT OF MANAGEMENT ACTIVITIES IN UKRAINE

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The article describes theoretical bases to determine the efficiency of the audit of management activities, its core objects and basic directions of its implementation. There is analyzed the literature which shows that economists do not have a clear opinion on the definition of the nature of the audit of management activities and methods of its implementation, which is closely linked with the content of legal documents. There are also described such integral components of the audit of management activities as audit of authorities and audit fees.

**Keywords:** audit fees, audit of management activities, audit of the programme, management audit, performance audit.

**Мельничук М.В., Касьянова В.Г. Аудит діяльності менеджера в Україні.**

У статті викладені теоретичні основи для визначення ефективності аудиту управлінської діяльності, основних об'єктів і напрямків його реалізації. Аналіз літератури показав, що серед економістів немає чіткої думки за визначенням характеру аудиту управлінської діяльності та методів його реалізації, які тісно пов'язані з вмістом правових документів. Також описано такі невід'ємні компоненти аудиту управлінської діяльності як аудит влади і збори аудиту.

**Ключові слова:** аудит виконання, аудит діяльності менеджерів, аудит менеджмента, аудит програми, збори аудиту.

**Мельничук М.В., Касьянова В.Г. Аудит деятельности менеджера в Украине.**

В статье изложены теоретические основы для определения эффективности аудита управленческой деятельности, основных объектов и направлений его реализации. Анализ литературы показал, что среди экономистов нет четкого мнения по определению характера аудита управленческой деятельности и методов его реализации, которые тесно связаны с содержанием правовых документов. Также описаны такие неотъемлемые компоненты аудита управленческой деятельности как аудит власти и сборы аудита.

**Ключевые слова:** аудит выполнения, аудит деятельности менеджеров, аудит менеджмента, аудит программы, сборы аудита.

Integration into the European community involves the formation of many areas in the Ukrainian economy. One of the most important areas in economy is the formation of the control environment in the country, which has the element called audit of management activities. Development of audit of management activities in Ukraine is hampered by a number of factors and circumstances, namely, the imperfection of the legislation of the audit, and the lack of methods for the management and documentation of the audit.

There is almost no disclosure of the term audit of management activities as part of the mechanism of control over economic processes in legislation of Ukraine, as well as in scientific literature.

The problems of formation, development of audit activity in Ukraine are presented in scientific works and publications of the scientists like E.A. Ahrens, J.K. Lobbek, J.S. Timothy, J. Louvers, L.Z. Schneiderman, R. Adams, L.S. Polyakova, A.M. Gerasimovitch, G.M. Davydov, N.I. Dorosh, S.Y. Zubilevich, A.M. Kuz'minskii, etc. [4–9].

Analysis of the literature leads to the conclusion that the scientists do not have the common view about the nature of the audit of management activities and its methodology. So, the above facts make the research of the efficient audit base to control management activities actual.



The object of the research is audit of management activities, the subject is to determine the ways of efficiency of such kind of audit. The main aim of the article is to study theoretical foundations of the definition of the essence of audit of management activities, its types and object and to identify the areas of auditing. This will help to know opportunities to improve economic activity.

The term “audit of management activity” is used to determine the level of management efficiency during its implementation. Audit of management activities focuses on assessing the effectiveness and suitability of management. This type of auditing is a systematic process of study, analysis, evaluation and overall performance management. Evaluation consists of ten categories that are considered in comparison with other organizations. Audit measures quality of a management company in relation to other companies in the industry, as well as the best management in other industries. There are ten categories of audit control: 1) economic function; 2) corporate structure; 3) health of earnings; 4) service to stockholders; 5) research and development; 6) directorate analysis; 7) fiscal policy; 8) production efficiency; 9) sales vigor; 10) executive evaluation.

These categories don't show individual control functions.

Thus, audit management activities should include areas such as audit of the management system, oriented toward the study of efficiency of the organizational structure and performance audit of the company. It has long been noted that management efficiency is directly proportionally to affect the efficiency of the enterprise. The methodology includes such areas as: performance audit, audit of the program and management audit.

Performance audit is a continuous process of monitoring and reporting on the implementation of the program in order to achieve the goals set in advance [3, p. 23].

Audit of the program is an individual systematic study of the program effectiveness. Experts of audit believe that the audit and evaluation may include the following categories:

- Audit compliance: Do you follow the rules?
- Audit economy: Do you use the selected state or the own resources economically to achieve these results?
- An audit of effectiveness: Do the achieved results correspond to the expended resources?
- Performance Audit: Do the results match the objectives of the policy?
- Assessment of policy coherence: Do the appropriate means and policies match the formulated objectives?

– Assessing the impact of policy: What’s the impact of the socio-economic policy?

– Assess the effectiveness of policies and analysis of causal relationships: Are the actual results of the policy caused by this policy, or by other causes? [3, p. 25].

Management audit is a process of study and evaluation of the economic phenomena and facts in order to provide recommendations for the management and efficient use of material, labor and financial resources to achieve the final financial results and program objectives. The focus of the audit management activity is efficiency and economy of operations. Also, this type of audit examines the factors of common activities, programs, projects and specific activities and organization management plans (strategic, managerial and operational), techniques and procedures.

Since management audit is directly connected with the main control functions, the head of the company should know the rules of audit and implement management activities in accordance with the applicable legislation.

**Conclusion.** According to the results of the research it can be concluded that the audit of management activity in Ukraine has a difficult path of development. The successful development of audit is possible only if the issues of the development of appropriate legal documents are finally resolved and if methodical provision is created according to the current market conditions of management.

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## **OFFSHORE CENTRES IN THE INTERNATIONAL BUSINESS**

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**Miroshnik V.V., Riabenka I.V. Offshore centres in the international business.**

The article deals with the research of the role and value of offshore centres in the international business, its impacts on the national economy, problems and prospects of offshore centers in the future.

**Keywords:** Development prospects, international business, legislation, offshore centres, taxes.

**Мірошник В.В., Рябенка І.В. Офшорні центри у системі міжнародного бізнесу.** Стаття присвячена дослідженню ролі та значення офшорних зон у системі міжнародного бізнесу, його впливу на національну економіку, проблеми та перспективи розвитку офшорних центрів у майбутньому.

**Ключові слова:** Законодавство, міжнародний бізнес, офшорні зони, перспективи розвитку, податки.

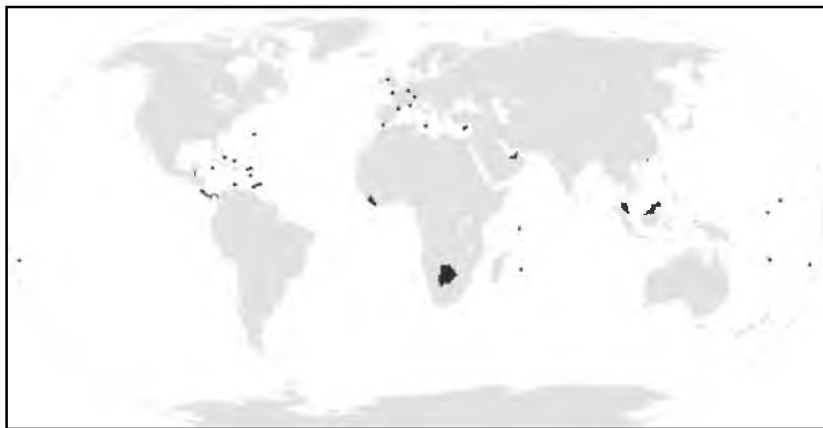
**Мірошник В.В., Рябенка И.В. Оффшорные центры в системе международного бизнеса.** Статья посвящена исследованию роли и значения офшорных зон в системе международного бизнеса, его влияния на национальную экономику, проблемы и перспективы развития офшорных центров в будущем.

**Ключевые слова:** Законодательство, международный бизнес, налоги, офшорные зоны, перспективы развития.

The relevance of the chosen topic is grounded on the fact that in today's business world, the owners are obliged to pay 55 to 60% of the total turnover taxes. There is a very strict policy of taxation and corruption. In order to somehow survive in the modern world and conduct business effectively, people have to create legal and illegal tax evasion scheme. Thus, the object of this article is offshore centres, while the subject is offshore centres in the international business. Assessment of the current state of offshore centers, evaluation of dynamics and analysis of existing problems make up the aim of the article.

One of the mechanisms for optimizing taxes in international tax planning is the use of low-tax - offshore. The use of offshore can be a legitimate tax planning tool and a means of illegal tax evasion [6].

Offshore zone is a country or a territory of individual countries where at the state level certain types of companies are owned by foreigners, significant tax benefits are found, customs and trade restrictions are partially or completely removed, requirements for accounting and auditing are reduced or absent (see Picture 1).



Pic. 1. Map of Offshore centres [2].

*Offshore centres are characterized by:*

- Liberal monetary legislation that protects the interests of investors, while not imposing unnecessary restrictions on financial institutions (low taxes, small government intervention);
- Implementation of monetary and credit transactions for the country mainly in foreign currency;

- Admission of legislative sale of foreign currency at the official price when the official exchange rate is below the market, and buying of currencies when the official exchange rate is above the market.

- Financial and banking secrecy: In the Bahamas and Barbados violation of bank secrecy threatens severe fines. In the Cayman Islands violation of secrecy of bank deposits threatens imprisonment for up to two years and a fine. In Hong Kong, the protection of banking secrecy is severely marked: its violators may be subject to a fine up to \$100 thousands or imprisonment – up to 2 years [3; 6].

- Modern communication facilities and a well-equipped network of communications: The appeal of offshore center largely depends on the level and quality of communication services. Typically, these centers are equipped with effective means of telecommunication that provide a good connection required for financial transactions. For example, the Cayman Islands using satellite communications provide a modern automatic connection to the United States, Canada and Great Britain.

- Political and economic stability in the country: Military destabilization or armed conflicts make impossible the existence of offshore centers. Political risk is critical in making decisions on the transfer of assets abroad.

- Convenient legal system [6; 3].

*Offshore centers are usually divided into two main types:*

1. The offshore territory officially recognized in the world and jurisdictions that relate to “tax havens”. This is mainly countries with a small population and small land area. According to the terminology adopted in the UN, they are called mini-states. They are characterized by the absence of income tax for foreign “soft” companies. But this advantage is largely devalued in the eyes of customers due to such a serious drawback as no tax treaties with other countries and especially the agreements on avoidance of double taxation [1; 4]. Gibraltar, Panama, the Bahamas, the Turks, the Caicos belong to this type.

2. Jurisdictions with “moderate” level of taxation. These states are not considered to be typical offshore territories, although some of them in certain cases are included in the “black list” of tax havens. The states of this type often charge “moderate” income tax. But this “deficiency” is completely offset by the fact that such jurisdiction is related to numerous tax treaties with other countries. In addition, significant benefits are provided for such companies as holding companies, financial and licensing. Switzerland, the Netherlands, Austria, Ireland, Belgium are among these states.

3. There are a number of “combined” jurisdictions, which combine the features of the above-mentioned types, for instance Cyprus and Ireland [4].

*Despite the positive qualities that offshore centres have, we can select a number of problems such as:*

- creation of elements of instability in the world economy and finance in connection with the possibility of accumulation of large amounts of capital, including speculative, in the offshore;
- creation of conditions for capital flight;
- deterioration of social processes related to tax evasion via offshore zones [4].

*Prospects for future offshore centres.* Amid the global crisis G20 intensified the policy which should protect offshore activity. Despite the fact that offshore centres have many shortcomings, clear measures which may help G20 to protect offshore activity have not been found. One of the simplest steps is the abandonment of offshore business is when the legislation of many countries prescribes prohibition of offshore companies in their territory.

The second measure is the USA administration’s desire to reform the offshore financial system in line with international standards.

**Conclusion.** The analysis of the methods of struggle of the leading powers of “tax havens” refers to certain limitations and declarative decisions. Politics of G-20 will be unable to seriously affect the profitability of the offshore business, because it will only eliminate the confidentiality of financial information. Unimpeded access to the data will be provided only to the competent state authorities on demand. The advantages of offshore zones will continue to attract big business. As in the short term there will be no “secret” offshore, no “Harbor” will lose its competitiveness [5].

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## **ROLE OF HUMAN POTENTIAL IN THE DEVELOPMENT OF NATIONAL ECONOMIES**

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**Miroshnyk N.O. Davydenko I.V. Role of human potential in the development of national economies.** The article examines the impact of human potential on the development of national economies. The research carries out a comparative analysis of the macroeconomic indicators of countries from various world regions. The analysis shows that the higher the investment in human potential development is, the better economic situation is in the country.

**Key words:** development of national economies, educational, health, human potential, investment, labor force, qualification.

**Мірошник Н.О., Давиденко І.В. Роль людського потенціалу в розвитку економік країн.** У статті розглядається вплив людського потенціалу на розвиток економік країн. Проводиться порівняльний аналіз макроекономічних показників країн з різних регіонів світу, який доводить, що зі збільшенням інвестицій в розвиток людського потенціалу покращується економічний стан країни.

**Ключові слова:** інвестиції, кваліфікація, людський потенціал, освіта, охорона здоров'я, робоча сила, розвиток національних економік.

**Мірошник Н.А., Давыденко И.В. Роль человеческого потенциала в развитии экономик стран.** В статье рассматривается влияние человеческого потенциала на развитие экономик стран. Проводится сравнительный анализ макроэкономических показателей стран разных регионов мира, который доказывает, что с увеличением инвестиций в развитие человеческого потенциала улучшается экономическое положение страны.

**Ключевые слова:** здравоохранение, инвестиции, квалификация, образование, рабочая сила, развитие национальных экономик, человеческий потенциал.

The object of the study is the development process of national economies. The subject of the study is the interdependency of investment in human

potential and the development of national economies. The purpose of the study is to reveal the role of human potential as a factor of the economic growth. The relevance of the work lies in the analysis and information systematization of theoretical and economic data concerning the role of human potential in the national economies development.

The new approach to the civilization progress was set up at the turn of the century. The new paradigm of development places human potential and environmental conservation on the first place instead of material welfare accumulation. A human being, his needs and development are the main conditions of the progress, and hence the goal of the social policy of each country [4]. Labor force is not only a production factor. Theorists of human development focus their attention on the connection between contribution into labor force – education, health protection, culture, qualification – and future profits.

A lot of countries have a strategy, which is focused on three areas of growth: smart, sustainable and inclusive, which cannot be successful without major contribution of skills and knowledge. This is commonly known as human capital, which is a constituent of human potential. These goals cannot be realized without good educational and training systems, knowledge diffusion into manufacturing services, creative industries and great efforts made in order to create a research-intensive economy.

Human potential does not only define country's abilities to be provided with creative, qualified workers in the future, but also influences the social renewal in demography and economy. Nowadays the success of the economy depends on the ability to generate innovation reforms, the increasing role of human reproductive processes. This highlights the need in human potential detection and determination of prior areas for development.

Investment in the development of training and skills, regardless of age and social status, is considered to be a necessary component of economic development in developed countries. Demography also plays an important role.

The contemporary stage of mankind's development defines different approaches to social lifestyle. Value of human resources is increasing in advanced countries; and more and more scientific researches are focusing on this issue. But there are a lot of problems concerning overpopulation, population control, healthcare and basic daily needs in developing countries of Africa, Asia and Latin America. This is a result of slow dissemination of the ideas and technologies from advanced countries to underdeveloped ones.



According to the World Bank experts, more than 70% of national wealth of advanced countries is the human factor, and more than 50% of the wealth is natural resources in developing and underdeveloped countries [2]. This national wealth rate, in most developed countries, has been formed as a result of the long-term financial investing into human resources. There are a lot of underdeveloped countries which receive significant income from selling oil and gas resources (Venezuela, Nigeria, Turkmenistan etc.), but they still have low level of human resource development. The problem, being examined in details, lies in different levels of GDP per capita. According to CIA data, in 2014 more than 30 countries had average GDP less than \$3 a day [3]. Ratio of this indicator in developing countries and developed countries is very contrast; it is 1:50 and more.

Talking about the economic development of a country, not only GDP but also parameters of healthcare and education should be taken into account. The UNDP experts have developed an integral indicator to determine achievements in basic human development – Human Development Index. HDI is calculated annually for inter-state comparison and estimating standards of living, literacy, education and longevity as the main human potential characteristics. It is a basic tool to compare living standards in different countries and regions.

Using HDI, one can explore the “distance to be covered in order to get the ideal state of the country” and compare it with the indicators of previous years. This allows countries to monitor progress and level of human development. Let us compare the US, Japan, Germany, Singapore, Ukraine, Australia, Kazakhstan, United Kingdom and South Africa with their HDI (see table 1).

Table 1

**Key national measures  
of an influence upon human resources development, 2015**

<b>Country</b>	<b>USA</b>	<b>JP</b>	<b>DE</b>	<b>SG</b>	<b>UA</b>	<b>AU</b>	<b>KZ</b>	<b>GB</b>	<b>ZA</b>
Population, millions	318,8	127,1	80,8	5,6	44,2	22,7	18,15	64,08	53,67
Population growth rate, %	0,77	-0,13	-0,17	1,89	-0,64	1,07	1,14	0,54	1,33
Health expenditures % from GDP	17,9	10,1	11,3	4,6	7,6	9,4	4,3	9,1	8,9
Education expenditures % from GDP	5,4	3,8	5,1	2,9	6,2	5,1	3,1	6	6,2
GDP, trillions \$	17,42	4,77	3,74	0,454	0,134	1,1	0,42	2,95	0,707
GDP – per capita, \$	54800	37800	46200	83100	8200	46600	24100	39800	13100
Labor force, millions	156	65,93	44,76	3,53	22,11	12,27	9,1	32,76	20,22
Competitiveness	100	74,529	86,197	89,857	54,234	80,513	64,89	79,15	50,627
<b>HDI</b>	<b>0,914</b>	<b>0,890</b>	<b>0,911</b>	<b>0,912</b>	<b>0,734</b>	<b>0,935</b>	<b>0,788</b>	<b>0,907</b>	<b>0,666</b>

Source: [3].

The higher national measures are the better HDI a country has. The correlation analysis shows that there is a direct relationship between population and GDP, health expenditures, labor force; population growth rate and health expenditures. The correlation coefficient between population and competitiveness is high. So, the higher the investment in human potential development is, the greater the HDI will be.

**Conclusion.** The human potential development is becoming the main and determining factor of economic growth. Numeral researches demonstrate that the classification of countries according to their economic development determines the human potential quality. This index depends on technological progress, organizational processes, work, culture etc.

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## CURRENT STATE OF LEISURE AND TOURISM INDUSTRY IN THE POLTAVA REGION

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**Moroz I.S., Broslavskaia Ye.M. Current state of leisure and tourism industry in the Poltava region.** This article covers an analysis of tourist flows, their dynamics and revenues from tourism industry in the Poltava region.

**Keywords:** accommodation facilities, dynamics, tourist flows, travel agency.

**Мороз І.С., Брославська Є.М. Сучасний стан рекреаційно-туристичного комплексу Полтавського регіону.** Ця стаття присвячена дослідженню туристичних потоків, їхньої динаміки та прибутків від туристичної індустрії в Полтавській області.

**Ключові слова:** динаміка, засоби розміщення, туристичні потоки, туроператор.

**Мороз И.С., Брославская Е.М. Современное состояние рекреационно-туристического комплекса Полтавского региона.** Эта статья посвящена исследованию туристических потоков, их динамики и доходов от туристической индустрии в Полтавской области.

**Ключевые слова:** динамика, средства размещения, туристические потоки, туроператор.

The r e l e v a n c e of the chosen topic is justified by the fact that leisure and tourism industry considered in the work is one of the industries with the highest potential for development in Ukraine, as the country enjoys a wide variety of natural and historical landmarks that can attract tourists from all over the world. The m a t e r i a l of the study was mainly taken from magazines and online sources devoted to the development of tourism business in Ukraine and specifically in the Poltava region. The purpose of this research is to analyze the present state of leisure and tourism industry in the Poltava region and investigate the dynamics of tourist flows there.

Leisure and tourism industry is part of the socioeconomic sector, and therefore an analysis of regional development of tourism is important, as it affects the economy of the state [1].

The development of tourism is usually characterized by markers such as tourist arrivals and revenues from tourism. In 2014 the Poltava region hosted 12,947 tourists and 14,403 sightseers considered as participants in tourist activity (Table 1).

*Table 1*

**Tourist flows in 2014 [3]**

	The number of tourists seen as participants in tourist activity	Including			The number of sightseers
		Inbound tourists	Outbound tourists	Domestic tourists	
Ukraine	2425089	17070	2085273	322746	1174702
Poltava region	12947	87	11476	1384	14403
Percentage of the total number, %	0,5	0,5	0,6	0,4	1,2

As can be seen from Table 1, in 2014 the total number of tourists (participants in tourist activity) hosted in the Poltava region was 12,947 people.

Of these, the number of foreigners (inbound tourists) comprised 87 people, which accounted for 0.7% of all tourists in the region. The number of outbound tourists was 11,476 people, or 88.6% of the total amount, and the number of domestic tourists amounted to 10.7% of all tourists (1384 people). Thus, the number of tourists hosted in the Poltava region made up 0.5% of the total number of tourists in Ukraine in 2014. Similarly, the number of foreigners, or inbound tourists, who enjoyed the service of the Poltava region's travel agencies, also amounted to 0.5% of the total number of inbound tourists in Ukraine. The number of Poltava citizens, who chose to spend their holiday abroad, comprised 0.6% of the total number of outbound tourists from Ukraine. The share of domestic tourists in the Poltava region was 0.4% of the total number of domestic tourists in Ukraine. Finally, the number of sightseers in the Poltava region in 2014, which was 14,403 people, made up 1.2% of the total number of sightseers in Ukraine.

It should be noted that the number of tourist arrivals and sightseers in the Poltava region is constantly changing. Table 2 shows the dynamics of tourist flows over the period from 2000 to 2014.

*Table 2*

**The dynamics of tourist flows in the Poltava region [3]**

	The number of tourists seen as participants in tourist activity	Including			The number of sightseers
		Inbound tourists	Outbound tourists	Domestic tourists	
2000	78777	355	488	77934	33131
2001	49472	792	608	48072	39274
2002	55845	1030	1110	53705	44233
2003	65002	1045	2497	61460	41651
2004	50201	1727	4128	44346	40346
2005	56580	2104	6930	47546	46454
2006	63882	1778	9868	52236	37742
2007	72334	1839	11808	58687	27676
2008	67218	1341	16933	48944	31938
2009	42688	718	13156	28814	26453
2010	43049	636	15994	26419	23656
2011	26887	389	11682	14816	32773
2012	27895	165	14565	13165	25933
2013	20125	119	16228	3778	28661
2014	12947	87	11476	1384	14403

As can be seen from Table 2, over 15 years (from 2000 to 2014) the number of tourists (participants in tourist activity) in the Poltava region declined by 83.6% from 78777 to 12947 people. This is mainly due to the economic crisis that hit the world in late-2000s and also rather unstable economic and political situation, which the country has been suffering in recent years. The number of foreign tourists decreased by 75.5% from 355 to 87 people. However, in the beginning of the considered time period there was a significant growth in the number of inbound tourists, which reached its maximum of 2,104 people in 2005. Alternatively, the number of tourists from Ukraine seeking holiday destinations abroad increased by 95.7% from 488 to 11,476 people. The number of domestic tourists however decreased by 98.2% from 77,934 to 1,384 people. Finally, the number of sightseers in the Poltava region also declined by 56.5% from 33,131 to 14,403 people over the regarded period. This is due to the economic crisis negatively affecting people's wellbeing and the unstable political situation in the country (Table 2).

An important marker characterizing the performance of leisure and tourism industry in the region is the activity of travel agencies. Table 3 shows the number of travel agencies in the Poltava region and their share in the total number of travel agencies in Ukraine.

*Table 3*

**The total number of travel agencies [2]**

	The total number of travel agencies	Including		
		Tour operators	Tourist agencies	Tour desks
Ukraine	5711	945	4289	477
Poltava region	135	2	130	3
Percentage of the total number, %	2,3	0,2	2,9	0,6

As is seen from Table 3 the Poltava region seriously lacks actors in tourism business, the total number of which is only 135 for the whole field. Of these, there are two tour operators, which is about 2% of the total number of all travel agencies in the region, and 3 tour desks engaged in organizing excursions, which is a little more than 2%. 130 tourist agencies make up the bulk of travel agencies in the region – 96%.

The share of Poltava region's travel agencies in their total number in Ukraine is 2.3%. Tour operators in the region account for only 0.2% of the total number in Ukraine. The share of Poltava region's tourist agencies is 2.9% of their

total number in the country. Finally, the share of tour desks in Poltava region is 0.6% of their total number in Ukraine.

**Conclusion.** After analyzing the performance markers of the Poltava region's leisure and tourism industry it can be seen that it is unfortunately rather low and leaves much to be desired. The tourist flows in the region are low and tend to decrease due to the deterioration of infrastructure as well as recent decline in economy and political instability. At present leisure and tourism industry in the Poltava region is not sufficiently developed, but has solid opportunities for improvement and increase in tourist flows.

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## THE PROBLEMS OF DEVELOPMENT AND ORGANIZATION OF INTERNATIONAL TOURISM IN THE COUNTRY OF AFRICAN CONTINENT

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The article analyzes the current level of development of international tourism in Africa. Dynamics of increase the number of tourist arrivals is investigated in the last years, presents the key factors that can influence the development of tourism in the region. The article describes the characteristics of the main problems which hinder the development of tourism in the region, as well as possible solutions of these problems.

**Key words:** African continent, countries, international tourism, potential, UNWTO.

**Москаленко А.Р., Шамара І.М., Сапрун І.Р. Проблеми розвитку і організації міжнародного туризму в країнах африканського континенту.** У статті аналізується сучасний рівень розвитку міжнародного туризму в країнах Африки. Досліджено динаміку збільшення кількості туристичних прибуттів за останні роки,

представлені основні передумови, які можуть впливати на розвиток туризму в даному регіоні. У статті викладена характеристика основних проблем, які перешкоджають розвитку туризму в даному регіоні, а також можливі шляхи вирішення цих проблем.

**Ключові слова:** африканський континент, країни, міжнародний туризм, потенціал, ЮНВТО.

**Москаленко А.Р., Шамара И.Н., Сапрун И.Р. Проблемы развития и организации международного туризма в странах африканского континента.**

В статье анализируется современный уровень развития международного туризма в странах Африки. Исследована динамика увеличения количества туристических прибытий за последние года, представлены основные предпосылки, которые могут влиять на развитие туризма в данном регионе. В статье изложена характеристика основных проблем, которые препятствуют развитию туризма в данном регионе, а также возможные пути решения этих проблем.

**Ключевые слова:** африканский континент, международный туризм, потенциал, страны, ЮНВТО.

For the past decades, the impact of the service sector, primarily tourism, on the dynamics of economic development, the processes of social transformation of society and the intensity of world economic relations of developing countries has increased considerably. Looking at the industrialized countries and new industrialized countries of Asia and Latin America, it can be assumed that with the increasing level of socio-economic development of the countries of the periphery, the impact of services sector on their economies and social life will increase [4].

Since the end of the last century, tourism started to develop in many regions and countries of the world, including Africa. Active involvement of the continent in international tourism requires study of its forms and directions, because the development of tourism in African countries is a significant factor in the formation of their economy and implementation of economic policy. Meanwhile, international tourism is developing every day, improving its form and the interaction with other forms of international relations, such as: information exchange, transportation, trade in goods and etc, therefore, the study of problems of organization and development of international tourism in Africa is relevant for today [3].

The aim of the study is to identify the main problems that hinder the development of tourism in Africa, and find the ways to solve these problems.

Many aspects of international tourism development have been well studied, but its role and position in African countries has still poorly been investigated. One of the main features of this continent, which concerns tourism, is that its



opportunities are not well known not only to tourists but also to the tour companies, because there are some stereotypes that Africa is something bad in terms of health and infrastructure [7].

From a tourism perspective, the African continent is divided into 2 parts: north and south. Countries that belong to the northern part, are quite famous among tourists as in the CIS (The Common Wealth of Independent States) and in other regions of the world. These are countries such as Egypt, Morocco, Tunisia, and Algeria. The greatest influx of tourists is observed in these places because the northern part is closer to Europe and Asia.

The southern part includes those countries which are in south of the Sahara. It should be said that, currently these countries are developing the global economy very strongly. Since 2010, the level of development of tourism increased by 5% in the world, and in Africa, this figure reached 10% that makes up an absolute record. American, Brazilian and other travel companies of Western countries are one of the main reasons for such a jump [4].

In addition, there are other prerequisites for the development of international tourism in Africa. Primarily the following ones:

- variety of touristic programs, especially adventure, ecotourism and initiation into the culture of local tribes;
- positive global perceptions of peaceful political transition in South Africa;
- diversity of cultural and historical attractions in North Africa;
- national tourism assets that, in some cases, has no analogues [7].

Over the last decade the number of tourists who come to Africa increased more than 2 times, and despite a difficult 2014, it still gave a 2% increase compared with 2013. In addition, according to the UNWTO (World Tourism Organization), the number of international tourist arrivals on the African continent will grow constantly.

An important step in the development of tourism on the continent was played by the creation of INVESTOUR? is a joint initiative of UNWTO, FITUR (international tourism exhibition) and the “Casa África”. This forum was held for 6 times and it has become an important platform for companies and committees dealing with tourism in Africa, conducive to attracting investment and creating commercial opportunities on the continent. This annual event has also become a key place to discuss some of the most pressing issues affecting tourism in Africa [5].

According to UNWTO Secretary-General, the support to African tourism means supporting growth economy and employment, the formation of enormous opportunities for the development. To exploit the tourism potential of Africa, it is

necessary to deal with current challenges such as infrastructure development, facilitation of travel and the full use of modern technologies to get the maximum benefits from marketing and services. INVESTOUR promotes the establishment of productive partnerships that is certain to help to convert these challenges into opportunities for a brighter future in Africa and ensure more inclusive economic development for all countries of the continent.

The result of the forum, which was held on 3 February 2015, was the participants' agreement that can be formulated in the following way. Despite the improvement of the situation, related with the management of tourism, there is a big need of financing, in particular, investment in infrastructure, statistics and training of staff. In addition, the importance of visa facilitation, big need in promoting positive information about the tourism in the region, as well as creating a strong brand of Africa was noted [1; 2].

Africa has been developing in pace with the liberalization of tourism and related services. The continent has the necessary tourism potential, especially ecotourism, and this potential should be used to stimulate economic growth, the introduction of modern forms of organization and technical progress in the field of travel services.

As it has already been mentioned, tourism in Africa largely depends on the availability of the necessary infrastructure, as well as enough information support. A study of tourism opportunities in African countries is limited to a technological lag from national services, the lack of human factor (shortage of qualified personnel). At the moment it is more appropriate to consider the potential of the continent in terms of tourism and relying on it to conduct negotiations at the multilateral level with the aim of promoting tourism on the African continent [7].

The most developed types of tourism in the region are: cultural, safari, beach tourism and ecotourism. Good development of these types of tourism are formed by the uniqueness of the objects of nature and historical monuments, the originality of the national culture of the peoples of the continent, creative and unusual tourist routes.

Yet, unfortunately, it can be concluded that tourism in Africa lags behind other regions in international tourism, primarily due to the fact that most countries are not developed economically, live below the poverty line, do not have political stability and, in addition, in some places there are military conflicts and epidemics happen. However, with the potential of the region being enormous, the promotion of tourism development, as well as interaction with more developed countries, Africa can take one of the leading places for tourism in the world.

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## HOW TNCS HAVE SPREAD GLOBALIZATION

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This article features such definitions as transnational corporations and globalisation, as well as gives examples of methods of influence of transnational corporations on globalisation. Among the latter are creation of cheap labour force in the developing countries (LEDCS), keeping minimum wages and costs while at the same time making intelligent investments into innovative technologies.

**Key words:** globalization, innovative technologies, intelligent investments, international marketing, LEDCs, transnational corporations.

**Муглі С.К., Старцева Н.М. Як ТНК розповсюдили глобалізацію.** У статті розглядаються такі поняття як транснаціональні корпорації та глобалізація, а також наведені приклади та способи впливу транснаціональних корпорацій на глобалізацію. Серед останніх є створення дешевої робочої сили в країнах, що розвиваються, зберігаючи мінімальну заробітну плату та витрати, в той же час роблячи інвестиції в інтелектуальні інноваційні технології.

**Ключові слова:** глобалізація, інноваційні технології, інтелектуальні інвестиції, міжнародний маркетинг, країни, що розвиваються, транснаціональні корпорації.

**Мугли С.К., Старцева Н.М. Как ТНК распространили глобализацию.** В статье рассматриваются такие понятия, как транснациональные корпорации и глобализация, а также приведены примеры и способы влияния транснациональных корпораций на глобализацию. Среди последних – это создание дешевой рабочей силы в развивающихся странах, сохраняя минимальную заработную плату и расходы, в то же время делая инвестиции в интеллектуальные инновационные технологии.

**Ключевые слова:** глобализация, инновационные технологии, интеллектуальные инвестиции, международный маркетинг, развивающиеся страны, транснациональные корпорации.

The relevance of the article. Multinational corporations (TNC) are inseparable and inevitable element of the globalized world based on the liberal market economy. TNC became the driving mechanism of the growth, and they are responsible for the employment of millions of people, corporations tend to benefit rich and harm the poor. Due to the fact that many corporations exceed in economic capacity the magnitude of countries, TNCs became a tool and instrument to influence other nations' economies and policies.

The goal of the article is to determine the impact of TNCs on the process of globalisation worldwide.

Transnational corporations (TNCs) are incorporated or unincorporated enterprises comprising parent enterprises and their foreign affiliates. A parent enterprise is defined as an enterprise that controls assets of other entities in countries other than its home country, usually by owning a certain equity capital stake. [1]

An equity capital stake of 10 per cent or more of the ordinary shares or voting power for an incorporated enterprise, or its equivalent for an unincorporated enterprise, is normally considered as a threshold for the control of assets (in some countries, an equity stake other than that of 10 per cent is still used. In the United Kingdom, for example, a stake of 20 per cent or more was a threshold until 1997.) [1].

A foreign affiliate is an incorporated or unincorporated enterprise in which an investor, who is resident in another economy, owns a stake that permits a lasting interest in the management of that enterprise (an equity stake of 10 per cent for an incorporated enterprise or its equivalent for an unincorporated enterprise).

Globalisation is the process by which the world is becoming increasingly interconnected as a result of massively increased trade and cultural exchange. Globalisation has increased the production of goods and services. The biggest

companies are no longer national firms but multinational corporations with subsidiaries in many countries.

Globalisation has been taking

The FreeLegalDictionary.com states that a TNCs is “Any corporation that is registered and operates in place for hundreds of years, but has speeded up enormously over the last half-century.

Although globalisation is probably helping to create more wealth in developing countries it is not helping to close the gap between the world’s poorest countries and the world’s richest.

TNCs effect globalisation in many different ways. One way that TNCs have spread globalisation is through Cheap International Marketing. Wealthy TNCs often utilise the vast resources of people as cheap labour in LEDCs such as China and other parts of Asia and Africa.

By investing in a developing country, a TNC is able to benefit from cheap labour as developing countries usually do not have any form of national minimum wage. This means that the TNCs costs are kept to a minimum thus creating productive efficiency. If costs are low, profit should remain high which can then be used to reinvest into product innovation and new technology. The aim of this investment is to crush all local and/or lesser companies, thus becoming the dominant corporation. [2]

Thanks to the intelligent investments TNCs make in LEDCs, some TNCs can become huge (e.g Nike, Adidas, Coca-cola) and can even earn more money in a year than some countries.

Another way that TNCs spread globalisation is through the concept of the ‘Uninformative Product’ which is where a company will release only one product, one after the other. For example, Apple release the Ipod Classic, then the Ipod Nano, shuffle, Iphone, Ipad etc). This means that everyone will desire the latest and the best product the company has to offer [3] .

TNCs effect Globalisation in many different ways. In addition, TNCs have help spread Globalisation through the use of advertising. Advertising is an extremely significant and effective way to spread TNCs and thus Globalisation as it promotes ideas, concepts and stock all across the globe.

TNCs also spread Globalisation by destroying local competitors in the LEDCs. Many companies will invest offices and factories in LEDCs and then, by attracting plenty but cheap labour, quickly dominate and crush the lesser companies and businesses. this means less competition, which equals more money, sales and success in the TNC [3].

Conclusion. Transnational corporations play a central role in coordinating

and controlling economic networks of production, distribution, and consumption. Therefore, the main role of corporations in world economy is to protect its businesses, extend its leverages and increase the economic capacity through expansionism and control over small companies and natural resources.

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## THE CURRENT STATE OF RECREATIONAL TOURISM IN UKRAINE

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**Naumenko J.I., Litovchenko Y.N. The current state of recreational tourism in Ukraine.** The article deals with the study of the current state of the recreational tourism in Ukraine. The theoretical and procedural bases of operation of recreational tourism are highlighted.

**Keywords:** horizontal recreation, mountain recreation, recreational tourism, recreational establishment, seaside recreation.

**Науменко Ю.І., Літовченко Я.М. Сучасний стан рекреаційного туризму в Україні.** Статтю присвячено дослідженню сучасного стану рекреаційного туризму в Україні. Висвітлено теоретико-методичні основи функціонування рекреаційного туризму.

**Ключові слова:** гірська рекреація, приморська рекреація, рекреаційний туризм, рекреаційний заклад, рівнинна рекреація.

**Науменко Ю.И., Литовченко Я.Н. Современное состояние рекреационного туризма в Украине.** Работа посвящена исследованию современного состояния рекреационного туризма в Украине. Отражены теоретико-методические основы функционирования рекреационного туризма.

**Ключевые слова:** горная рекреация, приморская рекреация, равнинная рекреация, рекреационный туризм, рекреационное заведение.

The object of the study is the recreational tourism. The importance of health treatment, tourism and recreation has been gradually growing all over the world for the last few decades. Having huge natural potential, Ukraine is aware of the need to develop recreational and tourist infrastructure. That is why there is an urgent need for comprehensive studies of the development of recreational tourism in Ukraine that grounds the relevance of the chosen topic.

Recreational tourism is the process of physical, mental restoring and neuro-psychological forces of man and his life potential through specific measures based on the relevant institutions in their free time.

There are adequate resources for the development of all types of recreational tourism in Ukraine: seaside recreation, mountain recreation, horizontal recreation.

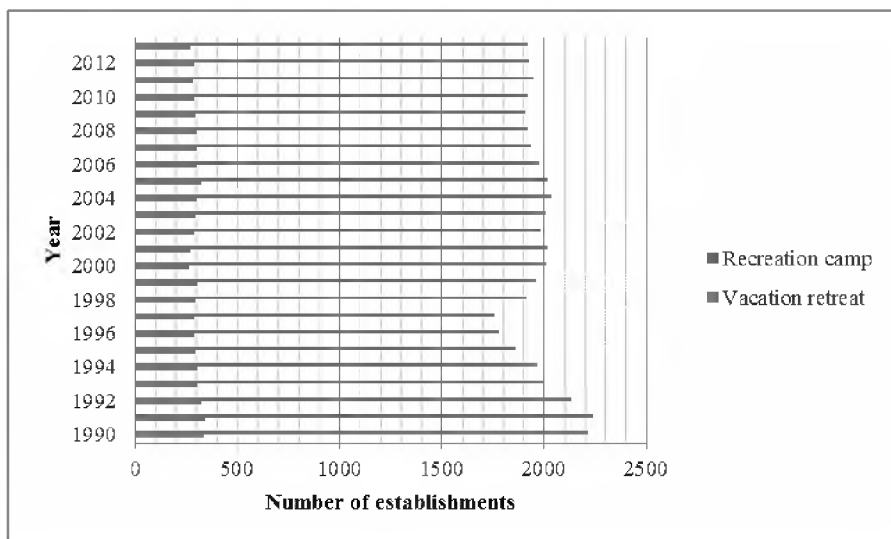
Seaside recreation undergoes development on the south coast of the country on the territory of five administrative units: Odessa, Mykolaiv, Kherson, Zaporozhye, the Donetsk regions. The total area of the coastal area is 3,295 square kilometers, accounting for 0.5% of the total area of Ukraine [1].

In the organization of recreational activities mountain regions are also widely used: the Ukrainian Carpathians [2]. The Carpathian region develops winter sports, ski holidays tourism together with various kinds of recreational activities, in summer holidaymakers can enjoy fresh air and in autumn they can be engaged in gathering mushrooms and berries, etc.

Climatic and forest (biotic) resources are important for the development of horizontal recreation water resources (rivers, lakes, reservoirs, canals and ponds), therefore this type of recreation is developing on the territory of all regions of Ukraine, but at the regional level.

There are recreation camps, vacation retreats, children's institutions of rehabilitation and recreation in Ukraine on the basis of health resources. Total number of recreational facilities in 2013 was 20,736. The majority of recreation establishments belongs to children's camps with the total amount of 18,549 that is 90% of all recreation establishments. The total amount of recreation camps is 1916, which is 9%, and the amount of vacation retreats is 271 representing only 1% of all healthcare institutions.

The number of recreational facilities infrastructure constantly changing for 23 years (1990-2013)



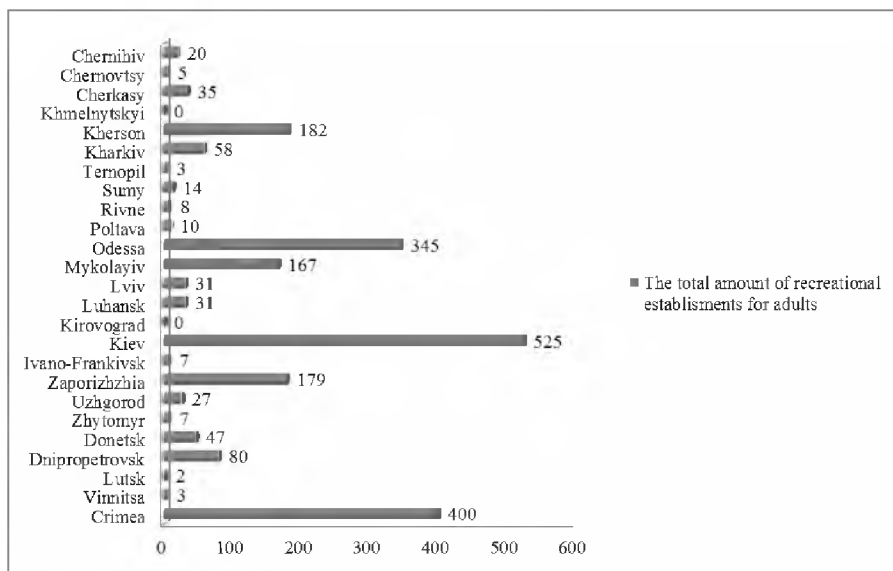
Pic. 1. Dynamics of the recreational establishments for adults during 1990–2013 [calculated by the author – Naumenko Y.I.].

Amount of the recreational establishments for adults has decreased significantly for the 23 years of their functioning. In the 1990s this was due to the economic crisis in the country after the Soviet collapse, and with the change of subordination of the enterprises. At the present stage it is associated with decreasing demand for them via current external factors (no repairs since their construction), and the use of outdated material and technical base.

The largest number of the recreational enterprises for adults is greatly represented in the Kiev and Odessa regions (300 and more enterprises) (Pic. 2). The smallest amount of them is in the Vinnytsia, Volyn, Zhytomyr, Ivano-Frankivsk, Kirovohrad, Rivne, Ternopil, Khmelnytsky, Chernivtsi regions (less than 10).

In 2013 recreational establishments of Ukraine received 3325.4 thousand people. 361,000 people or 11% of the total tourists` amount had a rest and sanitized in vacation retreats. 28% of all the tourists or 947,300 people stayed in recreation camps. 2,017,100 people stayed in children`s recreational centers, which accounts 61%. 159,238 of those were foreigners. In the recreation camps their number amounted to 51.3%. Tourists served in vacation retreats cured 46.7% of the total number of them.





Pic.2. The number of recreational establishments for adults in the Ukrainian regions [calculated by the author – Naumenko Y.I.].

High security of tourists characteristic for Odessa (9.5%), Dnipropetrovsk (8.4%), Donetsk (8%), Kherson (6.2%) regions. Zhytomyr (1.4%), Zhytomyr (1.2%), Ternopil (1%), an area characterized by minimal arrival of tourists.

Total revenues from provided basic and additional services recreational facilities is 1.26 mln. hryvnas [3]. High rates are also characteristic for the Donetsk (9.9%) and Zaporozhye (8.8%) regions. Regions with an income less than 1% of total revenues in Ukraine are Vinnytsia, Zhytomyr, Luhansk, Poltava, Ternopil, Khmelnytsky, Chernivtsi, Chernihiv.

The total amount of material costs in spa and recreational facilities is 1.30 mln. hryvnas. [3]. Luhansk, Vinnytsia, Poltava, Ternopil, Khmelnytsky and Chernivtsi regions have the lowest indicators of costs (less than 1% of total costs).

Thus, the total operating costs of the recreational facilities for adults exceed their net income. Income from recreational activities in Ukraine is 44,085 hryvnas and differs from region to region.

40% of areas with positive earnings are Dnipropetrovsk (816,300), Donetsk (30,273,800), Uzhgorod (124,700), Luhansk (1,600), Lviv (736,700), Mykolaiv

(15,102,600) Odessa (8,840,900), Sumy (1,736,600), Ternopil (12,800) and Kherson (10,188,700) regions. For 15 regions negative income is quite typical. Among them are Vinnytsia, Volyn, Zaporizhzhya, Ivano-Frankivsk, Kyiv, Kirovograd, Poltava, Rivne, Kharkiv, Khmelnytsky, Cherkasy, Chernivtsi and Chernihiv .

**Conclusion.** Ukraine has all the objective conditions to become one of the foremost tourist-recreational countries with a high level of security for the organization of recreational resources of the seaside, mountain and horizontal tourism, recreation and health network companies and a large pool of highly skilled staff.

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## PRIVACY IN THE SPHERE OF INTERNATIONAL LAW

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**Nesterenko T.S., Karpusenko M.V. Privacy in the sphere of international law.**

The article considers various aspects of privacy in the domain of international law and elucidates the legal view on the regulation of this sphere. Nowadays the protection of privacy is vital for people all over the world. The article analyzes international sources which lay the basis for protection of privacy as well as relevant legislation in the US and the EU.

**Keywords:** European Union, international law, personal data, privacy, US law.

**Нестеренко Т.С., Карпусенко М.В. Право на захист приватних даних у галузі міжнародного права.** У статті розглянуті різноманітні аспекти права на захист приватних даних у галузі міжнародного права та висвітлені правові засади регулювання цієї сфери. На даний момент право на захист приватних даних є важливим для людей кожного куточку планети. У статті аналізуються міжнародні

джерела, які заклали підґрунтя регулювання права на захист приватних даних, та нормативні положення США та Європейського Союзу.

**Ключові слова:** Європейський Союз, законодавство Сполучених Штатів, міжнародне право, право на захист приватних даних, приватні дані.

**Нестеренко Т.С., Карпусенко М.В. Защита персональных данных в области международного права.** В статье рассматриваются различные аспекты защиты персональных данных в сфере международного права и освещены правовые способы регулирования этой сферы. На данном этапе защита персональных данных является чрезвычайно важной для людей всего земного шара. В статье анализируются международные источники, которые заложили основание регулирования защиты персональных данных и нормативные положения Соединенных Штатов и Европейского Союза.

**Ключевые слова:** Европейский Союз, законодательство Соединенных Штатов, защита персональных данных, личные данные, международное право.

The aim of international law is to guarantee peace, safety and stability for everyone. But as long as our world is changing rapidly, new unsettled spheres arise and they are to be covered by the International law. Among them is the right of privacy, which makes this topic quite relevant. The aim of this text is to study various aspects of privacy in the domain of international law.

The most common definition can be found in the Convention for the Protection of Human Rights and Fundamental Freedoms. Article 8 says that everyone has the right to respect for his private and family life, his home and his correspondence. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others [1].

Even from this definition it is clear that there is only a fine line between the absolutely private information and such that can be legally collected for public safety or some other reasons. Nowadays no regulations exist that accurately point out the circumstances under which the breach of the law of privacy is obvious. This approach, therefore, makes some sense. For example, such international organization as Interpol needs extra information about different people to perform well and to prevent terrorist attacks, drug trafficking and so on. Law enforcement bodies have a legal right to wiretap calls, monitor

individual's personal bank accounts, know where to find a person and their relatives. It is wrong according to the law of privacy but can be justified because sometimes such kinds of actions prevent serious crimes.

Article 17 of the International Covenant on Civil and Political Rights of the United Nations of 1966 also protects privacy: "No one shall be subjected to arbitrary or unlawful interference with his privacy, family, home or correspondence, nor to unlawful attacks on his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks" [2].

The main points of the article are that the law of privacy is based on the respect of a person's honour and emphasizes that the interference would be «unlawful». So it can be inferred that if private information is used by authorized bodies and does not have the aim to do harm to the person, the access to private information is allowed.

The right of privacy has evolved to protect the ability of individuals to determine what sort of information about themselves is collected, and how that information is used. Most commercial websites utilize "cookies," as well as forms, to collect information from visitors such as name, address, email, demographic information, social security number, IP address, and financial information. In many cases, this information is then provided to third parties for marketing purposes. Other entities, such as the federal government and financial institutions, also collect personal information. The threats of fraud and identity theft created by this flow of personal information have been an impetus to the right of privacy legislation requiring disclosure of information collection practices, opt-out opportunities, as well as internal protections of collected information.

As a pretty new sphere of law the law of privacy has a different understanding among people from countries all over the world. What is more, this sphere is quite broad to be defined univocally.

First I would like to discuss the US' view.

Under Common Law, the right to privacy is the right of people to live their lives in a manner that is reasonably secluded from public scrutiny, whether such scrutiny comes from a neighbour's prying eyes, an investigator's eavesdropping ears, or a news photographer's intrusive camera; and in statutory law, the right of people to be free from unwarranted drug testing and Electronic Surveillance .

The origins of the right to privacy can be traced to the nineteenth century. In 1890, Samuel D. Warren and LOUIS D. BRANDEIS published "The Right

to Privacy”, an influential article that postulated a general common law right of privacy. Before the publication of this article, no U.S. court had expressly recognized such a legal right. Since the publication of the article, courts have relied on it in hundreds of cases presenting a range of privacy issues.

The common law of TORTS recognizes five discrete rights of privacy. First, the common law affords individuals the right to sue when their seclusion or solitude has been intruded upon in an unreasonable and highly offensive manner. Second, individuals have a common-law right to sue when information concerning their private life is disclosed to the public in a highly objectionable fashion. Third, tort liability may be imposed on individuals or entities that publicize information that places someone in a false light. Fourth, common law forbids persons from appropriating someone’s name or likeness without his or her consent. Fifth, common law prevents business competitors from engaging in Unfair Competition through the theft of trade secrets.

The Privacy Act of 1974 protects personal information held by the federal government by preventing unauthorized disclosures of such information. Individuals also have the right to review such information, request corrections, and be informed of any disclosures. The Freedom of Information Act facilitates these processes.

The Gramm-Leach Bliley Act (also known as the Financial Modernization Act of 1999) establishes guidelines for the protection of personal financial information. Financial institutions are required by law to provide a privacy policy to customers, which explains what kinds of information are being collected and how that information is used. Such institutions are further required to develop safeguards in order to protect the information they collect from customers.

The Fair Credit Reporting Act protects personal financial information collected by consumer reporting agencies. The Act limits those who can access such information, and subsequent amendments have simplified the process by which consumers can obtain and correct the information collected about themselves. The FTC also actively enforces prohibitions on fraudulently obtaining personal financial information, a crime known as “pretexting.”

The Children’s Online Privacy Protection Act allows parents to control what information is collected about their child (younger than 13 years old) online. Operators of websites that either target children or knowingly collect personal information from children are required to post privacy policies, obtain parental consent before collecting information from children, allow parents to determine how such information is used, and provide the option to parents to opt-out of future collection from their child [3].

It is therefore obvious from the previous information that the right of privacy is applicable in different spheres and is aimed to protect persons' identity, financial information and the access to private things.

### **Protection of personal data in the EU**

In January 2012, the European Commission proposed a comprehensive reform of data protection rules in the EU. The objective of this new set of rules is to give citizens back control over of their personal data, and to simplify the regulatory environment for business. The data protection reform is a key enabler of the Digital Single Market which the Commission has prioritized. The reform will allow European citizens and businesses to fully benefit from the digital economy.

Whenever you open a bank account, join a social networking website or book a flight online, you hand over vital personal information such as your name, address, and credit card number.

What happens to this data? Could it fall into the wrong hands? What rights do you have regarding your personal information?

Under EU law, personal data can only be gathered legally under strict conditions, for a legitimate purpose. Furthermore, persons or organizations which collect and manage your personal information must protect it from misuse and must respect certain rights of the data owners which are guaranteed by EU law.

Every day within the EU, businesses, public authorities and individuals transfer vast amounts of personal data across borders. Conflicting data protection rules in different countries would disrupt international exchanges. Individuals might also be unwilling to transfer personal data abroad if they were uncertain about the level of protection in other countries.

Therefore, common EU rules have been established to ensure that your personal data enjoys a high standard of protection everywhere in the EU. You have the right to complain and obtain redress if your data is misused anywhere within the EU.

The EU's Data Protection Directive also foresees specific rules for the transfer of personal data outside the EU to ensure the best possible protection of your data when it is exported abroad[4].

To conclude, the aim of the right of privacy is to protect a person's honour and guarantee that their personal information cannot be used except for the specific legitimate purpose. Once the common rule appeared in the Convention for the Protection of Human Rights and Fundamental Freedoms, different countries and unities try to put in the right of privacy in their legal

systems. The international law should create multifunctional rules that are to evolve in every state of law.

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## LEAST-DEVELOPED COUNTRIES IN THE WORLD TRADE ORGANIZATION: SPECIAL TREATMENT IN TRADE

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**Nosova K.V., Maksymenko O.V. Least-developed countries in the World Trade Organization: special treatment in trade.** The article deals with the concept of the least-developed countries, the list of the least developed countries which are WTO members, and also a “Plan of Action for Least-Developed Countries” and work programme for least-developed countries, which provide privileges and preferences to these countries in international trade.

**Keywords:** exports, least-developed countries, multilateral trading system, sub-Committee on LDCs, technical assistance, world trade organization.

**Носова К.В., Максименко О.В. Найменш розвинені країни у Світовій Організації Торгівлі: спеціальний режим в торгівлі.** У статті розглядається поняття найменш розвинених країн, список найменш розвинених країн-членів СОТ, а також “план дій для найменш розвинених країн” та робоча програма для найменш розвинених країн, які надають цим країнам пільги і преференції в міжнародній торгівлі.

**Ключові слова:** багатостороння торгівельна система, експорт, найменш розвинені країни, підкомітет з НРС, світова організація торгівлі, технічна допомога.

**Носова К.В., Максименко Е.В. Наименее развитые страны во Всемирной Торговой Организации: специальный режим в торговле.** В статье рассматривается понятие наименее развитых стран, список наименее развитых стран-членов ВТО, а также “план действий для наименее развитых стран” и рабочая программа для наименее развитых стран, которая предоставляет этим странам льготы и преференции в международной торговле.

**Ключевые слова:** всемирная торговая организация, многосторонняя торговая система, наименее развитые страны, подкомитет по НРС, техническая помощь, экспорт.

The relevance of the chosen topic is grounded by the fact that the work considers the programs of WTO on fundamental problems of least developed countries (LDCs) regarding their economic growth and functioning in world trade relationship. The material of the study was derived from magazines and online resources devoted to the WTO’s assistance to LDCs. The purpose of this research is to investigate current trends in international trade policy in terms of the least-developed countries.

The WTO recognizes as least-developed countries those countries which have been named by the United Nations. According to UN the LDCs are characterized by a low income level, structural impediments to growth and their acute susceptibility to economic shocks. There are currently 48 least-developed countries on the UN list and 34 of them have become WTO members.

*Table 1*

**The list of the least-developed countries according to the UN**

Least-developed countries			
Angola	Congo	Madagascar	Senegal
Bangladesh	Djibouti	Malawi	Sierra Leone
Benin	Gambia	Mali	Solomon
Burkina Faso	Guinea	Mauritania	Islands
Burundi	Guinea Bissau	Mozambique	Tanzania
Cambodia	Haiti	Myanmar	Togo
Central African Republic	Lao People’s Democratic Republic	Nepal	Uganda
Chad	Republic of Lesotho	Niger	Vanuatu
		Rwanda	Yemen
			Zambia



Eight more least-developed countries are negotiating to join the WTO. They are: Afghanistan, Bhutan, Comoros, Equatorial Guinea, Ethiopia, Liberia, Sao Tomé & Príncipe, and Sudan [3].

The least-developed countries receive extra attention in the WTO. All the WTO agreements recognize that they must benefit from the greatest possible flexibility, and better-off members must make extra efforts to lower import barriers on the least-developed countries' exports.

The Uruguay Round agreements were signed in 1994, which marked the adoption of some decisions in favour of least developed countries.

Meeting in Singapore in 1996, WTO ministers agreed on a "Plan of Action for Least-Developed Countries". This included technical assistance to enable them to participate in the multilateral system and a pledge from developed countries to improve market access for least-developed countries' products [1].

In 2002, the WTO adopted a work programme for least-developed countries. It is focused on the following systematic issues: improved market access for LDCs; more trade-related technical assistance and capacity building initiatives for LDCs; support for agencies assisting with the diversification of LDCs' production and export base; help in following the work of the WTO; participation of LDCs in the multilateral trading system; a facilitated accession negotiations for least-developed countries on acceding the WTO; accession of LDCs to the WTO [2].

At the same time, more and more member governments have unilaterally scrapped import duties and import quotas on all exports from least-developed countries.

The WTO's official business takes place mainly in Geneva. So do the unofficial contacts that can be equally important. But having a permanent office of representatives in Geneva can be expensive. Only about one third of the 30 or so least-developed countries in the WTO have permanent offices in Geneva, and they cover all United Nations activities as well as the WTO.

As the result of negotiations was to locate the WTO headquarters in Geneva, the Swiss government has agreed to provide subsidized office space for delegations from least-developed countries.

A number of WTO members also provide financial support for ministers and accompanying officials from least-developed countries to help them attend WTO ministerial conferences.

The structure of the Trade and Development Committee includes the Sub-Committee on Least-Developed Countries. Its work focuses on two related issues:

- ways of integrating least-developed countries into the multilateral trading system;
- technical cooperation.

The subcommittee examines periodically how special provisions help least-developed countries in the international trade and this subcommittee also monitors how the agreements are being implemented. Besides, the Subcommittee on LDCs controls the work of the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries. The Enhanced Integrated Framework (EIF) is a multi-donor programme, which helps least-developed countries play a more active role in the global trading system. The programme has a wider goal of promoting economic growth and sustainable development and helping to lift more people out of poverty [3].

**Conclusion.** To summarize, it should be mentioned that the WTO as a system that regulates international economic relations, should take into account the issues of LDCs and in fact their challenges don't miss WTO's attention. With regard to LDCs' economic situation, the international trade terms for them are being reconsidered due to special programs in the framework of WTO Trade and Development Committee.

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## DEVELOPMENT TRENDS OF SKI TOURISM IN THE CARPATHIAN REGION

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**Pereiidenko A.A., Yvtushenko O.V., Karpusenko M.V. Development trends of ski tourism in the Carpathian region.** This article deals with problems of the Carpathian Region's touristic development taking as an example ski resort Dragobrat.

The authors provide a detailed analysis of the root causes and promote marketing ideas to solve existing problems.

**Keyword:** Carpathian region, Dragobrat, marketing solutions, ski tourism.

**Переїденко А.А., Євтушенко О.В., Карпусенко М.В. Тенденції розвитку гірськолижного туризму в Карпатському регіоні.** У статті розглянуто проблеми туристичного розвитку Карпатського регіону на прикладі гірськолижного курорту Драгобрат. Автор детально аналізує первісні причини проблеми та висуває маркетингові ідеї для вирішення останніх.

**Ключові слова:** Драгобрат, Карпатський регіон, лижний туризм, маркетингові рішення.

**Перееденко А.А., Евтушенко Е.В., Карпусенко М.В. Тенденции развития горнолыжного туризма в Карпатском регионе.** В статье рассмотрены проблемы туристического развития Карпатского региона на примере горнолыжного курорта Драгобрат. Автор подробно анализирует первоначальные причины проблемы и выдвигает маркетинговые идеи для решения последних.

**Ключевые слова:** Драгобрат, Карпатский регион, лыжный туризм, маркетинговые решения.

During the last two years the tendency of the domestic tourism has improved. Economic crisis and impoverishment of the middle class are responsible for such a high demand. The middle class who earlier could afford to travel abroad twice a year, now prefer to travel through the country on summer and winter holidays. The main stream of tourists falls on the Carpathian region .

The Carpathian Mountains or Carpathians are a range of mountains forming an arc roughly 1,500 km (932 mi) long across Central Europe, making them the second-longest mountain range in Europe (after the Scandinavian Mountains, 1,700 km (1,056 mi)). The Carpathians are usually divided into three major parts: the Western Carpathians (Czech Republic, Poland, Slovakia), the Eastern Carpathians (southeastern Poland, eastern Slovakia, Ukraine, Romania), and the Southern Carpathians (Romania, Serbia). The Ukrainian Carpathians are relatively gentle peaks that rise as high as 2061 m (Mt. Hoverla). The largest resorts are located in Slavsko, Bukovel, Tysoverts, and Dragobrat. Some of the smaller resorts are in Krasiya, Dolyna, Beskid, Polyana, Synevyr, Yaremche, Verkhovnya, Kosiv, and Yavoriv [3] .

This region is known, first of all, for being a popular destination for the ski-tourism's development. Ski tourism is a combination of different tourism types, as health tourism, ecotourism and active tourism.

One of the most popular resorts for youth in Ukraine is Dragobrat. Dragobrat is a resort and the highest mountain skiing base in Ukraine, which is located at an altitude of 1,400 meters above sea level. Dragobrat is situated at the foot of the mountain Stog near the mountain massif of Bliznitsa mountain. Dragobrat is situated on the border of the zone of Alpine meadows and pine forests. Natural snow cover in Dragobrat in the winter time is formed due to a considerable height, and the unique climate and snow in winter can drop to a height of up to 9 meters. What tourists value most about Dragobrat skiing resort is its unique landscape paired with a variety of skiing slopes that are widely recognized around the world, as well as clear air of the Carpathians and its pine scents.

Ski resort Dragobrat was made with the help of special snow compactors. Snow cover provides high conditions for skiing and snowboarding. Dragobrat is interesting for youth and students because here are a lot of options for the extreme ski sports. The resort has been established a few time ago, however, nowadays there're already a chain of the hotels and restaurants. Although, there are problems Dragobrat faced, that negatively affect the whole development of the resort [2]. The first one lays in the inaccessibility of the destination. There're two ways to the resort which are 18 and 9 km. long. The both roads are in debilitated condition that causes problems for tourists, especially for those who travel by their own car. Car rent exists in Yasinia, which offers the visitors to use a SUV to reach the aim, because the other cars couldn't get to the top sticking in dirt and snow. The solution of this problem will increase the number of tourists coming to the resort, making it easier to reach.

The second problem is poor entertainment industry. Ski resorts in Europe often offer lodging options on the slopes themselves, with ski-in and ski-out access allowing guests to ski right up to the door. They also have other activities, such as snowmobiling, sledding, horse-drawn sleds, dog-sledding, ice-skating, indoor or outdoor swimming, and hottubbing, game rooms, and local forms of entertainment, such as clubs, cinema, theatre and cabarets.

In Dragobrat only a few hotels include SPA-centers, bars and other places for visitors to relax. There's also no specially organized entertainment center where not only adults but children can also spend their time. The author supposes that the improvement of this part of the resort could positively influence the whole structure and will attract the wider variety of customers, especially, the youth. The useful example for development of Dragobrat resort is Zakopane in Poland. There is always a wide range of entertainment, from

the White Nights festival when they throw a party everyday in the time between Christmas and New Year's Eve, to nu-jazz extravaganzas, ragga concerts and the regular bookings of quality house, breaks and drum 'n'bass DJs from around the world.

The third problem is weak shopping industry. The high-organised chains of shops and supermarkets, drugstores are useful for the visitors of the resort and make their stay more pleasant and comfortable. Researches in tourism sector show that shopping plays a big role in tourism, not only with increasing the level of profit but also with motivating people to return back to the place where they've relaxed. Statistics said that over the 80% of all the tourists often bring souvenirs from the resorts. Moreover, the author would like to notice the importance of the advertisement. International tourism advertising campaigns can be highly effective promotional tools. Web-marketing, online marketing or e-marketing are crucial ways to promote your destination and market your travel and tourism services. Promotion is the role of the marketing mix in tourism. It encompasses all of the ways that the company markets and advertises the business. This may include typical types of marketing, such as placing ads in tourist magazines and offering discount coupons in travel guides. It may also include going from hotel to hotel in the area and leaving a postcard or flier for the service at each hotel room door.

In tourism, it is also beneficial to create joint ventures with other tourism businesses. For example, going back to the kite sailing company, it is wise to visit and speak with the concierge at each hotel. The concierge is the person that tourists tend to go to find out what to do in the area. Establishing a relationship with the concierge and stocking them with marketing materials can really boost the business [1].

To sum up, the main reasons of weak development of the resort is narrow sector of entertainment infrastructure and transport system. Solving that problems is the way to improve Ukrainian's ski tourism and remake Dragobrat into the high-qualified international destination.

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## CREATIVE MANAGEMENT

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**Polukarov M.O., Startseva N.M. Creative management.** This article features the concept of creative management and creative capital as well as the strategies of solving creative management's problems on the example of American company SAS. Three guiding principles for managing creativity of the workforce that will lead the company to success are suggested.

**Key words:** creative capital, creative management, intellectual stimulation, to minimize hassles, workforce, workload.

**Полукаров М.О., Старцева Н.М. Креативний менеджмент.** У статті розглядається зміст поняття креативного менеджменту та креативного капіталу, стратегії вирішення проблем креативного менеджменту на прикладі американської компанії SAS.

**Ключові слова:** інтелектуальне стимулювання, креативний капітал, креативний менеджмент, робоча загрузка, робочий потенціал, скорочення витрат.

**Полукаров М.О., Старцева Н.Н. Креативный менеджмент.** В статье рассматривается содержание понятия креативного менеджмента и креативного капитала, стратегии решения проблем креативного менеджмента на примере американской компании SAS.

**Ключевые слова:** интеллектуальное стимулирование, креативный капитал, креативный менеджмент, рабочая нагрузка, рабочий потенциал, сокращение затрат.

The relevance of the article. Nowadays companies which want not only to survive in their field but also to take great benefits should always develop their products and invent something new. But how to get an idea? Workers can pioneer. Workers are the main part of creative capital of the company and if you manage them in a right way, you will hit the jackpot.

The goal of article is to describe the creativity process in the business field and show its application thus emphasizing its significance.

The history of creativity research in business goes back to the 1930s in America. It began in product development and advertising, and explored aspects of people and organization within the development of management. Later, other fields related to management identified the significance of creativity. For example, idea creation, product development, design innovation, acquisition of knowledge capital, enforcement of spin-off, marketing development, cost

control, human resource development, and competition have acknowledged potential for creativity and its stimulation [1].

Creative management is the study and practice of management, drawing on the theories of creative processes and their application at individual, group, organizational and cultural levels.

The main object of creative management is creative capital. Creative capital is the main arsenal of creative thinkers whose ideas can be turned into valuable products and services. Creative employees pioneer new technologies, birth new industries, and power economic growth. Professionals whose primary responsibilities include innovating, designing, and problem solving – the creative class – make up a third of the U.S. workforce and take home nearly half of all wages and salaries. If you want your company to succeed, these are the people you entrust it to. That much is certain. What's less certain is how to manage for maximum creativity. How do you increase efficiency, improve quality, and raise productivity, all while accommodating for the complex and chaotic nature of the creative process?

American company SAS has its own view and strategy how to reach success [2]. SAS has learned how to harness the creative energies of *all* its stakeholders, including its customers, software developers, managers, and support staff. Over the past three decades – through trial and error as well as organic evolution – SAS has developed a unique framework for managing creativity, one that rests on three guiding principles:

1. Help employees do their best work by keeping them intellectually engaged and by removing distractions.
2. Make managers responsible for sparking creativity and eliminate arbitrary distinctions between “suits” and “creatives”.
3. And engage customers as creative partners so you can deliver superior products. These principles are driven by the premise that creative capital is not just a collection of individuals' ideas, but a product of interaction.

SAS thinks, that there are three main points, how to maximize the creative capability of its workers: help workers be great, stimulate their minds, minimize hassles.

Creative people work for the love of a challenge. They crave the feeling of accomplishment that comes from cracking a riddle, be it technological, artistic, social, or logistical. They *want* to do good work. Though all people chafe under what they see as bureaucratic obstructionism, creative people actively hate it, viewing it not just as an impediment but as the enemy of good work. Do what you can to keep them intellectually engaged and clear petty

obstacles out of their way, and they'll shine for you. SAS operates on the belief that invigorating mental work leads to superior performance and, ultimately, better products. It does not try to bribe workers with stock options; it has never offered them. At SAS, the most fitting thanks for a job well done is an even more challenging project. Since developers thrive on intellectual stimulation, SAS sends them to industry- and technology-specific conferences, where they can hone their programming skills and build relationships within the larger software community. SAS stages its own R&D expos, where SAS developers share their work with the nontechnical staff. The company also encourages employees to write white papers and collaborate on articles and books in order to showcase their knowledge. And SAS maintains a healthy training budget so individuals can keep up with cutting edge technologies. When employees return to the office, they are energized to apply what they've learned to their own projects [3].

It's also very important to show, that all the workers are equally important for the company and it doesn't matter whether you are a chef or a programmer, a groundskeeper or a director, you are a full member of the SAS community, and you receive the same benefits package.

Minimizing hassles means that company should prevent the situation when workers think about their private problems at work, so SAS created infrastructure which includes almost everything, what is needed to workers, at one place: on campus it has medical facilities for employees and dependents. Additionally, there's a Montessori day care center, and children are welcome in the company cafeteria, so families can eat lunch together. There are also basketball courts, a swimming pool, and an exercise room on-site, all of which make it easier for employees to fit a workout into their day. The company's Work-Life Department provides educational, networking, and referral services to help employees choose the right colleges for their teenagers or find the best home health aides for their parents. Massages, dry cleaning, haircuts, and auto detailing are offered on-site and at reduced costs. (But SAS doesn't have, for instance, a doggie day care center because the numbers didn't add up).

**Conclusion.** To sum up, it's very important for company to develop its creative management if it wants to be successful in this dynamic life. There are a lot of ways how to do this: it's possible to use the strategy of SAS or create its own, but the main idea is that all the needs of workers should be satisfied and only then they can pioneer new products and help their boss to earn money.



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## WHAT IS JESSUP COMPETITION AND WHY IT IS WORTH PARTICIPATING?

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**Potapova E.O., Karpusenko M.V. What is Jessup Competition and why it is worth participating?** The article gives a short overview of the Philip C. Jessup International Law Moot Court Competition, its practical value for law students.

**Keywords:** international law, law students, the Jessup Competition.

**Потапова Е.О., Карпусенко М.В. Що являє собою Конкурс імені Філіпа Джессапа і чому варто в ньому взяти участь?** У статті дається короткий огляд Конкурсу з міжнародного публічного права імені Філіпа Джессапа, його практичне значення для студентів-юристів.

**Ключові слова:** міжнародне право, студентський конкурс із міжнародного публічного права імені Філіпа Джессапа, студенти-юристи.

**Потапова Э.А., Карпусенко М.В. В чем заключается Конкурс имени Филиппа Джессапа и почему стоит в нем принять участие?** В статье дается краткий обзор Конкурса по международному публичному праву имени Филиппа Джессапа, его практическое значение для студентов-юристов.

**Ключевые слова:** международное право, студенты-юристы, студенческий конкурс по международному публичному праву имени Филиппа Джессапа.

Efforts to combine theoretical studies and practical cases are absolutely indispensable for prospective lawyers. Therefore, we consider the choice of the topic for this article is quite relevant. The goal of the article is to study the contents of the event and research its practical value for law students.

The Philip C. Jessup International Law Moot Court Competition is the world's largest and oldest moot court competition dedicated to international law. The idea and creation of a courtroom simulation experience based on international law belongs to Professor Richard R. Baxter of Harvard Law School, who worked with Professor Stephen M. Schwebel (later President of the International Court of Justice).

However, the Jessup Competition is named after Philip C. Jessup, the United States representative to the International Court of Justice(ICJ), who was elected by the United Nations to serve a nine-year term in 1961. Moreover, he attended both the Bretton Woods and San Francisco Conferences, and played a key role in the formation of the International Law Commission.

The Jessup Competition held its first round at Harvard University in 1960. The round comprised only Harvard Law students and involved two teams – of American and foreign students. Since then, the Jessup Competition has been held annually. The number of students has increased significantly over the years, currently including the participants from over 550 law schools in more than 80 countries. Ukraine is among them.

The first Jessup Competition gave rise to an idea of creating an organization to serve the needs of students interested in international law. In 1962, the Association of Student International Law Societies was founded, which later in 1987 reconstituted itself as the International Law Students Association (ILSA). ILSA, besides being the administration of the Philip C. Jessup International Law Moot Court Competition, carries out activities that include academic conferences, the publication of books, magazines, and other academic resources, the global coordination of student chapter organizations.

The main point of the Jessup Competition is that law students create teams that compete against one another through presentation of oral and written pleadings to address important issues of public international law in the context of a hypothetical legal dispute between nations. The hypothetical legal dispute is presented in a *Compromis* written by leading scholars of international law (a compilation of facts which have been agreed upon, about the dispute and adjudicated by the International Court of Justice). After the *Compromis* is released, during the period of two months students research and prepare arguments for both sides of the dispute, draft and edit written pleadings (“*memorials*”) and practice oral presentations. Then, teams argue alternately as Applicant and Respondent against competing teams before a panel of judges, simulating a proceeding before the International Court of Justice.

It is worth to mention, that there are two levels in the Jessup Competition. Qualifying Tournaments are held at the national level when there is more than one team, which registers for the competition from the same country. As a result, in this tournament only one team is chosen for participation in the International Tournament. The International Tournament is the highest level of the Jessup Competition, called the White & Case International Rounds, held each year in Washington, D.C.

This year there are fifteen Ukrainian teams participating in the national level. Among those, there is also a team from the Kharkiv V.N. Karazin National University. The Qualifying Tournament will be held in Kiev in February.

According to the terms, there are four months for preparation before the Qualifying Tournament starts. During this period of time teams use a variety of legal materials which can help them to do some research and write their memorials. Usually, there are also two batches of “basic materials” suggested by ILSA to help teams to research the competition problem. These basic materials provide a good overview of resources, topics, and arguments.

Every year a Compromis contains a new hypothetical legal dispute; nevertheless, it is closely connected with recent events in the international relations and concerns certain parties. For instance, this year the case, which is to be dealt with, concerns disclosure and dissemination of information, obtained from leaked documents. An important question here is whether such documents can be admissible as evidence before the ICJ in solving further issues arising between the applicant and the respondent. These questions obviously remind us about the real law cases, which have been discussed by international community recently: firstly, concerning the documents published on the Wiki Leaks website, and secondly, proceedings initiated by Timor-Leste against Australia in respect of the seizure of documents by Australian authorities.

As we see, the disputes, suggested to the students are quite interesting and hard enough, thus the students should have a deep knowledge of international law, work hard and research a variety of sources of law in order to present good memorials and perform well during oral proceedings.

Speaking about participation in the Jessup Competition, it is necessary to state the advantages and benefits that every participating student can obtain.

- The international Moot Court Competition gives the opportunity to get new knowledge and improve it, not only in international law.
- As the official language of the Jessup Competition is English, that is why, the participants can improve their English skills.

- The Competition gives a chance to try one's hand as a lawyer, not only by writing the pleadings, but also by delivering a speech before the Court.
- The Competition encourages communication among students and lawyers from different parts of the world. It promotes social responsibility of students and lawyers.
- The Competition helps law students and lawyers to be internationally-minded and professionally skilled.

The Jessup Competition and ILSA are dedicated to the promotion of international law, study, and practice generally. Therefore, it is important to involve more students to take part in the Competition in order to improve their skills and understanding of international law and its nature.

Furthermore, according to the author's research, such kind of courtroom simulation experience is used as a subject at international law departments at many universities overseas. It is usually called "Moot court/role play simulating court proceedings or a hearing on international law issues" where students prepare and conduct oral and written argumentation based on international law. In the authors' opinion, it could be very useful when adding such new disciplines to the curriculums of law students at Ukrainian universities. No doubt, "Moot courts" will prepare law students much better for their future professional engagement, which is also connected with the protection of rights and interests of Ukraine in the international arena in disputes with other countries.

## **THE GLOBAL FOOD PROBLEM PHENOMENON AT THE PRESENT STAGE OF INTERNATIONAL RELATIONS DEVELOPMENT**

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**Romanenko N.E., Litovchenko Y.N. The global food problem phenomenon at the present stage of international relations development.** According to the latest data there are about 870 million starving people in the world, it means that every eighth inhabitant of the planet is starving. An important target today is to avoid an increase in the food crisis scale, which at this stage of human development emerges as a pressing problem and to reduce its volume in the short term, and its complete overcoming in the long run in the future.

**Key words:** agricultural land, development, food global food problem, hunger, population, water.

**Романенко Н.Е., Літовченко Я.М. Феномен глобальної продовольчої проблеми на сучасному етапі розвитку міжнародних відносин.** За останніми даними, у світі голодують близько 870 млн. людей, що означає, що кожний восьмий мешканець нашої планети голодує. Важливим завданням сьогодні є недопущення розгортання масштабів продовольчої кризи, яка на даному етапі розвитку людства постає як нагальна проблема, та зменшення її обсягів у короткостроковій перспективі, а надалі і повного її подолання у довгостроковій перспективі.

**Ключові слова:** вода, голод, глобальна продовольча проблема, їжа, населення, розвиток, сільськогосподарські угіддя.

**Романенко Н.Э., Литовченко Я.Н. Феномен глобальной продовольственной проблемы на современном этапе развития международных отношений.** Согласно последним данным, в мире голодает около 870 млн. человек, что значит, что каждый восьмой житель нашей планеты голодает. Важной задачей сегодня является недопущение увеличения масштабов продовольственного кризиса, который на данном этапе развития человечества возникает как насущная проблема, а также уменьшение его объемов в краткосрочной перспективе, а в дальнейшем и полного его преодоления в долгосрочной перспективе.

**Ключевые слова:** вода, голод, глобальная продовольственная проблема, еда, население, развитие, сельскохозяйственные угодья.

“The global problems are called the problems, which cover the whole world, all the humanity, create a threat to the present and the future, and require for their solution the combined efforts of the joint action of all states and nations” – Prof. V. Maksakovskiy [3].

Among the main and interrelated global problems (environmental, energy and raw materials, the problem of the world ocean, demographic and other) global food scarcity occupies a special place that grounds the relevance of the chosen topic. The material of the study was derived from magazines, newspapers and online resources devoted to the abovementioned pressing food scarcity problem. Firstly, the physical existence and health of billions of people depends on the availability and quality of food. Since T. Malthus, who argued that the growing population of the Earth is immeasurably ahead of the increase in food production, in the minds of the scientific world demography and food insecurity are closely linked as the two variables in one equation. In this sense, the growth of the population of the Earth can be called problem analysis factor. This seems to be true, but only eventually. How else to explain the fact that in Africa, where food production is stagnant, population is increasing rapidly and the period doubling its population is a little over 20 years. And,

consequently, by 2020 we can expect a new doubling of the population of the continent.

The population of the planet increases very quickly – though not exponentially, as did Malthus, but nevertheless increasing. History shows that 4 million years it took for humanity to have surpassed 2 billion, 46 years – gains another 2 billion and a total of 22 year – by adding the following 2 billion. But still food on Earth grew faster than the number of people that led to the increase in the number of food per capita. Meanwhile, the technological changes in the agricultural economy (transition to mechanical processing fields, the introduction of a machines system, the “green revolution”, a revolution in biotechnology) allowed not only to increase production but also to reduce its costs, and that meant lower prices for agricultural commodities. Although food prices in major world markets are at or near a historical low, there is increasing concern about food security – the ability of the world to provide healthy and environmentally sustainable diets for all its people. One of the features of this problem is finding a solution to one problem causes creating a new task or face problems, not achieving an integrated and long-term solutions. Most clearly it appears in the issue of development choices, because the intensification of agricultural production in comparison with its extensive development after reaching (or overcome) some absolute limit, which is determined by the ability of nature to heal itself, gradually loses its advantages [1].

Currently practically all or almost all cultivable land is being used. Plowing new, less convenient areas may lead to higher prices for agricultural products and negative consequences for the environment, as it has already happened in the unstable area of agriculture, for example in some African countries. Although agricultural area is still increasing, this is a slower pace, with the growth of arable land lags far behind the expansion of agricultural land. According to the Food and agriculture organization of the United Nations (FAO), the share of agricultural land over the last 30 years has increased from 33,13% to 35,71% of the total land area, and the share of arable land – from 10,41% to 11,03%. The area cultivated for the period 1961-1990 increased from 1,3 billion ha to 1,4 billion ha [2].

In terms of stabilization of the arable land, the population growth rate to a great extent determines the number of people living in countries where per capita is less than 0,07 ha of arable land (minimum availability of cultivated land). In 2050 the population of these countries will range from 1,6 billion to the minimum version of the U.N.'s forecast to 5.5 billion to the maximum.

The stagnation in the increasing or stabilization crop areas makes the main direction of growth of agricultural production, its intensification on the basis of modern high-tech farming systems. But the strength and power of these systems require their cautious use, so as not to cross that elusive boundary, beyond which begins a serious violation or even undermining the natural conditions of agricultural production. In November 1992 a proclamation, which was signed by more than 1500 scientists from different countries of the world was published. It sounded like a vigorous warning to mankind about ongoing environmental degradation that undermines the foundations of human civilization.

The use of intensive technologies in agriculture has exacerbated the problem of water and wind erosion and led to the fall of fertility in the vast areas of earth's surface. There is compaction of topsoil caused by the use of powerful machines and leading to falling yields in many places. According to a report by the American Institute of world resources, soil degradation and water availability covers 16% of the world's agricultural areas. The increase in production largely achieved at the expense of causing harm or even destruction of agricultural resources. This means that the current population of the Earth in the ecological sense is increasing its food consumption at the expense of future generations.

In the above-mentioned proclamation on environmental degradation scientists observed that the reduction of soil fertility, which leads to their exclusion from treatment is a common by-product of existing methods of farming. Since 1945 11% of the vegetation cover of the Earth (the area beyond the area of India and China combined) has become to the degradation, as a result food production in some areas of the world in per capita is in decline[6].

By 2015 nearly half of the world population will be living in countries with tight water balance (mainly in Africa, the Middle East, South Asia and Northern China), then there will be less than 1,7 thousand cubic meters of water per person per year. Due to the intensive use of water of rivers and inland water bodies for irrigation shallow even large rivers. For example, Huanhe is shallow for several months of the year. It is noted in the proclamation that in 80 countries, representing 40% of the total population, there is a serious shortage of surface water. Pollution of rivers, lakes and groundwater significantly hampers their use [6].

The growing problem of water poses a political threat, as it can lead to conflict within and between states. As you know, half of the earth's surface rivers basins belong to more than one country and more than 30 countries

receive a third surface waters from abroad. Hence the “river” conflicts between Turkey on the one hand, Syria and Iraq on the other, for the water of the Tigris and Euphrates; between Egypt, Ethiopia and Sudan over the Nile water. The shortage of water both for direct human consumption and for use in industry and agriculture itself has become a problem, close to global.

Intensification of agricultural production and excretion of a number of high-yielding varieties of wheat, rice, corn, soybeans and other crops, fees are in the “green revolution” when the entire technology package (fertilizers, pesticides, modern processing systems, and so on) are increased in 2-3 times, led to the replacement of a number of traditional local varieties of high-yielding varieties. This fact significantly reduced the number of varieties used in agriculture and, ultimately, led to the decline of biodiversity in agriculture. But the arrival of the industrial cities, deforestation, expansion of agricultural lands, and especially the use of high-tech farming systems, including the use of a large number of pesticides and genetically modified varieties, is the result of the general decline of biodiversity in nature. Eventually they lose the biodiversity needed for medicine and other needs, there is no contribution that genetic diversity of life forms contributes to the stability of global biological systems and in the blooming beauty of the Earth.

The deterioration of natural conditions, water pollution and land for industrial and agricultural enterprises, the widespread use of mineral fertilizers and pesticides contribute to content in the food substances that are detrimental to people’s health. By some estimates, 60-80% of all cancer is a direct result of the presence of chemicals in air, water and food. A number of signs of ill health, fatigue, slow response, depression, headaches, allergies, chronic incidence of various infections, colds, nervousness, anger, excessive sensitivity to smells and aromas, memory loss, etc. that people tend to explain a variety of reasons, in fact, caused by the toxicity of the environment, including consumption of food.

The World Health Organization believes that 70% of cases of diarrhea is caused by poor quality food. The real number of such diseases is significantly higher than the official figures because, according to the estimates, in developed countries people report about such accidents 10% less than in developing countries. The process of globalization, despite the improvement of transport and freezer equipment, even increased the threat of food poisoning, because now a large amount of food from a single source is widely sold around the world. In many developed countries there is a very strict system that checks the content of toxins in food at all levels of the agro-industrial chain, which



cannot be said about most developing countries [4].

It is difficult to say whether exists at least one fairly large country in the world, which has not made its contribution to environmental degradation in any manner or form. The growing population's livelihoods at the current technological level inevitably cause damage to the environment and, consequently, lead to irreversible changes in nature. Humanity, in some sense living beyond its means, figuratively speaking, is not interested in exhausting fixed capital. Technological development that throughout recorded history was driven by the desire to optimize production, i.e. to increase the number and improve the quality of products while reducing costs, now must consider the environmental feasibility (and security, of course). This factor is becoming increasingly important and is becoming crucial for humanity, if it has the desire and the will to survive in the face of continued population growth and limited natural resources. The combined efforts of all countries and the creation of a single system and a single discipline of natural resources on the planet becomes an important condition for the preservation and improvement of our civilization. And this can only be achieved by creating a single global mechanism for the conservation and protection of natural resources, possibly under the auspices of the UN. At national and international forums there appear urgent calls for stabilization of production, primarily agricultural. In the proclamation to the world's general public scientists emphasize that the earth is finite.

The reduction of population growth and stabilization of the valid (with respect to the used resources of the planet) level becomes imperative. The time has come when people in their daily production activities found or find Earth scarcity, and the exhaustion of natural resources.

**Conclusion.** It is time for reasonable, prudent economic management, sober not only economic, but also ecological calculation time maintaining a stable ratio between the population and the amount of natural resources. Moreover, in the world of agriculture and the agricultural sector there still exists great potential for increasing food security without increasing pressure on the natural environment through the creation and use of energy-saving technologies, including biotechnology advances and organic farming, measures of socio-economic updates, including improving the regulatory role of states and international intergovernmental, public and religious organizations.

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## **ECOTOURISM IN UKRAINE: ACHIEVEMENTS, PROBLEMS AND PROSPECTS**

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**Sahaidachna A.V., Posokhov I.S., Saprun I.R. Ecotourism in Ukraine: achievements, problems and prospects.** The reasons of the origin and development of ecotourism in Ukraine are examined in the article. The availability of tourism resources and tourism potential of the country is determined. The problems and prospects of ecotourism development at the present stage are identified. Particular attention is paid to the factors hindering the development of ecotourism in the Ukraine in the presence of a strong ecotourism potential. Some examples of relations in the system “society-nature”, the contribution of people to the development of ecotourism projects for new achievements are provided.

**Keywords:** constraining factors, ecotourism, natural tourism resources, nature trails, socio-economic potential, tourism development in Ukraine.

**Сагайдачна А.В., Посохов І.С., Сапрун ІР. Екологічний туризм в Україні: досягнення, проблеми, перспективи.** У статті розглядаються причини виникнення екотуризму в Україні та його розвиток. Аналізується наявність туристичних ресурсів і туристичного потенціалу країни. Визначаються проблеми і перспективи розвитку екотуризму на сучасному етапі. Особлива увага приділяється чинникам, що стримують розвиток екотуризму в Україні за наявного потужного екотуристичного потенціалу. Наводяться приклади відносин у системі «суспільство-природа», вклад людей у розвиток екотуризму, проекти та розробки для нових досягнень.

**Ключові слова:** екологічні стежки, екотуризм, природні туристичні ресурси, розвиток туризму в Україні, соціально-економічний потенціал, стримуючі чинники.

**Сагайдачная А.В., Посохов И.С., Сапрун И.Р. Экологический туризм в Украине: достижения, проблемы, перспективы.** В статье рассматриваются причины возникновения экотуризма в Украине и его развитие. Анализируется наличие туристических ресурсов и туристического потенциала страны. Определяются проблемы и перспективы развития экотуризма на современном этапе. Особое внимание уделяется факторам, сдерживающим развитие экотуризма в Украине при наличии мощного экотуристического потенциала. Приводятся примеры отношений в системе «общество-природа», вклад людей в развитие экотуризма, проекты и разработки для новых достижений.

**Ключевые слова:** природные туристические ресурсы, развитие туризма в Украине, сдерживающие факторы, социально-экономический потенциал, экологические тропы, экотуризм.

Nowadays ecotourism is becoming one of the most popular forms of tourism, and the main reason for it is the need to protect nature and its resources. Few years ago humanity hasn't known about the global ecological problems, as do now. We can't find in the world map environmentally sounded countries and cities. Quantity of such cities and places is going down.

The aim of the research is to analyze the state of development of ecotourism in Ukraine. The object of the research is ecotourism in Ukraine. The subject of the research is factor of ecotourism in Ukraine.

Ecological tourism is comparatively a new concept in tourism activity. The main reason of origin of ecological tourism is in unsettled relations in the system "society-nature", or in tourist interpretation is "tourism-ecology". Ecotourism envisages rest in environmentally clean regions.

Ukraine is rich in various natural tourist resources, which is an important prerequisite for the development of ecological tourism. It is climatic, biological, hydrologic, landscape resources, sources of mineral waters and others like that. The total land area suitable for recreation and tourism use, occupies 9.4 million hectares which constitutes 15.6% of Ukraine. Various nature protection objects are located on all territory of Ukraine.

For the years of independence, the area of natural reserve fund of Ukraine has more than doubled. Today it consists of more than 7607 territories and objects are included by a general area 3.3 million hectares, which is 5.4% territory of the country. It, in particular, 19 natural and 4 biosphere reserves, 38 national natural parks, 55 regional landscape parks, 3203 sights of nature, 2853 wildlife preserves, 635 botanical, zoological gardens, arboretums and parks-sights of park and garden art, 800 protected natural boundaries. There are many natural areas and facilities suitable for leisure [4, p. 96].

Ecotourism can be called a fairly young type of tourism that develops, but rapidly acquires popularity. The reason is that the population feels the negative effect of the environment on the organism and wants it to avoid or at least minimize. People from the changes of terms of life in megalopolises all farther walk away from nature. On the state on the (As of) 1 January 2013, 68.9 % of Ukraine's population lives in cities and settlements of municipal type.

So many people want to improve their emotional state, relieve psychological stress exactly on nature. However, people often tend to communicate with nature, to take advantage of it, and, as a rule, without giving anything in return, in many cases causing it harm. Among them there are the so-called: hikes of day off, weekends on nature, rural green tourism, agro tourism, etc. For the activities mentioned above, nature is the basic condition of rest, but holidaymaker only a consumer of natural wealth, meaning that people passively respond to it. Ecotourism, with its huge recreational and cognitive opportunities (possibilities), on the contrary, is intended to generate public awareness of the protection and rational use of natural resources, to convey to the people the urgency and importance to the protection.

In Ukraine, terms such terms as: "ecotourism", "green tourism", "agro tourism" and "rural tourism" are still often confused. As a result of such conceptual confusion, many leading travel companies generally used to refuse using the term "ecotourism" because different groups of consumers understand it in different ways. In this connection, a conclusion of The International Ecotourism Society (TIES) that clears the differentiation between tourism and ecotourism is appropriate [3, p. 186]. Ecotourism is defined as "responsible travel to natural areas that conserves the environment, sustains the well-being of the local people, and involves interpretation and education" (TIES, 2015). Education is meant to be inclusive of both staff and guests. Tourism is defined as the activities of people traveling to and staying in places outside their usual environment for leisure, business or other purposes for not more than one consecutive year.

Thus, the presence of eco-tourists and tourism industry is the main driving force for the development of ecotourism. Some native experts claim that the main factor for the development of ecotourism is the tourist resources of protected areas, is not getting any real confirmation.

Ecotourism in the context of sustainable development includes not only the rational use and reproduction of ecological resources, as well as the preservation of ethno-cultural environment. It up to a point limits bringing in to eco-tourism of naturally-industrial types of activity (hunt, fishing, collection of mushrooms and

berries with the purpose of sale and purveyance). This is to some extent limits the involvement of the natural eco-industrial activities (hunting, fishing, collection of mushrooms and berries with the aim of sale and purveyance). At the same time, a necessity is creation of ecotourism infrastructure, directed, first of all, on maintenance of natural environment [2, p. 97].

It means that ecological trails and parking equipped primarily to control the movement of tourist groups, and then already and in order that it comfortable to pass a route and have a rest. Ukrainian reality recently also provides a lot of compelling facts which indicate that ecotourism begins to cause interest among people. The most striking example – the emergence of projects related to the organization of ecological paths. For example, the project “Lisogorsky paths”, which aims – cleaning the territory of the tract “Lysa gora” from household and building garbage, creation of the ecological path, equipped by informative stands, pointing and trash. Bringing to the proper type of historical buildings in the territory of the tract and restricting of vehicles to travel on the most valuable areas of ecological paths [5].

Among the factors those constrain the development of ecotourism in Ukraine in available strong ecotourism potential, prevailing economic and organizational factors.

The economic factors include: absence of initial capital is for financing of works for creation of scientific centres natural scientist, from development of complex of question targeted programs for ecotourism; poor investment in tourism infrastructure; absence of facilities from a management and marketing to ecotourism for bringing in of potential tourists to the visit even of those territories, that already have in the order a certain infrastructure for a reception, placing and maintenance of guests; absence of purposeful scientific researches and training of necessary staff.

The organizational factors include: limited tourist routes in places of ecological tourism and their poor arrangement; lack of specialized travel organizations in the sphere of ecotourism; bureaucratic prohibitions and restrictions on tourists visiting of attractive in a natural relation places, due to the undeveloped mechanism of interaction between natural and economic administration and environmental organizations, with organizers ecotourism trips and excursions; limited set of recreational tourism services for tourists; no socially oriented information management and PR of ecotourism, eco fashion; lack of qualified specialists able to take over the development, organization and conduct of ecological tours; the lack of heads of government agencies, ministries and departments of environmental experts [1, p. 150].

If nature of Ukraine has a great potential for ecotourism, the socio-economic potential of our country for the development of this type is very small. So it is understandable why ecotourism is poorly developed in Ukraine as a destination of domestic tourism because it has not yet formed the demand for this type of tourism, very little conscious ecotourists, who are ready to spend money, time and effort to communicate with nature and its protection. As a result is poor development of the tourism offer. Lack of qualified staff leads to the fact that few tour operators want to engage in this activity, and if someone is taken, its action is not entirely consistent with the principles of ecotourism.

To summarize, the reasons that hinder the development of ecological tourism in Ukraine are quite serious. In the conditions of political and economic instability their removal can delay on great while. There is very little information about ecotourism in Ukraine that gives to understand, that such type of tourism is just developing. However, in spite of all the constraints, ecotourism can be called one of the priority and perspective directions of tourism development in Ukraine, which is attractive to nature-lovers and ecological travelers.

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**DEVELOPMENT PROSPECTS  
OF SCIENTIFIC AND TECHNOLOGICAL POLICY  
OF OECD'S COUNTRIES  
UNDER THE TERMS OF CONVERGENCE  
OF MODERN TECHNOLOGIES AND SOCIETY**

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**Sakhno A.E., Riabenka I.V. Development prospects of scientific and technological policy of OECD's countries under the terms of convergence of modern technologies and society.** This article is devoted to the development of countries under the terms of convergence of technologies and society. Several meanings of the concept "converging technologies" and the history of this concept are revealed. The study examines the process of "merging technologies". It is noted that instances of convergence require consideration of further levels of convergence rather than the emergence of new exciting fields.

**Key words:** convergence of technologies, NBIC-technologies, The Organization for Economic Co-operation and Development (OECD).

**Сахно А.Є., Рябенка І.В. Перспективи розвитку науково-технічної політики країн ОЕСР в умовах конвергенції сучасних технологій і суспільства.** Дана стаття присвячена питанням розвитку країн в умовах конвергенції технологій і суспільства. Розкриваються кілька значень поняття «конвергенція технологій» та історія цього поняття. А також аналізується процес «злиття технологій». Відзначається, що конвергенція вимагає більшого розгляду подальших рівнів цієї самої конвергенції, ніж поява нових цікавих областей.

**Ключові слова:** конвергенція технологій, Організація економічного співробітництва і розвитку (ОЕСР), NBIC-технології.

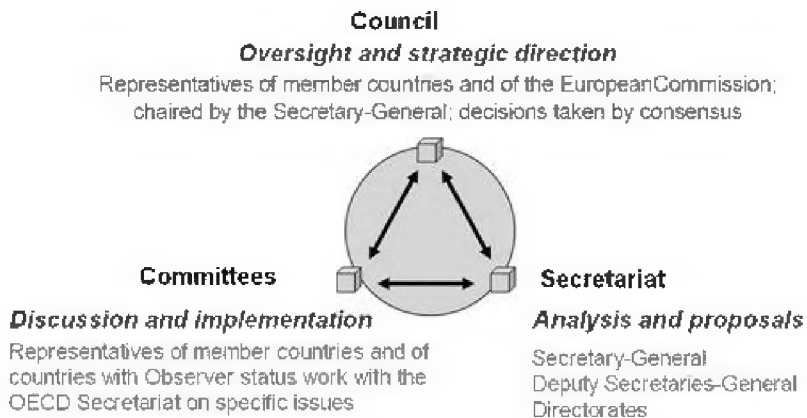
**Сахно А.Е., Рябенкая И.В. Перспективы развития научно-технической политики стран ОЭСР в условиях конвергенции современных технологий и общества.** Данная статья посвящена вопросам развития стран в условиях конвергенции технологий и общества. Раскрываются несколько значений понятия «конвергенция технологий» и история этого понятия. А также анализируется процесс «слияния технологий». Отмечается, что конвергенция требует большего рассмотрения дальнейших уровней этой самой конвергенции, чем появление новых интересных областей.

**Ключевые слова:** конвергенция технологий, Организация экономического сотрудничества и развития (ОЭСР), NBIC-технологии.

The object of this article is converging technologies in countries of Organization for Economic Cooperation and Development (OECD) and the subject is the process of converging technologies. The goal is to form and develop skills of independent search, selection, systematization, analysis of literary and reference materials; to organize and use theoretical knowledge; to develop skills of presentation of personal thoughts, to use scientific terminology, to improve the culture of design of scientific-methodical and reference material. The material of the study was derived from books and online resources devoted to the process of converging technologies in several countries. The converging technologies are becoming the focus and the basis of the study of the processes of unification of the basic fields of culture – science, society and person, which will lead to a new form of the unity of all humanity, due not only to scientific and technological changes and social factors of our time, but also to new organizational forms of their interaction. The actuality of this research lies in the analysis of these forms.

The Organization for Economic Co-operation and Development (OECD) is an international economic organization of 34 countries, founded in 1961 to stimulate economic progress and world trade. It is a forum of countries describing themselves as committed to democracy and the market economy, providing a platform to compare policy experiences, seeking answers to common problems, identifying good practices and coordinating domestic and international policies of its members (see Picture 1).

### Who drives the OECD's work?



Pic. 1

Source: [1].



The official founding members of this organization are: Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom, the United States of America.

There are no agreed definitions of “Converging Technology” and in the 2000s the term was used interchangeably with the acronym NBIC, which stands for combinations of nanotechnology (N), biotechnology (B), information and communication technologies (I) and cognitive technologies (C). The NBIC initiative in the United States has been argued to have not been a major policy initiative at all but rather a means, in the early 2000s, to argue for financial support for nanotechnologies by providing “visions” (rather than genuine roadmaps) for the development of converging technologies or a “new renaissance of science” (CONTECS Final Report 2009). An important point to make is that NBIC was originally a visionary exercise rather than an observation of a particular trend in research and development of science and technology (R&D). However, it triggered much debate and interest and was closely tied to forward-looking activities related to nanotechnology, particularly around the vision of human enhancement applications. These debates remain today in discussions of ethical and societal aspects of NBIC, which often cite that vision of human enhancement [2, p. 7].

Convergence of knowledge and technology for the benefit of society (CKTS) is the core opportunity for progress in the 21<sup>st</sup> century. It is defined as the escalating and transformative interaction among seemingly distinct scientific disciplines, technologies, communities, and domains of human activity to achieve mutual compatibility, synergism, and integration, and through this process to create added value and branch out into emerging areas to meet shared goals. Convergence is as essential to our future knowledge society as engines were to the industrial revolution. CKTS allows society to answer questions and resolve problems that isolated capabilities cannot do, as well as to create new competencies, technologies, and knowledge on this basis. This concept is centered on the principles presented in this article: interdependence in nature and society with application to the essential platforms of human activity system; the enhancement of creativity and innovation within knowledge and technology through convergence-divergence (spin-off) evolutionary processes; a holistic system deduction approach being applied in decision analysis; the value of higher-level cross-domain languages to generate new solutions and support transfer of new knowledge; and the value of vision-inspired basic research endeavors [3, p.10].

The question of “what is technology convergence?” is being asked elsewhere in the world. For example, in the United States, the Massachusetts Institute of Technology (MIT) recently produced a white paper on the convergence of the life sciences, physical sciences and engineering (MIT 2011). The document actively moves away from the NBIC umbrella-term, and explores current and potential convergence of the life sciences, physical sciences and engineering in terms of inter-disciplinarity and added value from convergence. In its closing remarks, it points out that, alongside with providing new combinations and transformative technologies, convergence will speed up scientific discovery. In Japan, the AIST (National Institute of Advanced Industrial Science and Technology) further articulates technology convergence in its Photonics-Electronics Convergence System Technology programme (PECST). Here, a number of disciplines (electrical engineering, photonics and material/fabrication sciences) have been organized to augment the convergence DSTI/STP(2013)15/FINAL 9 of electronics and photonics for advanced chip design. In India, there is a heavy focus on specific areas of convergence within ICT as illustrated, for example, in a recent report by KPMG India (KPMG 2013). In research and higher education, the Centre for Converging Technologies at the University of Rajasthan has produced a Doctoral and Masters programme that expands on the NBIC acronym, and explores particular instances of convergence between them. Elaborations of the acronym include expansion of the “B”, which now represents bioinformatics and biotechnology, and the “C”, which incorporates cognitive science and neuroscience. This brief history of the discussions and activities on “NBIC” and “Converging Technology” shows a trend towards looking at specific combinations of disciplines and technologies as convergence. Amidst the variety of interpretations of what convergence is, or could be, a description of convergence is needed that is not limited to NBIC but includes other notions of convergence whilst capturing the essential elements that makes NBIC promising [2, p. 9].

The process of technology convergence is also leading to organisational convergence in the manufacturing process, requiring an increasing amount of co-ordination between actors. Joint research and development are necessary, shared between organisations and personnel that were previously separated. This is one example of convergence in manufacturing, where the design and development of devices bring together organisationally separated actors (with their own specific skill sets and knowledge bases) into co-design. Beyond the challenge of co-ordination, the multi-functionality that is a key part of systems-

on-a-chip creates an issue seen elsewhere in the scaling up of production of a new technology or device. The more complex a device, the greater is the difficulty in producing technologies that are 100% reliable. This is seen, for example, in sensors for digital cameras. Complex multi-functionality is seen in lab-on-a-chip point-of-care diagnostics. With their origins in the early 1990s, such diagnostics exploited micro- (and later nano-) technologies to reduce the size of an analytical laboratory to something that could fit into the palm of a hand. The combination of micro-/nanotechnologies with nanobiosensors and a variety of functional components, forming hand-held analytical laboratories, was soon linked to the broad vision for point-of-care diagnostics, with immediate reading of a sample (such as blood) enabling rapid detection of a disease or other medical characteristics [2, p. 17].

In conclusion we would like to say that when the broad “Converging Technology” debate is examined in more detail, it is seen that new communities are emerging around new combinations, and there are patterns that can be traced. Not a priori, but there are tools to trace these patterns which take into account the specifics.

A number of fields where convergence is occurring are particularly promising, in the point that there are high hopes about the transformative power of these fields, and the examples provided in this article, such as synthetic biology and biomedical manufacturing, were chosen to reflect this.

The umbrella term of “Converging Technology” provides a unifying broad vision of a large-scale transformative technology wave, but when one looks at the nature of convergence, the characteristics are wide, varied and rich. Policy makers cannot afford to neglect the promise of converging technologies, even if the rhetoric surrounding them is frequently hyperbolic in nature. The challenge is what to do.

Apart from the specifics of the various cases that have to be addressed, two main approaches were identified in this article. First, the on-going dynamics of converging technologies are largely outside the scope of government intervention, but governments may diagnose what is going on (this is where tools come in) and on that basis define interventions which modulate on-going developments and nudge them in better directions. Second, instances of convergence rather than converging technologies should be the entry point, and this requires consideration of further levels of convergence rather than the emergence of exciting new fields like synthetic biology and smart health.

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## EDUCATIONAL TOURISM AND ITS ROLE IN LEARNING FOREIGN LANGUAGES

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**Shapoval V.V., Shamara I.M., Saprun I.R. Educational tourism and its role in learning foreign languages.** The article deals with the benefits and the role of learning foreign languages for the development of educational tourism in the world and cooperation between people. The factors that influence this development have been clarified; the data related to the economic development of certain countries, including its financial component has been analyzed.

**Key words:** educational tourism, language courses, profit.

**Шаповал В.В., Шамара І.М., Сапрун І.Р. Освітній туризм і його роль у навчанні іноземних мов.** У статті розглянуто переваги та роль вивчення іноземних мов задля розвитку освітнього туризму у світі та кооперації між людьми. З'ясовані фактори, які впливають на цей розвиток, проаналізовані дані, які пов'язані з економічним розвитком певних країн, зокрема фінансової складової.

**Ключові слова:** мовні курси, освітній туризм, прибутки.

**Шаповал В.В., Шамара И.Н., Сапрун И.Р. Образовательный туризм и его роль в обучении иностранным языкам.** В статье рассмотрены преимущества и роль изучения иностранных языков в развитии образовательного туризма в мире и кооперации между людьми. Выяснены факторы, влияющие на это развитие, проанализированы данные, связанные с экономическим развитием определенных стран, в частности финансовой стороны.

**Ключевые слова:** образовательный туризм, прибыль, языковые курсы.

Educational tourism is a rapidly growing sector of the tourism economy, which is famous worldwide. Many researchers attribute it to one of the leading and most promising types of tourism. The specifics of educational tourism are manifested in the special nature of the demand expressed by seasonal fluctuations, diversification of the tourism product and hospitality services. It has low susceptibility to crisis and social and political shocks, dynamic customer's needs require a detailed study and the development of theoretical, methodological and systematic approach to improve the interaction between all its participants. This makes this issue important to examine. Educational tourism can be defined as a kind of tourism, where education is the main purpose of the trip. The trip may include study tours for adults, trips to language schools, educational trips, and events for the exchange students. The aim of the study is to identify the benefits of foreign language learning in the development and organization of educational tourism in the countries.

Language-learning trips are the most popular tours which can also be divided into types depending on the purpose of language learning, as well as its form of teaching. The most demanded foreign language, which tourists intend to study is English, up to 79% of the young tourists try to learn this language. 30% prefer to study English in the US, 30% – UK (500 000 people) [1], and 10% – in Australia. Only 9% combine learning English with a holiday to exotic countries and only 3% are inclined towards specialized programs, including active sports, the development of skills in the favorite activity, etc. In 2007, the number of people who study English was 1,007,321 [2]. And in 2014 the number of those studying that language in these countries has reached 1,504,667 people.

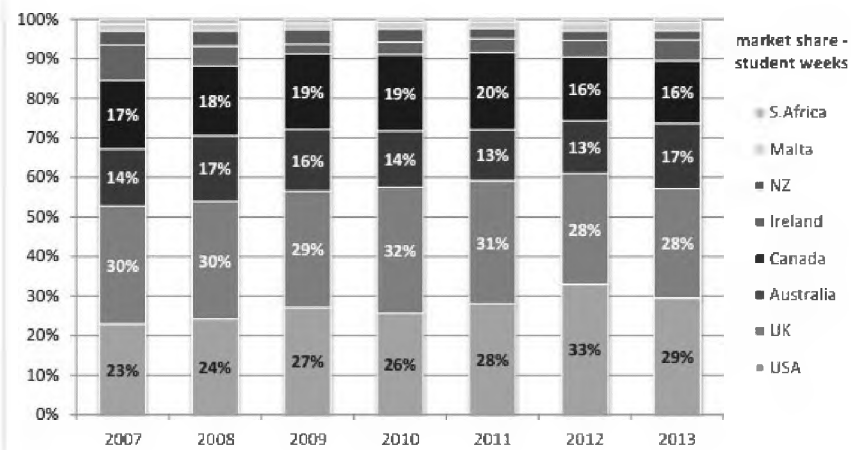
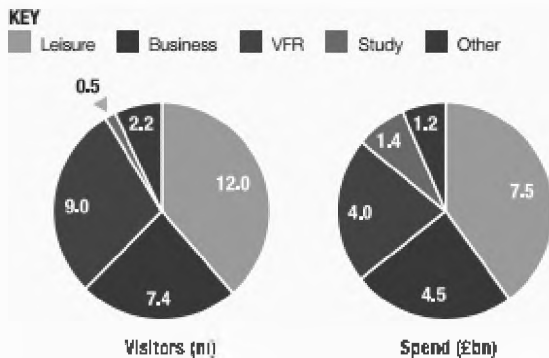


Figure 1. Number of tourists in language schools (percentage) [3]

Total spending by international students on all types of courses in the UK, from English language to doctoral degrees, is estimated to be £14 billion, with the potential to grow to £25 billion by 2020 [5]. Quite a significant progress in this area can be observed.

### Visitor Numbers and Total Spend by Sector – 2012



International Passenger Survey, Office for National Statistics, 2013

Figure 2. Profit from the tourism in the UK by sectors [5]

According to the statistics, the vast majority of young people in the world are inclined towards the so-called “useful rest” and free travel style. More than 85% refuse to call themselves “travelers”. They are looking not only for the standard tourist attractions and sightseeing tours provided by tour operators, but also for the possibility to combine recreation with keeping up the current level of foreign language proficiency or start learning it from the beginning.

Tours in which people are studying foreign languages are popular among all tourists of different ages: from children and their parents, who buy tours to facilitate language learning, to adults- businessmen who are interested in the spoken business language for conducting negotiations. There is a graduation in language tours by age: schoolchildren, students, adults (they make up 10%) [1].

Also, language tours are popular mostly in those countries where the national language is common in the world and the most used: France, Spain, Germany, Italy and Portugal. These courses may be: intense or general; business courses, it can be preparation for international exams; courses on vacation (a combination of relaxation with learning the language); learning “face-to-face” with a teacher or generally in the group; academic courses, and courses aimed at university entrance. Main programs of study tours are

the educational and informative excursions. In some cases there are also sports programs (mainly in youth tours). A common suggestion is the organization of language tours for businessmen. For adult clientele the main reason is the need for training of speaking one or more foreign languages the more the better. Adult audience goes to such trips at the expense of companies and enterprises, individually or with their family. It can be noted that the age range of educational tourism is extremely wide and covers almost all types of tourists.

In addition to the required level of education, the students gain international experience. With the presence of such language practice among native-speakers students receive an additional advantage in obtaining the prestigious work both in their mother country or abroad, which undoubtedly make the stay of tourists in the territory of a country longer.

The forecast for the development of educational tourism in the segment of the English language implies that the role of the less popular countries will increase: Ireland, Malta, New Zealand, with the development of the above mentioned countries. After that they will be able to compete with the leaders in this field: the United States and the United Kingdom [6]. This is a very good prognosis, because the increasing of competition contributes the quality and therefore the level of educational tourism will grow up.

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# POSSIBILITIES OF USING CENTRAL EUROPEAN COUNTRIES' SPA TOURISM DEVELOPMENT EXPERIENCE IN UKRAINE

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**Shcherbyna V.I., Litovchenko Y.N. Possibilities of using European countries' spa tourism development experience in Ukraine.** The article includes the main quantitative and qualitative indicators of spa tourism in the Central European countries as well as in Ukraine. The article reveals prospects and opportunities of using spa tourism development experience of Central European countries in Ukraine.

**Key words:** Central Europe, resort, spa tourism.

**Щербина В.І., Літовченко Я.М. Можливості використання досвіду розвитку лікувально-оздоровчого туризму країн Центральної Європи в Україні.** У статті розглядаються основні кількісні та якісні показники лікувально-оздоровчого туризму як в країнах Центральної Європи, так і в Україні. Стаття присвячена виявленню перспектив та можливостей використання досвіду розвитку лікувально-оздоровчого туризму країн Центральної Європи в Україні.

**Ключові слова:** курорт, лікувально-оздоровчий туризм, Центральна Європа.

**Щербина В.И., Литовченко Я.Н. Возможности использования опыта развития лечебно-оздоровительного туризма стран Центральной Европы в Украине.** В статье рассматриваются основные качественные и количественные показатели лечебно-оздоровительного туризма как в странах Центральной Европы, так и в Украине. Статья посвящена определению перспектив и возможностей использования опыта развития лечебно-оздоровительного туризма стран Центральной Европы в Украине.

**Ключевые слова:** курорт, лечебно-оздоровительный туризм, Центральная Европа

The relevance of the chosen topic is grounded by the fact that for the last few decades a gradual growth of interest to spa tourism has been increasing. The material of the study was derived mainly from online resources devoted to the problems of spa establishments nowadays. Europe is one of the world-wide centers of spa tourism, where intensive development of spa resorts has begun since the XVIII century. The Ukrainian balneology dates back to the XVI century. The first Ukrainian spa resort Shklo was established in 1576. And, though, most of the Ukrainian resorts are the same age with the most famous European resorts, however, the level of development of our resorts



are significantly lower, with remnants of the Soviet system of recreational affair. Spa tourism' experience borrowing of such Central European countries as the Czech Republic, Hungary, Poland and the Slovak Republic, which are famous with their high level of quality of health-treatment services, is important for the development of spa tourism in Ukraine.

The available natural resources for spa tourism development in Ukraine are similar to ones, which there are in the abovementioned countries, namely plain territories, mountain areas (the Western Carpathians), moderate continental climate, a dense rivers network, mineral waters and mud deposits etc.

The most famous Ukrainian resorts are Truskavets, Morshyn, Nemyriv (the Lviv region), Soimy, Svaliava, Kvasy, Syniak (the Zakarpattia region), Khmilnyk (the Vinnytsia region), Myrhorod (the Poltava region), Berminvody (the Kharkiv region), Berdyansk, Kyrylivka (the Zaporizhzhya region), Gopri, Henichesk (the Kherson region) and Odessa etc.

Ukraine is not inferior to the considered countries for the quantitative indicators of spa tourism (Pic. 1). For example, there are 58 spa resorts in Ukraine (45 of them have national and international significance) [1], that is 15 resorts more than in Poland, 25 resorts more than in the Czech Republic, 36 resorts more than in Hungary and 40 resorts more than in the Slovak Republic.

Indicator	Central Europe				Ukraine
	Poland	Czech Rep.	Hungary	Slovak Rep.	
Number of spa res.	43	33	22	18	58
Number of est.	271	85	32	99	459
Number of bed-places	43 620	24 531	11 250	12 888	103 335
Number of tourists	765 472	742 281	566 000	299 032	826 823
Number of foreign tourists	36 364	350 488	246 000	68 689	20 758
Number of tour-nights	11 961 542	6 409 329	2 019 948	2 617 209	16 008 248
Income, USD	29 436 188	3 400 410	1 378 240	1 199 530	9 402 565

Pic. 1. The basic quantitative indicators of spa tourism of Central European countries and Ukraine

[calculated by the author – Shcherbyna V.I., based on 1, 2, 3, 4, 5, 8]

famous spa resorts of Central Europe (Krynica, Carlsbad, Heviz, Piest'any) and international Ukrainian resort Truskavets (the Lviv region) were taken for comparison.

The basic profile of treatment at Truskavets spa resort is similar to Carlsbad (gastrointestinal tract, urogenital system, metabolic disorders etc.) [8]. For the number of spa establishments Truskavets is ahead of Piest'any resort (the Slovak Rep.), Heviz (Hungary) and Krynica (Poland) and just slightly behind Carlsbad resort (the Czech Rep.) (Pic.2).

The most spa establishments in Truskavets are sanatoriums (15), there are four 3-star hotels, that is equal to the number of appropriate category establishments at Heviz resort, more than in Krynica and Piest'any, but less than in Carlsbad. The number of 4-star hotels is 4, what is equal to the number at Heviz. The number of 5-star hotels is 2, what is equal to the number of appropriate category establishments in Carlsbad.

The average accommodation rates in Truskavets are lower than the rates in Central European spa establishments. They vary from 24 USD in low season to 88 USD per person per night in high season. For comparison: average accommodation rates in region countries vary from 33 USD in low season to 320 USD per person per night in high season.

Truskavets resort establishments offer accommodation, which is similar to the Central European countries' ones. However, the room capacity of the Soviet type still remains in most Ukrainian establishments and provides accommodation in multi-bedded rooms in blocks, sometimes with common hygiene facilities.

Although quantitative indicators of Ukraine are not inferior to the reviewed Central European countries, but we can adopt their experience of organization spa tourism namely by regulating the activity and creating a sole authority of control, support the resorts and establishments; regulatory framework improvement; spa establishments of hotel type erection; old establishments renovation; treatment facilities improvement; spa tourism product creation combined with entertaining and cultural components; medical staff of narrow specialization with several foreign languages training etc.

Indicator	Central Europe				Truskavets (Ukraine)
	Krynica (Poland)	Carlsbad (Czech Rep.)	Heviz (Hungary)	Piest'any (Slovak Rep.)	
Number of est. by category, incl.	16	43	8	6	35
2*-hotel	-	-	-	2	-
3*-hotel	1	11	4	1	4
4*-hotel	5	30	4	2	4
5*-hotel	-	2	-	1	2
sanatorium	9	-	-	-	15
no category	1	-	-	-	10
Basic treatment profile	circulatory, respiratory, urogenital system, general health improvement	Gastro-intestinal tract, metabolic disorders, diabetes	Musculo-skeletal system, gynecology	Musculo-skeletal system, peripheral nervous system	Gastro-intestinal tract, urogenital system, metabolic disorders
Average accommodation rates	from 33 to 92 USD / pers./night	from 77 to 320 USD / pers./night	from 50 to 110 USD / pers./night	from 62 to 135 USD / pers./night	from 24 to 88 USD / pers./night

Pic. 2. The basic qualitative indicators of spatourism of the most famous resorts of the region and Ukraine [calculated by the author – Shcherbyna V.I., based on 6, 7, 8]

The prospects of spa tourism development in Ukraine can be emphasized, in particular, the creation a sole authority of control, attracting investments in increasing volumes of new establishments of hotel type and in reconstruction of the old ones; average-rated establishments erection; basic and additional infrastructure development; room capacity and medical corps refurbishment; medical and service staff of narrow specialization with knowledge several foreign languages training; advertising activities of promotion spa tour product; Ukrainian spa brand creation.

**Conclusion.** The general assistance of strengthening and Ukrainian spa complex development will have a positive effect on the health of the population and foreign guests, morbidity reducing and increasing of competitiveness of Ukrainian spa services market in European and international tourism spaces.

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## REGISTRATION OF SHIPS AND THE WORLD FLEET RENEWAL

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**Shylova Yu. V., Davydenko I. V. Registration of ships and the world fleet renewal.**

The article studies the current state of the navy registers in the leading countries, defines the largest world producers and utilizers of ships, and also reveals the existing problems in these sphere.

**Keywords:** bulk carriers, eco-ships, container ships, register of ships, world fleet.

**Шилова Ю.В., Давиденко І.В. Реєстрація суден та оновлення світового морського флоту.** У статті проаналізований сучасний стан реєстрів морського флоту країн-лідерів, визначені найбільші світові виробники та утилізатори суден, а також існуючі проблеми за цими факторами.

**Ключові слова:** балкери, еко-кораблі, контейнеровози, реєстр суден, світовий флот.

**Шилова Ю.В., Давыденко И.В. Регистрация судов и обновление мирового морского флота.** В статье проанализировано современное состояние реестров

морского флота в лидирующих странах, определены крупнейшие мировые производители и утилизаторы судов, а также существующие проблемы в этой сфере.

**Ключевые слова:** балкеры, эко-корабли, контейнеровозы, реестр судов, мировой флот.

The o b j e c t of the study is the world fleet. The p u r p o s e of the study is to analyze the current state of the navy registers in leading countries and to define problems in shipbuilding and ship utilization.

On 1 January 2015, Panama, Liberia and the Marshall Islands have the largest registers of vessels. Together they constitute 41.8% of world shipping, also the Marshall Islands have increased the number of their own ships by 13% in 2014 (see table 1) [8].

*Table 1*

**The 15 flags of registration  
with the largest registered fleets, 1 January 2015**

Flag of registration	Number of vessels	Share of world total, vessels	Dead-weight tonnage (1,000 dwt)	Share of world total (dwt)	Average vessel size (dwt)	Dwt growth 2015/2014 %
Panama	8 351	9,33	352 192	20,13	44 052	0,91
Liberia	3 143	3,51	203 832	11,65	65 018	0,31
Marshall Islands	2 580	2,88	175 345	10,02	67 990	13,32
Hong Kong (China)	2 425	2,71	150 801	8,62	63 585	6,47
Singapore	3 689	4,12	115 022	6,58	33 830	8,52
Malta	1 895	2,12	82 002	4,69	43 898	8,69
Greece	1 484	1,66	78 728	4,50	63 268	4,45
Bahamas	1 421	1,59	75 779	4,33	54 322	2,54
China	3 941	4,41	75 689	4,33	20 756	-1,28
Cyprus	1 629	1,82	33 664	1,92	32 000	3,69
Isle of Man	1 079	1,21	23 008	1,32	55 441	-2,28
Japan	5 224	5,84	22 419	1,28	5 558	7,47
Norway	1 558	1,74	20 738	1,19	15 399	-1,20
Italy	1 418	1,58	17 555	1,00	14 556	-11,22
United Kingdom	1 865	2,08	17 103	0,98	16 059	-0,35

Source: [8].

More than three quarters of the world fleet are registered in developing countries, including registries where the owner does not need to be of the same nationality as the country where the ship is registered. Vehicles registered under a foreign flag (where the nationality of the owner is different from the flag of the vessel) is 71 per cent all over the world [7].

This is a problem for the countries to support technological achievements and economize public finance. At the same time, investing in the vessel registered under a foreign flag, the country provides the material resources of their own competitors, effectively transmitted to their customers, importers and exporters [1].

The world fleet grew by 42 million GT in 2014, what is the result of shipbuilding of almost 64 million GT minus reported utilization of about 22 million GT. More than 91 per cent of GT delivered in 2014 was built in three countries: China (35.9 per cent); the Republic of Korea (34.4 per cent); and Japan (21.0 per cent), with China mostly building dry bulk carriers, followed by container ships and tankers; the Republic of Korea building mostly container ships and oil tankers; and Japan specializing fundamentally in bulk carriers (see table 2) [8].

To respond to demands for a more environmentally sustainable shipping fleet, shipbuilders, owners and non-governmental technical bodies such as classification societies increasingly collaborate on the development of new technologies and eco-ships. Notably, classification societies have led research into the use of alternative energies on ships, including wind and solar power [1].

The Government of China has extended a subsidy program that encourages shipping companies to scrap old vessels [3].

South Asia (Bangladesh, India and Pakistan) and China together account for more than 90 per cent of global ship breaking. Within ship demolition, furthermore, a certain specialization exists, as most container ships are demolished in India, while Bangladesh and China purchased more dry bulk carriers, and Pakistan – mostly oil tankers. [8]

Ship breaking itself is also under scrutiny for its environmental impact, particularly the method of “beaching” applied in South Asia, which tends to be harmful to the local environment and often lacks health and safety measures. Ongoing projects are aimed at the development of safe and environmentally sound ship recycling, with the goal of improving the standards and, therefore, the sustainability of the industry [1].

Table 2

**Deliveries of newbuildings, major vessel types  
and countries where built (2014, thousands of GT)**

	China	Republic of Korea	Japan	Philippines	Rest of world	World total
Oil tankers	2 896	4 781	891	-	466	<b>9 034</b>
Bulk carriers	13 304	1 588	10 791	869	167	<b>26 719</b>
General cargo	585	329	199	-	372	<b>1 485</b>
Container ships	4 986	9 135	188	995	735	<b>16 039</b>
Gas carriers	119	3 528	666	-	14	<b>4 328</b>
Chemical tankers	113	185	188	-	57	<b>543</b>
Offshore	714	1 485	51	-	956	<b>3 206</b>
Ferries and passenger ships	92	5	27	-	767	<b>892</b>
Other	42	835	391	-	147	<b>1 415</b>
<b>Total</b>	<b>22 851</b>	<b>21 872</b>	<b>13 392</b>	<b>1 865</b>	<b>3 682</b>	<b>63 662</b>

Source: [7].

Conclusion. However, the world leaders – Panama, Liberia, Cyprus and the Bahamas are rather conditional, since a significant share of their fleet is owned by the United States and Western European countries (including France, the UK, Germany), using a policy of “easy” flag to evade high taxes. In the world fleet renewal, China, India, the Republic of Korea, Japan, the Philippines, Bangladesh and Pakistan are the major suppliers of such services.

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## **EXPLOITING POSSIBILITIES OF SOCIAL NETWORKS FOR HOTEL PRODUCT PROMOTION**

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**Smolova O.K., Broslavskaia Ye.M. Exploiting possibilities of social networks for hotel product promotion.** This article covers an analysis of social networks and their role in hotel product promotion. It also includes some advertising ideas to generate hotel revenues using the Instagram social network, an analysis of the role of social networks in the tourism market and the prospects for promoting hotel product directly through the Instagram account.

**Keywords:** Instagram, hotel product promotion, social network.

**Смолова О.К., Брославська Є.М. Використання можливостей соціальних мереж для просування готельного продукту.** Ця стаття присвячена аналізу соціальних мереж та їх ролі у просуванні готельного продукту. Стаття включає в себе деякі рекламні ідеї для збільшення прибутку готелю за допомогою соціальної мережі Instagram, вивчення ролі соціальних мереж у туристичному ринку та перспектив просування готельного продукту безпосередньо через акаунт в Instagram.

**Ключові слова:** просування готельного продукту, соціальна мережа, Instagram.

**Смолова О.К., Брославская Е.М., Использование возможностей социальных сетей для продвижения гостиничного продукта.** Эта статья посвящена анализу социальных сетей и их роли в продвижении гостиничного продукта. Стаття



включает в себя некоторые рекламные идеи для увеличения прибыли гостиницы с помощью социальной сети Instagram, изучение роли социальных сетей в туристическом рынке и перспектив продвижения гостиничного продукта непосредственно через аккаунт в Instagram.

**Ключевые слова:** продвижение гостиничного продукта, социальная сеть, Instagram.

The relevance of the chosen topic is grounded by the fact that the work considers extensive promotion possibilities provided by new media sources such as social networks on the Internet, which have already had a substantial influence on the development of various business industries over the previous years and which can be widely used for advertising and promotion purposes in the future. The material of the study was mainly derived from online resources devoted to the use of social networks in tourism business. The purpose of this research is to investigate the role of social networks in the tourism market and hotel product promotion as well as analyze the prospects for hotel product promotion directly through the Instagram account.

.With the development of tourism market the presence (or absence) of the “name” known in the consumer environment becomes a substantial factor for the creation of consumer benefits. A trade mark assumes the introduction of this “name” with some use of the marketing communications mix, and this way the target group of consumers receive information relevant to their expectations and benefits. For a tourist product to be widely sold, it is necessary to use relevant and creative ways to send this information to the consumer audience. And for the today’s tourism market this largely depends on social networks.

The hotel industry in Ukraine is quite diverse. But at the same time some hotel advertising does not bring the desired results. The present work proposes to use extensive advertising possibilities of various social networks (for example, «Instagram») in advertising campaigns designed for hotel product promotion. While international hotel companies are actively using them, it still remains unknown for Ukrainian hotels.

The concept of a brand tourism product and promoting it on the market was developed and concretized by D. Aaker, Zhe.-N. Kapferer, T. Nilsson, E. Rice, J. Trout, K. Keller et al. Researchers who devoted their work to branding are such leading specialists in marketing as Kotler, L. de Chernatoni, T. Levitt et al. The issue of advertising and branding in tourism industry is also reflected in the book “The tourist image of the region”, edited by A. Parfinenko.

«Instagram» can be quite encouraging showing the corporate world champions' progress. The top five brands with the largest number of loyal customers include Victoria's Secret, MTV, Starbucks coffee house chain, Eonline American cable television network and Nike [3].

«Instagram» social network is an interesting tool that can be used to work with a reputation on the Internet and to develop brand loyalty. Being very popular with foreign visitors, “Instagram” is particularly useful for targeting the international market. Its worldwide audience comprises nearly 100 million people (by some estimates, Russians account for up to 400,000). However, «Facebook» and «Twitter» remain the leaders in the corporate environment [4].

The research carried out by «Forrester» showed that brands represented on Instagram attracted 58 times more customers than those on Facebook and 120 times more than those on Twitter. At the end of 2014, Instagram became the third most popular social network among travelers, according to PhoCusWright. This research company found out that 83% of travelers actively use Facebook, 38% – Twitter and 29% – Instagram. [1].

«Instagram» can be really useful for creating positive image of a hotel, enhancing the guests' loyalty to the brand, maintaining access to the international market (primarily in Europe and the US) as well as getting feedback, promotion and other benefits at social networks, and finally, advertising.

“Instagram is attractive for the tourism market as the network is growing very quickly,” – says Douglas Kiunbi, president of the PhoCusWright research firm. – “This social network is very visual and can motivate to make purchases.” [2].

A possible content for the account of a hotel can include corporate news (presentation of new cosmetics at the spa or a new dish at the restaurant), guests' portraits, organized events (weddings, conferences and animation), nature and attractions nearby.

You can show the main areas and facilities of the hotel to the best advantage. Picture stories illustrating the life inside the hotel, staff, workflow – from meeting guests to cleaning rooms – all these can be of a great interest to viewers. You can use infographics and quotes.

Production of really high-quality content for «Instagram» is quite costly, and this is another thing that differentiates it from other social networks. To maintain an account on «Instagram» a hotel will need a professional photographer. Photos should be creative, but besides there must be quite many

of them. The required activity level is quite high: at least 4-5 photos a week and ideally 1-2 photos every day. The main difficulty lies not so much in the information supply, but in the artistic value of ??photos. You will need a professional taste, experience and knowledge of modern technologies for processing images.

To promote an account and draw attention to the photos of the hotel you will need to create a tag in Cyrillic or Latin. It would be good to use the most popular hashtags, and to find them you can see the rating on the «web.stagram.com» website. The number of tags for one account can vary, but usually there are about 10 of them.

It is very important to communicate with the audience and provide feedback. You can post photos of the hotel, information considered to be interesting for consumers, regularly reply to other users' inquiries, comment on their photos and press "like" buttons under their comments or photos.

Don't forget to promote your account to other social networks in your blog or on your website. Contests and promotions within «Instagram» can draw more attention to the account of the hotel. It is often necessary to place photos illustrating the topic and mark the appropriate tag.

**Conclusion.** To summarize, it should be noted that nowadays the hotel business in Ukraine should determine the main strategies of company advertising through social networks. Substantial advertising and image-building opportunities, which social networks provide, can encourage the quantitative growth of the audience of potential customers both at national and international level, and certainly promote the brand. Social networks is a great opportunity to tell the story of the hotel and attract audiences from all over the world.

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## INTERNET MARKETING IS PART OF MIDSIZE COMPANIES

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**Tereshchenko I. Y., Startseva N.M. Internet marketing is part of midsize companies.** This article features innovative approach in marketing. It is a new way of marketing a product or service globally to the targeted market around the world. This paper introduces a new approach concerning Internet marketing in electronic commerce; showing how advertisers need this innovation to be successful.

**Keywords:** digital marketing, E-commerce, innovation, internet marketing, wireless media.

**Терещенко І.Ю., Старцева Н.М. Інтернет-маркетинг, як складова середнього бізнесу.** У статті розглядається інноваційний підхід в маркетинговій діяльності – новий спосіб маркетингу товарів та послуг в глобальному масштабі для цільових ринків у всьому світі. Ця стаття вводить новий підхід щодо інтернет-маркетингу в електронній комерції, показуючи, як рекламодавці повинні використовувати це нововведення, для досягнення високої результативності.

**Ключові слова:** бездротові засоби масової інформації, електронна комерція, інновації, інтернет-маркетинг, цифровий маркетинг.

**Терещенко И.Ю., Старцева Н.М. Интернет-маркетинг, как составляющая среднего бизнеса.** В статье рассматривается инновационный подход в маркетинговой деятельности – это новый способ маркетинга товаров и услуг в глобальном масштабе для целевых рынков во всем мире. Эта статья вводит новый подход к интернет-маркетингу в электронной коммерции, показывая, как рекламодатели должны использовать это новшество, для достижения высокой результативности.

**Ключевые слова:** беспроводные средства массовой информации, инновации, интернет-маркетинг, цифровой маркетинг, электронная коммерция.

The relevance of the article. In the past ten years, the Internet population varied a lot; an estimation of about 50 percent increase of the World Wide Web (WWW) per month and the numbers of websites double every 53 days. A 60 percent of large companies and 30 percent of midsize companies were estimated to make use of the Internet for marketing purposes by the year 2000. The WWW is an electronic technology which is an effective means for marketing midsize companies and it also develops customer relationship in the long-run.

The goal of the article is to describe the advantages and disadvantages of internet marketing.

Electronic Marketing (as a new marketing phenomenon and philosophy) to grow in a very dramatic and dynamic way. Small business enterprises have an important role in the world economy, and they are well-known as one of the crucial factors in the development of economy. In the other hand, in the era of globalization and technology, the way of communicating among people has changed. These changes also appeared in the way of conducting business among the nations. In recent years, increasing numbers of business have been using the internet and other electronic media in their marketing efforts giving the chance for electronic marketing to grow in a very dramatic and dynamic way. Our study is based on the E-marketing is the new, modern tool and suitable tool for attracting customers and compare affects of modern marketing and with traditional marketing [1].

Most people worldwide can use the Web since it is affordable and easy to access. Internet is a fast and flexible means for marketing. Shopping on the Internet is convenient as there is no time restriction, it is comfortable since it is in a user friendly environment and there is also an instant satisfaction of ordering, paying and delivering. A one-to-one basis, as well as, a two way communication with customers through the Internet is possible. Enhancing brand image, creating awareness and providing customer service are more important than just selling the products or entertaining customers. With better technologies, companies can create a stronger brand image and thus increase sales. It is easier to get customers' feedbacks and use them to improve. On the other side, it is easier for customers to receive a kind of acknowledgement; feeling that they did not waste their time. Nowadays, people live a busy life and shopping online is time consuming for them [2].

Internet marketing can also be broken down into more specialized areas such as Web marketing, email marketing and social mediemarketing:

1) Web marketing includes e-commerce Web sites, affiliate marketing Web sites, promotional or informative Web sites, online advertising on search engines, and organic search engine results via search engine optimization (SEO).

2) Email marketing involves both advertising and promotional marketing efforts via e-mail messages to current and prospective customers.

3) Social media marketing involves both advertising and marketing (including viral marketing) efforts via social networking sites like Facebook, Twitter, YouTube and Digg [4].

E-marketing is a new form of marketing which marketers use the new factors like electronics media, digital technology and internet to reach their

business goals [1]. E-mail – use to transfer text and multimedia messages, Listservs – latest information sent on specific themes to groups/managers, Newsgroup – electronic conferencing leading to the development of ideas, as well as, worldwide networking opportunities, File transfer protocol (FTP) – high speed file transfer as a virtual fax [2].

The rise of micro-blog is also one of the current marketing channels that should not be underestimated. According to the Association of National Advertisers' statistics in August 2009, there are 66% of U.S. companies that use micro-blogging (Facebook, Twitter, YouTube and LinkedIn) as a marketing tool; and the survey in 2009 by the Institute for information industry indicated that around 22% use text blog, 20.3% use audio and video blogs and 12% use micro-blogging sites. It is estimated that 174 million people use micro-blogging, and about 490 million people use it when the blogs increase. Hence, companies use micro-blog so that consumers could understand their products, and thus set a good brand image to promote their brand or product reliability (Boyd and Ellison, 2007) [5].

Although the Internet is of great benefits, it also has a lot of drawbacks. For instance, there are cultural and language barriers, as well as, the global reputation of the company. The 4Ps play an important role here. Some products cannot be sold on Internet, promotions should be according to the culture and language of the targeted countries, price should be according to what consumers are willing to pay. It is quite difficult to focus on only certain languages. That is why it is better to target a certain Internet consumers or make the advertising bias and multi-lingua [2].

**Conclusion.** Internet grew in only five years and there are no barriers for time or location, marketing online has become the new era in E-commerce with petty variable cost per customer. Every year brings new hardware, new software and new user preferences. In order to develop a successful online marketing strategy, companies need to stay up-to-date on the latest trends. Internet Marketing is more economical and faster way to reach out to buyer directly, and is the ideal ways for business to advertise locally or internationally.

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## SPECIES STRUCTURE AND DEVELOPMENT OF TOURISM IN THE UK

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**Teslenko A.P., Podlepina P.O., Saprun I.R. Species structure and development of tourism in the UK.** Scientific work is devoted to study of the UK as tourist destinations. The main tourist destinations of the country have been examined; natural, cultural and historical resources of the United Kingdom have been characterized. The structure and special types of geographical organization of tourism in UK have been identified. The influence of neighbouring countries as well as foreign tourists on touristic development of the UK has been pointed out. The role and influence of tourism on the economy of the UK have been determined.

**Key words:** cultural and historical resources, economic development, Great Britain, species structure, tourism destinations, tourism development, United Kingdom.

**Тесленко А.П., Подлепіна П.О., Сапрун І.Р. Видова структура та розвиток туризму в Великій Британії.** Наукова робота присвячена вивченню Великобританії, як туристичної дестинації. Висвітлені основні туристичні напрямки королівства, охарактеризовані природні і культурно-історичні ресурси Великобританії, їх видова структура та особливості геопросторової організації спеціальних видів туризму королівства. Досліджений вплив країн сусідів та іноземних туристів на розвиток туризму в країні. Визначена роль та вплив туризму, на розвиток економіки Великобританії.

**Ключові слова:** Великобританія, видова структура, історико-культурні ресурси, розвиток економіки, розвиток туризму, туристична дестинація.

**Тесленко А.П., Подлепина П.А., Сапрун И.Р. Видовая структура и развитие туризма в Великобритании.** Научная работа посвящена изучению Великобритании, как туристической дестинации. Рассмотрены основные туристические направления королевства, охарактеризованы природные и культурно-исторические ресурсы Великобритании, их видовая структура и особенности геопространственной организации специальных видов туризма королевства. Исследовано влияние соседних стран и иностранных туристов на развитие туризма в стране. Определена роль и влияние туризма на развитие экономики Великобритании.

**Ключевые слова:** Великобритания, видовая структура, историко-культурные ресурсы, развитие туризма, развитие экономики, туристическая дестинация.

Currently the contribution of tourism to the UK economy is very significant. Tourism generates 5% of the gross domestic product of the country, provides employment to about 2 million people that is 7.5% of the economically active population of the country. On the world tourist market the United Kingdom belongs to the leading countries annually accept great numbers of tourists from abroad. For income from foreign tourism, United Kingdom holds the 6th place in the world [1]. That makes up the relevance of the research topic we have chosen.

The purpose of this work is to characterise natural, cultural and historical resources of the United Kingdom, their structure and identify features, special types of geographical organization of tourism in UK.

The object of the research is the UK as a travel destination. The subject of research is the status of the recreational and tourist and cultural and historical resources of the UK as well as its specific structure and geography of tourism in the UK.

The works of Ukrainian scientists in geography, economics and statistics such as O.O. Beidik, L.P. Dyadechko, and scientists of the Karazin's university: A.U. Parfinenko, P.O. Podleпина, I.I. Wolkova, I.S. Posohov make up the theoretical base for this article.

Recently, international tourism has begun to grow rapidly worldwide. The growth of the population in industrial countries, the increase in paid holidays and increase of incomes has played a special role in this process. According to the demand for tourism, recreation offerings have evolved mostly in the form of a standard mass package tour, which was made possible by the inclusion of flights air jet liners. In addition, the development of international tourism contributed to a significant growth of business travel. Nowadays, tourism plays a significant role in the economies of many countries. It provides the



supply of foreign currency in the budget. The development of tourism has encouraged to the foundation of recreational areas [2]. The UK is the motherland of modern tourism as a form of cultural entertainment. In 1841 year an Englishman, Thomas Cook, founded the first world's tourist company which was first used by 570 people for a mass walk rail round London suburbs.

The United Kingdom is located in the North of Europe, on the Islands, has a wet and foggy climate and thus has a large tourist attraction [1]. It occupies the territory of 244 thousand km<sup>2</sup>. The UK consists of 4 large historical and geographical regions: England, Scotland, Wales and Northern Ireland. As a kingdom, it was founded in the late XV century. The territory of the country is washed by the waters of the Atlantic Ocean on the one side and of the North Sea – on the other. It is separated from the mainland by the waters of Pas-de-Calais. The closest neighbour is France. Due to its climatic, cultural, historical and socio-economic factors, there are many types of tourism in the country: marine recreational, medical and health, educational, business, cultural and educational. The climate in the country is temperate ocean, which is accompanied with high rainfall rolling 12 months. No wonder the UK is considered “country of rain”. In general, it can be concluded that the natural recreational resources of the country according to the degree of comfort can be attributed to sub-comfortable.

The United Kingdom is a country with a great history, where, during the long years of its existence many monuments of cognitive species have been preserved. Cognitive tourism in the UK can be divided into visiting the monuments and culture, museums, sites and monuments of famous people [4]. The UK has always been associated with the Royal family, which has become an integral part of its image. The most famous among fortifications – Windsor Castle, known as the residence of the British Kings.

The second largest in the British Isles after Windsor's Castle is Kaerfili Castle, built in the 1268 year. The most famous in English history Castle is Corfe in Dorset. Edinburgh Castle is one of the most famous castles of Scotland. It is located on a hill in the Old Town and offers views of the New Town and Princes Street. The castle is about 1000 years [5].

Palace of Holyrood house in Edinburgh is down from the Royal Mile, was founded as a monastery in 1280, but in the XV century, it became the seat of Scottish Kings [4].

There are 950 museums and art galleries in the UK, the main of which is the Department of publications and drawings of the British Museum, the Victoria and Albert Museum, National Gallery, National Portrait Gallery and

the Tate Gallery. All of them – in London. There are National Museum of Antiquities, National Portrait Gallery, the National Gallery of modern art, the Royal Scottish Museum in Edinburgh.

There is Wales's National Museum in Cardiff, and Irish National Museum of Folk Art in Belfast. The British Museum, opened in 1759, now is the main museum of the United Kingdom. Such popularity is very simple to explain: it comprises a unique collection. Egyptian, Assyrian and ancient Greek museum collections are considered to be the best in the world. Due to the exhibition being constantly updated, people who have already visited the British Museum will always have a lot to look at.

There is something very personal, in the desire to visit these museums. Looking at apartment situation, everyday life stuff, cease to treat the owner of the house as an idol, acquainted with him much closer, as with an ordinary person. The British, long accustomed to take Sherlock Holmes not as a fictional hero, but as a real person, opened his Museum-apartment in 1990. It is located at all known Bakerstreet, 221 b. Nowadays, it is one of the most visited London's destination. It concedes only to the Tower of London, Westminster Abbey and British Museum. Memorial plaque installed on the House's facade 50 years ago, says that here used to live Mr. Sherlock Holmes and Dr. Watson from 1881 to 1904.

There is recently opened Museum of Sir Paul McCartney in Liverpool. Now the House № 20 on Shortly-Road, literally besieged by tourists from different countries. Paul McCartney used to live from 1955 to 1964. Early songs of the famous four were written exactly in this small house with three bedrooms. An image of the home of 50s is fully recreated as well as Sir Walter Scott Monument, home of William Shakespeare, Robert Burns Monument, and other monuments of world-famous people which are located in the UK [6].

The main tourist centre of Great Britain is its capital London. All domestic and foreign tourists visit it. Many travel agencies restrict travel in the UK only with London and its surroundings.

London is a giant transport hub. Railways are diverging in all parts of the country, from its 16 railways stations. There are even more roads away from London. A lot of motorways and railways to ferries and tunnel (Dover) to continental Europe take their beginnings in London. There are airports near London, and there is a Tilbury port in the Thames estuary, where cruise ships come [4].

London's tourist resources are so diverse that can be compared only with two European cities: Paris and St. Petersburg. London's main resource is the

City: with Thames’s wide bridges, with views of the embankments, built-up with old houses, palaces and cathedrals; central districts of London with large squares, the most important of them are the Trafalgar square and Piccadilly, wide streets with modern shopping and business centers (Oxford Street, Piccadilly, the Strand and Regent Street); City district, where the main British banks are (about 200), and the Stock Exchange; where narrow streets with tall buildings, the location of different office buildings; where St. Paul’s and dozens of other churches of the XVII century; formidable medieval walls of the Tower; numerous parks such as (Hyde Park, St James, Green Park) and small churches; large green areas in the vicinity (Epping forest, Hampstead lawn with overlooking city panorama, Greenwich Park, etc.) [6].

Alongside with cognitive tourism, great opportunities for other kinds of tourism can be found in London: Congress (Royal Society Research Centre, Greenwich Observatory, one of the largest in the world, a variety of higher educational establishments and scientific institutions; sport: a great number of stadiums and other sports grounds; business: London is the largest industrial, commercial and financial center of the UK [6].

*Table 1*

**The number of visitors and the spend figures  
(September 2015)**

Spend & Visits	September 2015		Year to date (Jan-Sep 2015)		Spend & Visits	
		% change Vs Sep. 2014		% change vs Jan. – Sep. 2014		% change vs Oct. 2013 – Sep. 2014
All visits (000)	3,030	2%	27,130	3%	35,180	3%
Spend (£m)	2,180	0%	16,470	-2%	21,560	-2%

Compiled source [5]

The UK saw 3.03 million inbound visits, in September 2015, which is 2% up from September 2014. Overseas visitors spent £2.18 billion while in the UK during September 2015 [5].

It can be concluded that tourism plays a significant role in the UK economy. Despite the fact that this is an island nation located quite remote from the major tourists-exporting countries, an important role is played exactly

by foreign tourists. The nearest neighbour exporter is France, which is connected with Britain by the English Channel. The UK occupies its place on the tourist market, gained primarily due to the Royal family and the traditions that have seen minor changes over the time. Due of natural-climatic, cultural-historical and socio-economic factors, tourism is well developed in this country: sea recreation (sailing regattas, yacht, surfing), medical health, educational, business, and cognitive tourism. The main tourist centre of Great Britain is its capital London, a giant transport hub, where business tourism is a very developed here.

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## IMPORTANCE OF “INTERNATIONAL INFORMATION” SPECIALISTS WITHIN LABOR MARKET

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**Tkachenko D. Yu., Davydenko I. V. Importance of «international information» specialists within labor market.** The article identifies the essence and specific aspects of the “international information” speciality, determines its position in the labor market, shows high demand for “international information” specialists; reports in depth about available future employment of specialists in the sphere of “international information”.

**Key words:** information analyst, international information, international relations, labor market, speciality.

**Ткаченко Д.Ю., Давиденко І.В. Важливість фахівців спеціальності «міжнародна інформація» на ринку праці.** У статті визначено сутність і специфічні аспекти спеціальності “міжнародна інформація”, визначається позиція на ринку праці, описується високий попит на фахівців “міжнародної інформації”; детально повідомляється про доступне працевлаштування фахівців у сфері “міжнародної інформації” в майбутньому.

**Ключові слова:** інформаційний аналітик, міжнародна інформація, міжнародні відносини, ринок праці, спеціальність.

**Ткаченко Д.Ю., Давыденко И.В. Важность специалистов в области «международной информации» на рынке труда.** В статье определены сущность и специфические аспекты специальности “международная информация”, определяется позиция на рынке труда, описывается высокий спрос на специалистов “международной информации”; подробно сообщается о доступном трудоустройстве специалистов в сфере “международной информации” в будущем.

**Ключевые слова:** информационный аналитик, международная информация, международные отношения, рынок труда, специальность.

The object of the article is the “international information” speciality, its specific aspects and the state of being relevant within the labor market. The purpose of the article is to identify the essence of the “international information” speciality and to determine its position in the labor market. The material is derived from English and Ukrainian electronic sources.

It is safe to say that today’s world is ruled by information and those who own it.

Without the necessary information, without a thorough preliminary analysis it is difficult to start any business and it is uneasy to go on and achieve success in it. Therefore, such an important role specialist who works directly with the information, and particularly in the sphere of international relations, takes into account the features of the modern world, seeking to integrate, and the desire of our country to become a full member of the international community [4].

The “international information” speciality is becoming increasingly necessary in the information society. Some universities nowadays can offer such an educational course because of today’s high need in specialists who provide international cooperation in the field of foreign policy, economic and cultural relations between Ukraine and other countries. An important factor for the applicant is not only the prestige of the profession but also the high demand in the labor market [1].

Mastering the “international information” speciality gives a good start for the professional growth of young people. The latest opinion poll shows that international information experts are becoming in-demand both in Ukraine and abroad. This speciality allows “growing” professionals for information and analytical activities within the sphere of international relations, public administration, corporate structures and public organizations [1].

Information can be considered as data about objects and phenomena of some extra reality, their specifications and conditions that reduce uncertainty and incomplete knowledge about these objects and phenomena. In addition, information is data used to produce new knowledge or decision making; it is focused knowledge about objects presented in a variety of models [2].

**Being a student of the “international information” specialty acquires the following skills:**

- strategic assessments of international and domestic political processes;
- providing training policy-making in international relations;
- preparation of analytical documents for government agencies and diplomatic missions;
- developing strategies of building a brand image for countries or companies;
- analytical and agitational protection of foreign policy interests;
- national policy development and information security;
- developing campaigns for public relations at the corporate and international level;
- recognition and usage of different methods to influence public opinion;
- creating information products and services (advertising, analytical materials, consulting);
- usage of methods and ways to secure the information within information systems [1].

#### **Additional advantages**

Among the requirements for specialists of the “international information” specialty can be named the fluency in several languages. So, special attention is given to language training. Foreign languages are studied and taught during the whole course of education (5-6 year, 10-11 terms): English is usually considered as the main foreign language; German / French / Chinese and some other (based on a student’s preference) are considered to be second ones. The volume of the English language course provides students with the speciality “translator / interpreter” from English as a foreign language. Graduating from the university the student acquires the profession of “translator / interpreter” and “information analyst in international relations” with the entry

in the diploma. This will help not only save time and money, but it will also expand your opportunities to stay employed.

The course “international information”, known worldwide as the «international communications», is recognized to be extremely important in today’s information society and is provided by such highly-recommended universities as City University London in the UK, Hanze University of Applied Sciences in the Netherlands, Boston University in the United States, the University of Nottingham China Ningbo in China and others.

Training of “International information” specialists is extremely urgent for Ukraine, which is in need of professional efforts in the field of restoration of the national information space and the effective positioning of Ukraine’s national interests in the international arena.

### **Three main blocks of “international information” speciality:**

1. Analytical block means acquisition of knowledge and skills analysis of international and domestic social, political and economic processes;
2. Informational block means gaining skills for using modern information systems and technologies;
3. Third block is gaining knowledge and management skills from social and political processes [1].

### **Future work**

Graduates of the “international information” speciality can occupy the following positions:

analyst in international sphere; press service assistant of the foreign ministries and diplomatic missions; public relations and press specialist; social and political consultant; commodity market research analyst; information security specialist; analyst-researcher; political commentator; computer systems and computer communications analyst; translator, interpreter.

In conclusion, it can be said that such specialists are of high demand in current information society. Huge spectre of important qualities allows graduates to hold positions in government (the Cabinet of Ministers of Ukraine, the Supreme Rada, the presidential administration, etc), local authorities, educational and scientific institutions, international agencies media (public and private TV and radio), analytical and data-processing centers, etc.

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## WHAT IS GLOBALIZATION AND IS IT GOOD

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**Turynska O.V., Startseva N.M. What is “globalization” and is it good.** The article features the advantages and disadvantages of a global trend-globalization which is the worldwide movement toward economic, financial, trade, and communications integration. This paper reveals the aspects of integration into the globalized world through the vital processes of deregulation and privatization.

**Keywords:** deregulation, free market economy, globalisation, level playing field, market economy, privatization, the global economy.

**Туринська О.В., Старцева Н.М. Що таке «глобалізація» і чи добре це.** У статті розглядаються переваги та недоліки світової тенденції – глобалізації. Глобалізація – це всесвітній рух, спрямований на економічну, фінансову, торгову та інформаційну інтеграцію. Дана стаття розкриває аспекти інтеграції в глобалізованому світі через необхідні процеси дерегуляції та приватизації.

**Ключові слова:** Глобалізація, глобальна економіка, дерегуляція, економіка вільного ринку, приватизація, ринкова економіка, рівноправне партнерство.

**Туринская А.В., Старцева Н.М. Что такое «глобализация» и хорошо ли это.** В статье рассматриваются преимущества и недостатки мировой тенденции – глобализации. Глобализация – это всемирное движение, направленное на экономическую, финансовую, торговую и информационную интеграцию. Данная статья раскрывает аспекты интеграции в глобализированном мире через необходимые процессы дерегуляции и приватизации.

**Ключевые слова:** Глобализация, глобальная экономика, дерегуляция, приватизация, равноправное партнерство, рыночная экономика, экономика свободного рынка.



The relevance of the article. Globalisation refers to a variety of events that are rapidly changing the world. The machine that powers globalisation, however, is the global economy. At the heart of the global economy are the twin policies of privatisation and deregulation, which national governments have adopted worldwide since the 1980's.

The goal of the article is to feature the advantages and disadvantages of globalization.

Globalization implies the opening of local and nationalistic perspectives to a broader outlook of an interconnected and interdependent world with free transfer of capital, goods, and services across national frontiers. However, it does not include unhindered movement of labor and, as suggested by some economists, may hurt smaller or fragile economies if applied indiscriminately [1].

Some world historians attach the "Big Bang" significance to globalisation starting from 1492 and 1498. Such scholars are on the side of Adam Smith who believed that these were the two most important events in history. Other world historians insist that globalisation stretches back even earlier. There is a third view which argues that the world economy was fragmented and completely de-globalised before the early nineteenth century. None of these three competing views has distinguished explicitly between trade expansion driven by booming import demand or export supply, and trade expansion driven by the integration of markets between trading economies [3].

Terms like free market economy, level playing field, monetarism, market economy, and neo-liberalism refer to processes of privatisation and deregulation.

Privatisation is about putting governments out of business. The economic theory behind privatisation is that, Business knows best.

Deregulation takes several forms. Within a country, the lifting of trade restrictions and easing of government regulation in business is meant to allow business to run more efficiently. The best businesses will survive the competition to give consumers a better standard of living, that is, more material goods on lower prices. Deregulation does not just apply within a country though. Deregulation also involves opening a country up to foreign competition [4].

The greatest benefit from globalisation is that it gives some countries a greater range of cheap overseas goods to buy. The cheaper prices are not a lasting result of globalisation though, but rather a reflection of the non-level playing field that currently exists within the global economy [4].

It would be possible to have a different kind of global economy that works in the real world to sustainably serve humanity. The pain and destruction caused by the global economy are not inevitable, but simply the result of the way this particular global economy is designed.

The people of a nation care about the well being of their environment and society. Multinational corporations have no such national sentiments. They would give the world for a dominant market share, and presently they appear to be doing just that.

**Conclusion.** Globalization has become a cliché, though users of the word disagree, sometimes violently, of its consequences. Many believe that it has lifted, or potentially can lift, millions of people out of poverty permanently. On the opposite side, some passionately believe that it already has driven millions deeper into poverty and has to be stopped. However there are also academic analysts who hesitate the two beliefs: while conceding the potential benefits of globalization, they believe that the power structure of national and international institutions is such that it not only prevents the potential benefits of globalization from being realized but, perversely, turns it into a malign force hurting millions [2].

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# COMPARATIVE ANALYSIS OF LEGISLATIVE REGULATION OF AUDITOR'S RIGHTS AND OBLIGATIONS IN UKRAINE AND GREAT BRITAIN

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**Tushnova K.N., Kalyuzhna A.B. Comparative analysis of legislative regulation of auditor's rights and obligations in Ukraine and Great Britain.** The article provides the analysis of auditing in accordance with the legislation of Ukraine and the United Kingdom. Basic features of this type of business activity have been determined. A comparative analysis of the systems of auditing in both countries has been given.

**Keywords:** auditing, auditor, contract, legal regulation of auditing, liability.

**Тушнова К.Н., Калюжна А.Б. Порівняльний аналіз законодавчого регулювання прав та обов'язків аудитора в Україні та Великобританії.** У статті здійснюється аналіз аудиторської діяльності з точки зору законодавства України та Великобританії. Визначено основні характеристики такого типу підприємницької діяльності. Надано порівняльний аналіз систем аудиту в обох країнах.

**Ключові слова:** аудит, аудитор, відповідальність, договір, правове регулювання аудиторської діяльності.

**Тушнова Е.Н., Калюжная А.Б. Сравнительный анализ законодательного регулирования прав и обязательств аудитора в Украине и Великобритании.** В статье содержится анализ аудиторской деятельности в соответствии с законодательством Украины и Великобритании. Определены основные характеристики такого типа предпринимательской деятельности. Представлен сравнительный анализ систем аудита в обеих странах.

**Ключевые слова:** аудит, аудитор, договор, ответственность, правовое регулирование аудиторской деятельности.

Benjamin Franklin wrote, "In life there is nothing inevitable except death and taxes," or to be precise a tax audit. It is believed that an examination of financial statements is necessary only in case of tax inspection, but there is also such examination as an audit. It is important to note that the purpose of the auditor is not to expose the company, but on the contrary to help it identify, minimize tax risks and prepare for an inspection.

The choice of the topic is caused by its topicality for theory and practice. There is a number of problems which the Ukrainian market of audit faces. For example, there is a decrease of demand on audit services and this causes the decrease of economic development. On the other hand, Britain is the country-founder and the headquarters of the four biggest international audit networks are located there. That is why there is a necessity to compare the two models of audit in both countries.

The topic is sufficiently studied from an economic point of view, but the issue requires further elaboration in the domestic legal science. Features of the law, regulating audit in Ukraine and Britain are the main directions of study in the article.

The goal of the article is to study the peculiarities of Ukrainian legislation and mechanism of audit in Ukraine as well as to compare the Ukrainian and British models of audit.

The objectives that have been set to achieve this goal are to provide analysis of the concept of ‘an audit’ and determine the specifics of legislative regulation of audit in Ukraine and Britain.

The object for scientific inquiry is the phenomenon of auditing. The subject of the article is features of the legislative regulation of auditing in Ukraine, Britain and their comparison.

The analysis provided in the article is based on primary sources such as the text of the Civil Code of Ukraine, the law of Ukraine ‘On auditing’ and the civil law of the United Kingdom and the UK Companies Act 2006.

Under Ukrainian law, the auditing activity is a kind of business activity that carries out independent inspections of accounting and financial reporting of economic entities [2].

The main purpose of audit is to establish the reliability of financial accounting and reporting and to provide verification of compliance between various financial and business operations and current legislation.

The main regulatory documents that determine the main principles of auditing in Ukraine are the Law of Ukraine ‘On Auditing’, National Standards on Auditing and the Code of Professional Ethics of Auditors of Ukraine. The study is focused directly on an analysis of the Law of Ukraine ‘On Auditing’ (hereinafter – the Law) which defines subjects of auditing, their rights, obligations, special requirements, responsibilities and other issues.

According to Art. 4 of the Act, an auditor is a natural person who has a certificate of proficiency determining its suitability to practice auditing. It’s important to mention that unlike other professional activities such as lawyers

(Part 1 of Art. 2 of the Law of Ukraine ‘On the Advocacy) and notaries (Part 2 of Art. 3 of the Law of Ukraine ‘On Notary’), the auditor may not only be a citizen of Ukraine.

Art. 4 of the Law establishes that the auditor has the right to engage in auditing activity as an individual entrepreneur or as part of the audit firm. As an individual entrepreneur an auditor is entitled to conduct business only after its registration in the Register of audit firms and auditors. The law prohibits auditors from being engaged in any other business activity [2]. As noted by Artem Volkov, lawyer of the law firm ANK, Odesa, it was not directly forbidden earlier (only trading, brokerage and industrial activities were included before the amendments in the Act) [1].

It’s also necessary to clarify the requirements for the person who is going to get a certificate of the auditor. The necessary amount of knowledge is determined by passing a qualification exam. Its program is approved by the Audit Chamber of Ukraine. Validity of the certificate must not exceed five years.

Art. 18 states that auditors have the following rights [5]:

- 1) to determine the form and methods of auditing on his own;
- 2) to obtain the necessary documents relating to the subject;
- 3) to obtain the necessary explanations from CEO and employees;
- 4) to involve experts in various fields.

In Art. 19 a clear list of commitments is provided, including:

- 1) adherence of auditing activities to the requirements of the Act, other legal acts, auditing standards, the principles of the auditor’s independence;
- 2) notifying owners, their authorized persons about identified deficiencies of accounting;
- 3) preservation of confidential information obtained during the audit;
- 4) responding the customer about breach of contract;
- 5) timely submission to the Audit Chamber of Ukraine report.

Due to the improper performance of professional duties penalties may be applied such as warnings, suspension of certificate validity up to a year or revocation of the certificate by Audit Chamber of Ukraine [2].

The United Kingdom is considered to be one of the countries – founders of audit. Having built on a century of experience, modern audit in Britain has the following features. Firstly, the Committee on auditing practice in the UK gives a simple definition of audit. Audit is an activity of the independent review of enterprise’s financial statements by a specifically designated auditor and expression of an opinion about the rules established by law. It should be noted

that an auditor may also be named as an inspector or sworn accountant in this country [3, c.40].

We focused our study on research of the UK Companies Act 2006, which was approved by the Queen and entered into force on November 8, 2006, having become the most serious corporate law reform over the past 150 years. Sections on various issues, including the preparation and filing of financial and other reports, interaction with shareholders, and the duties and rights of directors and other stakeholders, including auditors, of the British company were previewed [2, c.81]. To be concrete, Part 16 Chapter 3 “Rights and duties of auditors” refers to the issue of auditing in companies. Thus, Art.498 stresses that the auditor has the following responsibilities [5]:

1. A company’s auditor, in preparing his report, must carry out such investigations as will enable him to form an opinion as to:

- whether adequate accounting records have been kept by the company and returns adequate for their audit have been received from branches not visited by him, and
- whether the company’s individual accounts are in agreement with the accounting records and returns, and
- in the case of a quoted company, whether the auditable part of the company’s directors’ remuneration report is in agreement with the accounting records and returns.

2. If the auditor is of the opinion:

- that adequate accounting records have not been kept, or that returns adequate for their audit have not been received from branches not visited by him, or
- that the company’s individual accounts are not in agreement with the accounting records and returns, or
- in the case of a quoted company, that the auditable part of its directors’ remuneration report is not in agreement with the accounting records and returns the auditor shall state that fact in his report.

The same goes with Ukrainian legislation, if the auditor cannot get all the information and explanations that are necessary for his purposes, he should indicate this fact in his report. Also, common information should be provided and that is the purpose of the audit, namely the detection of non-compliance with regulations and ways of reforming.

Due to Art. 499 an auditor of a company has a right of access at all times to the company’s books, accounts and vouchers (in whatever form they are held), and may require any of the following persons to provide him with such

information or explanations as he thinks necessary for the performance of his duties as auditor [5].

Moreover, in Art. 500 it is stated that where a parent company has a subsidiary undertaking that is not a body corporate incorporated in the United Kingdom, the auditor of the parent company may require it to obtain from any of the following persons such information or explanations as he may reasonably require for the purposes of his duties as auditor [5].

The Law prescribes separate ways of punishing a person for giving false evidence or statements to the auditor.

In particular, Art. 501 says that a person guilty of this offence is liable on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both); but there are peculiarities, such as in England and Wales, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both); in Scotland or Northern Ireland, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum (or both) [5].

The common features in issues of audit activity are that banks are legally obliged to perform an audit; it is also necessary to pass the exam for becoming an auditor. But it should be noted that in Britain the qualification of auditors must be confirmed by membership of one of four institutes of the Consultative Committee of accounting, while in Ukraine the auditor should be entered in the Register of audit firms and auditors. Also, the discovery of the necessary documents for an understanding of the financial situation of the company is common for these two systems: in both countries, the auditor may obtain all necessary records, account. If the auditor does not receive all the information and explanations that are necessary for his purposes, he shall include this fact in his report.

We consider it appropriate to distinguish the features of rights and responsibilities of the auditor in Ukraine and the UK. The UK Companies Act prescribes separate ways of punishing a person for giving false evidence or statements to the auditor, while in Ukraine, namely in the law 'On Auditing', only penalties for the improper performance of professional duties by the auditor are clearly prescribed.

In both countries there is a right of the auditor to obtain all the necessary reports, accounting, therefore, if the person does not provide data or provides incomplete data this person violates the rights of auditor and must be held accountable.

**Conclusion.** Nowadays all over the world there is an increased demand on audit services while in Ukraine its decrease leads to poor economic

development. Auditing activity establishes the reliability of financial accounting and reporting, provides verification of compliance between various financial and business operations and current legislation, in other words, it helps companies identify, minimize tax risks and prepare for an inspection. It was revealed that the legal audit regulation in Ukraine, compared to British one, requires further improvement such as clarification of the mechanism that makes a person responsible for providing the auditor with false information. With this we may expect the real establishment of financial reporting and therefore the absence of violation of law. This issue will be discussed in the prospect of conducting tax policy and the introduction of a new tax code.

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## LEGAL PROTECTION OF UKRAINIAN DIASPORA UNDER DOMESTIC LAW

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**Tushnova K. N., Kalyuzhna A.B. Legal protection of Ukrainian diaspora under domestic law.** The article provides the analysis of legal protection of Ukrainian diaspora in accordance with the provisions of the Constitution of Ukraine, the law of Ukraine “On legal status of a foreign Ukrainian” 2012. The legal doctrine on national protection of diaspora has been examined.

**Keywords:** a foreign Ukrainian, citizenship, diaspora, status of a foreign Ukrainian.



**Тушнова К.Н., Калюжна А.Б. Правовий захист української діаспори за національним законодавством України.** У статті здійснюється аналіз правового захисту української діаспори з точки зору Конституції України та Закону України “Про правовий статус закордонних українців” 2012 року. Розглянуто юридичну доктрину щодо національного захисту діаспори.

**Ключові слова:** громадянство, діаспора, закордонний українець, статус закордонного українця.

**Тушнова Е.Н., Калюжная А.Б. Правовая защита украинской диаспоры по национальному законодательству Украины.** В статье содержится анализ правовой защиты украинской диаспоры в соответствии с положениями Конституции Украины и Закона Украины “Про правовой статус зарубежного украинца” 2012 года. Рассмотрена юридическая доктрина касательно национальной защиты диаспоры.

**Ключевые слова:** гражданство, диаспора, заграничный украинец, статус заграничного украинца.

Ukraine defines its diaspora as “an essential part of the global Ukrainian community” [5]. This term arises from the national legislation and international legal obligations of Ukraine.

There is a range of problems which Ukrainian society faces both in Ukraine and abroad. For example, there is a growing attention to the Ukrainian question on the part of Ukrainian foreign representatives, a number of other countries’ representatives to the Ukrainian public agencies. This explains the relevance of the article.

The topic is sufficiently studied from a political point of view, but there is a need for further elaboration of the issue in the domestic legal science. Features of the law, which regulates the status of diaspora in Ukraine are the main directions of study in the article.

The goal of the article is to study the peculiarities of Ukrainian legislation and implementation mechanism of diaspora’s rights in Ukraine.

The objectives that have been set to achieve this goal are to analyze the legal principles of diaspora’s activities in Ukraine and to distinguish the rights and responsibilities of “a foreign Ukrainian”;

The object of this research is a diaspora and the term “a foreign Ukrainian”. The subject – features of the legislative and legal protection of diaspora in Ukraine

The analysis provided in the article is based on primary sources such as the text of the Constitution of Ukraine, the Law of Ukraine “On Legal Status of Foreign Ukrainians”.

According to the fundamental law “a foreign Ukrainian is a person who is a citizen of another state or a stateless person, and has Ukrainian ethnic origin or origin from Ukraine” [4].

The main conditions for granting a status of a foreign Ukrainian are: Ukrainian self-identification; Ukrainian ethnic origin or origin from Ukraine; written application; reaching the age of 16; absence of Ukrainian citizenship [4].

An important aspect is the rights enjoyed by Ukrainian diaspora in Ukraine. The order of entry and exit from Ukraine is provided by the Law “On Legal Status of Foreigners”. There is a right for a free multiple-entry visa and immigration to Ukraine. Also, these rights are applied to a foreign Ukrainian’s spouses and children [4].

A foreign Ukrainian, who arrives in Ukraine enjoys the same rights and freedoms as a citizen of Ukraine [1, p. 8].

From the legal point of view, the complication arises since the representatives of the diaspora are the citizens of other states. Thus, on the one hand, they have legal connection with another country, and are foreigners for Ukraine on the other. However, such status is a special one. The issue remains open.

Also, Ukraine undertook obligations, in particular by:

- assistance in ensuring the adherence and protection of the rights, freedoms and interests, meeting of their cultural, informational, educational and other needs [2];
- approving the principles of civilized dialogue with the citizenship’s countries under domestic law and the principles of the international law.

The main purpose of such measures is to preserve Ukrainian identity, increase positive international image of Ukraine, and to ensure the beneficial usage of intellectual and cultural potential beneficial to Ukraine. These purposes are declared in the National Conception of the cooperation with foreign Ukrainians [2].

But for achieving this, the Ukrainian diaspora must be deeply integrated into the social life of Ukraine. So, the appropriate conditions for diaspora’s staying in Ukraine should be created. For instance, it’s recommended to keep on giving diaspora new rights and privileges to strengthen legal relationship with Ukraine. Nowadays, the law prescribes satisfaction guarantee of only one category of rights – national, cultural and linguistic needs. This is not enough in view of the aspirations of Ukraine to involve diaspora in a range of internal and external matters.

Other drawbacks of the law are the absence of definition of the term “legal status of a foreign Ukrainian” and the poorly defined implementation mechanism.

For example, at one of the parliamentary hearings it was offered to “extend benefits for foreign Ukrainians in Ukraine; legislate the simplified procedure of acquiring citizenship and define the implementation of their voting rights, education in Ukraine’s Universities “[5].

If the extension of benefits can be realized by issuing a new version of the law, the simplification of citizenship is not easy because double citizenship causes conflict (military duty, diplomatic protection).

The task concerning diaspora is being discussed in view of membership in the Council of Europe. Encouraging our country to improve legislation in this area, PACE (Parliamentary Assembly of the Council of Europe) recommends signing and / or ratification of a number of documents, this is particularly true for ratifying the Protocol No. 12 to the European Convention on Human Rights, which expands the scope of Art. 14 of the Convention [3].

**Conclusion.** All things considered, the legal regulation of the diaspora’s status under the law of Ukraine “On legal status of a foreign Ukrainian” needs further improvement, at least elaboration of the implementation mechanism of legal acts in this area. Due to clear legal confirmation of the foreign Ukrainian’s status, more active involvement in state-building process and public life in Ukraine on the part of foreign Ukrainians can be expected.

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# PRODUCT LIABILITY IN THE USA

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**Varnavska K.A, Kalyuzhna A.B. Product liability in the USA.** The article deals with the issue of product liability and its peculiarities in the USA. The definitions for product liability and its types (negligence, breach of warranty) have been given; the types of defects have been analyzed. Possible defenses to product liability claims in the USA have been provided.

**Key words:** breach of warranty, claim, defect, negligence, product liability.

**Варнавська К.А, Калюжна А.Б. Відповідальність за якість продукції у США.** У статті розглянуто питання відповідальності за якість продукції, що випускається, та особливості цієї відповідальності у США. У статті подані визначення основних видів правопорушень, а саме недбалство, порушення гарантійних зобов'язань, та надана класифікація можливих дефектів. У статті також представлені можливі варіанти захисту проти позовів щодо цих правопорушень.

**Ключові слова:** відповідальність за якість продукції, дефект, недбалство, позов, порушення гарантійних зобов'язань.

**Варнавская К.А., Калюжная А.Б. Ответственность за качество продукции в США.** В статье рассмотрен вопрос об ответственности за качество выпускаемой продукции и особенности этой ответственности в США. Даны определения основных видов правонарушений, а именно халатности, нарушения гарантийных обязательств, и представлена классификация возможных дефектов. В статье также показаны возможные варианты защиты в исках в отношении таких правонарушений.

**Ключевые слова:** дефект, иск, нарушение гарантийных обязательств, ответственность за качество продукции, халатность.

Dangerous and defective products cause thousands of injuries every year in the U.S. and all over the world, these products can include all sorts of consumer goods, from children's products to consumer electronics and vehicles [2]. This makes the issue of defective products and product liability extremely topical. The aim of the article is to analyse product liability and its types, types of possible defects, and the characteristic features of product liability in the USA.

The object of the article is product liability and its peculiarities in the USA. The subject of research – types of product liability laws and the specificity of such laws application in the USA.

Product liability is the legal liability of a manufacturer or trader for producing or selling a faulty product. Nevertheless, this definition of product liability is rather narrow, in the broadest sense product liability refers to the laws which hold manufacturers, retailers and others engaged in business responsible for any harm their products cause [7]. Product liability laws are based on the idea that companies generally have a duty to protect consumers from potential danger. Courts have held that manufacturers generally have more knowledge about their products, so they should assume financial responsibility for any injuries or damage their products cause [2].

Due to the fact that a product is typically required to meet the ordinary expectations of a consumer, it is no matter how well a product is manufactured, if it is considered inherently defective or even just useless then there can be a claim under the concept of strict liability.

Product liability laws usually fall within three broad categories – negligence, breach of warranty and general consumer protection claims. Negligence occurs when an injury happens because of something the seller or manufacturer should have foreseen. Breach of warranty is when the consumer doesn't receive what they have a right to expect. If there are dangers in using a product that are not obvious and the consumer is not warned in advance, that can also cause a claim [7]. These dangers are usually connected with three types of defects: design defects, marketing defects, and manufacturing defects.

Design defects are present in a product from the beginning, even before it is manufactured. It means that something in the design of the product is inherently unsafe. In a design defect case, the injured plaintiff does not claim the product that injured him differed in any way from units of the same product sold by the manufacturer to others. The manufacturer is usually charged not with inadvertently producing a flawed product, but with intentionally selecting a defective design. These cases can be particularly dangerous to a manufacturer since the finding of a defect can mean condemnation of the entire product line [6, p. 12]. A hypothetical example of a design defect would be a bicycle helmet made from glass. The helmet was originally designed to protect the user's head from falling objects, or if the person was to fall and strike their head. In either of these cases the glass helmet would shatter, cutting the person's head, and exposing the person to other potential dangers. Taking into account that the original design does not accomplish the task of protecting the wearer's head, this would be classified as a design defect [5].

Manufacturing defects occur in the course of a product's manufacture or assembly, it can be determined by comparing the product as manufactured

with the manufacturer's own designs and specifications. If the plaintiff is injured because the product did not comply with these designs and specifications, the manufacturer is strictly liable, regardless of the degree of care it exercised in making the product [6, p. 14]. A hypothetical example of a manufacturing defect would be if a company was to design a helmet made from plastic, but the manufacturers made it from glass. The parties that fabricated the plastic intended for the helmet could also contribute to a manufacturing defect. If the manufacturers did make the helmet from the plastic requested by the designer, but the company that fabricated the plastic accidentally used glass or any other material, this would result in a manufacturing defect because the product does not provide the necessary protection, due to the negligence of the manufacturer [5]. Being caused due to negligence, a manufacturing defect is, in essence, a mistake in the manufacturing process. Under the US product liability law, even if the manufacturer was extremely careful in manufacturing the product, they will still be held responsible for any manufacturing defect in the product. It does not matter, for purposes of product liability, that all possible care was taken in the preparation and marketing of the product, this is why products liability is sometimes referred to as liability without fault [3].

Finally, marketing defects are flaws in the way a product is marketed, such as improper labeling, insufficient instructions, or inadequate safety warning [2]. A hypothetical example of a marketing defect would be if a company designs a bicycle helmet to be made from plastic (i. e. there is no design defect), and the manufacturers build the helmet to the specifications of the design (i.e. there is no manufacturing defect), but in a television commercial or on the packaging of the helmet, the consumer is promised that the helmet is indestructible. When the helmet is actually shot by a gun, or run over by a truck (a plastic helmet cannot be indestructible), it will not stop the bullet, nor withstand the weight of the truck according to the promise made. In these cases marketers and advertisers will be liable because they are the ones who promised that this product is bulletproof and this would be considered a marketing defect [5]. In American judicial practice examples from litigation include the use of the terms "bulletproof," "absolutely safe," "stops assailants instantly," "tamperproof," "shatterproof," "harmless," and "indestructible", the users presumably relied on these terms used in advertising or on product packaging and this resulted in liability for the manufacturers [4]. Apart from these cases, marketing defects also include failure to warn claims, which usually arise when a product still poses some danger to its users even if it is

properly designed and manufactured. This situation arises when a product either doesn't warn users at all about foreseeable risks, or when it has warnings but they are so vague or inadequate that the average user wouldn't understand what the danger is or how to avoid it [8].

The application of product liability laws in the USA has its peculiarities. Firstly, the American legal system encourages parties to take legal action, because courts with a jury do award enormous damages to claimants. This happens because there is no legal basis for restricting the size of damages awarded. Damages are often referred to as "punitive damages", these not only cover the claimant for the damage sustained, but also punish the manufacturer for the fault committed [1], and provide a deterrent for future wrongful behavior. Nevertheless, there has been a recent trend in the courts to stop excessive punitive damages awards after recent Supreme Court decisions. Now lower courts must review these awards more carefully and make sure that they are reasonable [6].

The second characteristic feature is the discovery process which is an important part of litigation in the U.S. When a lawsuit is started, one party may ask the other for any information (witnesses, documents, e-mails, etc.) relevant to the lawsuit and according to the law the other party is required to produce it. There are some limits to what a party may request, but the inclination of the judicial system in the U.S. is for full disclosure. In many lawsuits the parties can work out agreements about what each side reasonably needs in order to pursue the lawsuit. However, in products liability suits discovery can become very burdensome to the defendant. Since the plaintiff is an individual with few, if any, documents or information to disclose, he can seek massive discovery without fear of being subjected by the defendant to the same burden. Discovery of all of the documents, emails and employees involved with a particular product can be enormously costly. Therefore, preparing to meet the challenge of discovery is one of the first steps a company must take after being sued [6, p. 10].

In addition, the American legal system gives the American consumer easier access to justice thanks to the opportunities that exist for gathering evidence and the "no win, no fee" principle, which means that if the claimant loses they do not have to pay any legal fees [1]. In the United States, attorneys working for plaintiffs in product liability typically work on a contingency fee. Plaintiffs do not pay the attorney anything unless they receive an award or settlement; then they pay a percentage – usually 20% to 40% – to their attorney [6, p. 10].

Moreover, most U.S. product liability laws are on the state level and differ depending upon what state the company is doing business in. This confusing patchwork of laws is so contrary to the uniform manner in which product liability in Europe is handled that some Europeans have accused the U.S. of purposely using confusion over product liability as a means of creating barriers to foreign competition [7]. This factor can be summarized as a lack of legislature on a federal basis in the USA. Since the 1970s, legislators at a federal level have tried without success to establish a uniform, balanced legal framework for the large US market. On the contrary, legislators and judges at state level have established the main principles of liability law (warranty, negligence, strict liability). In practice, these principles were partly codified by a form of model law, known as Restatement, produced by the American Law Institute [1].

Taking into account that every person doing business in the United States has to consider product liability to be a subject of concern, and as it is often claimed that product liability laws in the U.S. cause unnecessary expense and result in ludicrous warning labels designed to cover every possible liability [7], the US lawyers have evolved possible defenses to product liability claims. One defense often raised in product liability cases is that the plaintiff has not sufficiently identified the supplier of the identified product. A plaintiff must be able to connect the product with the party or parties responsible for manufacturing or supplying it. Another defense is that the plaintiff substantially altered the product after it left the manufacturer's control, and this alteration caused the plaintiff's injury. A related defense is that the plaintiff misused the product in an unforeseeable way, and that his/her misuse of the product cause the injuries [2]. Product liability is an issue that can't be ignored and because of the complexity of the laws governing it in the U.S. it is wise to have product liability insurance that can protect the company in the event that someone makes a successful claim [7].

**Conclusion.** The analysis allows to come to the conclusion that product liability in the USA is a very complex issue due to the lack of legislation on the federal level and an easy access to justice thanks to the opportunities of the "no win, no fee" principle. This creates advantages for consumers but can also be a source of unjustified claims against entrepreneurs, for whom product liability insurance is the best solution. The prospect of the work is the analysis of product liability in different countries of the European Union.



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## THE ISSUES OF COMPANY'S WORKING CAPITAL MANAGEMENT AND THE FACTORS AFFECTING IT

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The article considers working capital management of a company, its components and factors which affect it and the importance to manage working capital and current assets for a company's liquidity and profitability.

**Keywords:** company's liquidity, current assets, factors which affect working capital management, working capital, working capital management.

**підприємства та фактори впливу на нього.** Стаття розглядає робочий капітал підприємства, його складові та фактори, що впливають на нього, а також важливість управління робочим капіталом та оборотними активами для ліквідності та прибутковості підприємства.

**Ключові слова:** ліквідність підприємства, оборотні активи, робочий капітал, управління робочим капіталом, фактори впливу на управління робочим капіталом.

**Вербицкая А.В., Касьянова В.Г. Проблемы управления рабочим капиталом предприятия и факторы влияния на него.** Статья рассматривает рабочий капитал предприятия, его составляющие и факторы, которые влияют на него, а также важность управления рабочим капиталом и оборотными активами для ликвидности и прибыльности предприятия.

**Ключевые слова:** ликвидность предприятия, оборотные активы, рабочий капитал, управления рабочим капиталом, факторы влияния на управление рабочим капиталом.

**Introduction.** Modern entrepreneurship needs a reasonable, balanced management policy. One of the major structural elements of the production process are current assets. Rational organization of the formation and use of current assets is the basis for their development and an enterprise performance. It is not possible to make sound economic decisions that help increase financial performance and form the basis for a stable operation without understanding the economic essence of the “current assets”.

In modern conditions any business needs foremost effective management of its working capital. The problem to find ways for such management is actual. Scarcity of it may paralyze enterprise performance or worsen its liquidity on the one hand. The surplus of it means that the part of it neither work nor makes profit.

The object of the research is the issues of working capital management of an enterprise.

The subject of the research is theoretical and applied basis as to managing working capital of an enterprise.

The aim of the research is to study the issues of working capital management and to analyze the factors which affect it based on summarizing the theoretical approaches of the existing practice of working capital management of an enterprise.

**Results.** Analysis of some literature sources showed that often the concept of “current assets” is identified with the concepts of “working capital”. While agreeing with the opinion O. Parkhomenko [1], we can say that the inaccuracy

of identifying current assets from working capital is based on the fact that the division of current assets to working capital and assets turnover does not include such component as short-term investments. Since current assets include both tangible and financial resources, we can assume that the concept of current assets is somewhat broader than the concept of working capital.

Working capital management refers to management of current or short-term assets and short-term liabilities that is why we pay considerable attention to this issue in our research.

Net working capital usually refers to current assets minus current liabilities (primarily account payable, accrual of various types and short term borrowings).

$$\text{Net Working Capital} = \text{Current Assets} - \text{Current Liabilities} \quad (1)$$

The main components of current liabilities are sundry creditors, bills payable, bank overdraft, unclaimed dividend etc. Net working capital may be positive or negative or nil. The cases of its dimension are presented in the table 1.

*Table 1*

**The Cases of Net Working Capital Dimension**

Dimension of net working capital	Working capital formula	Note
Positive working capital	Current assets – Current Liabilities	Current assets > Current Liabilities
Negative working capital	Current Liabilities – Current assets	Current assets < Current Liabilities
Zero/Nil working capital	Current assets – Current Liabilities	Current assets = Current Liabilities

The gross working capital concept emphasizes two aspects of current assets management, i.e. optimum investment in current assets and current assets financing. The investment in current assets should be adequate, not more and not less, to the requirement of a business. Excessive investment in current assets reduces profitability and inadequate investment in current assets, threatens the solvency of a firm and fails to meet current obligations.

Another aspect of gross working capital highlights the need of arranging funds to finance current assets.

Similarly net working capital is also important from such points of view as:

- 1) position of liquidity of a firm;
- 2) financing current assets from the sources of the long-term funds.

Current assets should be adequately in excess of current liabilities to make the immediate payment to short term creditors. Net working capital indicates the margin of safety to short term creditors. In order to maintain adequate liquidity, it is a traditional rule to maintain the level of current assets double of the level of current liabilities. A weak liquidity position introduces a threat to the solvency of the firm and makes it unsound. But an appropriate liquidity position enhances the credit of a concern, which enables the management to obtain financial resources at a comparatively lower cost. Net working capital reveals in what direction the management should take proper steps to escape insolvency. A net working capital concept also takes into consideration the needs for financing current assets by long term sources. In every firm, a minimum amount of net working capital is required for financing the current assets, which is permanent.

Therefore, the management must determine the extent to which working capital and current assets should be financed with equity funds or borrowed funds.

In current global recessionary economic environment, the sustainable development of a company depends on the ability to exercise effective financial management functions. From the perspective of profitability and liquidity, management of working capital plays an important role in corporate financial management. Study of the literature [1; 2; 5] allowed us to draw the conclusions that a number of scientists carrying out research on the working capital management at an enterprise pay great attention to external and internal factors which influence working capital and its management.

Current macroeconomic environment affects internal processes in a company both as an individual entity and as an opportunity to integrate into and adapt to the single market. Uncontrollable external environment factors determine the necessity to plan a company's overall performance, as well as individual stages of its activity. The strategic approach to any business is becoming a mandatory condition for sustainable development in a rapidly changing environment. Research and analysis of business environment are closely linked processes, and they result in identification and control of internal and external environmental factors.

D. Santoro [3] claims that the main difference between companies that successfully adapt to current economic situation and those companies which do not succeed, is their ability to appropriately master the processes and technologies that help raise awareness of working capital management.

The Central Bank controls the rate of inflation with the instruments of monetary policy and, consequently, economic activity in the country. Growth

in money supply causes decline in interest rates, which, in turn, may lead to the expected inflation, thus stimulating national economy. Investments of the working capital should be increased by reduction of interest rate when the economy needs to be stimulated through monetary policy, and reduced if the economy experiences decrease in money supply which is manifested in the form of interest rate increase. According to J.F. Weston and E.F. Brigham [4], if in such conditions the company's activities are closely linked to contractual relationships, the number of the debtors is likely to fall. Thus we can resume the list of external factors which influence working capital management (table 2).

*Table 2*

**External Factors That Influence Working Capital Management**

Types of factors	Types of factors
Factors characteristics national economic development	stable economic development; economic crisis; economic recovery; purchasing capacity; demography; level of unemployment; state support for business development;
Political factors	supported industries; political stability; development of international relations;
Scientific and technological development	scientific and technological progress; innovations;
Monetary policy	inflation level; increase in money supply; fluctuations in currency exchange rates; interest rates for term deposits; availability of credit resources;
Legislation	business regulatory legislation; industry specific regulatory acts
Tax system	methodology of tax calculation; tax payment procedure; tax rates; tax benefits
Cultural peculiarities demand for goods or services.	traditions;

With the beginning of the economic downturn, a company may impose more stringent credit policy, thus reducing the amount of accounts receivable. Unprofitable companies can also go bankrupt at this stage. This phase is usually followed by a fall, which is characterized by high unemployment, and the decline in economic growth resulting in lower capital utilization rates and rapid decline in business profits.

According to J.F. Weston and E.F. Brigham [4], economic growth rate is closely related to a business cycle and the amount of current assets and efficiency of their utilization. Any of the business cycle phases, whether it is recession, downturn, recovery or boom, has an effect on current assets and working capital. G. Arnold [6], in his studies of the working capital cycle, also indicates that the application of tax policy and the payment procedure are significant factors that affect a variety of working capital management elements and the amount of current liabilities. Economic recovery is characterized by renewal and expansion of production, when the term deposit interest rates begin to decline, consumption expenditures increase causing profit to rise. In such conditions, according to the English economists and D. Asch and G.R. Kaye [7] and V.D. Richards and E.J. Laughlin [8], necessity to increase production arises which leads to the growth in stock levels. During this period, there emerges the necessity for funds to pay costs related to rise in volume of production.

There are different types of impact on the individual components of working capital:

- impact on the individual components of environmental factors (legislative framework regulation, competition in the industry, macroeconomic environment, including inflation, discount rate of the National Bank, interest rates, the state of the industry life cycle, supply of inputs in industries; demand for products industries);
- impact on the individual components of the internal environment factors (interest owners, professional staff ability, stage of life cycle of the enterprise, production technology, competitiveness, accounting policy, market policy, organizational culture).

In sum, it can be argued that optimal engagement factors influencing the working capital are basing outlined steps and will allow in practice significantly increase the effectiveness of business enterprises.

In addition to external factors, the magnitude and rate of turnover of working capital affect internal factors resulting from economic activities of a commercial enterprise. Such factors are considered in the table 3.

### Internal Factors That Influence Working Capital Management

Types of factors	Scope of factor application
Type of activity	Industry; sub-sector;
Strategic aims	Philosophy of enterprise; experience; future plans; enterprise culture;
Business organization	Length of production cycle; phase of enterprise development;
Management organization	Managerial system; human resources management; quality management system;
Implementation of technologies	Application of information technologies;
Accounting policy	Depreciation calculation methods; level of information details; the accounting discipline;
Financial Management	Financial planning; financial analysis; investment decisions; control of cash flow;
Marketing	Research of demand; pricing policy; advertising; markets;

Insecurity of working capital at the enterprises is mostly caused by:

- failure to plan turnover, violation of its commodity structure;
- slowing turnover;
- exceeding standards for inventory and timely measures to rejection of its normalization.

Thus, all the flaws in business in one way or another affect the working capital position and security.

**Conclusion.** Management of working capital of a commercial enterprise is the process of formation of economically adequate volume and composition of working capital and sources of its financing, which will ensure attainment of strategic goals and profit. It deals with the peculiarities of the operational enterprise cycle and largely depends on the factors which influence managerial

decisions. Therefore only systematic approach can result into achieving strategic goals by enterprise management.

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## THE MAIN TRENDS OF THE WORLD ECONOMY DEVELOPMENT AT THE BEGINNING OF THE 21st CENTURY

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**Vitokhin I.O., Drachuk O.V. The main trends of the world economy development at the beginning of the 21st century.** The article deals with the leading trends of the world economy at the beginning of the 21st century.

**Keywords:** globalization, integration, liberalization, national economy, post-industrialization, regionalization, world economy.

**Вітохін І.О., Драчук О.В. Основні тенденції розвитку світового господарства на початку 21 століття.** У статті розглядається провідні тенденції світового господарства на початку 21 століття.

**Ключові слова:** глобалізація, інтеграція, лібералізація, національна економіка, постіндустріалізація, регіоналізація, світове господарство.



**Витохин И.О., Драчук Е.В. Основные тенденции развития мирового хозяйства в начале 21 века.** В статье рассматриваются ведущие тенденции мирового хозяйства в начале 21 века.

**Ключевые слова:** глобализация, интеграция, либерализация, мировое хозяйство, национальная экономика, постиндустриализация, регионализация.

The subject of the study is trends of the world economy development. The purpose of the study is to analyze main trends of the world economy development. The relevance of the study is determined by the need of studying main trends of the world economy development which are typical for its modern stage.

The system of the world economy can be represented as a mechanism that has component parts, or the main participants (actors). The most important of these components are the national economy, as well as multinationals, integration associations, international economic organizations.

Globalization is the leading trend of the world economy at the beginning of 21st century. That is the process of transformation of the world economy in a single market of goods, services, capital, labor and knowledge. It is accompanied by internationalization, i.e. the process of strengthening country's participation in the world economy. Globalization has both positive and negative consequences.

The main effect of globalization is that it leads to greater dependence of the world economy from this sector. The process of globalization, developing on the principles of neo-liberal economic model, has a destabilizing effect on the social, political, cultural and institutional aspects of the life of national societies. It should also be noted that this trend began to develop not in the 21st century, but much earlier, and at the present time it has reached its global proportions, its peak.

Of course, there are positive aspects of globalization, but not so many. For example, the ability of a country to use consumer goods and services, which are not produced in their country.

Integration and regionalization implies globalization. These processes are closely linked, and are the trends of world economic development in the modern world. From our point of view, regionalization and integration have a positive impact on the economy. The proof of this is that states help each other in different situations, and, as a consequence of this, the global economy could develop at a steady pace of growth. But the question may arise: "What drives these processes?" The main engine of globalization and integration in some regions of the world are transnational companies, i.e. economic structures

that include the parent companies and their foreign subsidiaries. Thus, another trend of today's world economy is the transnationalization.

We cannot but mention the liberalization of the world economy. This is a negative trend, as it destabilizes the economy. If a liberal policy is adopted, it should be done very carefully and competently. A positive feature of liberalization is that it develops in the course of post-industrialization, which is one of the most important features of the world economy of the 21st century.

Post-industrial society has such features as the predominance of services in production and consumption, a high level of education, a new attitude toward work, attention to the environment, the humanization of the economy, information society. Postindustrialization leads to profound changes in the world economy. The abundance and availability of economic information in combination with cheaper communications and transport have become a powerful incentive to the international movement of capital. Of course, this is a positive trend, especially since it is inherent in developed countries and the most developed among the group of developing countries.

Thus, we see that the world economy has a very complex structure, a lot of different trends. In most cases the development of the world economy is characterized by the indicator of how developed the world's leading powers are. Consequently, the most important trends of the world economy are those that are inherent in the developed capitalist countries.

**Conclusion.** Development of the world economy depends on the degree of development, economic growth of developed countries. In our opinion, nowadays, it is worth to abandon the liberalization and globalization, as the world economy and in particular the individual countries do not have time to adapt to these trends, and as a result of this is a crisis that can be not only prolonged, but also completely destructive to the world economy.

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## TOURISM AND THE PROBLEMS OF LANGUAGE BARRIER

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The scientific work is devoted to the problem of the language barrier in tourism. The main aspects of the problem of the language barrier in tourism have been examined; the ways of solving it have been analyzed, including some of the myths associated with studying a foreign language and the fear that is connected with psychological tourists' prejudices. The necessity of learning foreign languages, especially English, in terms of modern globalization has been justified. The process of English becoming the language of international communication has been revealed.

**Keywords:** international communication, language, prejudices, the language barrier, tourism.

**Вороніна А.В., Шамара І.М., Сапрун І.Р. Туризм і мовний бар'єр.** Наукова робота присвячена проблемі мовного бар'єру в туризмі. Досліджено основні аспекти проблеми мовного бар'єру в туризмі та проаналізовано способи її вирішення, у тому числі і деякі міфи, пов'язані з вивченням іноземної мови та страху, який пов'язаний з психологічними упередженнями туристів. Виявлено та обґрунтовано необхідність вивчення іноземної мови, зокрема англійської, в умовах сучасної глобалізації та становлення англійської – мовою міжнародного спілкування.

**Ключові слова:** вивчення мов, міжнародне спілкування, мовний бар'єр, туризм, упередження.

**Воронина А.В., Шамара И.Н., Сапрун И.Р. Туризм и языковой барьер.** Научная работа посвящена проблеме языкового барьера в туризме. В работе исследованы основные аспекты проблемы языкового барьера в туризме и проанализированы способы её решения, в том числе и некоторые мифы, связанные с изучением иностранного языка и страхе, который связан с психологическими предрассудками туристов. Выявлена и обоснована необходимость изучения иностранного языка, в частности английского, в условиях современной глобализации и становления английского – языком международного общения.

**Ключевые слова:** изучение языка, международное общение, предрассудки, туризм, языковой барьер.

Tourism is a form of mass travel and recreation aimed at getting acquainted with the environment that can be characterized in terms of its ecological, educational and other functions [1].

In terms of modern world economy, which is influenced by processes of political, cultural and social globalization, international tourism is one of the most profitable and dynamically developing branches. Concerning this, more and more people and families try to go abroad at least for a short period of time, in order to relax, become acquainted with other cultures and discover living conditions of people outside their native country.

The purpose of this work is to consider the problem of the language barrier in tourism, to ascertain its causes and the search of ways of solving these problems.

The object of the research is communication in language environment of other countries during touristic travels abroad and the subject of this work are problems of the language barrier, prospects for solving these problems in terms of touristic travels.

The issue of language barrier is rather acute and many scientists such as PhD Lins S.A., Maskevich A. A., Howard G., Kaho Shimizu have devoted their studies to it.

For the trip abroad it is necessary to have at least minimal knowledge of a foreign language, as in almost any country where you go, you need to communicate with customs officers, waiters, taxi drivers, guides. Moreover, in serious emergency situations, like in case of illness, injury, theft of documents or loss of money, the deeper knowledge of foreign language is needed, unlike in cases which are listed above [5].

The lack of language skills can cause a big discomfort to travelers. The influence of other country and its culture can cause the deterioration of health more than the climate changes, lack of familiar food and sanitation. The communication with local people usually affects tourist's mental state. One of the main barriers which prevent tourists from free communication with local people is language barrier. However, even if a tourist knows the local language well enough to socialize freely, the problem of language barrier will still exist because of specific features of the national culture that influence language communication:

1. unwritten rules of behavior (The rules of public behavior in various cultures often differ, and these are the differences which the tourist faces in the first place. As the tourist gets to know them for the first time, he doesn't try to adjust to them or to change his opinion on purpose for the time of staying there);

2. the differences in the resolving such issues as class positions and family relations;

3. the differences is assessment of value categories [2].

When some tourists prepare for the journey in advance and learn a foreign language, others are ready to abandon their travel because of language barrier.

In this work we would like to focus on the problem of language barrier in tourism, reveal the ways of solving this problem and to review some myths and fears connected with learning a foreign language and connected with psychological tourists' prejudices.

Considering Ukrainian and Russian-speaking tourists, it is important to state that there are countries where it is not necessary to know English or any local language to feel oriented in it. These countries include Turkey, Egypt and Greece. Annually these countries are visited by a big amount of tourists from CIS countries (The Commonwealth of Independent States) and almost everywhere it is easy to find Russian-speaking staff. Moreover, the majority of restaurants in hotels have their menu on several languages. However, for the tourists without the country's native language knowledge, it will be easy to navigate only in the hotel, if they go outside the hotel; the problem of the language barrier will be the same as in other countries. Also, the country that is easy to navigate in for Ukrainian and Russian-speaking tourists is Israel, because of a big amount of emigrants from the former USSR and CIS countries.

What is more, the countries where tourists can easily navigate include countries of the former USSR and former socialist countries. The languages of some of these countries are rather similar and due to this people will understand each other without big difficulties. Also, in these countries Russian was required to study and that is why an older and middle-aged generation of people can speak Russian.

But what should tourists do if they are going to stay in the country, where nobody knows Russian or Ukrainian? There are two solutions to this problem. The first one is to find somebody who will constantly help you, for instance, a professional guide or a friend of yours, who will be ready to speak the foreign language and to travel with you. What is more, it is good to plan carefully the upcoming trip, to determine the places that are a must for you to visit and to write out into the notebook all the essential information like addresses, telephone numbers of embassies and security services, etc. Also, you can write down the phrases that can facilitate the process of getting some required information in case of need.

Turning to the second solution – the studying of foreign language, it is important to mention that this can become a difficult step in life and may take several months or even years. There are about 3000 languages worldwide, excluding dialects, and learn many languages can be, to put it mildly, problematic, the best solution is to learn English, which is universal in our time. Obviously, there are countries where it is not useful enough, but there is no more versatile language in the world than English.

You can go to special language courses for travelers, where people teach the basics of the English language, phrases and linguistic structures that can be used in trips in minimum terms. Also, you can take a dip in the language, which is one of the fastest ways to learn the language. This can be difficult and scary, because you will need to face the language barrier. However, going abroad to any English-speaking country in order to learn language is a new experience, the opportunity to find new acquaintances among the people with the similar interests to yours, who came to learn English.

Ignorance of foreign languages is one of the main reasons why people refuse to travel abroad. They are afraid of a language barrier, and believe that learning a foreign language is very difficult for them and they will never succeed. There is a strong belief among people that languages can only be learned by gifted people or inveterate wonks.

It is acknowledged that learning foreign languages is not an easy thing to do; motivation and desire to study are needed. According to the opinion of a practicing psychologist and PhD Svetlana Lins, in addition to a fear of learning languages there are also some psychological settings which we are taught since childhood,.

Let's address a few myths about learning foreign languages, which S. Lins described in her work. The first myth is that "Language skills are fluent, grammatically correct speech, with "correct" pronunciation." This is not true. Just remember the manner foreign correspondents speak Russian. They speak slowly with some mistakes, even when their professional activities are associated with the language. In spite of this, we will not make fun of their mistakes, on the contrary, we will admire that the foreigners have mastered our language which is difficult enough. Many people, who have mastered English or any foreign language, are afraid to speak it with foreigners or even with peers, because they do not want to "lose public face" because of making some mistakes. This is misleading; even a minimal knowledge of a foreign language is admirable.

The second myth is that "You need to know a large vocabulary to communicate." In daily communication we use dozens, not hundreds, of words.

The same happens to foreign languages. It is necessary to define your minimum of words to communicate on a particular topic, create a thesaurus that will give an impetus for further study of a foreign language.

The third myth states “You first need to learn the words and grammar, and then move on to “practice” speaking”. If you have a look at children learning their native language, starting their education at school, you can immediately notice that grammar is not the first thing they learn. Firstly, children learn to speak, and then proceed to reading, grammar and writing. People need to study foreign languages in a similar way. If you learn language starting from the grammar, then later you will not be able to speak freely, and will have a feeling of stiffness and the inability to think in the course of speaking.

Myth number four says: “Language learning is cramming, the internal break-up of yourself, and you have to “discipline” yourself, to “tear” free time from your family as well as your own for a voluntary torture.” If you believe this superstition, the language will never be something daily for you; it will always be a hobby rather than a tool of communication. It is bad for language learning to set specific time frames, as well as the lack of time. Learning a foreign language is necessary at every opportunity you have, every day reading a newspaper or listening to the radio will help you to learn language.

Finally, the fifth myth – “There is no too much grammar. The more grammar the better.” Many people throw themselves into language learning like into the pool, and try to learn everything at once. This is the wrong tactics of actions, it is necessary to start from small: study of grammatical forms of phrases, pronouns, verbs, etc. And only after that, when you realize that everything you have learned you remember and, most importantly, you have a desire to learn, then continue the study of grammar [3].

In this way it should be understood that any trip abroad is a great way to see the world, get acquainted with new interesting people and, what is not less important, to improve English (if it comes to English-speaking countries). There are many ways to go abroad with a minimal knowledge base of foreign language. Let’s start with education abroad. One of the most popular types of education abroad is learning foreign languages. Being in natural language environment, communication with native speakers contributes to a more efficient and quick learning of foreign language. Also there are professional courses for improving skills, yearly or long-term school and university programs. There are many possibilities to work abroad, for example, programs Work&Travel, CampAmerica and Au-Pair. Furthermore, there are opportunities to have an internship in other countries, a way to visit a foreign country and learn the language. This is one of

the best ways to learn interesting information about living abroad, get acquainted with local customs, to plunge into the intercultural environment and to learn foreign language. One can also attend numerous international conferences, forums, seminars, trainings and etc. What is more, for those, who are not afraid of unconventional travelling with minimal local language knowledge, there are guest social networks, where it is easy to find a free guide, lodging for the night and make up new friends [4].

It is also necessary to overcome the prejudices that are in the way of learning foreign languages. In their fault many people are afraid of starting new languages in order to, for instance, fulfill a dream and to go somewhere far away from home. English greatly simplifies our lives; after all, being versatile, it connects many cultures, and is an essential reason for the development of tourism.

Considering the rapid popularization of tourism and globalization of our world, it can be stated that the knowledge of any foreign language is one the main engines of tourist travel development. In this way it is important to state that it is unnecessary to deprive ourselves of the opportunity and the pleasure to visit other countries because of the fear of foreign languages. In the modern world they are an integral part of our lives and more and more people start to cope with the problem of lack of language skills, especially English.

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# TURKISH EXPERIENCE OF ANIMATION PROGRAMS ORGANIZATION IN SANATORIUM AND HEALTH ESTABLISHMENTS IN KHARKIV REGION

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**Voroshylo O.M., Skrypnyk T.I. Turkish experience of animation programs organization in sanatorium and health establishments in Kharkiv region.** This work is devoted to the research in the field of organization of entertainment activities in sanatorium and health establishments in Kharkiv region. The analysis of possibilities of using Turkish experience of animation programs organization for establishments in Kharkiv region has been performed.

**Keywords:** animation, entertainment, experience, sanatorium and health establishments.

**Ворошило О.М., Скрипник Т.І. Турецький досвід організації анімаційних послуг в санаторно-курортних підприємствах Харківської області.** Ця робота присвячена дослідженню в області організації розважальних заходів у санаторно-курортних і медичних установах Харківської області. Проведено аналіз можливостей використання турецького досвіду організації анімаційних програм для санаторно-курортних підприємств Харківської області.

**Ключові слова:** анімація, дозвілля, досвід, санаторно-курортні заклади.

**Е.Н. Ворошило, Т.И. Скрипник. Турецкий опыт организации анимационных услуг в санаторно-курортных предприятиях Харьковской области.** Эта работа посвящена исследованию в области организации развлекательных мероприятий в санаторно-курортных и медицинских учреждениях Харьковской области. Проведен анализ возможностей использования турецького опыта организации анимационных программ для санаторно-курортных предприятий Харьковской области.

**Ключевые слова:** анимация, досуг, опыт, санаторно-курортные учреждения.

Today in the world much attention is paid for treatment and leisure in the health centers, because the process of recreation provides curing of one's health, filling psycho-emotional and physical resources not only by health institutions, but also by recreational activities and organized leisure.

In many resort areas of the world, including Turkey, the process of recreation, in general, is necessarily accompanied by gaming activities, sport

activities, entertainment programs and shows that generally suggests the formation of animation service [2].

Furthermore, in terms of modern management and marketing, quality animation today is rightly regarded as a clear competitive advantage, first of all, in the service industries and tourism. So, the study and active introduction of such social and cultural phenomenon as animation activities is particularly needed for successful performance of the national infrastructure of health establishments.

Analysis of publications on this subject shows that only certain aspects of this problem were discussed in scientific literature. It should also be noted that researchers were not trying to investigate the possibility of using Turkish experience of animation services in sanatorium and health establishments of Kharkiv region.

Organization of a traveller's leisure—is a difficult task, which is primarily concerned with a lot of free time during their stay in the establishments. Entertaining events in sanatorium and health establishments should be organized not to disrupt the itinerary and do not interfere with people who do not participate in them.

In recent years significant changes in leisure of vacationers has happened. This is caused by:

- implementation of foreign resorts experience;
- increase in the educational and cultural level of the population;
- introduction of new technologies in entertainment industry;
- restructuring of the using of free time [1].

Recreation complex of Kharkiv region is part of a tourist complex, which particularly needs developing dynamic animation system services.

There are many recreational resources, labour potential, medical personnel and the high demand for development of health industry, but popularity of sanatorium and health establishments in Kharkiv region is not so high. The main reasons are out dated material base, poor service and lack of leisure.

Due to the fact that in many respects occupation of resorts is provided by state system of social insurance and the cost of staying in sanatoriums in comparison with foreign analogues is high –animation services are costly to implement. Also, at this time, there is acute shortage of experts in the organization of interesting and professional leisure in sanatoriums, health centers and rest houses in Kharkiv region. According to Central Statistical Office of Kharkiv region, there were 18 health establishments in 2013 [4].

Sanatorium and health establishments of the region have everything necessary for diagnosing and treatment of patients with different pathologies, including the famous Berminvody, Roscha, Ray Olenivka and others. Most of them provide guests with libraries, cinemas, sports and billiards room, tennis courts, Russian baths and Finnish saunas, swimming pools with aqua park, etc.

Most of health establishments of Kharkiv region are not adapted for animation teams. If we consider Turkey's infrastructure of hotels, we can see that specially equipped place and sites are included at the design stage or under construction. Their absence makes the animation team work incomplete. This fact discourages the professional animators. And that is also the reason that in most establishments of the region their place is taken by actors. However, there are many talented people (potential animators) among of them, who are trying to develop this type of activity. Thus, we can say that the animation in the health establishments of Kharkiv region is only arising.

Some establishments have begun to take care of quality of animation service and immediately felt a great interest from the part of consumers, since animation services were the main factor of attractiveness of the institution. Unfortunately, many directors of health establishments still do not understand the importance of creating animation service in their establishments and work as they are used to, and some directors simply do not have sufficient funds for this purpose.

None the less, for the normal development of tourism animation in health establishments of the Kharkiv region only enthusiasm isn't enough. Using the Turkish experience, we can confidently say that this requires:

- interest and support from the country;
- creation of complete financial and information resources;
- qualified specialists.

Support from the state and regional administration must be expressed in development programs, funding, etc. This is the most important factor, which is essential for the development of animation in the sanatorium establishments of Kharkiv region. Today it is also necessary to prepare the organizers and managers of leisure which will be able to make a rest nice, fun and memorable [1].

Currently, adopting the international experience, each resort forms its own daily entertainment (animation) program, the structure of which depends on the number of tourists and contingent, the location, staff, food schedules, excursions etc [3].

Analysis of the Turkish experience of animation activities shows that quality entertainment programs, expensive and high-quality equipment, new approaches

in management and qualified personnel are required. Nevertheless, implementation of a new generation of animators will not only increase the direct economic performance from health establishment, but also will achieve the greatest effect on health from the whole complex.

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## PROHIBITED KINDS OF WEAPONRY IN WARFARE

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**Voyevodin I.S., Karpusenko M.V. Prohibited kinds of weaponry in warfare.** The article considers the main kinds of weaponry that are forbidden to use during warfare because of their inhumanity and destructive effect. The article analyzes international conventions that prohibit or limit the use of certain types of weaponry during military conflicts.

**Keywords:** conflict, convention, destruction, principle, prohibition, warfare, weapons.

**Восводін І.С., Карпусенко М.В. Заборонені види озброєння під час воєнних дій.** У статті розглянуті основні види озброєння що заборонені для використання під час воєнних дій через їх негуманність та руйнівну дію. Проведено аналіз міжнародних конвенцій що забороняють або обмежують використання певних видів озброєння під час військових конфліктів.

**Ключові слова:** війна, заборона, зброя, конвенція, конфлікт, принцип, руйнування.

**Воеводин И.С., Карпусенко М.В. Запрещенные виды вооружения во время военных действий.** В статье рассмотрены основные виды вооружения, которые запрещены для использования во время военных действий в силу их негуманности и разрушительного действия. Проведен анализ международных конвенций, запрещающих или ограничивающих использование определенных видов вооружения во время военных конфликтов.

**Ключевые слова:** война, запрет, конвенция, конфликт, оружие, принцип, разрушение.

During a warfare every state engaged in hostility is expected to use such kinds of weaponry, that are recognized under international humanitarian law which limits the means and methods of warfare and covers the conduct of military operation by stating what weapons can be used in armed conflicts. It contains basic principles and rules governing the choice of weapons and prohibits or restricts the employment of certain weapons.

This issue is relevant since the world has recently seen a few international conflicts which have caused debates as to possible violations of international humanitarian law. The purpose of this article is to look at types of prohibited weaponry as well as at some international agreements concerning the issue.

From the very beginning, international humanitarian law has been trying to limit the suffering caused by armed conflict. To achieve this, international humanitarian law regulates both the behavior of combatants and their choice of means and methods of warfare, including weapons.

The humanitarian view on the limitation of weapons states, that war should be as “humane” as possible, limiting death only to intended targets, and delivered as quickly and painlessly as possible with, of course, the possibility of rescue or recovery. Weapons banned in war inflict undue destruction on civilians.

In general terms, international humanitarian law prohibits weapons that cause superfluous injury or unnecessary suffering. The prohibition of means of warfare which are of a nature to cause superfluous injury or unnecessary suffering refers to the effect of a weapon on combatants. The question is the determination of the use of particular weapons to cause unnecessary suffering. In the absence of any authoritative definition, it is difficult to use weapons causing unnecessary suffering under certain situation.

Although there is general agreement on the existence of the rule, views differ on how it can actually be determined that a weapon causes superfluous injury or unnecessary suffering. The worldwide community generally agrees that suffering that has no military purpose violates this rule. Many states point

out that the rule requires that there should be a balance between military necessity, on the one hand, and the expected injury or suffering inflicted on a person, on the other hand, and that excessive injury or suffering, i.e., that which is out of proportion to the military advantage sought, therefore violates the rule.

An important factor in establishing whether a weapon would cause superfluous injury or unnecessary suffering is the inevitability of serious permanent disabilities. The rule prohibiting the targeting of the eyes of soldiers with lasers, as laid down in Protocol IV to the Convention on Certain Conventional Weapons, was inspired by the consideration that deliberately causing permanent blindness in this fashion amounted to the infliction of superfluous injury or unnecessary suffering. When adopting the Ottawa Convention banning anti-personnel landmines, States were basing themselves, in part, on the prohibition of means of warfare which are of a nature to cause superfluous injury or unnecessary suffering.

St. Petersburg Declaration that was adopted in 1868 was the first formal agreement prohibiting the use of certain weapons in warfare causing unnecessary suffering. Declaration of St. Petersburg established two principles – first, military necessity cannot override the laws of war, and second, the warfare is governed by laws of humanity. These principles are reiterated and reaffirmed in the Regulation of the Hague Convention, 1907. The Convention has established the basic balancing principle of the warfare that the right of belligerent to use means of injuring is not unlimited. The Convention also prohibits the use of weapons, which would cause unnecessary suffering.

The prohibition of use of weapons causing unnecessary suffering is also expressly recognized by the Additional Protocol to the Geneva Conventions of 1949, relating to the Protection of Victims of International Armed Conflicts (Protocol I, 1977). The Protocol prohibits the use of some sorts of weapons, which may cause superfluous injury or unnecessary suffering in warfare, saying: “It is prohibited to employ weapons, projectiles and material and methods of warfare of a nature to cause superfluous injury or unnecessary suffering.”

A number of conventional weapons are regulated in the 1980 Convention on Certain Conventional Weapons. This Convention prohibits the use of munitions that use non-metallic fragments not detectable by X-Ray. The rationale is pretty obvious, since field surgeons can't remove fragments they can't locate within an injured body. This does not prohibit the use of plastic and undetectable materials in weapon design, it just means that weapons cannot be designed to use undetectable fragments as a primary damage device.

This convention also limits the use of incendiary weapons as well as mines, booby traps and “other devices”. The Convention is also the first treaty to establish a framework to address the post-conflict hazards of unexploded and abandoned ordnance.

Anti-personnel landmines are prohibited under the 1997 Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction. More than three-quarters of the world’s countries have joined the Convention, which has had a positive impact in terms of destruction of stockpiles, mine clearance, reduction of casualties and assistance to victims. In 2008, 107 States adopted the Convention on Cluster Munitions. By adopting and signing the Convention, all these states have taken a major step towards ending the death, injury and suffering caused by these weapons.

Another important point that should be mentioned is that the only legitimate objective during war is to weaken the military forces of the enemy. Civilians can never be the legitimate targets of an attack. But nowadays, we see that many states are using mass destruction weapons having indiscriminate effect. Weapons of mass destruction are weapons whose destructive power can result in the deaths of thousands of people with a single use. They include biological weapons, chemical weapons and nuclear weapons. These weapons are indiscriminate and inhumane killers, that have the potential to strike at noncombatants and even affect human civilization on a global scale.

Biological weapons are some of the oldest terror weapons known to man. Biological weapons are toxic materials produced from pathogenic organisms (usually microbes) or artificially manufactured toxic substances that are used to intentionally interfere with the biological processes of a host. These substances work to kill or incapacitate the host. Biological weapons may be used to target living organisms such as human beings, animals or vegetation. They may also be used to contaminate non-living substances such as air, water and soil.

As for chemical weapons, about 70 different chemicals have been used or stockpiled as chemical weapons agents during the 20th century. These chemicals are in liquid, gas or solid form and blister, choke and affect the nerves or blood. Chemical warfare agents are generally classified according to their effect on the organism and can be roughly grouped as: Nerve Agents, Mustard Agents, Hydrogen Cyanide, Tear Gases, Arsines, Psychotomimetic Agents, Toxins and Potential CW Agents. Chemical weapon agents, mainly used against people, are divided into lethal and incapacitating categories.

The international community banned the use of chemical and biological weapons after World War I and reinforced the ban in 1972 and 1993 by prohibiting the development, production, stockpiling and transfer of these weapons with special conventions. Today's advances in life sciences and biotechnology, as well as changes in the security environment, have increased concern that long-standing restraints on the use of chemical and biological weapons may be ignored.

Nuclear weapons remain the most dangerous weapons on the Earth. The immense destructive power of nuclear weapons, combined with their great number, makes them the only weapons capable of affecting human civilization on a global scale. There are two types of nuclear weapons: bombs and projectiles. Nuclear bombs are commonly divided into two classes: atomic bombs in which the energy is produced by fission of nuclear, and thermonuclear bombs in which it is produced by fusion. Projectiles mean using atomic projectiles in artillery, such as, missiles that may be fitted with nuclear warheads and nuclear power and may be used in torpedoes, sea mines as well as in arming of spacecraft.

The explosive power of nuclear weapons is only one aspect of what makes them so deadly. Radiation released by nuclear weapons is dangerous not only in the short term, irradiating survivors near or downwind of the detonation, but also contaminating crops, livestock, infrastructure, energy facilities, and other necessities of modern civilization. These areas could be dangerous to humans for tens, if not hundreds or even thousands of years.

The destructive power of nuclear weapons puts them in a category of their own, yet there is no comprehensive or universal ban on their use under international law. Nevertheless, in July 1996 the International Court of Justice concluded that their use would generally be contrary to the principles and rules of international humanitarian law. In view of the unique characteristics of nuclear weapons, the United Nations and the International Committee of the Red Cross call on all states to ensure that such weapons will be never used again, regardless of their views on the legality of such use.

Although the international humanitarian law prohibits the use of certain weapons, these rules are violated very often. All the worldwide community should pay more attention not only to establishing some rules of war but to prevention of all kinds of military conflicts, because introducing rules of war turns it into a sport, instead of something to be avoided at all costs.



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## REFUGEES FROM ARABIC COUNTRIES IN THE EUROPEAN UNION

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**Zayats S.O., Davydenko I.V. Refugees from Arabic countries in the European Union.** The article deals with the main causes and possible consequences of the migrant crisis in the EU, as well as changes in the European migration policy, caused by uncontrolled flow of refugees from Arabic countries.

**Keywords:** border, crisis, migrant policy, migration, refugees, the EU, war.

**Заяць С.О., Давиденко І.В. Біженці Арабських країн в Європейському Союзі.** У статті проаналізовано найважливіші причини та можливі наслідки міграційної кризи у Європейському Союзі, а також зміни у Європейській міграційній політиці, що були спричинені неконтрольованим потоком біженців з Арабських країн.

**Ключові слова:** біженці, війна, ЄС, кордони, криза, міграційна політика, міграція.

**Заяц С.А., Давыденко И.В. Беженцы Арабских стран в Европейском Союзе.** В статье проанализированы важнейшие причины и возможные последствия кризиса мигрантов в Европейском Союзе, а также изменения в Европейской миграционной политике, связанные с неконтролируемым потоком беженцев из Арабских стран.

**Ключевые слова:** беженцы, война, границы, ЕС, кризис, миграционная политика, миграция.

The object of the study is the migrant crisis in Europe. The purpose of the study is analysis of the changes in the European migration policy caused by the crisis.

All the decisions concerning refugees and asylum were taken on the basis of the Dublin Regulation. Entry-point states bear unilateral responsibility for migrants under the document. Revised in 2013, this EU law stipulates that asylum seekers must remain in the first European country they enter and that country is solely responsible for examining migrants' asylum applications. Migrants who travel to other EU states face deportation back to the EU country they originally entered [2]. However, the number of illegal border-crossing detections in the EU started to surge in 2011 and since the beginning of 2015 hundreds of thousands people from Northern Africa and fleeing from the war in Syria, Iraq, Libya have been trying to get to Europe [4]. Thus, according to the Dublin Regulation Greece, Italy, Bulgaria and Hungary should be responsible for a huge number of refugees. It leads to the fact that the largest part of asylum-seekers are taken by only five EU countries, which theoretically should not do this. Some countries are explaining that they just can not cope with the increasing flow of refugees each year. Therefore, in practice many of these frontline countries have already stopped enforcing Dublin and allow migrants to pass through to secondary destinations in the north or west of the EU. So, it is becoming more and more obvious that the European migration policy has failed and now according to the experts the EU must adapt its structures and policies to the refugee crisis [1].

Migrants and refugees streaming into Europe from Africa, the Middle East, and South Asia have presented European leaders and policymakers with their greatest challenge since the debt crisis. The International Organization for Migration calls Europe the most dangerous destination for irregular migration in the world, and the Mediterranean the world's most dangerous border crossing. Yet despite the escalating human toll, the European Union's collective response to its current migrant influx has been ad hoc and, critics charge, more focused on securing the bloc's borders than on protecting the rights of migrants and refugees. The IOM estimates that more than 464,000 migrants have crossed into Europe by sea for the first nine months of 2015. Syrians fleeing their country's civil war made up the largest group (39 percent). Afghans looking to escape the ongoing war with Taliban rebels (11 percent), and Eritreans fleeing forced labor (7 percent) made up the second and third largest groups of migrants, respectively. Deteriorating security and grinding

poverty in Iraq, Nigeria, Pakistan, Somalia, and Sudan have also contributed to the migrant influx [5].

Due to the strongly growing number of asylum seekers, in May Brussels proposed EU countries to allocate 60 thousand refugees in Greece and Italy, as well as in the camps at the Syrian border. The European Commission insisted that all the EU Member States had to commit themselves to receive refugees. One of the main proposals in the fight against the crisis – to determine the quotas according to the distribution ratio. The decisive role was considered to be played by a population of a country (with a weight of 40 per cent), GDP (also 40 percent), unemployment rate (10 percent) and the number of already examined asylum applications by the country (10%). It was a proposal of the European Commission in May, and it was rejected by several countries of Eastern Europe as well as by the Great Britain. The EU member states have refused mandatory quotas and advocated for the “voluntary” distribution. Nevertheless, this initiative is not working, as the majority of EU member states, especially from Eastern Europe, as well as the UK and Spain do not want to take additional number of refugees [4].

The migration crisis puts the Schengen agreement under the threat. As it is known, in the countries that belong to the visa-free Schengen zone, there are no border crossings, therefore, citizens can move from country to country without any problems and without violating the borders. But due to the huge number of refugees in Europe today, some countries simply have to temporarily set security checkpoints. Some of Schengen countries have already closed their borders. They take these measures due to the fact that the flow of refugees can cause the appearance of illegal migrants in the countries [3]. Germany reinstated border controls along its border with Austria in September 2015, after receiving an estimated forty thousand migrants over one weekend. Implemented on the eve of an emergency migration summit, this move was seen by many experts as a signal to other EU member states about the pressing need for an EU-wide quota system. Austria, the Netherlands, and Slovakia soon followed with their own border controls. These developments have been called the greatest blow to Schengen in its twenty-year existence [1].

The lack of a coordinated and proportional EU response to irregular migration in the near-to-mid-term could continue to feed sentiments that push individual countries to emphasize national security over international protection. This could make closed borders, barbed-wire fences, and maritime pushbacks the policy norm rather than the exception [4].

**Conclusion.** The European Union, turning away from their poor neighbors, is violating the fundamental human right – the right for free movement in the world. No European state can cope with these challenges alone. In order to have at least any chance to succeed in fighting against the effects of the illegal migrant influx it is necessary for the members of the European Union to be aware of the significance and importance of current problem [2]. It is a challenge for whole Europe and not only for those countries, which due to their geographical positions, are the first points of migrants' arrival. Some common policy taking into account the historical peculiarities and economic interests of all the states concerned, could provide a solution to the migration crisis in Europe.

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## INTERNATIONAL FORFAITING IN UKRAINIAN REALITIES

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**Zheryobkin D.YE. Riabenka I.V. International forfeiting in Ukrainian realities.** This article deals with international forfeiting and perspectives of its developing and functioning in Ukrainian economy. The essence of international forfeiting and the ways of its development in the world as well as the main issues of forfeiting in Ukraine are considered in the article.

**Key words:** forfeiting in Ukraine, international forfeiting, international forfeiting in Ukraine, perspectives of forfeiting development in Ukraine.

**Жерьобкін Д.Є. Рябенка І.В. Міжнародний форфейтинг в українських реаліях.** Стаття присвячена міжнародному форфейтингу, перспективам його розвитку і функціонування в українській економіці. У статті розглядаються сутність міжнародного форфейтинга і його напрямки розвитку в міжнародному досвіді, а також основні проблеми впровадження форфейтингу в Україні.

**Ключові слова:** міжнародний форфейтинг, міжнародний форфейтинг в Україні, перспективи розвитку форфейтингу в Україні, форфейтинг в Україні.

**Жерёбкин Д.Е. Рябенская И.В.Международный форфейтинг в украинских реалиях.** Стаття посвящена международному форфейтингу, перспективам его развития и функционирования в украинской экономике. В статье рассматриваются сущность международного форфейтинга и его направление развития в международном опыте, а также основные проблемы внедрения форфейтинга в Украине.

**Ключевые слова:** международный форфейтинг, международный форфейтинг в Украине, перспективы развития форфейтинга в Украине, форфейтинг в Украине.

Nowadays in modern countries with the strong or developing economies where strong market relations have been settled, the small and medium businesses more often face the following problems: where to take money for manufacture; how to make a payment with supplier without absorbing money from turnover means; how to clear the accounts with international suppliers in a more profitable way etc. All these issues are common for businesses all over the world including Ukraine. So that in different countries a lot of forms of international crediting have appeared that call on to make international relations between businesses and suppliers much easier. The relevance of article is based on functioning of international forfaiting in Ukraine and problems of developing international forfaiting which Ukrainian economy is facing today. All materials were derived from conferences, articles and online resources which more-less involve the topic of the article. The purpose of this article is to make research on actual condition of international forfaiting in Ukraine. Thus, the object of the article is international forfaiting, and the subject is problems of international forfaiting functioning in Ukrainian economy.

Firstly, it is necessary to understand the core of international forfaiting, its modern condition, the ways of development, advantages and disadvantages. So, international forfaiting is a specific form of foreign crediting operations involving the purchase of receivables from exporters prior to importers by a forfeiter (commercial bank). It means that receivables to pay for goods are got from exporter to bank. Thus, for importer it means the exception of risk of

nonpayment and exchange rate risk; for exporter it means getting goods without absorbing huge amounts of money from turnover and getting consignment from importer in the fastest way; for bank (forfeiter) it means benefit from the deal. Also the main difference from other forms of international crediting is the ability to sell receivables on the secondary market. It is possible as the main turnaround document is promissory note.

Forfeiting appeared in the 20<sup>th</sup> century when the Second World War ended. Some banks in Zurich, which had rich experience in international finance trade, started to use forfeiting to credit the purchase of grain from Western Europe to the United States. In those days, the supply of production and competition between suppliers increased so much that buyers had to require an increase in the terms of the loan granted to 180 days against the usual 90. Since then changes started to occur. The terms were increased and the amount of purchases became bigger. Thus, due to the role of credit in the development of international economic changes, suppliers were forced to look for new ways to finance their deals. When international trade barriers stopped functioning and a lot of countries from Africa, Asia and Latin America became more active on foreign markets, it was harder to grant credits for their own sources for Western entrepreneurs, that is why the suppliers were forced to use new methods of financing their deals. The forfeiting operations received the greatest development in the countries where state export credits were relatively poorly developed. Originally forfeiting operations were carried out by commercial banks, but as the amount of forfeiting operations was raising up, new specialized institutions were established. Currently one of the main centers of forfeiting is London, since the exports of many European countries for a long time have been financed from the city which is never slow for the development of new banking technologies. A significant part of forfeiting business is concentrated in Germany.

Nowadays there is a special organization called International Forfeiting Association (IFA) which develops forfeiting in new ways and helps entrepreneurs around the world to make forfeiting operations. It was founded in 1999 and the main aim of IFA is to involve banks and financial institutes just as the exporters and importers in forfeiting operations with comfort and safety. The necessity of such organizations is very significant as they are trying to spread forfeiting with all its pros and cons. All the forms of international crediting including forfeiting have their advantages and disadvantages. Forfeiting is not an exception.

There are some advantages of this financial operation:

- Debtor risk absence
- Possibility to sell debt
- Possibility to parcel out debt
- Flexible schedule of payments
- Possibility to finance complete cost
- Low interest rate
- Long terms of contract
- Possibility to work with state institutions

However, forfaiting has some disadvantages:

- It can be hard to choose a credit document (not only promissory note is accepted)
- Bank gets bigger margin in comparison with other forms of crediting
- Higher interest rate in comparison with other crediting operations
- Debtor is responsible for providing actuality of promissory instruments.

Anyway despite all disadvantages the forfaiting operations are very spread around the world and around Europe. Forfaiting is an easy operation which can be drawn in the short period and which simplifies the trade relations between agents from different countries.

And today this technique is developing fast in different ways. In recent years the development of forfeiting services in the countries with developed market economies went along the following main lines.

- *Secondary market and investments in forfeiting assets.* The forfeiting company can resell a portion of the owned assets because the nature of the transaction allows to split up the duty into any number of parts, each of which is issued in promissory notes with their maturity. One or more of these notes may be sold.

- *Syndication.* Another important direction of forfeiting services market is the consolidation of buyers in syndicates. This trend is consistent with the process of Association of banks as creditors. The process of unification takes place on the basis of mutual agreement between forfeiting companies as to which part of the forfeiting securities each of them will acquire. Usually different securities are bought by different forfeiting companies. But if the amounts are very large, even individual securities can be divided between forfeiting companies with the help of the contract of participation.

- *Funding based on the floating rate.* An important direction of development of forfeiting services market is the expansion of financing, which involves the calculation of the discount, and is based on a floating interest rate. This practice is due to the higher volatility of interest rates and it reflects the reluctance of many banks to conclude transactions at fixed rates [1].

In Ukraine forfaiting doesn't exist. There are a lot of barriers for this modern method of international crediting in Ukrainian economic realities. It is connected with the outdated economic development and with banks and businesses that misunderstand and ignore modern credit relations. Speaking about economic activities, Ukraine has a few problems which hinder spreading of forfaiting. The growth of mutual debts of largest industrial companies has led to the problem of non-payment and has become one of the main issues in economy and may require rapid decisions. Mutual financial debts are growing with alarming speed. It seems that this problem is now the main in the country as non-payments around the country have exceeded its annual gross domestic product.

Also, today promissory note is not so popular and the majority of entrepreneurs and businesses prefer payments by old methods. However, promissory note is very easy to process and to use.

In the future, of course, promissory notes will be used by more companies in Ukraine. The banks, in order to minimize their risks can practice promissory notes on the security of specific property or rights of the maker. However, lack of experience and skills can lead to such forms of commercial lending, when promissory notes will be enforced not only by aval which a bank provides, but by the debtor's property which holders may charge by a simplified court procedure.

Promissory note is becoming popular in the financial market in Ukraine. This is due to the relative simplicity, sophistication and long forms of the international practice of this debt. In the transition from a seller's market to a buyer's market promissory note will play a big role in trade, so it is very important to have laws which will regulate it [3].

The development of Ukrainian forfeiting market is constrained by the attribution of Ukraine to the countries with high-risk of investments. Western banks place funds in our country, increase the risks of investments, and thus reduce their reliability. On the one hand, this leads to the fact that the rate of promissory note is discounted, sometimes it exceeds the world rates and on the other hand – to the fact that banks are forced to freeze considerable means of correspondent accounts in foreign banks.

Ukraine Euro integration is able to change and develop economic processes. Cooperation with European companies and suppliers exact huge financing as well as the whole economic re-orientation on the European standards. That's why forfaiting can become a very profitable method of getting finance or selling products. Ukraine has to initiate all main standards including the institute of international forfaiting. To make it real Ukraine needs



to solve a lot of issues considering changes in legislation, reformation of economy etc [2].

*Speaking about international forfaiting in Ukraine it is necessary to highlight the main difficulties:*

- Absence of legal acts which would regulate forfaiting processes and operations. In Ukrainian legislation there is no allusion which is relative to forfaiting. It means that no one is able even to know how this operation is regulated by the law and how the documents have to be composed. Even if someone tries to make a forfaiting operation this won't be legal.

- Businesses and banks lack knowledge. Commercial banks and entrepreneurs don't know about this method of crediting.

- Economic instability. It causes many troubles to all spheres in the country. In case of forfaiting there is a huge risk for all subjects. First of all, there is exchange risk as forfaiting operation is transacted in the foreign currency.

- The development of Ukrainian forfeiting transactions market is constrained by the relation of Ukraine to countries with high-risk investments.

Consequently, if some changes in economy and legislation occur there will be base to provide this technique and spread it between commercial banks, businesses and governmental structures. Today Ukraine has the chance to develop forfaiting among the country. There are no serious problems which can bar to do it [4].

Conclusion: It seems that Ukraine has a space for plantation of the international forfaiting into its economy, but at first Ukraine has to solve the main issues that bar the functioning of forfaiting. Unfortunately, this is not a quick process and serious resources and efforts are needed for it. Forfaiting in Ukraine can enhance national companies and help them to develop and to cooperate with European companies on the equal level. It can even make our companies more competitive on European market. Talking about striving for Euro integration we can make a conclusion – the appearing of international forfaiting in Ukraine is inevitable.

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# THE IMPROVEMENT OF PROBLEMS OF UKRAINIAN TOURISM INFRASTRUCTURE

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**Zhukovina E.E., Shamara I.M., Saprun I.R. The improvement of problems of Ukrainian tourism infrastructure.** The article examines a definition of such a modern concept as “tourism infrastructure” and components of national infrastructure. A brief analysis of Ukrainian tourist infrastructure impact on the quality service of tourism enterprises is carried out. Statistics concerning domestic tourism flows in the country in the period from 2012 to 2014 is provided. Based on the research of Ukrainian tourist infrastructure and its analysis, its strengths and weaknesses are revealed. An attempt to predict its future development is made. In particular, the examples of well-organized government regulation and investment are provided.

**Keywords:** domestic tourist flows, government regulation and investment, physical infrastructure of tourism of Ukraine, tourism infrastructure.

**Жуковина К.Е., Шамара І.М., Сапрун І.Р. Проблеми вдосконалення туристичної інфраструктури України.** У статті розглядається таке сучасне поняття як «туристична інфраструктура», складові вітчизняної інфраструктури. Проводиться короткий аналіз впливу української туристичної інфраструктури на якість послуг туристичних підприємств. Наводяться статистичні дані стосовно внутрішніх туристичних потоків у країні у період з 2012 по 2014 рр. Розкриваються слабкі та сильні сторони у стані української туристичної інфраструктури, на основі їх досліджень та аналізу створюється спроба прогнозування її подальшого розвитку. Зокрема, наведені приклади якісного державного регулювання та інвестування.

**Ключові слова:** внутрішні туристичні потоки, державне регулювання та інвестування, матеріально-технічна база туризму України, туристична інфраструктура.

**Жуковина Е.Э., Шамара И.Н., Сапрун И.Р. Проблемы усовершенствования туристической инфраструктуры Украины.** В статье рассматривается такое современное понятие как «туристическая инфраструктура», составляющие отечественной инфраструктуры. Проводится краткий анализ влияния украинской туристической инфраструктуры на качество услуг туристических предприятий. Приводятся статистические данные о состоянии внутренних туристических потоков в стране в период с 2012 по 2014гг. Раскрываются слабые и сильные стороны в состоянии украинской туристической инфраструктуры, на основе их

исследований и анализа создается попытка прогнозирования дальнейшего развития. В частности, приведены примеры качественного государственного регулирования и инвестирования.

**Ключевые слова:** внутренние туристические потоки, государственное регулирование и инвестирование, материально-техническая база туризма Украины, туристическая инфраструктура.

With the significant potential of natural resources, historical and cultural attractions, the tourism industry in Ukraine is one of the priority areas of the national economy. However, possessing all the necessary conditions for the development of tourism, Ukraine pay not so much attention to this sector of the economy. Due to this situation, the problem of improving the tourism infrastructure remains relevant. The topicality of this theme lays in the necessity of rational usage of tourism infrastructure in order to improve the level of Ukrainian inbound tourist flows that will lead to economical and social growth.

The object of the research is term “tourism infrastructure” of Ukraine and its components.

The subject is short analysis of inbound tourism flows. The aim of the work is to analyze the ways of improving tourism infrastructure, to predict the way of its future development.

The main factor in the efficient use of recreational resources is the presence within the tourist destinations of tourist infrastructure. Here are some examples of the definition of “tourism infrastructure”. Infrastructure is a set of industries and activities that serve manufacturing (industrial infrastructure – transport, communications, roads, power lines, etc.) and the public – (social infrastructure – a complex of health facilities, trade, etc. [1]. According to the Law of Ukraine “On amendments and additions to the Law of Ukraine” “tourist infrastructure is a set of different subjects of tourism (hotels, tourist centers, campgrounds, motels, boarding houses, catering, transportation, cultural institutions, sports, etc.) providing reception services and tourist traffic” [2]. Therefore, these are the building and construction, communications, transport system, which are involved in the provision of travel services.

Another definitions says: tourist infrastructure can be defined as a set of artificial recreational establishments (sanatoriums, recreation centers, hotels, restaurants, etc.). And accompanying facilities built for public use by public investment (automobile and rail roads (ways), checkpoints, airports, hospitals, schools, etc.). Transport infrastructure play a kind of role that links different sectors of the tourism industry, including the end user and by the initial process

of becoming industrial, and later – post-industrial society, as a society can not do without them [3].

The development of tourism infrastructure contributed to increased investment in the sector. One of the components of the competitiveness of the tourism enterprises are competitive ability of its services, which is determined by their quality and price. The physical maintenance and technical base of tourism affects the quality of tourism enterprises. It is impossible to provide tourist services without using physical infrastructure (basic and buildings, inventory and equipment, etc.). Eventually the fixed assets wear out, become obsolete and their replacement or upgrading the necessary investment. To achieve international standards of reception and service of tourists, the development of material base of tourism need to be innovated into. However, most experts believe that the country's tourist infrastructure is developed enough and morally obsolete today [5]. It should focus on the fact that domestic tourist flows up to 71.1% provided inbound tourist flow and only 28.9% by domestic tourists, indicating the weak development of domestic tourism in Ukraine [2]. At the same time, official statistics from various sources are significantly different, due, on the one hand, to the difference accounting methodological bases, on the other hand, a significant shadow turnover in the industry. A large number of domestic scientists believe that Ukraine has seen a rapid development of tourism infrastructure elements [3].

In the structure of the material and technical base of tourism Ukraine, special attention should be given to the main building, which includes all the tourist accommodation: hotels, motels, resorts. All these facilities are for a short stay for the implementation of various activities. These can include business contacts during a business trip, participation in congress trips to learn about the cultural, historical and architectural monuments; travel for leisure, recreation or participation in sporting events [4].

Efficient investments are the basis of this development in Ukraine. Investing should take place within the framework of large investment projects, such as the formation of transport infrastructure, construction of large objects and structures, preparation of the infrastructure of life support systems for projects development of new recreational areas. Public-private partnerships can be implemented in concession projects, allowing to attract private investment in large projects and solve a number of legislative disagreements (e.g. implementation of projects on state-owned lands not subject to privatization)

To sum up, tourism and recreation opportunities in Ukraine caused great interest among representatives of the international tourism industry, which

greatly affects the improvement of the national tourism infrastructure. At the same time, it should be noted that the dynamics of the industry development in Ukraine is far behind world trends.

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Наукове видання

**ІНОЗЕМНІМОВИ У СВІТОВОМУ  
ЕКОНОМІКО-ПРАВОВОМУ ПРОСТОРИ:  
СТУДЕНТСЬКІ СТУДІЇ**

Збірник  
наукових статей студентів  
Випуск 3

20 лютого 2016 р.

Англійською мовою

Відповідальний за випуск  
Комп'ютерне верстання

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